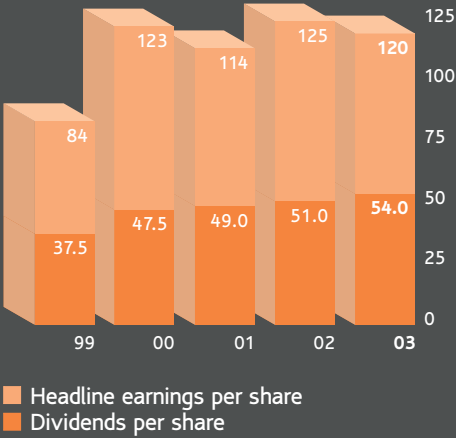


ANGLO AMERICAN A WORLD OF DIFFERENCE

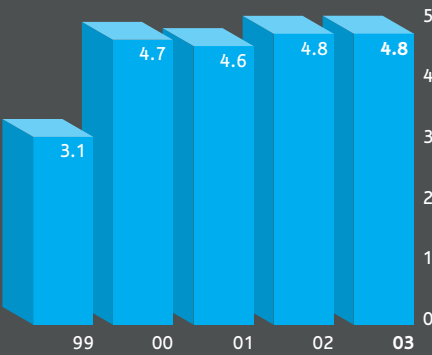
ANNUAL REVIEW 2003

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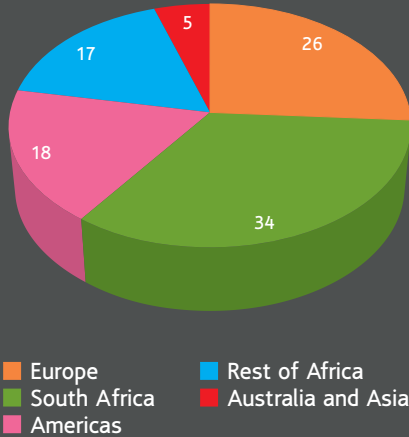
HEADLINE EPS AND DPS
US cents



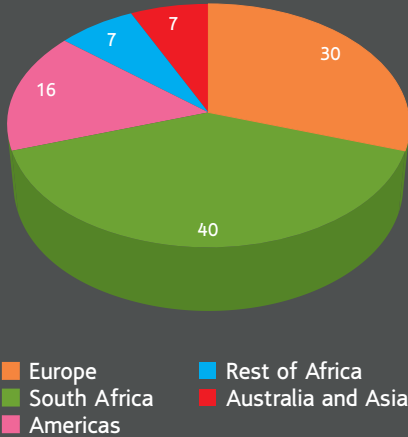
EBITDA
US\$ billion



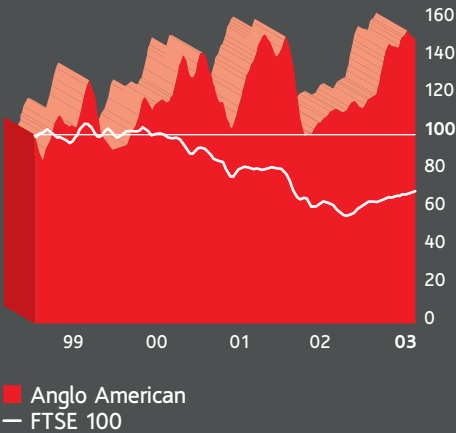
GEOGRAPHIC EARNINGS MIX
%



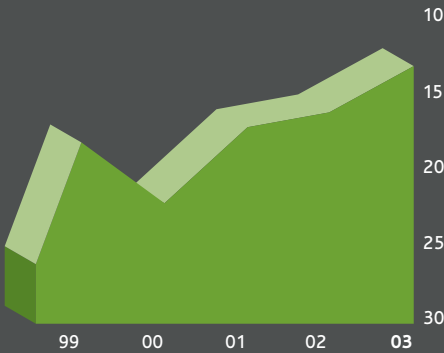
GEOGRAPHIC ASSET MIX⁽¹⁾
%



SHARE PRICE PERFORMANCE VS FTSE 100
Indexed (May 99 = 100)



POSITION IN THE FTSE 100
FTSE 100 ranking



£100 invested in Anglo American at the time of its listing in May 1999 would at the end of 2003 be worth £153* as compared with £71* if invested in the FTSE 100 Index over the same period.

*Excluding dividends

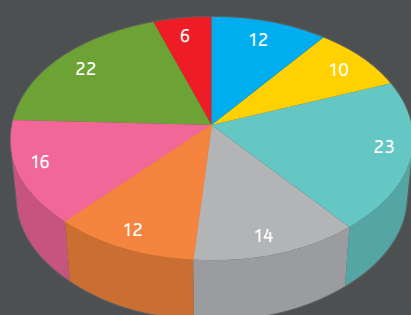
⁽¹⁾ Represents net attributable operating assets, including investment in associates and joint ventures.

A SNAPSHOT OF OUR BUSINESSES

OUR BUSINESS	PROFILE	PRODUCTS AND USES
PLATINUM Ownership 74.1%	Anglo Platinum is the world leader in platinum group metals (PGMs) and the world's largest primary producer of platinum, accounting for about 40% of world production.	Platinum is mainly used in jewellery and as a component in autocatalysts. It is also used in the chemical, electrical, medical, glass and petroleum industries.
GOLD Ownership 54.5%	AngloGold produces approximately 6 million ounces of gold a year. It has a global presence, with 19 operations in eight countries, and plays a vigorous role in the downstream marketing of gold.	Gold is used primarily for fabrication and bullion investment. Fabricated gold has a variety of uses, most obviously in jewellery but also in electronics, dentistry, medals and official coins.
DIAMONDS* Ownership 45%	De Beers accounts for about 45% by value of global rough diamond production. Through The Diamond Trading Company, it is the world's largest supplier and marketer of gem diamonds.	The vast majority of natural diamond production by value is gem quality rough that is sold for use in jewellery, with some natural stones being used for industrial purposes e.g. cutting and other applications.
COAL Ownership 100%	Anglo Coal is one of the world's largest private sector coal producers and exporters, producing thermal and metallurgical coals. It has mining operations in South Africa, Australia, Colombia and Venezuela.	About 40% of all electricity generated in the world is powered by coal. Coal is a key raw material for 70% of the world's steel industry and an important fuel for other industries such as the cement sector.
BASE METALS Ownership 100%	Anglo Base Metals comprises copper, nickel, zinc and mineral sands operations and projects in South America, southern Africa, Ireland and Canada.	Copper is used primarily in wire and cable and also in brass tubing and pipes. Zinc is used predominantly in galvanising, and nickel mostly in the production of stainless steel.
INDUSTRIAL MINERALS Ownership 100%	Anglo Industrial Minerals is the no. 1 UK producer of aggregates and asphalt and a significant producer of ready-mixed concrete. Its interests are principally in the UK, continental Europe and Brazil.	Tarmac is involved in the production of crushed rock, sand and gravel, asphalt, concrete and mortar, concrete products, lime and cement. Copebrás is a Brazilian producer of phosphate fertilizers.
PAPER AND PACKAGING Ownership 100%	Anglo Paper and Packaging, operating under the Mondi name, is an integrated paper and packaging group with operations and interests in Europe, South Africa, Asia and North America.	The operations manufacture pulp, graphic papers, packaging papers, board and converted packaging, as well as solid wood products.
FERROUS METALS & INDUSTRIES Ownership 100%	Anglo American holds a significant interest in Kumba, one of the top five producers of iron ore. Most of Ferrous Metals & Industries' operations are in South Africa, Australia and South America.	Iron ore is the basic raw material used in the production of steel. Chrome, manganese and vanadium all impart special properties in the steelmaking process.

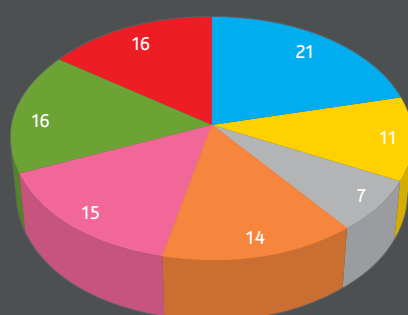
*Operated by De Beers, the Company's independently managed associate.

**HEADLINE EARNINGS
BY BUSINESS UNIT**
%

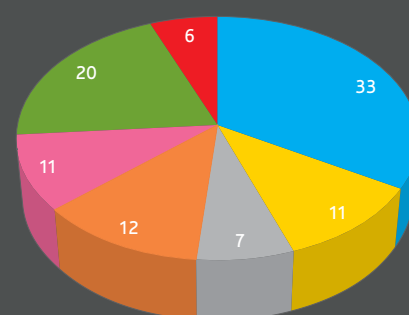


Platinum
 Gold
 Diamonds
 Coal
 Base Metals
 Industrial Minerals
 Paper and Packaging
 Ferrous Metals & Industries

**NET OPERATING ASSETS
BY BUSINESS UNIT**
%



**CAPITAL EXPENDITURE
BY BUSINESS UNIT**
%



STRATEGY

Anglo Platinum plans to grow market demand for PGMs, expand supply into that growth and optimise value in current operations. Principally through Johnson Matthey plc, Anglo Platinum has made significant investments in research and development into new uses for PGMs.

AngloGold plans to secure the world's best reserves and to grow the company into the global gold equity of choice. It is a leading exponent in expanding the market for gold.

De Beers continues to drive demand for diamonds through its advertising and marketing focus on expanding diamonds' share of the luxury-goods sector.

Anglo Coal plans to maintain and grow a balanced and profitable mix of metallurgical and thermal coal assets, supplying international markets in the Mediterranean-Atlantic and Indo-Pacific basins as well as appropriate local customers.

Anglo Base's strategy is to find, acquire, develop and operate long life, low cost assets. It aims to increase capital and operating efficiency through continuous improvement and innovation in order to earn superior returns throughout the metal price cycle.

Tarmac's strategy is to generate superior returns by growing the margins in its business. This will be achieved through increased focus on customer service, further cost control and productivity improvements.

The focus is on converted paper and packaging products for industrial and consumer markets based upon highly efficient integrated forestry, waste paper recycling and pulp manufacture.

Anglo Ferrous intends to expand Kumba through further development of its iron ore interests.

SIGNIFICANT EVENTS DURING 2003

Anglo Platinum has slowed down its expansion programme mainly due to the strong rand/dollar exchange rate's impact on cash generated from operations and project returns. Its long term strategy to expand production to meet the growing market for PGMs remains in place.

In August 2003, AngloGold announced a proposed merger with Ashanti Goldfields, bringing together the financial and technical resources of AngloGold with the reserve base and growth potential of Ashanti to create a combination strategically placed for sustained value growth.

The Supplier of Choice initiative was launched in July 2003 and aims to stimulate consumer demand for diamond jewellery at retail level by addressing the issues that have historically inhibited growth in the diamond business.

In May 2003, Anglo American reached agreement with Sasol to develop the Kriel South coal reserves in South Africa. The coalfield is expected to yield an estimated 200 million tonnes of thermal coal for supply to Sasol Synfuels over 20 years.

The wholly owned Skorpion zinc mine and refinery in southern Namibia was officially opened in September 2003. The mine will produce 150,000 tonnes per year of special high grade zinc and will be one of the lowest cost zinc mines in the world.

In 2003, its centenary year, Tarmac made ten acquisitions totalling \$100 million in the UK and continental Europe. The new phosphate plant in Brazil was completed in February 2003 and was officially opened in April 2003 by the Brazilian president 'Lula' da Silva.

Mondi acquired Bauernfeind's corrugated paper and packaging business and Copamex's industrial sack business (the latter subject to competition approval). Ruzomberok's PM18 machine was commissioned. The Richards Bay expansion/modernisation and upgrade at Merebank were announced.

Anglo American acquired a majority stake in Kumba, which has world class iron ore assets in South Africa and Australia.

ANGLO AMERICAN IS A WORLD LEADER IN MINING AND NATURAL RESOURCES

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Throughout this Review, '\$'
denotes United States dollars.
1999, 2000 and 2001 figures
have been restated for FRS 19.

ANNUAL GENERAL MEETING

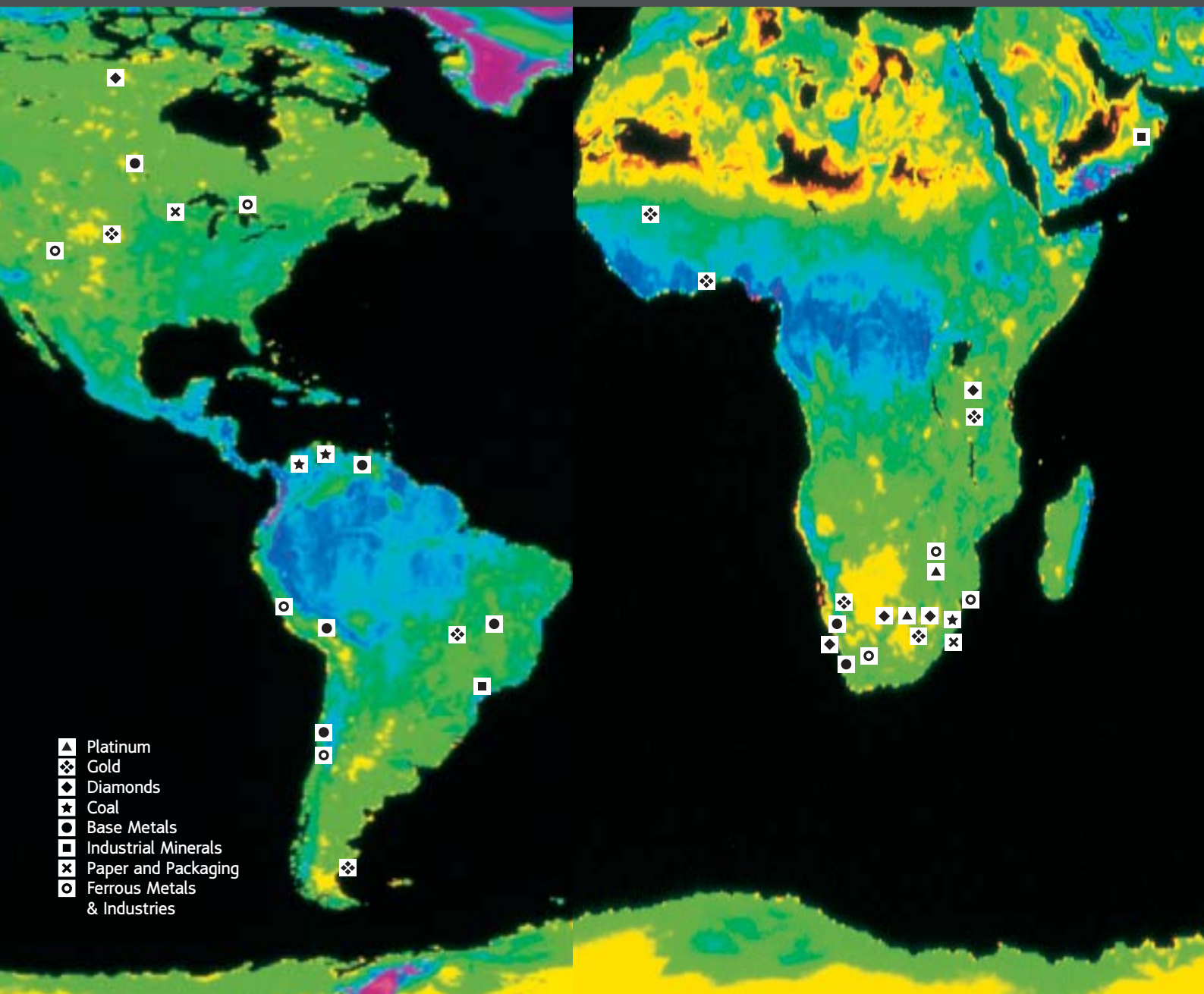
11:00 am on Wednesday, 21 April 2004,
at The Conference Centre, Church House,
Dean's Yard, London SW1P 3NZ.

