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**HEAD OFFICE**

44 Main Street, Johannesburg 2001  
(P.O. Box 61567, Marshalltown 2107)  
Managing Secretary: J. T. Goldfinch

**OFFICES**

**Australia**

Australian Anglo American Limited  
500 Collins Street, Melbourne  
Secretary: K. J. G. Sole

**Bermuda**

Anglo American Investment Trust (Bermuda) Limited  
Belvedere Building, Pitts Bay Road, Pembroke, Bermuda  
Secretary: D. F. Ellis

**Botswana**

Anglo American Corporation Botswana Limited  
Botsalano House, The Mall, Gaborone  
Secretary: H. F. Rowe

**Brazil**

Anglo American Corporation do Brasil Limitada  
CP-538-2000, 20000-Rio de Janeiro  
Secretary: A. de Azevedo

**Canada**

Anglo American Corporation of Canada Limited  
P.O. Box 28  
Toronto-Dominion Centre, Toronto M5K 1B8  
Secretary: P. H. Page

**France**

Charter France S.A.  
9 Rue de Vienne, Paris 8e  
Secretary: J. V. N. Payne

**Luxembourg**

Anglux Limited S.A.  
50 Route D'Esch (BP 459)  
Luxembourg  
Secretary: D. P. Paton

**Portugal**

Anglo American Corporation of South Africa (Portugal) S.A.R.L.  
244 Avenida Da Liberdade, Lisbon  
Secretary: A. Vieira De Castro

**Rhodesia**

70 Jameson Avenue Central, Salisbury C-4  
Managing Secretary for Rhodesia: G. T. Bain

**United Kingdom**

40 Holborn Viaduct, London EC1P 1AJ, England  
Joint London Secretaries: D. S. Booth and E. Burrows

**Zambia**

Anglo American Corporation (Central Africa) Limited  
74 Independence Avenue, Lusaka  
Secretary: R. V. C. Asherwood

**SHARE TRANSFER SECRETARIES**

Consolidated Share Registrars Limited  
62 Marshall Street, Johannesburg 2001  
(P.O. Box 61051, Marshalltown 2107)

Charter Consolidated Limited

P.O. Box 102

Charter House

Park Street, Ashford

Kent TN24 8EQ, England

Aanderethoekers wat 'n Afrikaanse vertaling  
van hierdie verslag verlang, word versoek om met  
die oorspronkele vertaling in verbanding te tree

ANGLO AMERICAN  
CORPORATION  
OF SOUTH AFRICA  
LIMITED

Incorporated in the Republic of South Africa  
Company Registration No. 12419

# 58th Annual Report · 1974

Containing the annual financial statements in respect of  
the financial year ended 31st December 1974

Notice to members	2
Introduction	3
The year in brief	5
Directorate	7
Administration	8
Directors' review	9
Financial statements	41
Profile of the Group	61

# Notice to members

Notice is hereby given that the fifty-eighth annual general meeting of members of Anglo American Corporation of South Africa Limited will be held at 44 Main Street, Johannesburg, on Friday, 23rd May 1975, at 11h00, for the following business:

- 1 To receive and consider the annual financial statements in respect of the year ended 31st December 1974.
- 2 To elect directors in accordance with the provisions of the Corporation's articles of association.
- 3 To consider and, if deemed fit, to pass with or without modification, the following resolution, as an ordinary resolution, namely:  
"That the directors be and they are hereby authorised:  
(i) to allot and issue, after providing for the allotment and issue of the ordinary shares in terms of the share incentive scheme and the staff share option scheme, all or any portion of the remaining unissued ordinary shares of 10 cents each in the capital of the Corporation, at such time or times to such person or persons, company or companies, and upon such terms and conditions as they may determine.  
(ii) to make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:

(a) any shares offered to shareholders in the Corporation by way of rights issues but not taken up by the persons entitled thereto; and

(b) any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of paragraph (i) of this resolution, provided that any such shares which can be sold on The Johannesburg and/or London Stock Exchanges, at a net price in excess of the issue price, shall be sold by the underwriters, and any excess of the net proceeds of sale over the issue price be paid to the Corporation."

The head office and United Kingdom transfer registers and the registers of members of the Corporation will be closed from 16th May to 23rd May 1975, both days inclusive.

Holders of share warrants to bearer who are desirous of attending in person or by proxy or of voting at any general meeting of the Corporation must comply with the regulations of the Corporation under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and speak and, on a poll, vote in his stead. A proxy need not be a member of the Corporation.

By order of the board  
I.T. GOLDFENCH  
Managing Secretary

28th April 1975  
Registered Office  
44 Main Street  
Johannesburg

Anglo American Corporation is the head of an international group of mining, industrial and investment companies. In mining, the Corporation, together with its close associates De Beers Consolidated Mines and Charter Consolidated, have important interests in the production of gold and uranium, diamonds, copper and nickel, coal, platinum, tin, potash, asbestos, iron ore, lead, zinc and wolfram. In industry the Corporation's interests range from steel-making and heavy engineering to construction, motor vehicles, paper and textiles, chemicals, drilling tools, refractories and foodstuffs. It is also active in property development and insurance in Southern Africa.

The Corporation's investments are held mainly through a number of specialised companies. Anglo American Gold Investment Company holds gold mining interests; Anglo American Investment Trust diamond mining and marketing investments. Coal mining interests are held by African and European Investment Company and by Vereeniging Estates and industrial and commercial holdings by Anglo American Industrial Corporation. Minerals and Resources Corporation is taking an increasing part in the Group's international mining business. On a geographical basis there are Anglo American Corporation of Canada, Anglo American Corporation Rhodesia, Zambia Copper Investments, and Australian Anglo American. Rand Selection, with which Anglo American has been closely associated since its formation, holds a diversified spread of investments similar to those of the Corporation itself, and owns Schlesinger Insurance and Institutional Holdings.

The term 'group' has a wider meaning in the South African mining industry than its statutory definition of a parent company and its subsidiaries, and throughout this report it is used in its wider sense. The mining finance houses in South Africa have traditionally operated 'the group system', whereby the parent house not only administers companies that are not necessarily subsidiaries, but provides them with a full range of administrative and technical services and is able, by virtue of its financial strength and standing, to assure them of capital for expansion and development. Thus the Anglo American Corporation Group comprises a large number of companies that are closely linked to the Corporation but which generally are not subsidiaries or controlled companies as defined

in the statutes. De Beers and Charter are separate organisations, not members of the Group, though they do draw upon the Corporation's technical services.

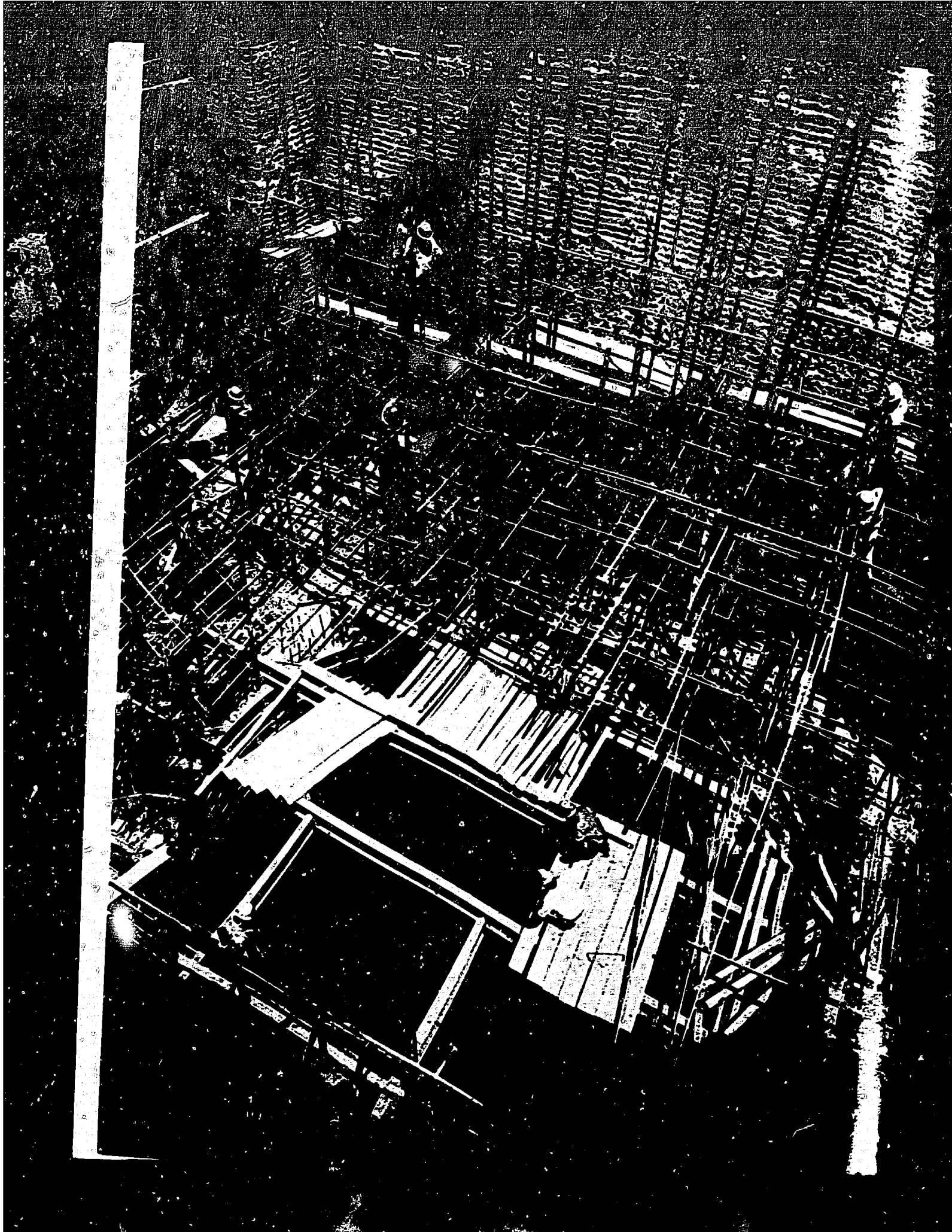
The Corporation has had only two chairmen, the founder, Sir Ernest Oppenheimer, from 1917 to 1957, and the present chairman, his son Mr Harry Oppenheimer. This has brought a continuity of policy to the activities of the Corporation, whose aims are to earn profits for its shareholders, but to do so in such a way as to make a real and lasting contribution to the welfare of the areas and countries where it operates.

The Corporation's roots are firmly planted in Africa where it began; its interests there, both in mining and in a wide range of industries, are continuing to grow. But its resources are also being applied internationally, in mining and related fields, directly through Minerals and Resources Corporation, and indirectly through Charter and other associates. Geological exploration similarly has become world-wide. The Group is involved in prospecting programmes in Africa, in North and South America, in Australia, the Far East and Europe.

The Corporation's original capital in 1917 was £1 million, which was raised from British, American and South African sources—hence the title 'Anglo American Corporation of South Africa'. The present capital and reserves exceed R393 million, and the Corporation's investments at the end of 1974 were valued at R1 277 million. The mining, industrial and property companies administered by the Group are valued at about R4 600 million.

To illustrate the scale of its mining operations, in 1974 the Group was responsible for nearly 40 per cent of South Africa's gold output, equivalent to about 30 per cent of world production (excluding Communist countries), for 33 per cent of South Africa's coal and a third of its uranium. The copper mines in which the Group is interested accounted for over nine per cent of world production.

With nearly 17 000 registered ordinary shareholders and more than 43 000 bearer certificates in issue, the ownership of Anglo American Corporation is widely spread. The majority of the share capital is held in South Africa. The United Kingdom and other European countries hold about 44 per cent.



Shaft-sinking below the collar of the men and materials shafts of the new Elandrand mine, Carletonville. The use of a movable pre-assembled temporary headgear enables sinking to proceed without interruption while the permanent headgear is being constructed. This innovation will save several months of sinking time.

## The year in brief

The consolidated profit of Anglo American Corporation increased by R17,506 million, or 30 per cent, to R75,746 million, which after deduction of preferred dividends is equivalent to 57.4 cents an ordinary share. The total dividend on the ordinary shares was increased by five cents to 29 cents a share.

### INVESTMENTS

The value of the Corporation's listed investments was R1 058 million, a decrease of R56 million over last year. An analysis by primary source and geographical location of the Corporation's direct investments and the underlying investments of the holding companies in which it is interested is given in the table opposite. The Corporation and its associated finance companies had interests valued at about R1 800 million in the mining, industrial, financial and property companies that the Corporation administers. The total value of these companies amounted to about R4 600 million. In addition the interests of the Corporation and of its finance companies in companies administered outside the Group, such as De Beers, Charter Consolidated, and Engelhard Minerals and Chemicals, were valued at more than R1 700 million. The overall value of the interests of the Corporation and its associated finance companies at the end of 1974 was therefore about R3 500 million, and the overall size of the Anglo American Corporation Group was approximately R6 300 million.

### INVESTMENT COMPANIES

Rand Selection Corporation's consolidated net profit for the year to 30th September 1974 rose by R18.0 million to R43.9 million and the value of its general investment portfolio amounted to R885.3 million. The higher gold price over the past year contributed significantly to these results. Rand Selection acquired the Schlesinger Insurance and Institutional Holdings' group of companies in 1974 and reached agreement with Barclays National Bank Limited in February this year whereby Barclays have now acquired the entire equity capital of Western Bank. Anglo American Gold Investment Company again benefited substantially from increased dividends declared by its gold mining interests and its consolidated profit for 1974 rose by 75 per cent to R75.3 million.

Anglo American Industrial Corporation's consolidated profit rose this year by 36 per cent to R28.5 million.

Anglo American Investment Trust Limited increased its equity earnings by 21 per cent to R29.4 million.

### GOLD

Mainly as a result of mining lower grades of ore made economic by higher gold prices, production by Group mines fell by 46 200 kilograms to 299 900 kilograms, which is about 40 per cent of South African production and 30 per cent of world production, excluding communist countries. Working profits rose by 48.6 per cent to R48.4 million, of which taxation and the State's share of profits amounted to approximately R363.6 million, or 56.1 per cent.

	VALUE OF INVESTMENTS*		INCOME FROM INVESTMENTS	
	Percentage		Percentage	
	1974	1973	1974	1973
<b>By prime source</b>				
Gold .....	56	42	44	38
Diamonds .....	9	17	17	20
Copper .....	2	3	9	10
Coal .....	3	3	3	4
Platinum .....	2	3	3	3
Other mining .....	5	5	2	3
Industrial .....	14	17	16	15
Finance .....	7	8	6	7
Property .....	2	2	—	—
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
<b>Geographical</b>				
South Africa and South West Africa .....	85	82	83	82
Rest of Africa, south of the equator .....	6	7	10	11
United Kingdom .....	1	2	1	1
Europe .....	1	2	2	3
North America .....	5	6	4	3
Australia .....	1	1	—	—
Rest of world .....	1	—	—	—
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

\*Interests attributable to outside shareholders in subsidiary companies are excluded.

Working costs at Group mines rose by 31.8 per cent to R14.33 a ton milled. The price of gold on the free market rose from \$115 an ounce in January 1974 to reach the record figure of \$197.50 in December and was \$178 on 14th March 1975. These higher prices have had the effect of making lower-grade areas payable thereby significantly extending ore reserves over the life of a mine.

### URANIUM

The Group produced 1 023 tons of uranium compared with 803 tons in 1973. Owing to a lower level of contract sales working profit from uranium and acid decreased to R1.3 million, but there are signs that demand should increase substantially by the end of the decade.

### DIAMONDS

Sales of gem and industrial diamonds by the Central Selling Organisation in 1974 fell by R72 million or 7.8 per cent to R849 million. The consolidated net profit attributable to De Beers Consolidated Mines decreased by R36.2 million to R201.3 million, equivalent to 56 cents a deferred share after allowing for the preference dividend. Total output of the De Beers group was 11 068 183 carats which was about two per cent more than in 1973.

### FEATURES OF THE CONSOLIDATED FINANCIAL STATEMENTS

	1974	1973	1972
	R	R	R
Issued ordinary capital and reserves .....			314 204 000
Book value of listed investments .....	388 834 000	345 349 000	350 609 000
Market value of listed investments .....	293 978 000	351 167 000	1 162 757 000
Book value of unlisted investments .....	1 057 818 000	1 113 943 000	99 337 000
Directors' valuation of unlisted investments .....	155 732 000	117 416 000	
Investment income .....	218 785 000		
Equity earnings .....	73 298 000	51 017 000	44 679 000
Equity earnings per share .....	75 460 000	57 954 000	45 379 000
Dividend per ordinary share .....	57.4 cents	44.6 cents	34.9 cents
Total ordinary dividend .....	29 cents	24 cents	19 cents
Number of issued ordinary shares .....	38 100 000	31 176 000	24 674 000
	131 387 300	129 889 300	129 858 200

\*Not available

### COPPER AND OTHER MINING

There was a sharp decline in the London Metal Exchange price for copper in 1974 from a record £1 400 a ton in April to £554 in December. The average price for the year was £877 compared with £727 in 1973.