SHAREHOLDERS' DIARY 2004/5

Interim results:
August 2004
Interim dividend paid:
September 2004
Financial year end:
31 December 2004
Annual results announcement:
February 2005
Annual Report:
March 2005
Annual General Meeting:
April 2005
Final dividend paid:
April 2005

FROM THE ARCTIC CIRCLE TO THE CAPE OF GOOD HOPE

ANGLO AMERICAN COVERS THE WORLD



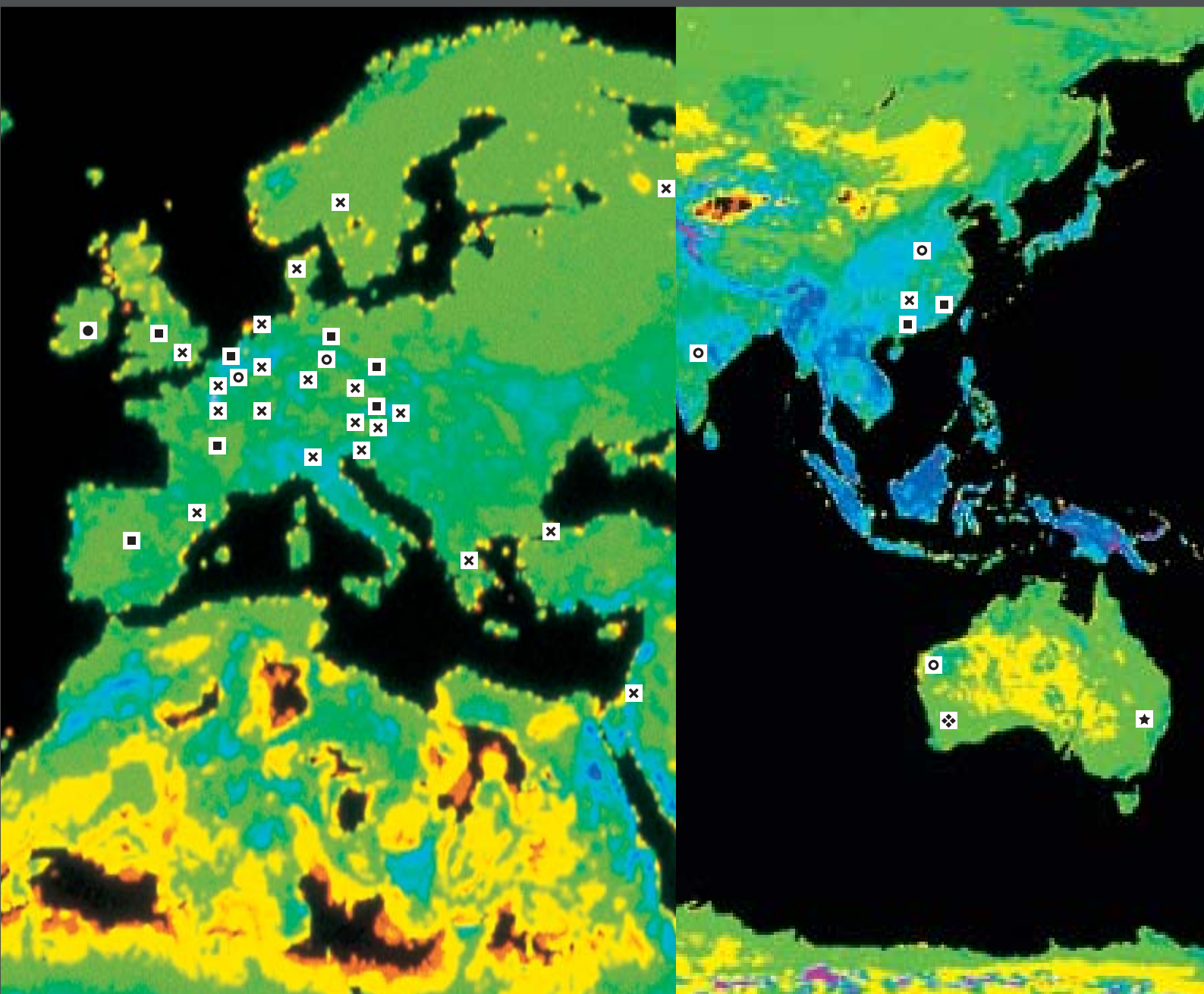
Anglo American's operations span the globe, with products ranging from aluminium to zircon. Operating in 64 countries, through eight product-based business units, Anglo American together with its subsidiaries and associates is a world leader in platinum group metals, gold, diamonds and coal and has growing interests in base metals, iron ore, ferrous metals, industrial minerals, and paper and packaging.

Since the formation of Anglo American plc five years ago, there has been a steady diversification of its geographic mix. In the UK and continental Europe, substantial investments have been made in the Industrial Minerals and Paper and Packaging sectors. In South America, the acquisition of the Disputada (now known as Minera Sur Andes) copper operations in Chile in late 2002 has propelled the Group to copper's top five. Industrial Minerals has increased its investment

in Brazil with the opening last year of a \$128 million fertilizer plant at Copebrás, and a major expansion is under way by Anglo and its partners at the Cerrejón coal operations in Colombia. Anglo American now has a significant presence in Australia's coal industry and is a leading exporter of coal from three continents. In Asia, China is today the major market for platinum jewellery, while business units such as Industrial Minerals, Paper and Packaging and Ferrous Metals & Industries plan to strengthen their presence in the country. In Africa, Anglo Platinum is engaged in a major expansion in South Africa to lift output. AngloGold is planning to merge with Ghanaian-based Ashanti Goldfields, which has six operations across the continent, which would make AngloGold world leader in terms of production and reserves. In Namibia, Anglo Base Metals recently brought on stream a \$454 million low cost zinc mine and refinery.

Anglo American's product mix is different in many ways from that of its peers – and is changing all the time. In 2003, the Company took a big stride to enter the iron ore industry, a long term goal of Anglo American. With the acquisition of a significant stake in Kumba, Anglo can now look forward to being a partner in unlocking the iron ore potential of the Northern Cape in South Africa and at Hope Downs in Western Australia.

Anglo's expansion has been accompanied by the development of strong local partnerships and the empowering of local management. Experience has shown that these are the people who are best able to anticipate, and not merely respond to, changing conditions in the local environment.



ANGLO AMERICAN COVERS THE WORLD

MOVING UP TO COPPER'S PREMIER DIVISION

Anglo Base Metals continues to reposition its business by focusing on fewer, larger, lower cost, world class assets. Consistent with this strategy, Anglo acquired the Disputada copper interests in Chile in late 2002. The assets comprised the Los Bronces open pit mine and concentrator plant, El Soldado's open pit and underground operations and processing plant, and the Chagres smelter, which converts Los Bronces and El Soldado flotation concentrates into anode copper.

Los Bronces was the major element of the \$1.3 billion acquisition. It produces around 208,000 tonnes of copper a year (180,000 tonnes of copper concentrate and 28,000 tonnes

as cathodes). It has enormous reserves and resources, which have increased since the acquisition, and exciting growth potential.

In a consolidating copper industry, opportunities to acquire operating assets with brownfield expansion capability on the scale of Los Bronces are becoming rarer. The acquisition of Disputada (now known as Minera Sur Andes) at a low point in the price cycle, and with a resultant lower entry cost, is creating significant value for the Group as the copper price rises.

Below: Jorge Betzhold using his GPS (Global Positioning System) at Los Bronces, in the Andes, more than 3,000 metres above sea level.



PROFILE JORGE BETZHOLD, CHILE

When he left the Universidad de Chile in late 1981 armed with a Geology degree, Jorge Betzhold deliberately targeted Anglo American in his sights "because big, international companies were likely to provide greater opportunities for my professional development".

This certainly has turned out to be the case for Jorge, who has progressed from being an exploration geologist to his present position as vice president – mineral resources for Anglo Base Metals South America and a member of the Management Committee of Anglo Chile. Jorge has been involved in projects and operations

in 12 countries altogether in South America and Africa. This work experience has been complemented by studies in Geostatistics to MSc level at the School of Mines of Paris and he has been through the Management Development Programme at Stellenbosch University in South Africa.

Now back in his native Chile, Jorge is looking forward to playing his part in growing Anglo Base Metals: "We are now a major player in copper and, personally, I would like to see us become bigger in nickel and niobium, too, with good mineral deposits managed with a culture of operating excellence, accountability, transparency, continuous improvement and innovation."



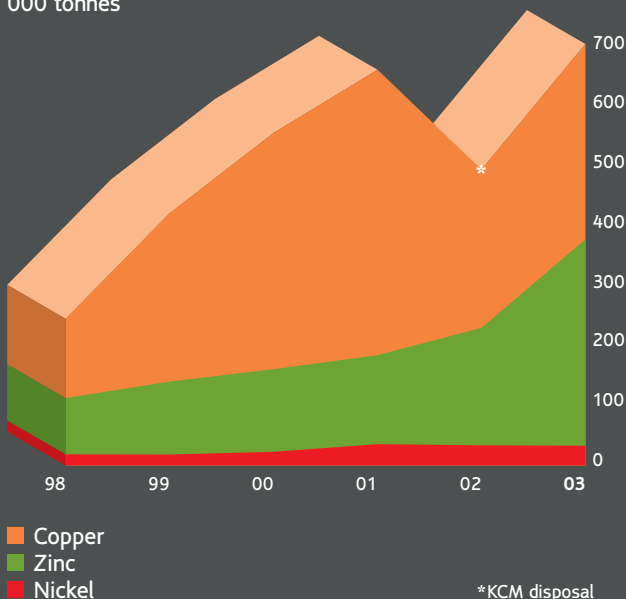
With world class assets in Chile, the Group is now the fifth largest copper producer in the world.

The synergies targeted from the cluster of five operations in Chile after the acquisition of Disputada have already begun to be realised. While continuing to look for growth through exploration and development of greenfield projects, and remaining open to opportunities for further acquisitions, the immediate focus is on unlocking further value at existing operations and moving forward on a number of exciting brownfield projects already identified at Los Bronces, El Soldado and Chagres.

At Collahuasi, in which the Group has a 44% share, the \$654 million Rosario project to expand concentrator throughput from 60,000 to 110,000 tonnes per day and transfer mining activity from the Ujina open pit to Rosario to offset falling ore grades will be completed in the second quarter of 2004.

With this, Anglo is well placed to benefit from the upturn in the copper price as the global economy recovers.

ATTRIBUTABLE COPPER, NICKEL AND ZINC PRODUCTION 000 tonnes



TARMAC TAKES THE HIGH ROAD

Tarmac has played a major part in the construction of the UK's first toll motorway, the Birmingham Northern Relief Road. The road has been designed to relieve one of Britain's worst motoring headaches: negotiating the M6 around the north of Birmingham.

Tarmac has supplied and laid all surfacing materials – over 500,000 tonnes of asphalt – for two sections of the motorway.

Drivers on the new M6 toll road may never know that beneath their tyres lie deceptions, romance, handsome heroes and heroines in distress! Defective copies of Mills & Boon novels are processed before finding their way into Tarmac's Masterpave mixture. Using paper fibre improves bitumen absorption, resulting in a stronger, longer lasting surface.

Another unusual component of the M6 toll road has been the new equipment designed to construct a water channel between carriageways. Work needed to be swift so that installation of the street lighting and central reservations could immediately follow. The new machinery enabled the job to be done in around a third of the time it would have taken with traditional equipment.

The motorway opened in December 2003, ahead of schedule.

Left: Tarmac's Masterpave being laid on the recently opened Birmingham Northern Relief Road, Britain's first toll motorway.

Right: Galina Sautkina about to set off – at minus 14°C – for the plant at Neusiedler Syktyvkar in northern Russia.



PROFILE GALINA SAUTKINA, RUSSIA

Galina Sautkina, 29, grew up in Syktyvkar, 1,200 kilometres north east of Moscow. After graduating from Syktyvkar University, she completed a two year course in Economics at the University of Maine in the USA. Galina started her career at the mill in 1997 as an assistant to the directors and now heads the International Reporting and Controlling Department.

The performance targets set by Neusiedler have seen increased responsibilities for Galina, whose department's reports are routinely requested by the board. Galina says, "This appreciation of what my strong team does and the dynamic spirit of the company makes Syktyvkar a great place to work and gives me a lot of confidence in the future."



SYKTYVKAR – ONE OF RUSSIA'S BEST

Neusiedler Syktyvkar's mill is based near the city of Syktyvkar in the Komi Republic. The mill opened in the Brezhnev era in 1969 and began to earn a reputation as one of the best-managed domestic companies in its industry, which was to lead to further investment by the Soviet authorities.

A substantial capital investment programme has continued under Neusiedler, focusing on modernising and increasing capacity in such relatively high margin areas as office communication papers (360,000 tonnes per annum of mainly A3 and A4 papers), kraft liner board (190,000 tonnes) and newsprint (180,000 tonnes).

Syktyvkar is now Russia's no. 2 in office paper and exports about half its range. Its top liner board used in corrugated packaging enjoys a 55% market share, its kraft liner has a 20% share, while it holds about 12% of the domestic market for newsprint.

Top left: Syktyvkar was rated as one of Russia's best companies in 2003.

DE BEERS CREATES A GLITTERING CONSUMER BRAND

The name De Beers has been synonymous with diamonds for more than a century but it is only recently that a customer has been able to buy jewellery from an outlet bearing this name. With the formation of the De Beers-Louis Vuitton Moët Hennessy (LVMH) joint venture in 2001, a retail business under the management of LVMH was born.

The first De Beers LV store opened in London's West End in December 2002. This was followed in September 2003 by the establishment of De Beers LV outlets in three major stores in Japan's capital, Tokyo. De Beers LV plans to open the doors of its flagship store, on New York's 5th Avenue, in the second half of this year.

Bottom left: One of De Beers LV's Tokyo outlets which opened in September 2003.





CHINA'S CENTURY

ANGLO AMERICAN'S SALES OF PLATINUM
AND GOLD AND DE BEERS' SALES OF DIAMONDS
INTO CHINA'S BOOMING ECONOMY ARE
CURRENTLY VALUED AT AROUND \$1 BILLION

China, by almost any measure, continues to show a clean set of heels to the rest of the world's major economies. Real GDP growth in 2003 was 9.1% and according to latest consensus forecasts is likely to slow only moderately to 8.3% in 2004 and 7.7% in 2005. In 2003, its industrial production growth leapt 17%, while the western world merely stuttered along at 1.5%.

This nation of 1.3 billion people attracted \$53 billion in foreign direct investment in 2003. It also increased automobile production by a third to 4.5 million vehicles. Intel, the world's biggest computer chip maker, expects China to surpass the United States as the top consumer of PCs by 2010.

Anglo American is a key supplier of products to help satisfy China's seemingly inexhaustible appetite for commodities. Platinum group metals (PGMs) are the Group's major export to the country and are used mainly in jewellery manufacture and autocatalysts. In the case of platinum itself, Anglo Platinum supplies nearly 40% of world total supply of just over 6 million ounces – and, despite Chinese platinum jewellery demand dropping by 13% in 2003, this sector accounted for around 1.2 million ounces, still the world leader, after overtaking Japan in 2000.

Elsewhere in the jewellery sector, Chinese market share of gold and diamonds is set to increase as the country's middle class continues to grow and the government relaxes its regulatory grip on the market.

Anglo American is well positioned to supply other commodities, such as base metals and packaging, to the Asian giant. In copper, for example, Anglo has now attained the critical mass to take advantage of a situation which, in two to three years' time, is likely to see 25% of world copper production making its way to China. In addition, Tarmac is developing a quarry to supply asphalt materials to Shanghai's burgeoning construction industry, and Anglo's wholly owned mining and drilling-services supplier Boart Longyear already has a plant in the country.

Anglo is also looking to become a major supplier of iron ore to an economy that has doubled steel output in the past five years and to which, in 2003, exports of iron ore outstripped shipments to Japan for the first time.

Left: The place where fashions start: Shanghai is China's commercial capital and reflects the latest in style.

Top right: In Guangdong province, Shi Jing is a major customer of Anglo's Paper and Packaging subsidiary Frantschach, which plans to produce around 60 million industrial sacks for south east China's booming construction industry in 2004.

Bottom right: A prospective buyer admires the platinum jewellery displays in a downtown Shanghai department store.



NEXT BIG THINKING

INNOVATION IS ONE OF ANGLO AMERICAN'S
MOST PRECIOUS NATURAL RESOURCES

One of Anglo American's strengths is its exceptional technical knowledge base, with leading-edge expertise across eight product-based business units spanning more than 60 countries and underpinned, at the centre, by formidable in-house technological capacity. This resource has been further leveraged through enduring business partnerships and joint ventures, a deliberate policy of fostering the empowerment of local managements, and through moving people across both divisions and geographies.