Production of finished copper at Nchanga Consolidated Copper Mines in Zambia was 416 000 tons. The value of the sales of copper rose from K423 million in 1973 to K522 million. Production of lead and zinc improved to 83 039 tons from 78 101 tons.

Hudson Bay Mining and Smelting Co. was subject to a substantial additional tax burden in 1974 and net earnings fell from Canadian \$44.58 million to \$38.58 million, or \$3.88 a share.

Extensive modifications are being undertaken to the plant of the copper-nickel mine at Selebi Pikwe in Botswana to improve its performance.

The Cleveland Potash mine in the United Kingdom, which began production in October 1973, continues to build up production to its planned annual rate. A second shaft is expected to be fully operational shortly.

### COAL

Net profits of Group collieries rose from R8.4 million to R10.3 million and sales increased by 5.5 per cent to 21.0 million tons, which represents 32.5 per cent of South African coal production in 1974. Coal reinforced its position as the dominant energy source in South Africa during the year.

### INDUSTRY AND COMMERCE

Anglo American Industrial Corporation's two major subsidiaries contributed significantly to profits this year. Boart International Limited had an excellent year with consolidated profits jumping from R5.23 million to R9.62 million while Scaw Metals Limited achieved record earnings of R9.12 million, an increase of R2.02 million.

Highveld Steel and Vanadium Corporation achieved record outputs of steel and vanadium and net profits for the year to 30th June 1974 rose from R7.50 million to R11.17 million before providing for deferred taxation of R1.26 million. LTA Limited increased its net profit by 68 per cent to R3.44 million for the year ended 30th June 1974. Mondi Paper Company achieved a net profit of R11.53 million, following its maiden profit of R655 000 in 1973.

### PROPERTY

The Group's principal property vehicles are Anglo American Properties and Sorec. Amaprop reported a loss of R760 000 in the six months to 31st August 1974 compared with a loss of R1 005 000 and Sorec showed an increase in taxed profit of nine per cent to R2 119 600 for the year to 30th June 1974.

### CHAIRMAN'S STATEMENT

A statement by the Chairman of the Corporation, Mr H. F. Oppenheimer, will be sent to members before the date of the annual general meeting.

# Directorate

## CHAIRMAN

H. F. Oppenheimer

## DEPUTY CHAIRMEN

Sir Keith Acutt, K.B.E. (British)

W. D. Wilson

## DIRECTORS

F. S. Berning

W. G. Boustred

Dr Z. J. de Beer

D. A. Etheredge, O.B.E. (British)

G. C. Fletcher, M.C.

H. R. Fraser (British)

C. J. L. Griffith

E. P. Gush

M. B. Hofmeyr

N. K. Kinkead-Weckes (British)

G. Langton

D. G. Nicholson (British)

N. F. Oppenheimer

Sir Philip Oppenheimer (British)

G. W. H. Rely

Sir Albert Robinson (British)

S. Spiro, M.C.

J. Ogilvie Thompson

G. H. Waddell, M.P.

## ALTERNATE DIRECTORS

Dr M. G. M. Atmore

G. A. Carey-Smith (British)

A. W. D. Darvall

H. K. Davies

Dr H. B. Dyer

W. J. Héfer

D. B. Hoffe

J. A. Holmes (British)

F. J. A. Howard

J. D. Johnson (British)

A. Johnstone

O. P. Koevort

S. B. Kossuth

P. J. R. Leyden (British)

D. E. MacIver

A. B. McKerron

C. D. M. Melville (British)

M. C. O'Dowd

B. W. Pain (British)

M. W. Stephenson (British)

A. Wilson

# Administration

## EXECUTIVE COMMITTEE

H.F. Oppenheimer  
Sir Keith Acott  
W.G. Boursted  
D.A. Etheredge  
G.C. Fletcher  
H.E. Fraser  
C.J.J. Griffiths  
M.B. Holmes  
G.W.H. Kelly\*  
Sir Albert Robinson  
S. Spira  
J. Ogilvie Thompson\*  
G.H. Waddell\*  
W.D. Wilson

\*Members of operating committee

## MANAGERS

F.S. Bering  
B.E. Bullett  
G.A. Carey-Smith  
H.K. Davies  
Dr Z.J. de Beer  
I.C. de Zwaan  
M.W. Dunningham  
Dr H.B. Dyet  
E.P. Gash  
W.J. Héler  
D.H. Hoffe  
E.J.A. Howard  
A. Johnstone  
M.W. King  
N.K. Kirkland-Weekes  
O.P. Kocvont  
S.B. Kowall  
P.J.R. Leaden  
M.S. McCrum  
A.B. McKetton  
C.D.M. Melville  
D.G. Nicholson  
M.C. O'Dowd  
N.J. Organ  
B.W. Pain  
V.I. Webber  
A. Wilson

## CHIEF ACCOUNTANT

G.C. Teeman

## ECONOMIC CONSULTANT

A.B. Dickman

## MANAGING SECRETARY

J.T. Goldfinch

## MEDICAL CONSULTANT

Dr J.L.C. Whitcombe

## CHIEF PERSONNEL CONSULTANT

F.N. Culline

## SENIOR PERSONNEL CONSULTANT

J.F. Drysdale

## PUBLIC RELATIONS CONSULTANT

B.R. Motimer

## TECHNICAL DIRECTOR

G. Langton

## DEPUTY TECHNICAL DIRECTORS

Dr M.G.M. Atmore  
A.W.D. Darvall  
J.A. Holmes  
J.D. Johnson  
D.E. MacIver  
M.W. Stephenson

## CONSULTING ENGINEERS

J. Airsworth  
T.A.J. Braithwaite  
K. Daniel  
S.F. Gandar  
V.W. Hall  
K.C.G. Heath  
W.R. Lawrie  
T. Lee-Jones  
A.R. McLeod  
R.A. Mudd  
G.Y. Nisbet  
T.L. Pretorius  
D. Rankin  
H.J. Stucke  
A. von Holdt  
R.G. Williams  
P.M.C. Wilson

## CONSULTING CIVIL ENGINEER

D.W. Standish-White

## CONSULTING ELECTRICAL ENGINEER

A.S. Adams

## CONSULTING GEOLOGISTS

Dr F.W.D. Crumwall  
Dr P.V. Freeman  
Dr J.B. Howkins  
E. Hyman  
R.J.A. Kemick  
Dr L.G. Murray  
Dr H.J. Nel  
Dr J.F. Osten  
Dr P.J. Pienaar  
Dr D.A.M. Smith

## CONSULTING MECHANICAL AND ELECTRICAL ENGINEERS

P.P. Coetser  
A.P. de Klerk  
G.D. Griesel  
D.H. Hillhouse  
J. Kinghorn  
C.P.A. Louwrens  
K.N. Love  
J.C. Martens  
G.O. Parnell  
A.G.V. Pearce  
A.H.W. Purkiss  
S. Sheer  
D.W. Watteraar  
C.S. West

## CONSULTING METALLURGISTS

B. Baslin  
A.K. Chant  
I.R.M. Chaston  
A.D. Deochar  
W.T. Ruhmer  
H.S. Schwartz  
J.F. Slabbert

## CONSULTING ARCHITECT

D.R. Yetton

## RESEARCH MANAGER

G.S. James

# Directors' review

Finance and investment 11

Gold 16

Diamonds 20

Copper and other mining 23

Coal 27

Industry and commerce 30

Property 35

Exploration and research 37



*Mr. J. J. Chapman, Chairman of the Board, the Director of the Corporation at Anglo American Corporation and its associates have acquired a 49 per cent interest. With him are Mr. J. J. Chapman, the Executive Director responsible for Brazil, and Mr. J. R. Ross, the Executive Director responsible for the industrial sector.*

Directors' review

## Finance and investment

### Increased income from gold

Consolidated net profit attributable to the Corporation for the year rose by 30.0 per cent to R75 746 000 or 57.6 cents a share compared with R58 240 000 or 44.8 cents a share for the year ended 31st December 1973. Ordinary dividends distributed amounted to 29 cents a share, a five cent increase. Investment income for the year rose by 44 per cent to R73 298 000 and net income from interest, fees and other sources, after deducting administration expenses, was 27 per cent higher at R22 599 000. The surplus on realisation of investments amounted to R705 000 compared with R5 974 000 in 1973 when a large portion of the Corporation's interest in U.A.L. Holdings Limited and its entire interest in U.D.C. Bank Limited were sold. Prospecting costs increased by 26 per cent to R4 445 000. An amount of R7 000 000 was provided against investments compared with R2 654 000 in 1973 and R1 300 000 was provided against loans this year. The provision for taxation was R4 614 000 lower at R4 942 000 largely because of the lower surplus on realisation of investments in 1974. The profit attributable to outside interests in subsidiaries decreased by R261 000 to R3 169 000. An amount of R824 000 was transferred from the currency reserve to cover the net loss arising from changes in currency exchange rates.

The listed investments of the Corporation and its subsidiaries had a market value of R1 057.82 million at the year end, thus exceeding the book value by R763.24 million. At 14th March 1975 the market value was virtually unchanged at R1 054.18 million. The directors' valuation of unlisted investments at the year end was R218.79 million, 40.5 per cent greater than the book value of R155.73 million.

The estimated value of the mining, finance, industrial and property companies administered by Anglo American Corporation was approximately R4 000 million at 31st December 1974. Of that total, the interests of the Corporation and its associated finance companies—listed in the table overleaf—accounted for about R1 500 million which, together with interests valued at almost R1 700 million in finance, investment and operating companies administered outside the Group—including De Beers Consolidated Mines Limited, Charter Consolidated Limited and Engelhard Minerals and Chemicals Corporation—makes the overall value of the interests of the Corporation and its associated finance companies, therefore, approximately R3 500 million compared with R3 000 million at 31st December 1973.

Rand Selection Corporation Limited is a finance and investment company with interests in gold, diamonds, copper and other base metals, coal, platinum, industry and property. The spread of Rand Selection's interests was enlarged by the acquisition, on 10 April 1974, of Schlesinger Insurance and Institutional Holdings Limited (SII) with its significant investments in the life insurance, property development and banking fields. The Rand Selection group, including SII, subsequently acquired further interests in certain com-

panies within the SII group so that at 30th September 1974 the Rand Selection group's equity interest in African Eagle Life Assurance Society Limited was 75 per cent, in Western Bank Limited just under 70 per cent, in Sorce Limited approximately 47 per cent and in Metals and Minerals Investment Corporation Limited about 49 per cent; and Premier Finance Corporation (Proprietary) Limited and Townsview Estates (Proprietary) Limited became wholly-owned subsidiaries. In February 1975 agreement was reached with Barclays National Bank Limited whereby they would make an offer to acquire the entire equity capital of Western Bank in exchange for new 'A' ordinary shares. Rand Selection has announced its support for the offer which is expected to be finalised shortly. Rand Selection's consolidated taxed profit for the year ended 30th September 1974 rose by R18.0 million to R43.9 million. Earnings a share, adjusted for the SII acquisitions during the year, were 113.6 cents compared with 76.1 cents in the previous financial year. These higher earnings, which were largely attributable to significantly increased income from the group's interests in gold mining, allowed the dividend distribution to be raised by 17.5 cents to 70.0 cents a share. A major portion of Rand Selection's income is derived from investments in companies which do not distribute their earnings in full. Consequently, if Rand Selection's share of these undistributed profits, after adjusting for cross holdings, were to be taken into account its total earnings would have been 200 cents a share against 145 cents for the year ended 30th September 1973. The value of Rand Selection's general investment portfolio, taking listed investments at market value and unlisted investments at directors' valuation, amounted to R885.3 million at 30th September 1974 compared with a book value of R268.7 million.

On 14th March 1975 Anglo American Corporation do Brasil Limitada (Ambras), owned by the Group and its associates, acquired a 49 per cent equity interest in Mineracao Morro Velho SA. This company has operated a group of small gold mines in the State of Minas Gerais, Brazil, since 1830 and also owns other mineral and surface rights in the adjoining area. Ambras will provide technical assistance to the company, and its present production of 40 000 tons of ore a month is expected to be increased significantly within a short period.

Anglo American Gold Investment Company Limited (Angold) had an excellent year in 1974 with its substantial interests in gold and uranium mining companies benefiting significantly from the continued buoyancy of the gold price on the free market. Investment income increased by 71 per cent to R72.3 million and was largely responsible for Angold's consolidated net profits rising by 75 per cent, or R32.3 million, to R75.3 million for the year ended 31st December 1974. Dividends distributed increased accordingly by 105 cents to 250 cents a share. Although the book cost of listed investments had only risen marginally by R2.6 million to R106.8 million during the year, the sustained demand for gold mining shares resulted in the market value of these investments increasing by 43 per cent to R1 241.6 million at 31st December 1974.

The equity earnings of Anglo American Investment Trust Lim-

NET ASSET VALUES, PROFITS, EARNINGS AND DIVIDENDS OF THE MAJOR GROUP FINANCE COMPANIES

	Financial year ended	Net asset value based on consolidated balance sheet*		Consolidated profit after tax and outside interests		Equity earnings per ordinary share		Dividends per ordinary share	
		1974	1973	1974	1973	1974	1973	1974	1973
		R million	R million	R million	R million	cents	cents	cents	cents
Anglo American Corporation	31st December	1 218.0 <sup>†</sup>	1 097.0	75.7	58.2	57.5	44.6	29.0	24.0
Anglo American Corporation of Canada <sup>‡</sup>	31st December	C\$81.8	C\$131.1	C\$4.6	C\$14.1	C\$6.0	C\$16.5	C\$0.0	C\$0.2
Anglo American Corporation Rhodesia	30th June	Rh\$79.9	Rh\$69.7	Rh\$2.6	Rh\$2.9	Rh\$5.9	Rh\$20.2	—	—
Anglo American Gold Investment	31st December	1 280.4 <sup>†</sup>	882.1	75.3	43.0	343.0	195.9	250.0	145.0
Anglo American Industrial Corporation	31st December	223.7 <sup>†</sup>	212.4	28.5	20.9	116.3	85.4	57.5	50.3
Anglo American Investment Trust	31st December	281.8 <sup>†</sup>	438.1	29.7	24.7	294.4	243.6	290.0	240.0
Minerals and Resources Corporation	30th June	US\$224.7	US\$226.8	US\$29.7	US\$19.3	US\$93.6	US\$60.8	US\$70.0	US\$58.2
Rand Selection Corporation	30th September	850.1 <sup>†</sup>	732.3 <sup>†</sup>	41.9	25.9	113.6 <sup>†</sup>	76.1	79.0	52.3
Vereeniging Estates	31st December	68.4 <sup>†</sup>	55.7	5.9	5.1	213.7	186.5	115.0	110.2
Zambia Copper Investments	30th June	US\$275.9	US\$274.9	US\$54.9	US\$31.9	US\$44.8	US\$26.0	US\$40.0	US\$25.5

\* Listed investments at market value and unlisted at book value.

† Includes the shares in Charter Consolidated Limited held by Rhochat Holdings Limited at market value.

‡ Includes unlisted investments at directors' valuation.

\* Includes property at sworn appraiser's value.

† Adjusted to reflect that profits from new subsidiary companies were received for only a portion of the year.

‡ Excludes equity accounting for effectively controlled companies.

ted (Anamint) rose by 21 per cent, or R5.1 million, to R29.4 million for the year ended 31st December 1974 and dividends paid amounted to 290 cents compared with 240 cents a share in the previous year. During 1974 Anamint acquired a further 1 014 000 deferred shares in De Beers Consolidated Mines Limited, its major investment, to increase its shareholding to 94 252 590 deferred shares. The decline in certain share prices during 1974 resulted in this shareholding, together with a small interest in Anglo American Industrial Corporation Limited, having a market value of R251.2 million at the year end against R442.4 million at 31st December 1973. This value had risen to R293.1 million on 14th March 1975. In addition to these listed investments, Anamint has major shareholdings in certain unlisted diamond trading companies. The growth in Anamint's earnings is mainly attributable to the 1973 final and 1974 interim dividends received from De Beers during the year being five cents a share higher than 1973's total receipts of 19.5 cents a share. De Beers' consolidated net profit was R201.3 million for the year ended 31st December 1974 compared with R237.5 million and dividends declared rose by one cent a share to 25 cents.