The mining and natural resource industry is an extraordinarily competitive one and to extract full value from all Anglo's businesses there has to be an improvement in knowledge sharing. Over the past few years all business units have responded to this challenge, moving away from the traditional 'top-down' management approach and encouraging every employee to come forward with their own

ideas to help manage tasks more effectively. Sharing information between operations, business units and the centre – 'breaking down the silos' – has been instrumental in finding new ways to do things better.

Following on a Group-wide knowledge sharing seminar in May 2003, a Knowledge Sharing Forum was established with representatives from the business units and the corporate offices. The dissemination of information across the Group will be further enhanced when the Enterprise Information Portal, an IT platform that will link the entire Group, is rolled out later this year. Also at the Group level, the Technical Director's Office is driving the Energy Efficiency Project, which aims to co-ordinate input from all parts of the Group with the aim of developing technical solutions to increase efficiency and, therefore, competitiveness.

At the business unit level, noteworthy initiatives include: Mondi's Strategic Innovation Programme. This web-based programme aims to foster a culture of innovation, gain competitive advantage and develop ideas into concrete business cases that can be taken forward to the investment stage. Tarmac has held the first of what will be regular innovation workshops and dedicated teams are in place to progress a number of ideas coming out of this. Anglo Base Metals is giving tangible recognition to the value of innovation by presenting an annual Innovation Award, now in its third year, which aims to promote creativity, initiative and improvement throughout its operations.

Below: Chemist Manneka Mosisili carries out the dilution of a metallurgical solution using a micro-pipette at the Anglo American Research Laboratories in Johannesburg.



NEW ANGLES, FRESH APPROACHES AND MORE CREATIVE WAYS OF WORKING

PAST, PRESENT AND FUTURE

De Beers, through its sales and marketing arm The Diamond Trading Company (DTC), is constantly seeking new ways to grow consumer demand for diamonds. In 2000, DTC announced its Supplier of Choice strategy, designed to encourage efficient and value-adding distribution of diamonds.

One example of this success story is Japan. Diamonds had typically come to be perceived as outward symbols of wealth and status, which, in the face of economic recession, had become less relevant, or justifiable.

DTC, therefore, launched a new campaign, called Trilogy, to demonstrate that diamonds can also reflect a woman's radiance or 'Kagayaki'. Trilogy jewellery, containing three diamonds, celebrates past, present and future in one stunning piece.

Six DTC clients were objectively selected to participate in the programme, together with their retailer partners. The programme became an overnight success. Within a few weeks of the launch, sales of Trilogy products had reached over \$50 million and are now estimated at over half a billion dollars.

Consumer and trade confidence is returning to the Japanese diamond market. For the first time in over a decade, sales outperformed GDP, growing by 6% last year. At least part of this growth is attributable to the success of the Supplier of Choice philosophy which has been embraced by so many within the trade and which has helped turn Japan into a growth market for the future.

Below: The Diamond Trading Company's recently launched range of Trilogy rings is helping to increase non-bridal jewellery sales in Japan, the second biggest diamond jewellery market after the USA.



READY WHEN YOU ARE

As a global provider of packaging solutions, Frantschach is a leading player in several European markets. The company acquired flexible-packaging plants in Austria, Poland and Hungary in 2000, putting Frantschach in a strong position with regard to stand-up pouches and flexible packaging solutions based on film paper and laminates. These have been supplemented by the acquisitions of Nord-West Verpackung, a major German producer of consumer bags; Wheatley Packaging, UK market leader in frozen-food packaging; and the recent majority stake in Danish company Neoplex, which is no. 1 in northern Europe in flexible packaging for frozen foods.

NeoSteam is a new flexible solution that makes it possible to steam deep-frozen ready meals, vegetables, pasta, rice and fish directly in the microwave, saving time in preparation and tidying.

The meal tastes better as the steam cooking process ensures that the taste of all the ingredients and seasoning is sealed in and thus better preserved than in conventional boiling or roasting.

NeoCrisp packaging makes it possible to prepare fast-food products such as spring rolls and pizzas in the microwave without compromising on crispness.

Right: Mondieurope is a regional leader in several types of packaging, with businesses stretching across Europe from Ireland to Poland. Featured are deep-frozen products that make use of Frantschach's flexible packaging.



ANGLO'S INNOVATION SUPERHIGHWAY

In its quest to develop breakthrough innovation and substantial profit improvements, Mondi has implemented its Strategic Innovation Programme (SIP) to source profitable growth opportunities and drive them through to execution.

The backbone of the SIP is the Innovation Zone, a web-based system that allows Mondi's employees from different countries and operations to share ideas about cost savings and new market opportunities. Ideas will be evaluated based on their market potential and strategic fit within Mondi.

"The SIP provides each stakeholder with the opportunity to shape Mondi's future. The smallest idea could be the spark that leads to the creation of significant value and even tiny cost savings could have a big impact if leveraged across Mondi," says chairman and CEO David Hathorn.

Left: Mondi Europe now has a web portal that provides the opportunity for all its employees to share ideas about cost savings and new market opportunities.

At Lisheen Mine, Ireland, management has initiated a scheme called Rewarding Innovative Ideas. Employees are able to make suggestions on ways to improve safety, productivity, health, cost, environment and morale. Each suggestion will be considered by a review team and, if implemented, the employee will receive a financial reward.

One idea that is now in practical use is the installation of green fluorescent globes above the eyewash/safety showers. The green light makes the units stand out from other equipment and is easily identified by a person who may have chemicals in his/her eyes. Another is using a supermarket trolley-locking mechanism to control the movement of power tools and ladders.



PROFILE ANGELA WALKER, UK

Angela Walker, Tarmac's marketing director, believes that a focus on customer care will drive customer loyalty, employee commitment and, ultimately, improve shareholder returns.

The company's ultimate goal is to be the customer's first and only choice and it is working towards achieving this aim by implementing robust measurements of customer satisfaction, imposing some top-down service targets and introducing innovative internal

workshops. Angela is challenging front-line employees to step into the customers' shoes and identify areas in their daily work that could benefit from improvement. The initiative, which is called 'Voice of the Customer', encourages employees to recommend and be responsible for implementing solutions.

"This initiative provides an opportunity for employees to take a lead role in improving our business, coming up with practical solutions that they can start using immediately," explains Angela.



ANGLO AMERICAN'S APPROACH TO ITS WIDER SOCIAL RESPONSIBILITIES

SAFETY

ACCIDENTS STILL ON A DOWNWARD TREND

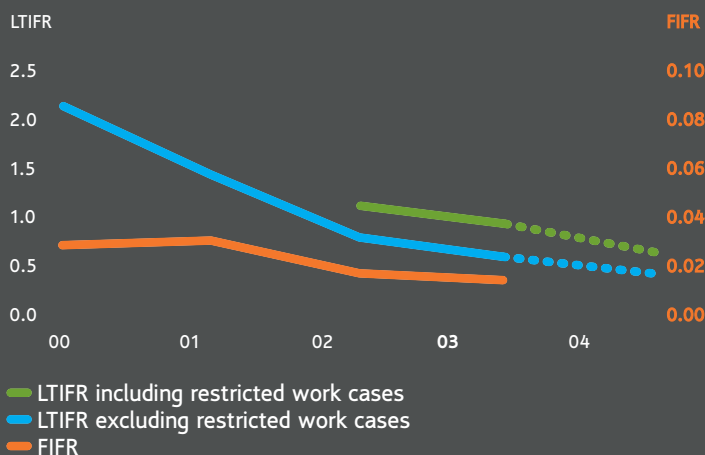
Safety remains a key focus of risk management efforts across the Group. In our 2002 Annual Review we described our leadership training, active dissemination of information and guidance on safety risk management, the setting of clear high standards and encouraging safer workplace behaviour.

The benefits are apparent, and we remain committed to the OTTO programme (zero tolerance towards unsafe working practices and target zero for work-related injuries). We still, however, have a long way to go.

Sadly, in 2003 there were 44 deaths in our managed operations. This represents three fewer fatalities than in 2002 and a 10% reduction in the fatal injury frequency rate (FIFR). We have reduced our lost time injury frequency rate (LTIFR) by a further 26%, in line with our target. The trend in reducing injuries is encouraging, in that we have achieved a 58% improvement over the past three years.

LOST TIME INJURY AND FATAL INJURY FREQUENCY RATES

Per 200,000 manhours



PROFILE BEN MAGARA, SOUTH AFRICA

Anglo Coal South Africa's New Denmark colliery has achieved a remarkable turnaround in its safety record, coal qualities, productivity, customer relations, organisational culture and return on capital employed through a focused strategic process involving mine management, employees and trade unions.

The energy and enthusiasm of general manager Ben Magara and his team have cascaded to every level and this revival has been personified in two mascots, Smarty (Safety Must Always Relate To Yourself) and Tsosetso (a Sotho word meaning revival).

Performance highlights in 2003 include ISO 14001 certification, a 71% reduction in lost time injuries since 2001, a 60% productivity improvement with a corresponding improvement in coal quality, and return on capital employed up from 24.7% in 2001 to 43.2% in 2003.

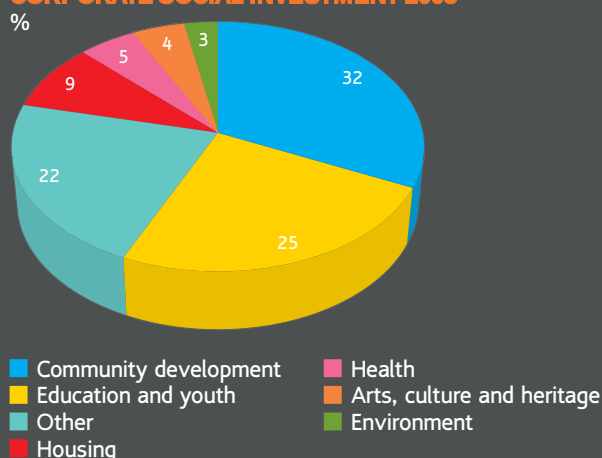
Anglo American chairman Sir Mark Moody-Stuart notes: "I have been using New Denmark as an example of how team effort, creativity and discipline, which deliver results in safety, health and environmental performance, also deliver results in other areas."

LAUNCH OF THE 'SEAT' METHODOLOGY ANGLO LAUNCHES LEADING- EDGE COMMUNITY MANAGEMENT APPROACH

Improving the management of social issues needs new skills. That is why Anglo American has unveiled a new toolbox to enable operations to meet these new expectations. Called the SEAT (Socio-Economic Assessment Toolbox) methodology, it brings together examples of good work from within the Group and melds them with international best practice. It was piloted at three diverse Anglo operations: Mondi Forests' Richmond business unit in South Africa; Base Metals' Catalão niobium mine in Brazil and Anglo Coal Australia's German Creek mine.

All new operations or major expansions within the Group undertake some form of Social Impact Assessment. The SEAT process is designed to enable mature operations to understand their social and economic impacts better and, thereby, to improve their management and performance. SEAT features 22 tools intended to guide operations in how to select and engage with key local stakeholders; identify their positive and negative impacts; develop partnerships for tackling key issues; improve their community investment programmes; assess the state of local skills; use local procurement creatively; and develop a social dimension to long term closure planning.

CORPORATE SOCIAL INVESTMENT 2003



GLOBAL COMMUNITY SPEND

In 2003, Anglo American and its subsidiaries contributed some \$38.3 million (1.5% of pre-tax profit) to charitable causes and to community social investment. This marked an increase from \$28.8 million in 2002. The increase was attributable in part to exchange rate factors, especially the strength of the South African rand.

The Anglo American Chairman's Fund was voted top in 2003 as the foremost corporate social investment vehicle in a survey of South African businesses and NGOs. At a UK corporate level, the Company gave priority to projects designed to support capacity building and sustainable livelihoods in developing countries, including through Sightsavers International, CARE, BookAid,

Engineers Without Borders and Bees for Development. Anglo American also supported a major exhibition of British archaeology at the British Museum, the Kew Gardens Millennium Seedbank project and the refurbishment project at St Martin in the Fields.

Right: In Australia, Anglo Coal has developed cultural heritage management plans with Aboriginal people. Here, at Moranbah North, a scarred tree – a fast-diminishing aspect of Aboriginal cultural heritage – is measured as part of a field survey to determine the location of artefacts in the colliery's lease area.



WORKING TOGETHER TO COMBAT HIV/AIDS

Lindsay Knight, a consultant to UNAIDS, is writing a best-practice case study on access to treatment in the workplace. In the study she says the following:

"Anglo American was among the first companies in southern Africa to recognise that the HIV/AIDS epidemic could pose a major threat to its operations. By the late 1980s, the company had established a formal HIV/AIDS workplace policy and programme.

In August 2002, Anglo's board decided that anti-retroviral therapy (ART) would be provided free to any of the Company's 130,000 employees that would benefit from the drugs.

Anglo's move is recognised as a major step in fighting the epidemic and as setting an example to the whole business sector. By the end of 2003, just over 1,000 of Anglo American's HIV positive employees were receiving ART.

Anglo is providing a rigorously managed programme through AngloGold's wholly owned subsidiary, Aurum Health Research. Patient-reported

adherence to drugs is 90% – higher than in many inner-city programmes in the USA. Patients' health is undoubtedly improving; across the whole programme, 94% of patients on ART remain in productive full-time employment.

Anglo American is also contributing to the national fight against the epidemic. Its collaborators in this initiative include the Global Fund to fight AIDS, TB and Malaria; and the South African government, which has finally agreed to provide ART to all who need it.

Such partnerships between the private and public sectors are now seen to be essential in overcoming the impact of the world's worst epidemic to date."

Left: Sister Mamojaki Suping plays a key role in Johannesburg in providing HIV counselling and testing for members of staff, and in administering ART to those HIV positive employees who have progressed to AIDS.





A WIDE- ANGLED VIEW

SIR MARK MOODY-STUART JOINED THE ANGLO AMERICAN PLC BOARD IN JULY 2002 AND TOOK OVER THE CHAIRMANSHIP IN DECEMBER 2002. HERE HE RESPONDS TO QUESTIONS ABOUT HIS FIRST YEAR'S TENURE.

Q: What do you regard as the Company's most significant achievements of 2003?

A: Overall, Anglo's operations did well to produce a very solid set of results in the face of difficult currency movements. Strategically, I would suggest securing final approval for the acquisition of a controlling stake in Kumba as the most significant achievement. This has been a long term objective. Iron ore will strengthen the balance of our portfolio and our position has been achieved at a reasonable cost to shareholders.

In the non-financial arena I would identify both the provision of anti-retroviral therapy to HIV positive staff and the introduction of the Socio-Economic Assessment Toolbox (SEAT). As far as I am aware, SEAT is a unique initiative which will enable our operations to become more professional and strategic in their interactions with communities.

Q: But clearly there are things with which you are not satisfied. Where will the board be looking for the most significant improvement in performances in 2004?

A: We have made remarkable strides in improving the Group's overall safety performance over the last five years. Nonetheless, the board remains determined to see further reductions in fatalities. My colleagues and I visited New Denmark colliery in South Africa in October and there we saw what can be achieved in embedding a safety culture through strong and focused leadership. Ben Magara, the colliery manager, has produced substantial safety advances coupled with performance improvements in almost all areas. Time and again we see that teamwork, a real sense of shared objectives amongst the workforce, and the operating disciplines needed to deliver safe performance, lead to overall improvement of performance. Our challenge is to ensure that the lessons of operations like New Denmark are learned more widely.

Q: During 2003 there has been a renewed focus on corporate governance. How does Anglo measure against the Higgs Report?

A: Markets work most efficiently where there is confidence. Clearly, events over the last two years on both sides of the Atlantic provide examples of how poor governance, or unhealthy dominance of strategy by an individual or clique, have resulted in shareholders losing a lot of money. Society is entitled to see how such outcomes can best be prevented. In general I think a workable structure has emerged.

Anglo American has a strong team of non-executive directors and we have restructured our board committees to meet the Higgs recommendations. I am also delighted that the board has been strengthened by the appointment of Dr Maria Silvia Bastos Marques.

She brings very pertinent experience of Latin America and of the metals sector and is also the first woman to be elected to the Anglo American plc board.

Q: What is the new Bonus Share Plan that is being proposed?