Anglo American Industrial Corporation Limited (Amic) increased its consolidated net profit by 36 per cent to R28.5 million for the year ended 31st December 1974 and dividends were raised by 7.5 cents a share to 57.5 cents. Amic's subsidiaries all performed well with Bost International Limited and Scaw Metals

Limited achieving particularly good profit growth. The company's subsidiaries and major investments are reviewed in the Industry and Commerce section of this review on pages 30 to 35.

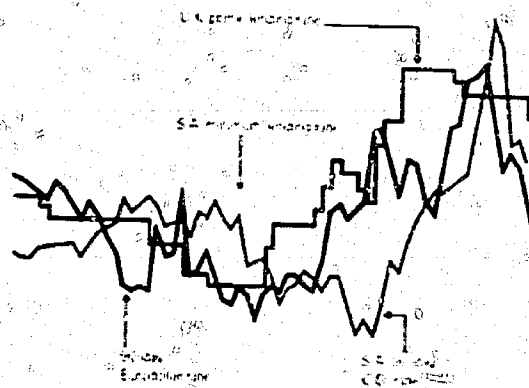
The equity earnings of Charter Consolidated Limited, the United Kingdom-based mining finance company, for the year ended 31st March 1974 increased by £3.4 million to £15.9 million, a rise of 28 per cent. Investment income rose by 27 per cent to £13.3 million and Charter's trading profits showed a further substantial increase of 26 per cent to £7.2 million largely as a result of higher profits by its major industrial subsidiary, Cape Industries Limited (formerly The Cape Asbestos Company Limited). The results of associated companies were also greatly improved and Charter's share of retained earnings amounted to £3.1 million compared with a loss of £1.1 million in the year ended 31st March 1973. The main causes for this turnaround during the financial year were reduced losses from the Sonima copper mine in Mauritania and from Beral Tin and Wolfram Limited on its mining operations in Portugal. In addition, higher profits were achieved by Anglo American Corporation of Canada Limited, which for the first time included the underlying earnings of its own associated companies. The market value of Charter's investments rose by eight per cent to £351.3 million at 31st March 1974 compared with a marginally increased book cost of £184.4 million. Earnings for the six months to 30th September 1974 increased by £0.6 million to £8.2 million in

August 1974 Charter purchased a 13.25 per cent equity interest in Haw Par Brothers International Limited, a Singapore-based company with tin mining, industrial, trading and financial interests in south-east Asia.

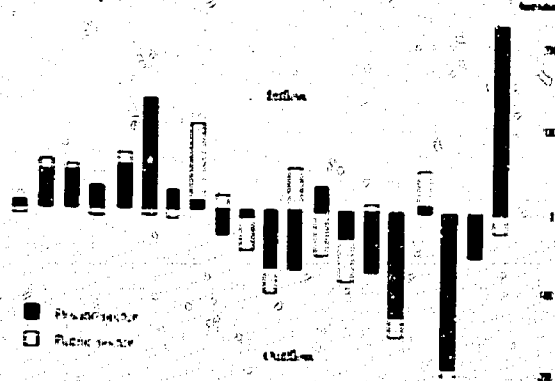
In August 1974, Minerals and Resources Corporation Limited (Minerco), formerly Zambia Anglo American Limited, broadened the base of its investments by acquiring from the Corporation and other associates their ordinary and preferred stock holdings in Engelhard Minerals and Chemicals Corporation (EMC) in exchange for new 'A' ordinary shares in Minerco. In terms of these arrangements, the dividend payable on the 'A' ordinary shares will be limited during the period to 30th June 1976 to the income received by Minerco on the EMC shares acquired and thereafter the 'A' ordinary shares will be redesignated as ordinary shares to rank *pari passu* with Minerco's present ordinary shares. As a result of Minerco's subsequent conversion of its 20.7 per cent preferred stock holding, its equity interest in EMC rose to 30.6 per cent at the year end. Furthermore, prior to 30th June 1974 Minerco acquired an effective interest of just over 43 per cent in Trend Exploration Limited, an unquoted United States oil and gas exploration company. Minerco will now play a greater role in the new business of the Anglo American Corporation and Charter groups in areas not covered by their regional companies.

Minerco's main source of income continued to be its 49.9 per cent equity interest in Zambia Copper Investments Limited (ZCI) which has substantial interests in the Zambian copper mining industry through its holdings of 49 per cent of Nchanga Consolidated Copper Mines Limited (NCCM) and 12.25 per cent of Roan Consolidated Mines Limited (RCM). The changes in the operations of the industry, proposed by the President of Zambia in August 1973, have now been implemented. As mentioned last year the Zimco bonds were redeemed thereby enabling legislation to be passed to change the tax system applicable to NCCM and RCM, and to subject dividends paid by the two mining companies to withholding tax, presently 10 per cent, and to Zambian exchange control regulations. The effect of ZCI's dividend income has consequently been adversely affected and since the exchange control authorities now allow realisation of the mining company dividends only once a year in each case, appropriate changes have been made in ZCI's own dividend pattern. The formalities to provide for self-management of NCCM were completed on 15th November 1974, with retrospective effect to 1st August 1974. In terms of the new arrangements, the agreement under which the Anglo American Corporation Group provided management, technical consultancy, metal marketing and other services to NCCM was terminated nearly 5½ years before its scheduled expiry; the managing director of NCCM is now nominated by the Government, as the majority shareholder; and the Metal Marketing Corporation of Zambia Limited, a State-owned company, has become NCCM's sole agent for the marketing of its products. As compensation for the early termination of the original agreements with NCCM, the sum of K33 million is payable in 12 quarterly instalments. The Corporation has, however, upon request

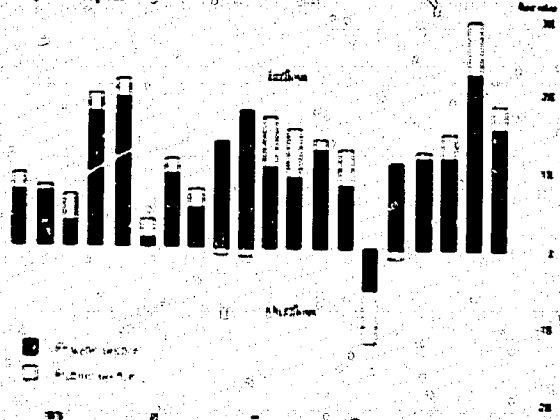
IMPACT OF INTEREST RATES ON CAPITAL FLOWS



Short term capital



Long term capital





To improve service to its customers, Atlantic Eagle Ltd has installed a time-sharing on IBM 370/158 computer an on-line terminal system to which all the company's operational activities will be linked.

from NCCM, undertaken to supply, on a best endeavours basis, various services which currently relate to overseas purchasing, recruiting and engineering services. Similar self-management arrangements have also been implemented for RCM.

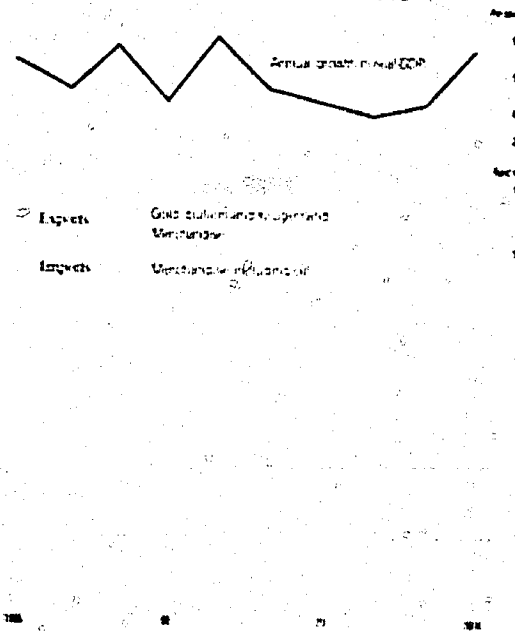
The high level of prices for copper on the London Metal Exchange which prevailed during the greater part of NCCM's financial year ended 31st March 1974 enabled the company to earn record profits. Net profit after taxation amounted to K113.2 million compared with K83.4 million in the previous financial year and dividends rose by K31.0 million to K67.0 million while appropriations for capital expenditure increased by K6.8 million to K46.0 million. ZCI's dividend income for the year ended 30th June 1974 from NCCM and RCM was U.S. \$42.4 million and \$7.9 million respectively to total \$50.3 million, after deduction of withholding tax of \$9.7 million, compared with \$29.9 million received free of withholding tax in the previous financial year. ZCI's taxed profit increased by 72 per cent, to \$23.0 million, to \$34.9 million and dividends rose by 64 per cent to 40 U.S. cents a share. ZCI declared a dividend of four cents a share in November 1974 following receipt of RCM's dividend income for the three quarters ended 30th June 1974.