A: The BSP will strengthen the linkage of rewards to performance. The new plan will require executive directors to invest a greater proportion of their remuneration in shares up front, thereby better aligning their interests with those of shareholders. Awards under the BSP will be made annually and will consist of three elements: a cash element, a Bonus Share element and an Enhancement Share element. These bonus awards will not be pensionable. A resolution seeking approval for the BSP and authorising the directors to implement it in the UK and other countries where we operate will be proposed at the AGM. A letter from the chairman of the Remuneration Committee explaining the terms of the BSP is being sent to all shareholders.

Q: Anglo has expanded its interests in Latin America. How do you see prospects in that continent?

A: Over the last two years we have seen work start on expansions at our Cerrejón coal operation in Colombia (of which Anglo owns a third), Collahuasi in Chile (a world class copper operation, of which Anglo owns 44%), our phosphates operation in Brazil (Copebrás), the commissioning of Loma de Níquel in Venezuela and, above all, the acquisition of the Disputada (now known as Minera Sur Andes) assets in Chile.

I visited almost all of our operations in Latin America during 2003. The continent is facing some political instability. Nonetheless, Chile continues to show the maturity of its democracy and institutions and I have been impressed by President 'Lula' da Silva's emphasis in Brazil on macro-economic stability and on welcoming foreign direct investment – a point which he particularly emphasised when he opened Copebrás' expansion project.

Q: Does Anglo have a disproportionate exposure to southern Africa? What about continuing investor concern?

A: We remain committed to South Africa and believe that this year's celebrations of the transition to democracy will highlight the real achievements of the past decade. Of course there are problems in the region – not least the continuing turmoil in Zimbabwe and HIV/AIDS. But South Africa itself has strong institutions and a vibrant civil society. After the strongly negative investor reaction to the leaking of an early draft of the Mining Empowerment Charter in 2002, the final requirements which have emerged are financeable for fair value. It is in the interests of South Africa's long term stability that there

should be a rebalancing of ownership in the economy. We have been pioneers in black economic empowerment deals and I am also pleased with the substantial growth, R3.5 billion in 2003, in procurement from black owned businesses. Our Zimele small business development unit is invested in 30 growing companies, providing over 2,000 direct jobs.

I should note too in southern Africa the consistent courage and skill of our managers in Zimbabwe and also the inauguration during 2003 of our Skorpion zinc mine. This will account for some 4% of Namibia's GDP at full production.

Q: But the Extractive Industries Review, in which you participated, has produced a negative assessment of the impact of the mining sector. How do you respond?

A: I was disappointed by Dr Salim's report. It is very much a personal appreciation, but I think it suffers from having taken very little input from governments and relied excessively on the more radical and absolutist end of the NGO movement. It recommends that the World Bank should remain involved in the sector. But it then adds so many caveats that its recommendations would reduce the Bank's involvement and, thereby, diminish the investment going to some of the poorest countries – for which the responsible exploitation of resources is their best route out of poverty. I do not take lightly the examples of how resource projects have fed corruption or conflict. But, properly understood, these are examples of a 'poor governance' curse rather than a 'resource' curse. Anglo American has been prominent in supporting the Extractive Industries Transparency Initiative – which aims to tackle the misuse of revenues generated by the sector. The mining industry, as a long term investor, has an interest in good governance. We want to see the positive development experiences of Chile, Botswana, South Africa and Oman – or indeed, historically, Canada and Australia – shared more widely.

Q: Finally, how do you rate Anglo's performance on sustainable development?

A: We are making good progress. I note that one of the biggest corporate socially responsible investment houses recently described us as being a challenger for sector leadership in relation to corporate social responsibility. We are doing leading-edge work in relation to HIV/AIDS, local business development and community engagement. I have seen very thoughtful initiatives under way in areas like assessing our economic and developmental impacts, climate change and biodiversity. Of course, there are still improvements to be made in some areas – such as target setting and in embedding best practice more widely – but Anglo is moving strongly in the right direction.

GETTING THE BEST OUT OF THIS BUSINESS

TONY TRAHAR, CHIEF EXECUTIVE



**SINCE 1999
WE HAVE
GROWN OUR
BUSINESSES
SIGNIFICANTLY
THROUGH
\$12 BILLION OF
ACQUISITIONS
AND PROJECTS**

The year 2003 was notable for a high degree of political and economic uncertainty. The first half of the year was impacted by the war in Iraq and political tension in the Middle East, as well as the significant decline of the US dollar against other world currencies. This weakness in the dollar had a significant impact on the Group's results and, in particular, on the translation of the Group's costs in South Africa and Australia. The second half of the year saw some recovery in demand for commodities and significant rises in the dollar prices for many of the Group's products, including platinum, gold, coal and base metals.

The Group benefited again from its wide spread of product and geographic diversity which together offer a natural hedge against economic conditions in any particular sector. For the first time since our listing in 1999, the biggest contributor to headline earnings was the Group's interest in De Beers, which reported record results from buoyant demand and rising prices in the diamond sector.

Although turnover increased by 22% to \$25 billion, the currency impacts referred to above affected operating profits (including the translation of non-cash items such as goodwill amortisation and depreciation). However, it is pleasing that the Group was able to report another year of strong cash flow (EBITDA), virtually unchanged at \$4,785 million. Headline earnings declined 4% to \$1,694 million and earnings per share fell similarly by 5 cents to 120 cents per share.

The Group continued to grow on a steady basis and during the year benefited from the acquisition in late 2002 of the Minera Sur Andes (formerly Disputada) copper operations in Chile, which materially exceeded the acquisition forecast parameters, and the acquisition of 66.6% of South Africa's largest iron ore producer, Kumba.

Against a background of rising commodity prices and an improving outlook for the Group's products, the board has decided to increase the final dividend by 3 cents to 39 cents per share, resulting in a total dividend of 54 cents per share for 2003, up 6%.

STRATEGY

Over the past five years we have achieved a significant restructuring of Anglo American. What was a highly complex group has been transformed into a world class entity with an exceptional portfolio of high quality assets and a balanced geographic exposure. During this period we have grown our businesses significantly through \$12 billion of acquisitions and projects and have made disposals of \$7 billion of non-core assets, thereby creating a focused business to deliver improved returns to our shareholders.

A major milestone was the unwinding of the De Beers cross-holding in 2001, which unlocked significant value. Since 1999, when we listed on the London Stock Exchange, shareholder value has increased by \$20 billion.

Anglo American's strategy is to achieve steady growth for its shareholders across the cycle by investing in attractive acquisitions as well as brownfield and greenfield projects that add value to natural resources. Our policy of adding value and pursuing growth covers the following key areas:

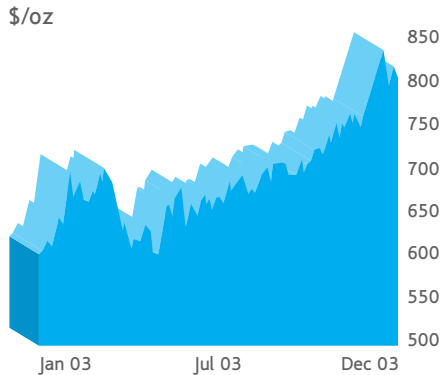
Acquisitions and organic growth

We continue to pursue both acquisition and organic-led growth across our business units. Anglo American has one of the strongest pipelines of growth projects in the mining and natural resource industry, spanning all of our key products, with around \$6 billion of approved project capital expenditure over the next five years. We successfully commissioned a number of projects during 2003, including the \$454 million Skorpion zinc project in Namibia which is currently operating at 75% of design capacity. The timing of this project appears opportune with zinc prices and demand starting to recover from recent record lows. The Ruzomberok paper mill project in Slovakia was also commissioned successfully, increasing the Group's paper production by some 100,000 tonnes. Both of these projects should contribute to earnings in 2004.

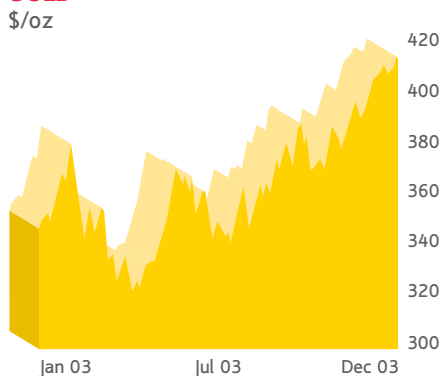
Our strong track record in terms of acquisitions speaks for itself. The EBITDA cash flow returns on our key acquisitions of Minera Sur Andes, Cerrejón, Shell Coal, Syktyvkar and Tarmac range between 16% and 23%. The acquisition of Minera Sur Andes late in 2002 has proved extremely attractive for the Group. Not only were the projected synergies exceeded but the operations were earnings-accretive in their first year after acquisition at an average copper price of 81 US cents/lb. Additional reserves totalling 368 million tonnes have also been identified during the year, thereby extending the life of this large, low cost producer at a time when few large, new copper mines are coming into production.

Since our London listing in 1999, we have achieved significant volume growth: 17% for platinum, 40% for diamonds, 67% for copper, 57% for nickel, 197% for zinc, 40% for coal, 152% for aggregates, 166% for uncoated woodfree paper, 158% for packaging papers and 346% for industrial sacks. In terms of geographic exposure, we have made significant progress in transforming Anglo American's asset base, with 30% of our assets today in Europe, 40% in South Africa, 16% in the Americas and the balance spread around the globe.

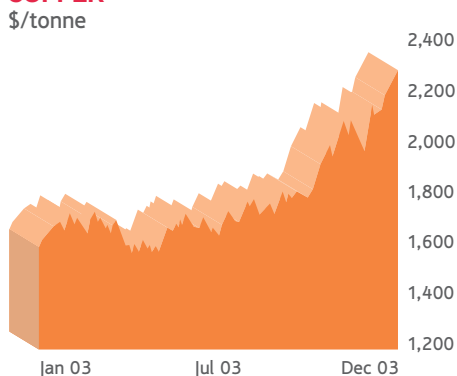
PLATINUM



GOLD



COPPER



CASH FLOWS WERE BOOSTED BY STRONGER METAL PRICES IN THE SECOND HALF OF THE YEAR

Improving the efficiency of our asset base

We seek continuously to improve the operating efficiency of our existing assets. Our focus on driving returns has produced significant results from Group-wide cost cutting programmes. We have consistently exceeded our targets and over the last two years have achieved total cost savings and efficiency improvements of just over \$600 million. Management is very aware of the value that can be created by optimising existing operations and is incentivised to achieve this.

Innovation

Improving the culture for innovation and entrepreneurialism remains a key driver of growth. This includes a thoroughgoing review of employee communication and knowledge sharing, enhanced by a strong central technical and research function for our specialist mining technologies. Comprehensive programmes of innovation activity are now under way in various business units, including Base Metals, Paper and Packaging, and Industrial Minerals. These programmes seek to empower individuals to put forward ideas and facilitate their translation into practical business improvements.

GROWING OUR BUSINESS

Finance

Significant progress was made during the year in diversifying the Group's debt capability away from pure bank credit by the placement of euro and sterling denominated bonds. Simultaneously, the debt-maturity profile was extended materially. We will continue to explore opportunities to improve further the depth and flexibility of our financing capability.

Diamonds

The earnings contribution from our 45% associate De Beers increased by 19% to \$386 million, and cash dividends received increased by 124% to \$238 million.

De Beers has successfully implemented its Supplier of Choice business model. Having obtained approval from the European Commission in January 2003 for its Supplier of Choice customer strategy, the process of reconfiguring its relationship with sightholders commenced. The strategy of stimulating interest in diamonds as a luxury-goods category appears to be working well, with a number of sightholders and their downstream trade partners financing advertising programmes, and diamond jewellery sales appearing to successfully compete with, if not outperform, other luxury-goods categories. Maintenance of this long term strategy is expected to result in a sustainable increase in rough diamond demand.

De Beers continues to drive a continuous improvement programme aimed at optimising all aspects of the business from production efficiencies through to marketing, and is focused on optimising availability of rough diamond supply from its own mines in anticipation of further increased demand in 2004.

Platinum

Anglo Platinum's long term objective is to grow the market for platinum group metals and in tandem to expand output to meet this demand. In December 2003, the company completed a detailed review of its expansion projects in light of the stronger than anticipated rand and weaker dollar. As a result, Anglo Platinum has decided to slow down the development of certain of its projects but will continue to utilise its outstanding ore reserves in growing production to 2.9 million refined platinum ounces by 2006. In light of its funding requirements, on 16 February 2004 Anglo Platinum announced a R4 billion (\$570 million) convertible preference share offer. Anglo American will be subscribing for its pro rata share of the issue and continues to believe in the fundamental long term attraction of the platinum business.

Gold

In November, the Ghanaian government gave its backing for AngloGold's bid to bring about a merger with Ashanti Goldfields. The merger, which is expected to be completed in the first half of 2004, will create one of the world's largest gold mining companies in terms of reserves and gold production. Ashanti Goldfields has six operations spread across the African continent, including the long life Obuasi mine, where \$1 billion is estimated to be spent over its remaining life, including \$570 million on the Obuasi Deeps project.

In order to address the challenges of margin squeeze as a function of reducing ore grades at some of its mines, declining global reserves and the weak dollar, AngloGold continues its focus on operational excellence, initiatives to increase reserves and downstream efforts to invigorate demand.

Coal

In the thermal coal market, Anglo Coal intends to maximise and grow its exports from South Africa, South America and Australia. The export metallurgical coal capability will be further enhanced by pursuing opportunities in Australia as well as in China and Russia.

Major expansionary capital in 2004 will include the Kriel South, Greenside and Kleinkopje expansions in South Africa. In Australia, a feasibility study is under way regarding the development of the remainder of the Dawson complex, which incorporates Moura and Theodore, while work continues on several other projects. In Colombia, Cerrejón is expanding its operations to an annual output of 28 million tonnes of coal by 2007. Although first-half production in Australia will be affected by a longwall disruption at Moranbah, Anglo Coal will benefit from the recent strong price rises for both thermal and coking coal.

Base Metals

A major turnaround has been achieved in Base Metals. The integration of Minera Sur Andes, which had its first full year of contribution in 2003, has provided critical mass to our copper operations in Chile, and annual cost savings and synergies achieved so far amount to \$17 million. Anglo American is now among the world's top five producers of the metal, with an attributable production of more than 700,000 tonnes a year. In September, the Skorpion mine and refinery opened in Namibia. This is set to become one of the world's lowest cost zinc producers as it ramps up to full production of 150,000 tonnes per annum. Exploration effort within Base Metals will continue to focus on copper, with lower emphasis on nickel and zinc, in pursuit of organic growth.

Industrial Minerals

Anglo Industrial Minerals continued to deliver a strong performance, through a broad spread of businesses, mainly in the UK and continental Europe. The year's highlights included acquisitions in the UK, France, Spain, Germany and the Czech Republic. Tarmac is now the largest aggregates producer in the Czech Republic, and is well placed to benefit from the country's forthcoming entry into the EU. In the UK, the \$173 million cement plant at Buxton is undergoing final commissioning trials and is expected to be in full production in the second quarter of 2004. In Brazil, the new phosphate fertilizer plant at Goiás was completed during the year, \$19 million under its budgeted cost of \$147 million, and is operating at full capacity. In China, Tarmac is developing a quarry 140 kilometres from Shanghai. The quarry is the nearest known reserve of top quality asphaltting aggregates to China's booming commercial capital.

Paper and Packaging

Anglo Paper and Packaging continued to develop and expand its European and South African asset base. Mondi Packaging saw significant transaction-led growth through the acquisition announced in December last year of the Austrian Bauernfeind Group, a corrugated paper and packaging business with extensive European operations. Frantschach has entered the North American industrial sack market with the acquisition of the Copamex sack business in Mexico (subject to competition approval). In South Africa, the Richards Bay pulp mill expansion is on track for commissioning its first phase by the end of the first quarter in 2004, with completion scheduled for just over a year later. The Russian mill, Neusiedler Syktyvkar, is performing well and in line with the acquisition forecast.

Ferrous Metals & Industries

Anglo American has for some time sought entry into the iron ore industry. A major development was the approval in September by South Africa's Competition Tribunal for the Company to acquire shares in Kumba. In October, Anglo American's shareholding in Kumba increased to just over 35% and as a consequence the company extended a mandatory cash offer to Kumba's shareholders, resulting in Anglo American's stake increasing to 66.6%. Kumba has exciting expansion potential in iron ore through a number of projects in South Africa and Australia. Having secured control of Kumba, attention is now focused on meeting the black economic empowerment (BEE) requirements in South Africa and growing the company.