Minorco's other major investments also performed well during 1974. EMC had an outstanding year with a marked improvement in the results of all three operating divisions. Earnings more than doubled from the 1973 record level of U.S. \$52.51 million to \$110.16 million and, on a fully diluted basis, earnings a share increased from \$1.64 to \$3.42. This achievement was largely due to the high level of activity in metals and minerals trading with increased interest in precious metals. Trend Exploration's earnings increased substantially from U.S. \$1.7 million to \$10.0 million in the year ended 30th June 1974. Trend's major asset is a 27 per cent interest in a production sharing contract in Indonesia with Pertamina, the State oil company. Considerable development of reserves has taken place since the acquisition and productive capacity has now been expanded to 120,000 barrels a day. In addition, Trend has a wide spread of international exploration activities and has oil producing assets in the United States and Canada.

Minorco's consolidated net profit for the year to 30th June 1974 at U.S. \$29.65 million was 54 per cent, or \$10.38 million, higher than in the previous financial year and dividends totalling 70 cents a share were declared. Taxed profits for the six months ended 31st December 1974 amounted to \$3.76 million and were adversely affected by the change in ZCI's dividend pattern. An interim dividend of eight cents a share was paid on the ordinary shares.

During the year ended 31st December 1974 Anglo American Corporation of Canada Limited (Amcan) recorded net income, on an equity accounting basis, of Canadian \$11.9 million, or 120 cents a share, a decrease of \$11.1 million from that earned in 1973. Dividends paid remained unchanged at 40 cents a share. The major factor in Amcan's income is its direct and indirect interest in Hudson Bay Mining and Smelting Co. Limited (Hudson

GROWTH OF SOUTH AFRICAN GDP AND EXTERNAL TRADE



Bay) which was adversely affected by higher taxation charges introduced in 1974 with the result that its earnings and dividends were significantly reduced. During the year Amcan's direct interest in Hudson Bay was increased by the disposal of its interest in Western Decalia Petroleum Limited in exchange for a combination of new Hudson Bay shares and cash. Amcan's share of profits, after amortisation of part of its investment, from its 17 per cent interest in the joint mining venture in the Yukon with Whitehorse Copper Mines Ltd. and Hudson Bay amounted to \$1.01 million, a 6.2 per cent increase over 1973. Amcan's net asset value, taking equity investments at market value and using the market value of the underlying investments of Francana Development Corporation Limited, in which Amcan has a 40 per cent interest, fell to \$82.3 million at the end of 1974, compared with \$140.5 million a year earlier, reflecting the general decline in stock exchange prices during 1974.

The Vereeniging Estates Limited has substantial shareholdings in a number of coal mining companies, a controlling interest in Vereeniging Refractories Limited and owns property, mineral and coal rights in the Transvaal and the Orange Free State. The company's consolidated net profit rose by R0.75 million to R5.88 million for the year ended 31st December 1974 and the dividend distribution was increased by five cents to 115 cents a share.

Further details of the principal mining finance and investment companies in which the Group holds shares are given on pages 63 to 69.

# Gold

## Significant mining expansion planned

The year opened with gold in strong demand on the European and London bullion markets. From U.S. \$115 an ounce in London at the beginning of January 1974 the strong upward trend in the price continued, with only minor interruptions, to reach the then record London fixing of \$179.50 on 31st April 1974. The price, however, began to drift downwards and had by early July fallen to \$129. For reasons outlined later the price began recovering and towards the end of the same month it had risen by \$30 to \$159. For the next three months the price remained within \$10 on either side of \$150 and at the end of October was fixed in London at \$167. Renewed economic uncertainties resulted in the price moving up to a record \$190.50 on 18th November, and having declined to \$184 at the end of November, it rose to a new record figure of \$197.50 in London on 30th December. So far in 1975 the price has fluctuated between \$170 and \$185 and was fixed at \$178 on 14th March 1975.

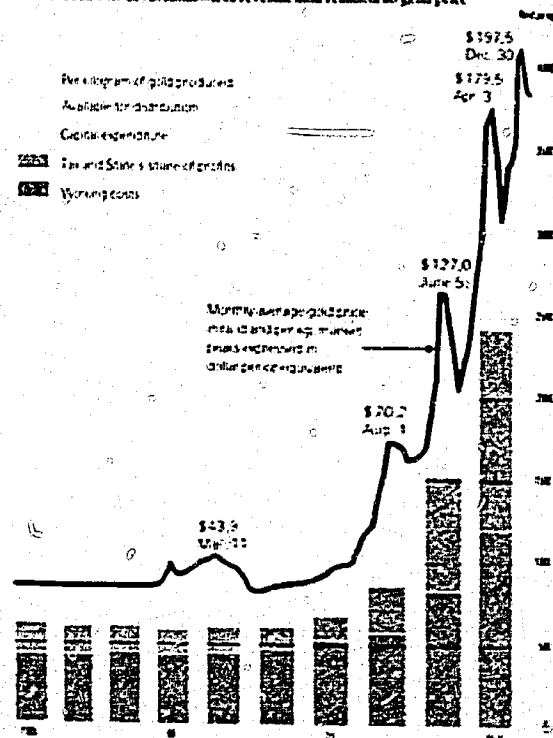
The spectacular increase in the gold price, particularly in the first and last quarters of the year, was attributable to an underlying investment demand, boosted by a substantial demand from speculators who became active in the markets in these two periods. In fact, the move into gold by investors hoping to protect capital in a period when other forms of investment presented little attraction, has been the main element in the steady increase in the price of gold since 1972. Several factors contributed to the sustained speculative buying of gold which occurred in the first three months of 1974. Initially, restimulated by the Organisation of Petroleum Exporting Countries' oil price increase in December, 1973, demand continued against a background of unsettled foreign exchange markets and the failure of the Committee of Twenty to make any progress towards monetary reform. Progressively more gloomy prognostications of the likely effects of the balance of payments difficulties facing the western industrialised nations added to the climate of uncertainty in a world already in the grip of rampant inflation. Rumours that European governments were close to agreement on the remobilisation of gold for the settlement of EEC debts strengthened demand further and gold was being traded at levels which were not to be achieved again until towards the end of October.

But the price failed to break through the \$180 level in April. Speculative buying lost impetus and, as the chances of another major upward movement receded, this sector of the market became a net seller. A period of relative calm on foreign exchange markets and high interest rates led to a further reduction in activity on the bullion markets and the price fell back to the \$130 level. South Africa, on balance of payments considerations, continued to sell virtually all its gold production. Russian sales, however, ceased and were not renewed in any volume until the last quarter of the year.

In the third quarter the political and economic climate in the

United States and in Europe, particularly in Italy and Cyprus, resulted in renewed activity in the markets. The announcement that Americans would be allowed to own unwrought gold on 31st December 1974, the two billion dollar gold-backed German loan to Italy and buying by industry and the jewellery trade with the close of the European holiday season were the main factors behind the demand which took the price back into the \$150's. The IMF meeting in Washington in October again focused attention on the world's

GROUP GOLD MINES: Breakdown of revenue and relation to gold price



economic problems. This, together with the building up of inventory stocks ahead of the opening of the American market, brought demand back to levels similar to those prevailing earlier in the year. Early in December the U.S. Treasury announced the auction of two million ounces of gold. While a move of this kind had been expected for some time, the quantity of gold to be offered was perhaps surprising and on a nervous market the price fell \$15 in two days to touch \$170.50. It soon recovered as a more rational interpretation of the American move prevailed and the news of the Martinique accord became known. When the auction bids were opened on 6th January 1975, application had been made for less than half the two million ounces on offer. The General Services Administration

decided to accept bids for 750 000 ounces, rejecting all tenders below \$153. The average price for these sales was \$165 an ounce. Following the decision taken at Martinique, France revalued its gold in reserves at \$170.40 an ounce.

Preliminary estimates of the quantity of bullion used by the jewellery industry in 1974 show a continuation of the decline which has become apparent since the upward movement in the gold price in recent years. The 1974 figure will be less than half the tonnage used in 1972. However, other industrial demand has not changed significantly. The amount of gold absorbed in the minting of coins in 1974 was, on the other hand, four times higher than in 1973. This is attributable mainly to the lifting of certain restrictions on the importation of coin into the United States and the substantial demand for Kruggerand in the United Kingdom and Europe during the latter part of the year. In 1974 the minting of Kruggerand absorbed more than three million ounces of gold or about 13 per cent of the gold mining industry's production. Production capacity now exists to mint about 150 000 coins a week which, if fully utilised, could lead to over a third of South Africa's 1975 production being sold in the form of coin.