In line with the strategy of disposing of non-core assets, the remaining shareholding in Li & Fung was sold for \$269 million. The majority of our remaining stake in FirstRand was sold for \$176 million, with the small residual amount disposed of in January 2004.

SAFETY AND HEALTH

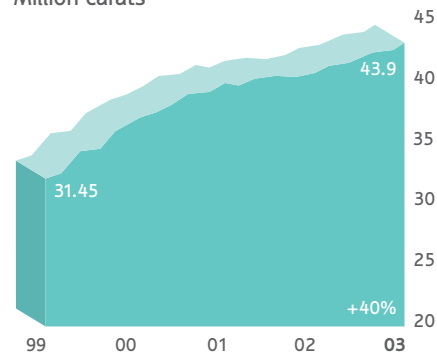
Further progress has been made in improving the safety and health environment for employees, with Anglo American's lost time injury frequency rate (LTIFR) reflecting a 58% improvement over three years, including a 26% improvement in 2003. I am, however, disappointed by our failure to significantly reduce fatalities compared with 2002. We continue to stress the paramount importance of safety throughout our operations with single-minded determination.

Good progress has been made in rolling out anti-retroviral therapy to employees with AIDS. Over 1,000 employees were receiving treatment as of the end of 2003 and the preliminary results are very encouraging. Anglo American has established an ambitious partnership with the NGO loveLife; the Global Fund to fight AIDS, TB and Malaria; the Nelson Mandela Foundation; and the Henry J. Kaiser Foundation to help primary health care clinics build capacity to deliver improved HIV/AIDS prevention and care services. This public-private partnership is the first step in the process of building an AIDS treatment infrastructure in the communities associated with our operations.

**WE HAVE ACHIEVED
SIGNIFICANT TOPLINE
VOLUME GROWTH**

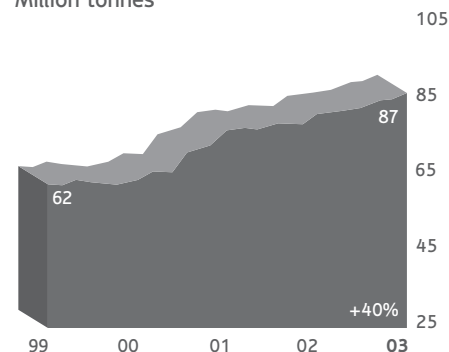
DIAMONDS

Million carats



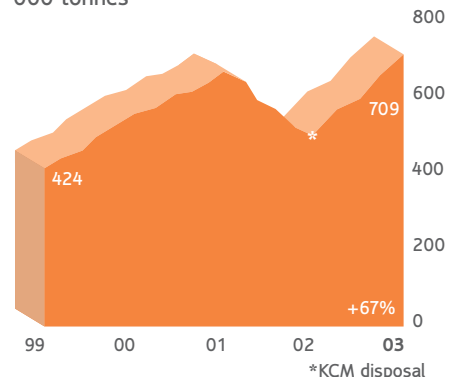
COAL

Million tonnes



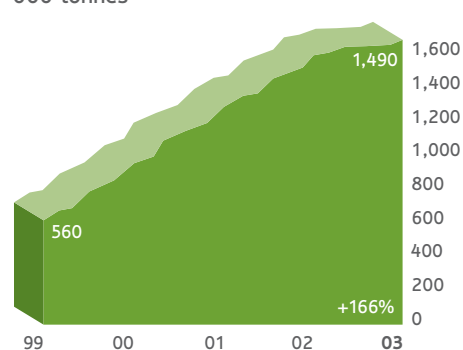
COPPER

000 tonnes



UNCOATED WOODFREE PAPER

000 tonnes





**THE POSITIVE
OUTLOOK FOR
A NUMBER OF
OUR COMMODITIES
PROVIDES AN
ENCOURAGING
PLATFORM FOR
THE YEAR AHEAD**

Above: Lazarus Zim, deputy CEO
of Anglo American Corporation
of South Africa, with Tony Trahar.

CORPORATE RESPONSIBILITY

Specific programmes to support the implementation of *Good Citizenship: Our Business Principles* were introduced during the year, with a particular focus on community issues, employee communication and enhancing our whistle-blowing facilities. Three year rolling Community Engagement Plans are being produced by significant operations, to improve interaction between the Company and the communities in which it operates. These will increasingly be enriched by our new Socio-Economic Assessment Toolbox (SEAT). The SEAT process will support our local managers in engaging with local stakeholders; improving management of any adverse impacts; and working to maximise the local benefits of their presence in areas like local business development and training. A noteworthy event during the year was Anglo American's inclusion in the Dow Jones Sustainability Index for the first time.

BLACK ECONOMIC EMPOWERMENT

The legislative framework governing the transformation of the South African mining industry is continuing to emerge. We expect promulgation of the Minerals and Petroleum Resources Development Act later this year, together with the regulations governing its application. The process of conversion from old order to new order mineral rights will then begin. The South African government has confirmed that, regarding the Royalties Bill, royalties will only become payable in 2009 when the conversion process is complete.

In terms of black economic empowerment (BEE), the Group continues to make steady progress, having now recorded over \$2 billion in major transactions and over \$1.5 billion in procurement and small business promotion spend. The Group is making good progress towards complying with the Mining Charter BEE targets.

COMMODITIES – TIME FOR A TURNAROUND?

The past 20 years have been a difficult time in the commodities business. Steady price rises for 40 years since the end of World War II – notably on the back of the rise of Japan and reconstruction in Germany, followed by the emergence of South Korea and later Brazil – came to an end, and were even reversed, from the early 1980s onwards. In part this was due to the end of the post-war reconstruction phase, combined with an oversupply of a number of major metals. This resulted in certain commodities, such as copper and zinc, declining to real price levels last seen in the 1930s.

Encouragingly, there are signs that the historical real decline in metal prices has started to reverse. Whether this represents the start of a new 'long term cycle' is a question that will not be answered for a few years. At present, the cycle is not obviously different from any other strong upturn over the past 20 years, though much of the new optimism is based on China's current industrial revolution, which in 2003 alone saw industrial production growth of 17%. China has become the world's biggest consumer of iron ore, copper and various other commodities. For three years running, China has also been the primary market for platinum jewellery, with compound annual growth rates over that period of 35%. Diamond jewellery demand is also growing strongly. Moreover, China's embrace of the free market is now being tracked, albeit at lower rates of growth, by India. Between them, the two countries look set to provide sustained demand for a number of commodities for years to come. The effect of this, combined with fewer discoveries and a more disciplined industry, is set to provide a positive backdrop to metals markets going forward.

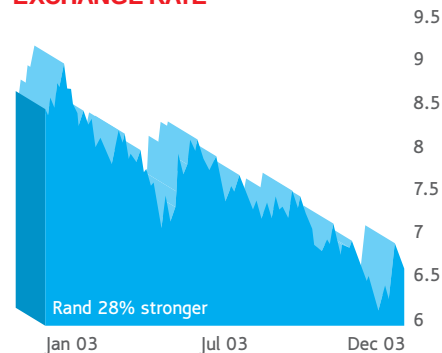
OUTLOOK

The positive outlook for a number of our commodities provides an encouraging platform for the year ahead. Improved economic growth in the USA and Japan, combined with the strong industrial performance of China, is encouraging. After two decades of generally flat or declining real prices for metals, despite a backdrop of steadily increasing demand, the backdrop for commodities is now more positive than it has been for a number of years. Although the potential for a further weakening of the dollar remains a cause for concern, this is likely to be offset by rising dollar prices for our key commodities.

The Group offers a unique mix of geographic and product diversity which insulates it from the volatility associated with single-product cycles. Our gold, platinum, diamond, coal, base and ferrous metals businesses are benefiting from recent price rises and should continue to enjoy steady growth. In addition, paper and packaging and industrial minerals are generating strong cash flows. The Group will also benefit from a number of new projects and recent acquisitions. On the basis of prevailing commodity prices and exchange rates, the Group should achieve good growth in 2004.

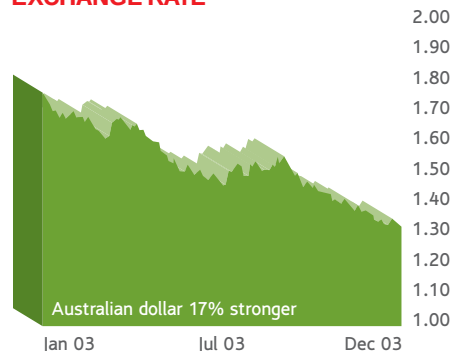
A J Trahar
Chief executive

US DOLLAR / SA RAND EXCHANGE RATE



Average exchange rate for the year
1 US\$ = R7.55

US DOLLAR / AUSTRALIAN DOLLAR EXCHANGE RATE



Average exchange rate for the year
1 US\$ = A\$1.53

THE CASH FLOW RETURNS ON OUR KEY ACQUISITIONS RANGE BETWEEN 16% AND 23%

PLATINUM



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	673	926
Operating profit	433	802
Operating profit before exceptionals	447	802
Headline earnings	205	351

Anglo Platinum's contribution to headline earnings dipped sharply to 12% from 2002's 20%, while operating profit was 46% lower at \$433 million. The adverse impact of the firmer South African rand was only partly compensated by improved average dollar prices for platinum group metals (PGMs) and higher sales.

The average realised prices of PGMs and nickel in dollars were slightly higher in 2003. Platinum and nickel moved upward, while palladium and rhodium declined. Platinum, at \$696/oz, gained \$152, with nickel moving upward from \$3.03 to \$4.07/lb. Platinum's sister metals, palladium and rhodium, were both down, at \$198/oz (2002: \$329/oz) and \$527/oz (2002: \$831/oz), respectively.

During 2003, the Polokwane smelter was successfully commissioned, as were the new slag-cleaning furnace and the Anglo Platinum Converting Process plant near Rustenburg. Total platinum received at the smelters, including platinum purchased from joint venture partners, increased by 8%, while refined production rose by 2.5% to 2.3 million ounces.

The robustness of the rand continues to have a major impact on operating margins, cash generation and the future funding of new projects. In consequence, the expansion plan to raise platinum output from around 2 million ounces a year to 3.5 million by the end of 2006 has been slowed down, with a new target of 2.9 million ounces. Notwithstanding this, the company's long term strategy to grow markets for PGMs, to expand production to meet that growing demand and to optimise value in existing operations remains in place.

In 2004, Anglo Platinum plans to raise platinum output to 2.45 million ounces. The platinum price is expected to remain firm, supported by a continuing supply deficit. The palladium price, despite firming demand, is largely dependent on Russian supply patterns.

GOLD



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	642	747
Operating profit	326	463
Operating profit before exceptionals	369	463
Headline earnings	167	205

In 2003, a combination of stronger currencies in most of AngloGold's operating regions, as well as inflation and lower ore grades, had a significant negative impact on AngloGold's costs, margins and earnings. This was partly offset by a 20% increase in the dollar gold price. Headline earnings fell by 19% to \$167 million, while operating profit was 30% lower at \$326 million. Gold production declined by 5% to 5.6 million ounces following the sale of Jerritt Canyon in the USA and lower ore grades at Morila in Mali. Total cash costs increased from \$161 to \$229/oz.

AngloGold has a number of major capital projects in South Africa, which will yield some 12 million ounces of gold production over their lives, while future capital projects could add a further 7.5 million ounces. Potential growth projects elsewhere include the Cuiabá expansion in Brazil and the Sunrise Dam underground project and Boddington mine in Australia, which together could add a further 7 million ounces of gold production. The completion of the AngloGold-Ashanti merger would pave the way for the exploitation of Obuasi Deep in Ghana, extending Obuasi's life by some 20 years.

Production in 2004 is expected to decrease to some 5.4 million ounces, following the sale of Jerritt Canyon, the closure of Union Reefs in Australia and lower grades at Morila. However, following the expected completion of the Ashanti deal during April, AngloGold is anticipating that production will increase to some 6.6 million ounces. Assuming an exchange rate of R7.00 to the dollar, AngloGold is expecting total unit cash costs to rise to \$238/oz and capital expenditure to increase to \$589 million.

Many of the economic factors which are negative for the US currency have been, conversely, incentives for investors to buy gold. It is expected that these factors will remain in play in the year ahead, and there is good reason to expect gold price strength to be maintained.

DIAMONDS



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	638	594
Operating profit	562	541
Operating profit before exceptionals	562	541
Headline earnings	386	324

In 2003, Anglo American's share of De Beers' operating profit was \$21 million higher at \$562 million, while the contribution to Anglo American's headline earnings was \$386 million. Increased sales at higher prices and lower financing costs more than compensated for the negative impact of the significant appreciation of the rand against the dollar. Sales by The Diamond Trading Company (DTC), the marketing arm of De Beers, were 7% higher at \$5.52 billion. Diamond stocks were reduced further by nearly \$700 million during the year and, for the second year running, operating cash flow of \$1.6 billion was generated. This enabled the group to reduce net interest-bearing debt from \$1.72 billion to \$906 million and to reduce net gearing to 15% (2002: 28%).

Overall, 2003 was a good year for the diamond industry, with further encouraging growth in retail sales of diamond jewellery, up 6% in dollar terms. There was strong growth in sales in the second half as the world economy and consumer confidence rebounded. The USA, which accounts for over 50% of world diamond jewellery sales, was particularly strong, as were India, China and the UK. Encouragingly, Japan also recorded growth for the first time in several years.

The combined total production of De Beers and its partners, Debswana and Namdeb, totalled 43.9 million carats (2002: 40.2 million carats). The Combined Treatment Plant in Kimberley, South Africa, was fully commissioned during the year.

De Beers had a strong first sight in 2004, with rough diamond prices up by 3%. Macro-economic indicators are positive for 2004 and there is growing evidence that the transformation of the diamond industry, stimulated by De Beers' Supplier of Choice strategy, is helping to produce the desired results. Greater investment by the trade in marketing and branding is driving demand for diamond jewellery and helping diamonds to gain a larger share of the luxury-goods sector.

COAL



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	505	571
Operating profit	333	427
Operating profit before exceptionals	333	427
Headline earnings	232	266

Anglo Coal's operating profit was 22% down at \$333 million, mainly as a result of the appreciation of the rand and Australian dollar, while headline earnings declined by 13% to \$232 million. Production increased by 8% to 87 million tonnes.

Operating profit for South African-sourced coal fell by 46% to \$133 million. The effects of the rand's 28% appreciation were partially offset by production and sales increases, as well as by rigorous cost control. Major expansionary capital projects, including the Kriel South project and the Greenside and Kleinkopje expansions, are progressing to plan.

The Australian operations maintained operating profit at \$130 million. Attributable saleable coal production rose by 4% to 26.1 million tonnes, while attributable sales were 6% lower at 26.4 million tonnes. The longwall mines at Dartbrook and Moranbah had a good first six months, with record production, but technical problems slowed production in the second half of the year. Drayton production was steady, while both Moura and German Creek exceeded previous performances. Theodore commenced production in September. Grasstree remains on schedule for start-up of production during 2006. Full production at Kayuga should be reached in 2004. A fall of ground in January 2004 at Moranbah North will reduce production by some 10% compared with 2003, with effect on earnings in the first half of 2004.

Operating profit at the South American operations rose by 40% to \$70 million. In Colombia, synergies achieved as a result of merging Cerrejón Zona Norte and Carbones del Cerrejón exceeded expectations. The operation is now being expanded from 22 million to 28 million tonnes per annum by 2007. Carbones del Guasare in Venezuela was hit by the national strike at the beginning of 2003 and subsequently by problems in the administration of the exchange controls imposed at that time.

In 2004, average coal prices are expected to be significantly better than those in 2003.

BASE METALS



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	569	330
Operating profit	78	82
Operating profit before exceptionals	286	133
Headline earnings	206	69

Headline earnings grew strongly to \$206 million from \$69 million in 2002. Operating profit before exceptionals increased from \$133 million to \$286 million.

The average copper price increased from 70.6 US cents/lb to 80.7 US cents/lb, nickel moved from 307 US cents/lb to 437 US cents/lb, while zinc prices remained quite flat at 37.6 US cents/lb (2002: 35.3 US cents/lb). Commodity price rises were offset by dollar weakness against the local currencies of many operations.