The economic and political problems which have, over the past three years, given rise to the demand for gold by investors and speculators remain largely unresolved and offtake by this sector of the market is likely to continue in the year ahead. Industrial demand is not likely to fall to any extent below 1974 levels and, while the American market may not absorb the quantities forecast by more optimistic commentators, 1974 import figures should be exceeded this year. If official American intervention by additional sales of bullion from reserves takes place to bring an orderliness or stability to this highly volatile market, it will be to the advantage of the South African gold mining industry.

#### THE SOUTH AFRICAN GOLD MINING INDUSTRY

The industry produced 758 503 kilograms of gold in 1974, which was 93 822 kilograms, or 11.0 per cent, less than in 1973. Production declined because of a fall in average recovery grade from 11.42 grams to 10.19 grams a ton, coupled with a decrease in tonnage milled of 0.3 million tons to 73.0 million tons. To a large extent, as was the case in both 1972 and 1973, the fall in average recovery grade is attributable to the mining of lower-grade ore made possible by the higher average selling prices for gold. These prices increased from an average of 22 095 a kilogram in 1973 to R3 405 a kilogram, equivalent to approximately \$94 and \$156 an ounce respectively, and working revenue from gold for the year rose by 44.4 per cent to R2 533 million. Average unit costs increased by R2.67 or 25.4 per cent to R13.18 a ton milled, reflecting the substantial salary and wage increases granted to employees together with the rising cost of materials and services. Working profits rose significantly by R587.0 million, or 59.7 per cent, to R1 570.7 million of which taxation and State's share of profits for the year will absorb approximately R812.4 million, or 51.7 per cent of working profit compared with 56.8 per cent in 1973.

#### THE GROUP'S MINES

Gold production by the mines administered by Anglo American Corporation was also at a lower level, being at 299 900 kilograms, 46 200 kilograms less than in the previous year. Lower recovery grades were recorded at all Group mines.

The Group's milled tonnage fell by 3.5 per cent, or 896 000 tons, to 25 054 000 tons and unit costs rose by R3.46, or 31.8 per cent, to R14.33 a ton milled. As a result of the high average price received of R3 358 a kilogram, or about \$154 an ounce, working revenue at R1 007.1 million was 40.5 per cent higher than last year. This additional revenue enabled the Group's mines to increase working profit by R212 million, or 48.6 per cent, to R648.4 million. Taxation and State's share of profits rose by R118.8 million to R363.6 million, equivalent to 56.1 per cent of working profit. Appropriations for capital expenditure totalled R85.7 million as compared with R53.3 million in 1973. Dividends paid by Group mines, excluding inter-company dividends from Freddie's Consolidated Mines Limited and Free State Saaipplaas Gold Mining Company Limited, totalled R209.9 million compared with R134.3 million for the previous year, an increase of 56.3 per cent. At the Group's mines ore reserves have now been estimated at a pay limit based on a gold price of R3 000 a kilogram, or approximately \$133 an ounce, against R1 800 a kilogram used in 1973.

One of the most noteworthy developments to take place during 1974 was the decision to proceed at Free State Saaipplaas with an expansion scheme which includes the sinking of the new No. 3 shaft at an estimated total cost of about R81 million. The area to be exploited by the new shaft should provide a total mill tonnage of approximately 28 million tons at a grade marginally in excess of 6.0 grams a ton. The expansion programme will result in a significant increase in the company's production capacity and turn it into a large-scale producer mining relatively low-grade ore. The work to establish the shaft and the necessary infrastructure has started, and the shaft should be commissioned in 1979 and operating at full capacity by 1981. The shaft will have a hoisting capacity of 188 000 tons a month and the milling and treatment facilities at the mine are to be extended to handle 200 000 tons a month of which some 50 000 tons will be drawn from the existing shaft area. The milling capacity at present is 100 000 tons a month and treatment capacity 145 000 tons, the difference being made available to President Brand Gold Mining Company Limited which, under the current arrangements, has milled ore treated on a toll basis. Indications are that relatively high uranium values will persist in the new area. Free State Saaipplaas is raising R35.1 million by way of a rights issue to stockholders of President Brand to finance part of this expansion programme. It is estimated that the balance of the funds required will be met out of existing funds, working profits and possible temporary borrowings. The company will remain a subsidiary of President Brand, which will hold 50.04 per cent of its issued capital. Application has been made for a stock exchange listing of the entire issued share capital of Free State Saaipplaas.

President Brand Gold Mining Company Limited's interim 25 000



*Future plans involving an underground extension at Western Deep Levels. Black workers are now employed as permanent under all the mines in terms of the productivity agreement negotiated with the trade unions.*

Directors' review

ton extension of the planned increase to its plant capacity will be completed by April 1975. This will increase the capacity to 240 000 tons a month and will enable the company to process the tonnage presently being milled and treated, on a toll basis, by Free State Saaiplaas. The existing arrangement whereby President Steyn can mine the farm Video No. 305 is being renegotiated with Sentrust Beperck. The intention remains that the farm will be mined from the President Steyn No. 4 shaft system and, in fact, the underground workings are approaching the common boundary which will be penetrated during the latter months of 1975. Under the proposed new agreement, President Steyn would be empowered to apply for and take cession of a mining lease over the farm and in consideration for such cession it would allot to the mineral right holders a number of new ordinary shares.

Black labour disturbances at Welkom Gold Mining Company Limited resulted in an imbalance of labour between shafts and consequently a higher proportion of development than is normal was undertaken at the lower-grade No. 1 and 2 shaft areas. Overall development was however drastically curtailed as a result of the shortage of trained men following the labour troubles in February 1974.

The agreement whereby Freddie's Consolidated has over some years purchased milled ore from Free State Geduld Mines Limited and Western Holdings Limited came to an end on 30th September 1974. As the planned improvements and extensions to the plant at Free State Geduld, increasing the rated capacity from 180 000 tons to 245 000 tons a month, will not be ready before the end of June 1975, a further agreement to allow Freddie's Consolidated to treat, on a toll basis, up to 25 000 tons of milled ore a month has been negotiated and approved by the Hon. the Minister of Mines. The rehabilitation of Free State Geduld's No. 3 shaft, which is expected to be commissioned shortly as a hoisting shaft, will facilitate the mining and increased prospecting of the northern area of the mine. Production from this shaft will, over a period, replace tonnage from No. 4 shaft where operations will decline from 1977. Investigations into the potential of the north and north-west areas of Free State Geduld's and of the south and south-west areas of Freddie's Consolidated's lease areas are being undertaken, but it will be some months before definite conclusions can be reached.

The extensions to the mining and milling capacity at Freddie's Consolidated are well advanced. It is expected that milling capacity will shortly be in balance with treatment capacity of 28 000 tons a month, while the underground operations will be expanded from the current 59 000 tons a month to 88 000 tons by October 1975.

At Western Holdings further extensions to the treatment and milling sections of the plant to raise capacity to 270 000 tons a month are being undertaken and should be completed in the latter half of 1975.

During February 1974 operations at the Free State Geduld, Welkom and Western Holdings mines were disrupted and again at Western Holdings in August 1974 by fighting amongst tribal groupings with the result that production was substantially affected

during the year. As the various tribal and national groups have lived and worked together on these mines for many years it is disturbing that such violent conflicts should have taken place. It is deeply regretted that these out-breaks of violence led to loss of life and physical injury.

A highlight of the year was that for the first time two of the Group's largest mines, Vaal Reefs Exploration and Mining Company Limited and Western Deep Levels Limited each recorded annual working profits well in excess of R100 million.

Vaal Reefs No. 5 shaft (No. 111) has reached its final depth of 2 137 metres below collar and is now being equipped and developed for commissioning during the third quarter of 1975. The extensions to the Vaal Reefs west reduction plant to increase capacity from 168 000 tons a month to 181 000 tons were delayed because of the late delivery of equipment and it is now expected that the extensions will be commissioned in July this year. The programme for the sinking of the Vaal Reefs South No. 2 shaft system has been revised and it is expected that sinking of the first shaft of this twin shaft system will start early in 1978. Plant extensions to increase capacity to 195 000 tons milled and 210 000 tons treated have started. This work should be complete by mid-1976.