Attributable copper production rose from 497,700 tonnes to 708,800 tonnes, with Minera Sur Andes (formerly Disputada) contributing 278,300 tonnes. Collahuasi's \$654 million Rosario Project is on budget and on schedule to enter production in mid 2004.

Attributable nickel output totalled 24,900 tonnes (2002: 25,600 tonnes). Codemin's production rose 7%, while Loma de Níquel attained design capacity, with output rising to 17,200 tonnes. The \$67 million Codemin II project to treat Barro Alto ore is scheduled to enter production in early 2005. At Catalão, production and sales were maintained. Namakwa's output of zircon and rutile products declined following a fire in October.

Attributable zinc output rose from 211,500 tonnes to 360,500 tonnes. Hudson Bay's zinc output rose 9% to a record 117,900 tonnes. Skorpion produced 47,400 tonnes and is on target to achieve design throughput by end 2004. Lisheen achieved record output of 169,300 tonnes. At Hudson Bay, the \$276 million 777 project was completed ahead of schedule and within budget. Black Mountain's \$110 million Deeps project is on budget and scheduled to deliver first ore in late 2004.

Although Chinese demand will have to remain very firm and OECD demand improve markedly to sustain prices at their present levels, nevertheless the outlook for base metals is more encouraging than at any time in the past five years.

INDUSTRIAL MINERALS



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	557	468
Operating profit	325	277
Operating profit before exceptionals	325	277
Headline earnings	270	231

Headline earnings were 17% higher at \$270 million, with Tarmac contributing \$256 million, a rise of 20%. Operating profit also improved by 17% to \$325 million.

During 2003, Tarmac made ten acquisitions, thereby widening its asphalt and road contracting interests in the UK, and bolstering its aggregates businesses in France, Spain, Germany and the Czech Republic. In China, Tarmac is developing a quarry approximately 140 kilometres from Shanghai.

In the UK, three new dry silo mortar plants were constructed, underpinning Tarmac's leadership position in the mortar market. The core aggregates businesses in the UK all improved their profitability in a disappointing market, while the cement business at Buxton had a satisfactory year. Buxton's new plant should commence operation in the second quarter of 2004. In continental Europe, operating profit increased by 56%, reflecting continuing strong market conditions in Spain and a full year contribution from Mavike. France suffered weak market conditions, while the businesses in eastern Europe moved forward satisfactorily.

The Middle Eastern operations strongly increased operating profit owing to buoyant market conditions, while the Far East business also had an improved year.

Copebrás' operating profit increased by 46% owing to continued strong demand for fertilizers and higher prices. The new plant at Goiás is already operating at full capacity.

In the UK the challenge will be to improve margins in a highly competitive market while at least maintaining market share. Difficult trading conditions are expected to continue in Germany. However, EU entry is expected to lead to an improvement in demand in Poland and the Czech Republic. In Spain, demand should remain firm, but France may see some further weakening. Brazilian fertilizer demand is expected to remain strong.

PAPER AND PACKAGING



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	976	909
Operating profit	656	649
Operating profit before exceptionals	656	649
Headline earnings	368	376

Headline earnings were \$368 million, a 2% decrease on 2002, while operating profit of \$656 million was marginally higher.

Operating profit at Mondi Europe increased by 9% to \$471 million in spite of weaker market conditions in both the packaging and office communications sectors. In Slovakia, the \$233 million expansion at the Ruzomberok pulp and paper mill proceeded according to schedule. Annual output will increase by 100,000 tonnes of paper in 2004 and 105,000 tonnes of pulp by 2005. Neusiedler Syktyvkar in Russia and the La Rochette corrugated packaging plants in France and the UK have been fully integrated with the rest of the group. In February 2004, the Bauernfeind corrugated paper and packaging business was acquired, thereby achieving a further step towards attaining critical mass in European markets. Frantschach also acquired (subject to competition approval) the sack business of Mexican industrial packaging group Copamex, providing the opportunity to expand further into North America.

In South Africa, in difficult trading conditions, operating profits reduced by only 14% to \$185 million. The stronger rand resulted in increasing pressure on domestic prices and lower export margins. However, improved operating efficiencies and higher outputs, as well as initiatives to sustain market share and grow volumes, compensated for much of the negative impact of prices. The Richards Bay mill modernisation and expansion is progressing well, with completion due in April 2005. The upgrade of Merebank's PM1 machine is proceeding, with the plan to produce 250,000 tonnes per year of uncoated woodfree papers from late 2005.

Mondi will continue to focus on operating efficiencies, capitalising on recent expansions and extracting synergy benefits from the integration of acquisitions. General economic conditions are expected to remain weak, with the dollar's current low levels and a buoyant euro creating difficult trading conditions with margins flat at best.

FERROUS METALS & INDUSTRIES



Contribution to:
 ■ Operating profit before exceptionals
 ■ Headline earnings

\$ million	2003	2002
EBITDA	441	415
Operating profit	208	264
Operating profit before exceptionals	208	264
Headline earnings	107	126

Headline earnings were \$107 million, (2002: \$126 million). Operating profit was \$56 million lower at \$208 million, mainly as a result of sharply reduced earnings from Tongaat-Hulett in a year when many operations were affected by the strengthening rand.

In December, control was acquired of Kumba, the world's fifth largest iron ore producer, with attractive growth prospects in South Africa and Australia. In 2003, Kumba contributed \$33 million to operating profit.

In 2003, Scaw's operating profit rose by \$19 million to \$70 million, which included a \$21 million full year contribution from Moly-Cop.

Highveld's operating profit was impacted by the appreciating rand and fell by \$27 million to \$11 million.

Samancor's contribution to operating profit reduced by \$7 million to \$41 million.

Boart Longyear's operating profit was \$2 million higher at \$33 million.

Tonga-Hulett's operating profit fell to \$10 million from \$96 million. This severe downturn arose from a combination of factors that included a firming rand, lower world sugar and aluminium prices and substantially higher maize input costs.

Terra turned an operating loss of \$3 million into an attributable operating profit of \$14 million.

The outlook for 2004 is cautiously optimistic, with the possibility of higher ferrous metal prices. Scaw and Highveld are likely to benefit from an improved domestic market. Profitability should be restored to more normal levels at Tongaat-Hulett through increasing aluminium volumes and more stable maize procurement costs. Attention is now being focused on reorganising the portfolio to improve shareholder returns.

RESEARCH AND EXPLORATION

Anglo American invests significant effort and funds to ensure continuous improvement in the efficiency of current operations, and in researching and developing new technologies, to allow previously undeveloped orebodies to be exploited, or create new business opportunities. These initiatives often involve in-house specialist expertise collaborating with external centres of excellence. An example is a recent Geoscience development of a solid-state electronics-based electro-magnetic receiver, which may have a significant impact on the exploration of massive sulphides.

Anglo American Research Laboratories have innovated hydrometallurgical recovery of copper from chalcopyrite ores, milling techniques to reduce the cost and improve the effectiveness of comminution, the application of electro-dynamic separation for fine materials, and utilising microwaves to accelerate chemical reactions. The Anglo Platinum Research Centre has made significant progress utilising advanced instrumentation and multi-variable control techniques with robotic analysis to improve metal recoveries.

Research work on applying paste-based tailings disposal has received attention as a water-saving initiative. A pilot project studying energy use across all businesses is under way to improve efficiencies and reduce energy consumption, and consequently the impact of CO₂ on the environment.

In 2003, total Group cash expenditure on exploration was \$105 million – including \$50 million by Base Metals, \$11 million by Anglo Platinum and \$36 million by AngloGold.

Base Metals' exploration efforts focused on brownfields exploration around operations and high quality greenfield targets. Drilling adjacent to the Chilean copper operations intersected several potential new resources. Copper was also targeted in Brazil, Mexico, Peru, Philippines and Sweden. A nickel sulphide programme in northern Canada had early success, with nickel-copper-platinum group elements drill intersections at West Raglan in Quebec. Zinc exploration continued in India and Australia and around Black Mountain (South Africa), Flin Flon (Canada), Lisheen (Ireland) and Skorpion (Namibia) operations.

Anglo Platinum's exploration effort in South Africa was directly linked to its commitment to increase production. Internationally, Anglo Platinum's partners have progressed several programmes in Canada and Russia.

AngloGold's exploration was focused around operations in Argentina, Australia, Brazil, Tanzania, Mali, Namibia, South Africa and the USA. In addition, exploration was pursued in highly prospective areas in Canada and Peru.

THE BUSINESS – AN OVERVIEW
EFFECTIVE 14 FEBRUARY 2004

PLATINUM	GOLD	DIAMONDS ⁽³⁾	COAL	BASE METALS	INDUSTRIAL MINERALS	PAPER AND PACKAGING	FERROUS METALS & INDUSTRIES
ANGLO PLATINUM 74.1%	ANGLOGOLD 54.5%	DE BEERS 45%	ANGLO COAL 100%	ANGLO BASE METALS 100%	ANGLO INDUSTRIAL MINERALS 100%	ANGLO PAPER AND PACKAGING 100%	ANGLO FERROUS METALS & INDUSTRIES 100%
SOUTH AFRICA Rustenburg Section (including UG2 project) 100% Union Section 100% Amandelbult Section 100% Bafokeng-Rasimone 100%⁽¹⁾ Potgietersrust Platinites 100% Lebowa Platinum Mines 100% Modikwa Platinum Joint Venture 50% Kroondal pooling and sharing agreement 50% Waterval Smelter (including converting process project) 100% Polokwane Smelter Project 100% Rustenburg Base Metals Refinery 100% Precious Metals Refinery 100% Tailings Treatment Project 100% Twickenham Mine Project 100% Pandora Joint Venture Project 50%⁽¹⁾ ⁽¹⁾Commencement of the joint venture is subject to certain outstanding suspensive conditions.	SOUTH AFRICA (All 100% owned) Ergo Great Noligwa Kopanang Moab Khotsoang Mponeng Savuka Tau Lekoa TauTona EAST AND WEST AFRICA Geita (Tanzania) 50% Morila (Mali) 40% Sadiola (Mali) 38% Navachab (Namibia) 100% Yatela (Mali) 40% NORTH AMERICA Cripple Creek & Victor (USA) 67%⁽²⁾ SOUTH AMERICA Morro Velho (Brazil) 100% Serra Grande (Brazil) 50% Cerro Vanguardia (Argentina) 93% AUSTRALIA Sunrise Dam 100% Union Reefs 100% Boddington 33% GOLD – OTHER Gold Fields 20.1% Western Areas 18% ⁽²⁾Although AngloGold holds a 66.7% interest in Cripple Creek & Victor Gold Mining Company Limited, it is currently entitled to receive 100% of the cash flow from the operation until a loan, extended to the joint venture by AngloGold North America Inc., is paid.	SOUTH AFRICA De Beers Marine (Exploration & Services) 100% Finsch 100% Koffiefontein 100% Kimberley Mines 100% Namaqualand Mines 100% Cullinan (formerly Premier) 100% The Oaks 100% Venetia 100% BOTSWANA Debswana 50% (Damtshaa, Jwaneng, Orapa and Letlhakane mines) NAMIBIA Namdeb 50% (Mining Area No.1 Orange River Mines, Elizabeth Bay and Marine concessions) De Beers Marine Namibia 85% TANZANIA Williamson Diamonds 75% CANADA Snap Lake 100% DIAMOND TRADING AND MARKETING Various companies involved in the purchasing, selling and marketing of rough diamonds, including The Diamond Trading Company 100% INDUSTRIAL DIAMONDS Companies manufacturing synthetic diamonds and abrasive products 50% ⁽³⁾Operated by De Beers, the Company's independently managed associate.	SOUTH AFRICA Bank 100% Eyesizwe Coal 11% Goedehoop 100% Greenside 100% Kleinkopje 100% Kriel 100% Landau 100% New Denmark 100% New Vaal 100% Richards Bay Coal Terminal 27% AUSTRALIA Callide 100% Dartbrook 78% Drayton 88% German Creek 70% Jellinbah East 23% Moranbah North 88% Moura 51% Theodore 51% COLOMBIA Cerrejón 33% VENEZUELA Carbonos del Guasare 25%	COPPER Collahuasi (Chile) 44% Mantos Blancos (Chile) 100% Mantoverde (Chile) 100% Los Bronces (Chile) 100% El Soldado (Chile) 100% Chagres (Chile) 100% Palabora (South Africa) 29% Quellaveco (Peru) 80% NICKEL Codemin (Brazil) 90% Loma de Niquel (Venezuela) 91% Barro Alto (Brazil) 100% ZINC/LEAD Hudson Bay (Canada) 100% Black Mountain (South Africa) 100% Lisheen (Ireland) 100% Gamsberg (South Africa) 100% Skorpion (Namibia) 100% MINERAL SANDS Namakwa Sands (South Africa) 100% NIObIUM Catalão (Brazil) 100%	AGGREGATES AND BUILDING MATERIALS Tarmac Group (UK) 100% Tarmac France (France and Belgium) 100% Tarmac Central Europe (Germany, Poland and Czech Republic) 100% Steetley Iberia (Spain) 100% Tarmac International Holdings (Far East and Middle East) 100% PHOSPHATE PRODUCTS Copebrás (Brazil) 73%	FIBRE SUPPLY Forests (South Africa) 100% SiyaQhubeka Forests (South Africa) 65% Waste paper (South Africa) 100% Woodchips (South Africa) 100% PULP Richards Bay (South Africa) 100% Frantschach (Czech Republic) 70% GRAPHIC PAPER Neusiedler (Austria, Hungary, Slovakia, Russia, Israel) 100% Merebank (South Africa) 100% Aylesford Newsprint (UK) 50% Europapier (Europe) 70% PACKAGING Frantschach Packaging (Europe) 70% Frantschach Swiecie (Poland) 61% Mondi Packaging (UK, France, Ireland, Poland) 100% Corrugating paper (South Africa) 100% Mondipak (South Africa) 100% Cartonboard (South Africa) 100%	FERROUS METALS Kumba (South Africa and Australia) 67% Highveld Steel (South Africa) 80% Scaw Metals (Worldwide) 100% Samancor (South Africa) 40% Australian Manganese 40% Zimbabwe Alloys 100% Columbus Stainless Steel (South Africa) 14% INDUSTRIES Boart Longyear (Worldwide) 100% Tonga-Hulett (South Africa) 53% Terra (North America and UK) 49% Hippo Valley Estates (Zimbabwe) 49% Amfarms (South Africa) 100%

THE BOARD

EXECUTIVE

TONY TRAHAR

B.Comm, CA (SA)

54, 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. Tony Trahar's other directorships include AngloGold, Anglo Platinum and DB Investments.

BARRY DAVISON

BA

58, is a member of Exco, the SHE committee and chairman of Anglo Platinum. In 1986, he joined the board of Anglo American Corporation of South Africa Limited (AAC). He was chief executive of Anglo Platinum from 1988-2003. Barry was chairman of South Africa's Chamber of Mines in 2003. He is chairman of Ferrous Metals & Industries and a director of Kumba, Nedcor and Samancor.

TONY LEA

BA Hons

55, 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. He is also a director of DB Investments.

BILL NAIRN

B.Sc (Eng)

59, is group technical director and a member of Exco and of the Investment and SHE Committees. He was appointed chief executive and managing director of JCI in 1994. Bill Nairn joined AAC in 1997 when he was appointed an executive director and, in January 2000, he was appointed group technical director of AAC.

NON-EXECUTIVE

SIR MARK MOODY-STUART KCMG

Ph.D, MA, FGS

63, was appointed a non-executive director on 17 July 2002 and succeeded Julian Ogilvie Thompson as non-executive chairman on 1 December 2002. He also sits on the SHE and Nomination Committees. He is a director of The Shell Transport and Trading Company plc, HSBC Holdings plc and Accenture Ltd. Sir Mark is a member of the UN Secretary-General's Advisory Council for the Global Compact.

SIR DAVID SCHOLEY CBE

68, is a member of the SHE and Nomination Committees. He is the chairman of Close Brothers Group, a director of Vodafone Group and Chubb Corporation and an adviser to UBS. He was formerly a non-executive director of the Bank of England and a governor of the British Broadcasting Corporation.

DAVID CHALLEN CBE

MA, MBA

60, is chairman of the Audit Committee and a member of the Remuneration Committee. He is currently vice chairman of Citigroup European Investment Bank and a non-executive director of Amersham plc. Previously he was chairman of J. Henry Schroder & Co Limited, where he spent most of his professional career. He is currently a member of the UK's Takeover Panel.

DR CHRIS FAY CBE

B.Sc, Ph.D, FEng, FRSE

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

BOBBY GODSELL

MA

51, is a member of the SHE Committee and has been with the Group since 1974. He is chief executive of AngloGold, 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.

GÖRAN LINDAHL

M.Sc, D.Sc, Ph.D

58, is a member of the SHE Committee. He is a non-executive director of DuPont, IKEA and Sony and a co-chairman of Nanomix, Inc. He is chairman of the Alliance for Global Sustainability and is a former special adviser to the UN Secretary-General. He was president and chief executive officer of ABB from 1997 until the end of 2000.

ROB MARGETTS CBE

BA, FEng

57, is the senior independent non-executive director, chairman of the Remuneration Committee and a member of the Nomination Committee. He is the non-executive chairman of Legal & General Group Plc and BOC Group plc and was formerly vice chairman of ICI PLC. Rob Margetts is a governor at Imperial College of Science, Technology and Medicine, is chairman of the UK Natural Environment Research Council and a member of the UK Council for Science and Technology.

DR MARIA SILVIA BASTOS MARQUES

BA, Ph.D

47, is a member of the SHE Committee. She is currently a partner of the corporate finance consultancy MS & CR2 Finanças Corporativas Ltda. Prior to that she was president of the Brazilian Steel Institute from 2001 to 2002 and chief executive of Companhia Siderurgica Nacional from 1999 to 2002, where she was also head of corporate centre from 1996 to 1999. Maria Silvia has held non-executive directorships in Petroleo Brasileiro SA, Companhia Vale do Rio Doce and is currently a non-executive director of Companhia Souza Cruz SA and Pão de Açúcar. She also chaired Galvasud, a joint venture between CSN and Thyssen-Krupp Stahl. From 1993 to 1996, she was secretary of finance for Rio de Janeiro.

NICKY OPPENHEIMER

MA

58, is a member of the Nomination Committee. He joined the Group in 1968 and subsequently became an executive director and a deputy chairman of AAC. He became deputy chairman of De Beers Consolidated in 1985 and has been chairman of De Beers since 1998.

FRED PHASWANA

B.Comm, MA

59, is chairman of the Nomination Committee and a member of the Remuneration and Audit Committees. He is currently BP regional president: Africa and was previously a director of BP Oil (Benelux), an associate president of BP Netherlands and chairman and chief executive of BP Southern Africa. His other appointments include the South African Institute of International Affairs and the South African National Energy Association.

PROFESSOR KAREL VAN MIERT

Graduate in Diplomatic Sciences

62, is a member of the Audit and Nomination Committees. He is currently President of Nyrenode University, Netherlands Business School, a member of the supervisory boards of German utility RWE, Philips NV, Munich Re and Wolters-Kluwer. He is also a member of the advisory boards of Goldman Sachs, Eli Lilly and Rabobank. He was a member of the European Parliament from 1979 to 1985 and a member of the European Commission from 1989 until 1999.



Top row left to right
Rob Margetts, Sir Mark Moody-Stuart,
Dr Maria Silvia Bastos Marques,
David Challen and Professor Karel Van Miert.

Middle row left to right
Fred Phaswana, Nicky Oppenheimer,
Bill Nairn, Tony Lea, Tony Trahar and
Barry Davison.

Bottom row left to right
Sir David Scholey, Dr Chris Fay,
Göran Lindahl and Bobby Godsell.

BUSINESS UNIT HEADS



Left top to bottom
Ralph Havenstein: Platinum
Bobby Godsell: Gold
Tony Redman: Coal
Simon Thompson: Base Metals

Right top to bottom
Robbie Robertson: Industrial Minerals
David Hathorn: Paper and Packaging
Philip Baum: Ferrous Metals & Industries

SUMMARY DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

INTRODUCTION

The directors present to shareholders their summary financial statement for the year ended 31 December 2003. 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, and of its policies and arrangements concerning directors' remuneration, as is provided by the full Annual Report.

The full financial statements, directors' report and report of the auditors (which is unqualified) are included in a separate document entitled Annual Report 2003, which is available to shareholders free of charge. Shareholders who wish to obtain a copy for this and future years should contact the Company's Registrar. The full Annual Report of Anglo American plc comprises the aforementioned Annual Report 2003, this Annual Review and the booklet containing the letter from the chairman of the Remuneration Committee giving details of a new Bonus Share Plan, Notice of AGM and other shareholder information.

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 at the beginning of this document. Events announced after the year end are referred to in the Annual Report.

DIVIDENDS

Anglo American paid an interim dividend of 15 US cents per share on 15 September 2003. The directors recommend a final dividend of 39 US cents per share. Subject to approval by members at the AGM, the final dividend will be paid on 29 April 2004 to shareholders on the register on 12 March 2004.

ANNUAL GENERAL MEETING

The AGM will be held at The Conference Centre, Church House, Dean's Yard, London SW1P 3NZ at 11:00 am on Wednesday, 21 April 2004.

As part of the routine AGM business, shareholders will be asked to approve the directors' remuneration report and, as special business, to approve a new Bonus Share Plan, to renew the directors' existing authorities to allot ordinary shares and to make market purchases of ordinary shares.

SUMMARY CORPORATE GOVERNANCE REPORT

Throughout the year ended 31 December 2003 the Company has been in compliance with the Principles of Good Governance and Code of Best Practice of the Combined Code on Corporate Governance issued by the Financial Services Authority in June 1998.

Since its issue in July 2003 the Company has also complied with the provisions set out in Section 1 of the Combined Code on Corporate Governance issued by the Financial Reporting Council. The directors are satisfied that there is an ongoing process of internal control for identifying, evaluating and managing the significant risks faced by the Group.

The directors, their responsibilities and the current membership of the principal committees of the board are set out on page 26. Since the last AGM, Dr M S B Marques has been appointed a non-executive director.

The board comprises four executive directors and eleven non-executive directors, eight of whom are independent according to the definition contained in the Higgs Report published in January 2003. The independent directors are Sir Mark Moody-Stuart, D J Challen, F T M Phaswana, Professor K A L M Van Miert, Dr C E Fay, G Lindahl, R J Margetts and Dr M S B Marques. The other non-executive directors are Sir David Scholey, R M Godsell and N F Oppenheimer.

With effect from 25 April 2003, R J Margetts was appointed as the senior independent non-executive director in place of Sir David Scholey.

Also, with effect from 25 April 2003, F T M Phaswana was appointed chairman of the Nomination Committee in place of Sir Mark Moody-Stuart who continues as a member of the Committee. Professor Van Miert became a member of the Nomination Committee with effect from the same date. At the same time, in accordance with the Higgs Report, R J Margetts stepped down as chairman of the Audit Committee and D J Challen assumed the chairmanship of that Committee. In the interests of continuity, R J Margetts remains a member of the Audit Committee.

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 pages 32 to 34. 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.

24 February 2004

INDEPENDENT AUDITORS' STATEMENT TO THE MEMBERS OF ANGLO AMERICAN PLC

We have examined the summary financial statement which comprises the summary directors' report, summary corporate governance report, consolidated profit and loss account, summary consolidated balance sheet and summary remuneration report.

This report is made solely to the Company's members, as a body, in accordance with section 251 of the Companies Act 1985. Our work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, for our audit report on the summary financial statement, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Review in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual accounts, the directors' report and the directors' remuneration 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 as described in the contents section, 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 United Kingdom Auditing Practices Board.

OPINION

In our opinion, the summary financial statement is consistent with the full annual accounts, the directors' report and the directors' remuneration report of Anglo American plc for the year ended 31 December 2003 and complies with the applicable requirements of section 251 of the Companies Act 1985, and the regulations made thereunder.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

24 February 2004

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003**

US\$ million	Before exceptional items 2003	Exceptional items 2003	2003	Before exceptional items 2002	Exceptional items 2002	2002
Group turnover including share of joint ventures and associates	24,909	–	24,909	20,497	–	20,497
Less: Share of joint ventures' turnover	(1,060)	–	(1,060)	(1,066)	–	(1,066)
Share of associates' turnover	(5,212)	–	(5,212)	(4,286)	–	(4,286)
Group turnover – subsidiaries	18,637	–	18,637	15,145	–	15,145
Operating costs	(16,740)	(286)	(17,026)	(12,757)	(47)	(12,804)
Group operating profit – subsidiaries	1,897	(286)	1,611	2,388	(47)	2,341
Share of operating profit of joint ventures	247	–	247	219	(34)	185
Share of operating profit of associates	748	–	748	725	–	725
Total operating profit	2,892	(286)	2,606	3,332	(81)	3,251
Profit on disposal of fixed assets	–	386	386	–	98	98
Loss on termination of operations	–	–	–	–	(34)	(34)
Profit on ordinary activities before interest	2,892	100	2,992	3,332	(17)	3,315
Investment income	308	–	308	304	–	304
Interest payable	(614)	(13)	(627)	(483)	–	(483)
Profit on ordinary activities before taxation	2,586	87	2,673	3,153	(17)	3,136
Tax on profit on ordinary activities	(749)	13	(736)	(1,042)	(3)	(1,045)
Profit on ordinary activities after taxation	1,837	100	1,937	2,111	(20)	2,091
Equity minority interests	(339)	(6)	(345)	(528)	–	(528)
Profit for the financial year	1,498	94	1,592	1,583	(20)	1,563
Equity dividends to shareholders	(766)	–	(766)	(720)	–	(720)
Retained profit for the financial year	732	94	826	863	(20)	843
Headline earnings for the financial year ⁽¹⁾			1,694			1,759
Basic earnings per share (US\$):						
Profit for the financial year			1.13			1.11
Headline earnings for the financial year			1.20			1.25
Diluted earnings per share (US\$):						
Profit for the financial year			1.10			1.10
Headline earnings for the financial year			1.17			1.23
Dividend per share (US cents)			54.0			51.0
Basic number of shares outstanding ⁽²⁾ (million)			1,415			1,411
Diluted number of shares outstanding ⁽²⁾ (million)			1,478			1,426

⁽¹⁾ Headline earnings are \$1,694 million. Headline earnings are calculated as follows: profit for the financial year of \$1,592 million, adding back operating exceptional losses of \$286 million, goodwill amortisation of \$203 million and an exceptional finance charge of \$13 million less non-operating exceptional profits of \$386 million and related tax and minority interests of \$14 million.

⁽²⁾ Basic and diluted number of shares outstanding represent the weighted average for the year.

The impact of acquired and discontinued operations on the results for the year is not material.

SUMMARY CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2003

US\$ million	2003	2002
Fixed assets		
Intangible assets	2,267	2,310
Tangible assets	24,379	16,531
Investments in joint ventures and associates	6,434	5,663
Other investments	1,394	1,713
	34,474	26,217
Current assets		
Stocks	2,744	1,814
Debtors	4,383	3,337
Current asset investments and cash at bank and in hand	2,126	2,213
	9,253	7,364
Liabilities due within one year		
Short term borrowings	(4,094)	(1,918)
Other current liabilities	(5,224)	(4,329)
	(65)	1,117
Net current (liabilities)/assets		
	34,409	27,334
Liabilities due after one year		
Long term borrowings	(6,665)	(5,873)
Provisions for liabilities and charges	(3,954)	(2,896)
Equity minority interests	(3,396)	(2,304)
	20,394	16,261
Total shareholders' funds (equity)		

The financial statements, including the summary financial statement, were approved by the board of directors on 24 February 2004 and signed on its behalf by A J Trahar, chief executive, and A W Lea, finance director.

SUMMARY CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003

US\$ million	2003	2002
Net cash inflow from operating activities	3,184	3,618
Dividends from joint ventures and associates	426	258
Returns on investments and servicing of finance	(558)	(298)
Taxation	(707)	(722)
Capital expenditure and financial investment	(2,337)	(2,142)
Acquisitions and disposals	(1,285)	(3,401)
Equity dividends paid to Anglo American shareholders	(741)	(732)
Cash outflow before management of liquid resources and financing	(2,018)	(3,419)
Management of liquid resources	182	1,021
Financing	1,785	2,458
(Decrease)/increase in cash in the year	(51)	60

SUMMARY REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

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 or may be viewed on, or downloaded from, Anglo American's website, www.angloamerican.co.uk.

REMUNERATION COMMITTEE

Anglo American has a Remuneration Committee (the Committee) consisting of non-executive directors, chaired by R J Margetts, which is responsible for considering and making recommendations to the Board on executive and senior management remuneration policy, specific remuneration packages for executive directors and the operation of the Company's share incentive schemes.

REMUNERATION POLICY

Each executive director's total remuneration consists of salary, annual bonus, long term incentives and benefits. The basic salary of the executive directors is reviewed annually and is targeted at the median of companies of comparable size, market sector, business complexity and international scope. Company performance, individual performance and changes in responsibilities are also taken into consideration in setting salary levels each year. An appropriate balance is maintained between fixed and performance-related remuneration, and between elements linked to short term financial performance and those linked to longer term shareholder value creation. Assuming on-target performance, the Committee's policy is that around 50% (around 60% for the CEO) or more of total executive director remuneration is performance-related. In 2003, on average, 57% of executive directors' actual remuneration was performance-related.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive director remuneration is set at a level which is sufficient to attract and retain world class non-executive talent and is consistent with recognised best practice standards for non-executive directors' remuneration. Non-executive directors may not participate in the Company's annual bonus plan, share option schemes, long term incentive plan or pension arrangements. The board reviews non-executive directors' fees periodically to ensure they remain market competitive.

DIRECTORS' SERVICE CONTRACTS

In order properly to reflect their spread of responsibilities, all the executive directors, with the exception of A W Lea, who is employed by Anglo American International (BVI) Limited, have contracts with Anglo American International (IOM) Limited and with Anglo Operations Limited. The salaries under these contracts are payable in sterling and/or South African rand as appropriate. The employment contracts of all executive directors are terminable at 12 months' notice by either party. The contracts of executive directors contain a provision that sets out the compensation payable in lieu of notice if the Company terminates the contract (other than for cause) or the director resigns in circumstances where there has been a material adverse change in role, responsibilities or remuneration. Compensation is based on the value of 12 months' basic salary, target annual bonus for 12 months and the annual value of benefits. Although the Committee notes that this policy is not in complete compliance with the very latest ABI guidelines, it enables the Company to remain market competitive. Should market practice move away from the inclusion of liquidated damages in service contracts, the Committee will review this policy in 2004 for new appointments to the board.

All non-executive directors have letters of appointment with Anglo American for an initial period of three years from their date of appointment, subject to re-election at the annual general meeting.

PENSIONS

The amounts paid into defined contribution pension schemes by Anglo American in respect of the directors who served during 2003 totalled £479,000 (2002: £457,000), excluding supplementary voluntary pension contributions, which are described on page 34. Two of the executive directors are members of defined benefit pension schemes.

NEW BONUS SHARE PLAN

During 2003, the Committee reviewed the effectiveness and overall balance of incentive plans and, subject to shareholder approval, will amend the remuneration arrangements for executive directors and certain other executives from 2004 onwards. The proposals involve reshaping the existing annual bonus plan to increase the linkage between short and long term performance, and discontinuing future grants under the Executive Share Option Scheme (ESOS), except in exceptional circumstances. The Committee believes that the proposed amendments will better enable the Company to retain key talent, maintain market competitiveness and create a better linkage between shareholder value creation and executive reward. Subject to shareholder approval, in 2004 (in respect of the 2003 bonus award) all executive directors will be eligible to participate in a new annual bonus plan, the Bonus Share Plan (BSP), details of which can be found on page 27 of the full report. The BSP will replace the Deferred Bonus Plan and the ESOS for executive directors. The new plan will require executives to invest a greater proportion of their remuneration in shares, thereby better aligning their interests with those of shareholders, and will encourage management at all levels to build up a personal stake in the Company.

The value of the annual bonus payable to executive directors will be calculated by reference to achievement against annual performance targets. Bonus potentials will be set on an individual basis. For 2004, it is the intention of the Committee that the cash element will not exceed 75% of salary for the CEO and 60% of salary for other executive directors. The BSP will not be pensionable.

The performance measures for the BSP will include measures of corporate (and, where applicable, business unit) performance, as well as the achievement of specific individual objectives. The corporate element is based on stretching Earnings Per Share (EPS) targets. The Committee will review measures annually to ensure they remain appropriate given the economic context and performance expectations for the Company and its operating businesses, and are sufficiently stretching. It is the Committee's usual policy to base 70% of each annual bonus award on the corporate or business unit measure, and the remaining 30% on key personal performance measures.

In the case of the directors and top tier of management, half of the bonus will be paid in cash, and half as a conditional award of Bonus Shares. To encourage retention, these shares will only vest if the participant remains in employment with the Group until the end of a three year holding period.

SUMMARY REMUNERATION REPORT CONTINUED

An additional performance-related incentive will be provided in the form of an award of conditional Enhancement Shares at the same time as the award of Bonus Shares. The maximum potential value of these shares is 75% of the face value of the Bonus Shares. It is the Committee's intention to make vesting of these shares conditional on the achievement of real EPS growth of between 9% and 15% over three years.

OTHER LONG TERM INCENTIVE PLANS

As outlined above, subject to shareholder approval of the BSP, no further share option grants will be made to executive directors under the ESOS, other than for specific recruitment purposes or in other exceptional circumstances. The Committee found that the significant impact of both foreign exchange rates and commodity price cycles on the Company's share price resulted in share option payouts that were influenced more by the phasing of the business cycle than by the management performance of option plan participants. This meant that the ESOS, from time to time, was not always acting as an effective incentive. In 2004, only executive directors and top management (circa 50 individuals), will participate in the BSP. In 2005, it is intended that participation will be extended to other tiers of management globally (circa 1,300 individuals), who will thereafter cease to receive grants under the ESOS.

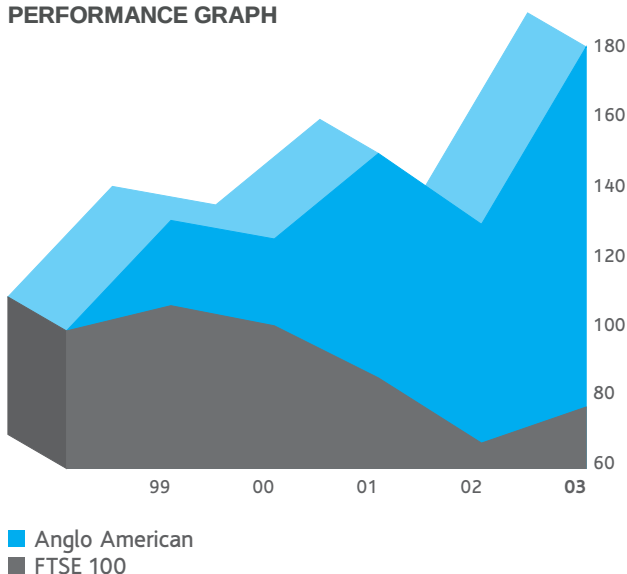
Under the Committee's proposed new incentive arrangements, conditional long term incentive plan (LTIP) awards will continue to be made annually to executive directors. These awards are discretionary, and are considered on a case-by-case basis. Following the review of the Company's incentive plans and in light of the replacement of the ESOS and Deferred Bonus Plan, primarily with the BSP, it is proposed that the value of awards under the LTIP will be increased from 120% to 160% of basic salary for the CEO, and from 100% to 130% of basic salary for the other executive directors.

Vesting of LTIP awards is subject to the achievement of two stretching performance measures, relating to Total Shareholder Return (TSR) and to an operating measure, Return on Capital Employed (ROCE), over a fixed three year period. For awards made in 2004 and thereafter, half of each award made to an executive director will be subject to a Group TSR measure, and half will be subject to a Group ROCE measure. The vesting of that part of the LTIP award contingent upon TSR performance varies according to the Company's TSR over the performance period, relative to a weighted basket of international natural resource companies (the Index). For awards made in 2003, the companies constituting the Index were as follows and no material change is envisaged in 2004:

	Mining	Paper and Packaging	Industrial Minerals
Category weighting	71%	17%	12%
Comparator companies	BHP Billiton plc Companhia Vale do Rio Doce Freeport McMoRan Copper & Gold Inc Kumba Resources Limited Noranda Inc Rio Tinto plc Teck Cominco Limited WMC Resources Limited Xstrata plc	M-real Corporation Sappi Limited SCA David S. Smith (Holdings) plc Stora Enso Oyj UPM-Kymmene Group	Aggregate Industries plc CRH plc Hanson plc RMC Group plc

The LTIP closely aligns the interests of shareholders and executive directors by rewarding superior shareholder and financial performance and by encouraging executives to build up a shareholding in Anglo American. Within five years of their appointment, executive directors are expected to acquire a holding of shares with a value of two times' basic salary in the case of the chief executive, and one times' basic salary in the case of other executive directors.

PERFORMANCE GRAPH



The graph shows the Company's TSR performance from the date of listing, against the TSR performance of the FTSE 100 Index, chosen as being a broad equity market index consisting of companies of comparable size and complexity to Anglo American. This graph has been produced in accordance with the requirements of Schedule 7A to the Companies Act 1985.

SUMMARY REMUNERATION REPORT CONTINUED

REMUNERATION OUTCOMES DURING 2003

DIRECTORS' EMOLUMENTS

The fees and other emoluments paid to non-executive directors during the year ended 31 December 2003 amounted to £1,355,000 (2002: £1,280,000).

	Year ended 31 December 2003					2002	Year ended 31 December 2003	Interest at 31 December 2003			
	Basic salary £000	Basic salary sacrificed into international Approved Pension Scheme ⁽¹⁾	Allowance and benefits ⁽²⁾ £000	Bonus £000	Total £000	Total £000	Gains on share options/ incentives £000 (unless otherwise stated)	Beneficial share interests	Anglo American share options ⁽⁴⁾⁽⁵⁾	Long term incentive plan awards ⁽⁶⁾	Deferred bonus plan ⁽⁷⁾
Executive directors ⁽³⁾											
A J Trahar (chief executive)	729	81	51	563	1,424	1,292	R7,058,460	152,094	603,512	258,061	70,688
B E Davison	392	43	24	144	603	579	—	26,390	239,000	115,341	11,083
A W Lea	475	—	22	192	689	663	515	84,777	311,608	130,744	32,965
W A Nairn	342	38	31	156	567	537	R1,733,600	35,680	196,029	103,572	16,115

(1) In view of A J Trahar, B E Davison and W A Nairn having no provision for past service in respect of their sterling-denominated pension fund, their employing company has contractually agreed that supplementary pension contributions should be made to the Anglo American plc International Approved Pension Scheme in return for these executives giving up their right to part of their future basic salary. The table above shows these amounts, which are £81,000, £43,000 and £38,000 respectively.

(2) Each director receives a car allowance or a fully expensed car and a limited amount of personal tax advice. All directors, with the exception of W A Nairn, also receive medical insurance and death and disability insurance. A J Trahar, A W Lea and W A Nairn receive club membership; in addition, A J Trahar receives a housing loan subsidy.

(3) Subsequent to their retirement from the board, L Boyd, M W King and J Ogilvie Thompson have provided consultancy services to Anglo American and hold non-executive directorships with certain listed subsidiaries of the Group. They have received fees of £29,000, £26,000 and £21,000 respectively for the provision of these services in 2003.

(4) 478,000 options were granted to executive directors during the year, whilst 203,000 options were exercised. B E Davison also has 38,325 share options in Anglo Platinum.

(5) The exercise of the options is subject to Anglo American's EPS (calculated in accordance with FRS 14, based on the Company's headline earnings measure) increasing by at least 6% above the UK Retail Price Index over a three year period. The EPS growth requirement takes account of the cyclical nature of the natural resources business.

(6) Conditional awards of 240,639 have been made to executive directors under the LTIP during the year.

(7) Conditional awards of 60,718 have been made under the Deferred Bonus Plan during the year. In addition, 15,344 awards vested to the executive directors during the year.

INDEPENDENT REMUNERATION REPORT REVIEW

This letter reports on the results of the review carried out by Mercer Human Resource Consulting Limited of the processes followed by the Anglo American Remuneration Committee (the Committee) that support the Remuneration Report for the financial year 2003. Mercer undertook the review at the request of the Chairman of the Committee in order to provide shareholders with assurance that the remuneration processes followed are appropriate and that the Committee has complied with the policies set out in the Remuneration Report.

In order to reach our opinion, we reviewed the Committee's Terms of Reference and the minutes of its meetings held during the year as well as material presented to the Committee for its review. We also interviewed the Chairman and Secretary of the Committee. Our review was not intended to audit the compensation data set forth in the Remuneration Report or to evaluate the merits of Anglo American's remuneration programme.

Based on our review, Mercer is of the opinion that the process followed by the Committee during 2003 was fully consistent with its Terms of Reference and that the decisions taken by the Committee were in line with the principles set out in the Remuneration Report. It continues to be our view that the Committee takes a suitably robust approach to its work. We would note in particular the changes to long term incentive arrangements which have been proposed in response to dialogue held with institutional investors.

The Committee has implemented changes as a result of our 2002 review. The members of the Remuneration Committee have received training and are regularly updated on executive compensation and corporate governance matters.

Further detail regarding the Mercer review is included in a letter of this date addressed to the Committee Chairman, which we understand will be made available on the Company's website.

Mark Hoble
Mercer Human Resource Consulting Limited
Dexter House
2 Royal Mint Court
London EC3N 4NA

13 February 2004

KEY FINANCIAL DATA

US\$ million (unless otherwise stated)	2003	2002	2001 ⁽¹⁾	2000 ⁽¹⁾	1999 ⁽¹⁾
Group turnover including share of joint ventures and associates	24,909	20,497	19,282	20,570	19,245
Less: Share of joint ventures' turnover	(1,060)	(1,066)	(1,109)	(1,590)	(1,720)
Share of associates' turnover	(5,212)	(4,286)	(3,387)	(4,156)	(5,947)
Group turnover – subsidiaries	18,637	15,145	14,786	14,824	11,578
Operating profit before exceptional items	2,892	3,332	3,298	3,479	2,141
Operating exceptional items ⁽²⁾	(286)	(81)	(513)	(433)	–
Total operating profit⁽²⁾	2,606	3,251	2,785	3,046	2,141
Non-operating exceptional items ⁽²⁾	386	64	2,148	490	410
Net interest (expense)/investment income	(319)	(179)	130	308	265
Profit on ordinary activities before taxation	2,673	3,136	5,063	3,844	2,816
Taxation on profit on ordinary activities	(749)	(1,042)	(1,247)	(1,143)	(538)
Taxation on exceptional items	13	(3)	(147)	–	18
Equity minority interests	(345)	(528)	(584)	(818)	(758)
Profit for the financial year	1,592	1,563	3,085	1,883	1,538
Headline earnings	1,694	1,759	1,681	1,927	1,296
Earnings per share (\$) ⁽³⁾	1.13	1.11	2.09	1.20	1.00
Headline earnings per share (\$) ⁽³⁾	1.20	1.25	1.14	1.23	0.84
Dividend per share (US cents) ⁽³⁾	54.0	51.0	49.0	47.5	37.5
Basic number of shares outstanding (million) ⁽³⁾	1,415	1,411	1,474	1,567	1,540
EBITDA ⁽⁴⁾	4,785	4,792	4,647	4,688	3,113
EBITDA interest cover ⁽⁵⁾	12.7	20.0	31.2	–	–
Operating margin (before exceptional items)	11.6%	16.3%	17.1%	16.9%	11.1%
Dividend cover (based on headline earnings)	2.2	2.5	2.3	2.6	2.2
Balance sheet					
Intangible and tangible fixed assets	26,646	18,841	12,870	14,315	11,110
Investments	7,828	7,376	5,523	7,936	8,373
Working capital	1,903	822	282	971	914
Provisions for liabilities and charges	(3,954)	(2,896)	(2,194)	(2,594)	(2,604)
Net (debt)/funds	(8,633)	(5,578)	(2,018)	(3,590)	81
Equity minority interests	(3,396)	(2,304)	(1,607)	(2,212)	(2,477)
Shareholders' funds (equity)	20,394	16,261	12,856	14,826	15,397
Total capital ⁽⁶⁾	32,423	24,143	16,481	20,628	17,793
Net cash inflow from operating activities	3,184	3,618	3,539	2,959	1,850
Dividends received from joint ventures and associates	426	258	258	258	209
Return on capital employed ⁽⁷⁾	10.7%	17.5%	19.0%	19.5%	13.2%
EBITDA/average total capital	16.9%	23.6%	25.0%	24.4%	18.1%
Net debt/(funds) to total capital	26.6%	23.1%	12.2%	17.4%	(0.5%)

⁽¹⁾ 1999, 2000 and 2001 restated for the adoption of FRS 19.

⁽²⁾ Operating profit for 2000 has been restated for the reclassification of the loss of \$167 million arising on the anticipated disposal of Terra Industries Inc. The disposal did not proceed and the loss has therefore been reclassified into operating exceptional items as an impairment.

⁽³⁾ 2000 and 1999 restated to reflect the three-for-one bonus issue in May 2001.

⁽⁴⁾ EBITDA is operating profit before exceptional items plus depreciation and amortisation of subsidiaries and share of joint ventures and associates.

⁽⁵⁾ EBITDA interest cover is EBITDA divided by net interest expense, excluding other net financial income (2003: \$72 million) and exceptional financing charges (2003: \$13 million). EBITDA interest cover for 2002 is annualised to account for acquisitions during the year. The actual EBITDA interest cover for 2002 was 25.5 times. For 2000 and 1999, EBITDA interest cover is not applicable as the Group was a net interest recipient after adjusting for other net financial income.

⁽⁶⁾ Total capital is the sum of shareholders' funds, net debt and minority interests.

⁽⁷⁾ Return on capital employed is calculated as total operating profit before impairments for the year divided by the average total capital less other investments and adjusted for impairments.

SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

11:00 am on Wednesday, 21 April 2004, at
The Conference Centre
Church House
Dean's Yard
London SW1P 3NZ

SHAREHOLDERS' DIARY 2004/5

Interim results: August 2004
Interim dividend paid: September 2004
Financial year end: 31 December 2004
Annual results announcement: February 2005
Annual Report: March 2005
Annual General Meeting: April 2005
Final dividend paid: April 2005

ENQUIRIES

Queries relating to Anglo American plc should be addressed to the Company Secretary or the Investor and Corporate Affairs 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
Registered number 3564138
Website www.angloamerican.co.uk

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

UK Registrar

Computershare Investor 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 Limited
70 Marshall Street
Johannesburg 2001, South Africa
(PO Box 61051, Marshalltown 2107)
Telephone +27 (0)11 370 7700
Fax +27 (0)11 688 7721

If you would like to receive copies of Anglo American's publications

Please write to:
Investor and Corporate Affairs Department
Anglo American plc
20 Carlton House Terrace
London SW1Y 5AN, England

Alternatively, publications can be ordered online at:
<http://www.angloamerican.co.uk/investor/reqreport.asp>

The full 2003 Annual Report, which includes the financial statements, directors' report, corporate governance report, remuneration report and report of the auditors (which is unqualified), and the booklet containing the letter from the chairman of the Remuneration Committee giving details of a proposed Bonus Share Plan, the Notice of AGM and other shareholder information are available free of charge from the Company's Registrar. A separate 'Report to Society 2003' will be available on request.

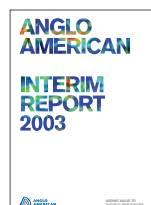
OTHER ANGLO AMERICAN PUBLICATIONS



2003
Annual Report



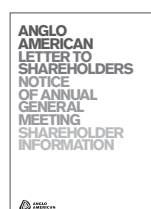
Investing in
the future –
Black Economic
Empowerment



2003
Interim Report



Good Neighbours
Our work with
communities



Letter to
Shareholders,
Notice
of AGM and
Shareholder
Information
booklet



Good Citizenship:
Our Business
Principles



2003 Report to
Society: Working
for Sustainable
Development



Optima
Anglo American's
current affairs
journal

CHARITABLE PARTNERS



This is just a selection of the charities with which we worked in 2003.

COVER STORY

Los Bronces, at an altitude of more than 3,000 metres in the Andes, forms the major part of a suite of copper operations in Chile acquired in late 2002. The mine, which produces more than 200,000 tonnes of copper a year, has enormous reserves and resources and considerable growth potential.

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