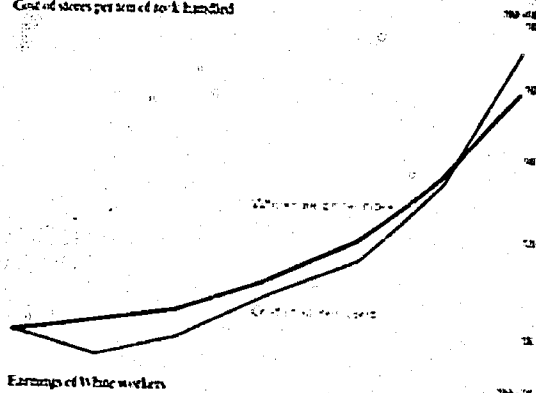
At Western Deep Levels the sinking of the No. 3 tertiary sub-vertical shaft was completed and sinking of the No. 2 tertiary sub-vertical shaft is still in progress. The extension of the gold extraction plant to a capacity of 272 000 tons a month was completed and commissioned. The Black labour position was adversely affected by three disturbances which occurred at No. 3 shaft hostel between April and November 1974. These disturbances resulted in the loss of lives and injury and sympathy is extended to the relatives of those who died and to the injured.

At The South African Land and Exploration Company Limited's mine, underground operations in the present workings are expected to continue beyond mid-1978. Three boreholes are at present being drilled to the south and south-west of the present mine workings. No further drilling is scheduled until the results from these boreholes have been evaluated when it is possible that the second phase of the programme will be undertaken.

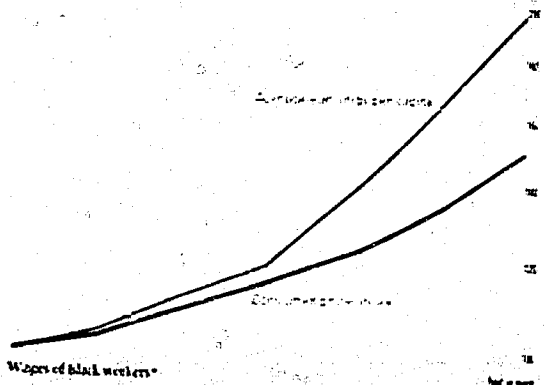
East Daggalontein Mines Limited, the Group's second operating mine on the East Rand, is expected to continue mining underground until the end of the year. The higher gold price has prolonged the life of this mine which at one stage was expected to cease underground operations by mid-1974. During 1975 about a quarter of the planned mill tonnage will be provided from underground sources and the balance will be drawn from the old Daggalontein No. 2 shaft waste rock dump.

Another major event during the year was the announcement by Western Ultra Deep Levels Limited of the establishment of a new mine to the south-west of Western Deep Levels. A new company, Handsand Gold Mining Company Limited, a wholly-owned subsidiary of Western Ultra Deep Levels, was formed on 27th June 1974 to take cession and exploit the proposed mining lease. Western Deep Levels will cede about 515 hectares of the

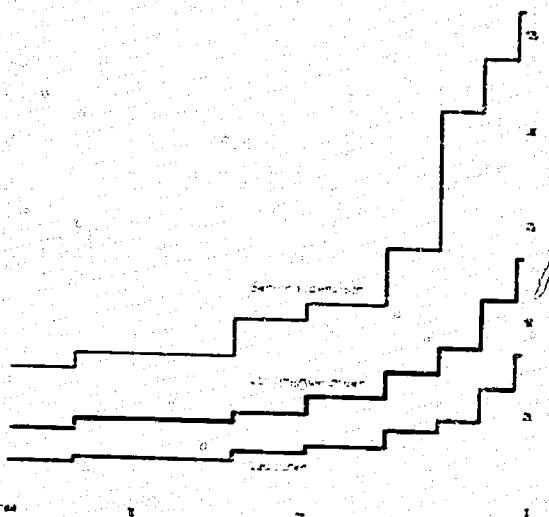
**GROUP GOLD MINES: INCREASES IN WORKING COSTS**  
Cost of stores per ton of rock handled



Earnings of White workers



Wages of black workers



\* Includes 1000000000 valued at R2500000000

south and west portion of its lease area to Elandsrand in return for a participation of approximately 19.6 per cent in the new company.

**SAFETY**

A great deal of effort has been spent on the prevention of accidents. Safety committees are functioning on all Group mines and a system of 'safety by objectives' has been introduced. In the 12-month period to December 1974, an improvement of nine per cent on the fatality rate was recorded on all Group gold mines and further improvements are expected in the coming year. The Group Chairman's Safety Shield for competition among Group gold mines was, for the second year in succession, won by East Daggaberg Mine which also won the Chamber of Mines shield for a million fatality-free work shifts on 22nd March 1974. It is also pleasing to record that President Steyn Nos. 1 and 2 shaft and Vaal Reefs No. 1 shaft (North) achieved a million fatality-free shifts during the year.

**URANIUM**

There are encouraging signs that the demand for uranium should increase substantially towards the end of the decade and by the early 1980's could exceed supply. Prices improved in 1974 and this trend is likely to continue in the foreseeable future. Although the President Brand plant remains on a care-and-maintenance basis the position is under constant review in order to determine the opportune time to commission the plant.

Production by the two Group uranium producers, Vaal Reefs and Western Deep Levels, totalled 1023 tons as compared with 803 tons in 1973. Owing to a lower level of contract sales in 1974 the profit from uranium and acid fell from the 1973 figure of R4.1 million to R1.3 million.

Those mines in the Group which split their slimes residues into high-grade and low-grade fractions will continue to do so with the high-grade fraction being stockpiled separately for uranium extraction at a later date.

*The detailed operating results of mines administered by Anglo American Corporation and those in which the Group has substantial interests are given on pages 70 to 74.*

**Diamonds**

**Slight drop in diamond sales**

Sales of gem and industrial diamonds by the Central Selling Organisation in 1974 totalled R849 million, a decrease of 7.8 per cent on the record sales of R921 million in 1973, but still substantially higher than the next highest sales of R655 million achieved in 1972. Following the substantial price increases in 1973, there were no price changes effective in 1974. However, in December an overall increase of 1.55 per cent was announced, with effect

from January 1975. This mainly affected the smaller sizes, with certain qualities being increased by up to ten per cent. World economic conditions, currency uncertainties and high interest rates all had varying effects on the demand for diamonds in 1974. In the first six months, sales of rough diamonds reached record levels, partly because of exceptionally strong demand for larger sizes of polished, particularly from Europe, but demand was lower for polished diamonds of more than one carat in the second half of the year, and this resulted in a decrease in the sales of rough. The market for most small sizes continued firm throughout the year especially in the United States. While 1975 may prove to be a year of economic uncertainty, the fact that the diamond industry has in the Central Selling Organisation an effective means of bringing supplies into line with demand gives the trade a basis for confidence.

The consolidated net profit attributable to De Beers Consolidated Mines Limited for 1974 decreased by R36.2 million to R201.3 million, equivalent to 56 cents a deferred share after allowing for the preference dividend. The total annual dividend was increased by one cent a deferred share to 25 cents. The cost of diamonds on hand rose by R54.3 million to R269.8 million. Net current assets decreased from R210.5 million to R198.8 million and cash decreased from R350.9 million to R293.9 million.

Total output of the De Beers Group was 11 068 183 carats, which was about two per cent more than in 1973.

In Kimberley total production was 884 538 carats compared with 904 657 carats the previous year. Although there was a higher throughput, the average grade declined by four per cent to 19.93 carats per 100 tons. The fall in grade was particularly marked in the De Beers mine, where it dropped from 18.28 to 15.22 carats per 100 tons. This was primarily because increased tonnage had to be drawn from lower-grade areas after mud pushes had forced suspension of operations in the chamber levels at the end of June. The fall in grade together with a decline in tonnage resulted in diamond production dropping by 22 per cent to 126 492 carats. However, the fall in grade was less at both Dutoitspan mine, which produced 234 517 carats compared with 259 895 in 1973, and at the Wessfontein mine, which produced 449 561 carats compared with 481 603 the previous year. In addition, mining at the Buftfontein mine was resumed in June in terms of the overall long-term mining plan for the four producing Kimberley mines and 73 968 carats were produced at a grade of 28.81 carats per 100 tons.

The policy, introduced initially at the De Beers mine in 1973, of phasing out the hostel system by engaging new Black workers only if they were domiciled in Kimberley was extended to the other three mines and the central treatment plant in 1974. More than 1 000 workers now live in Kimberley itself and the 7 600 migratory workers who are resident in the two remaining hostels are enjoying higher standards of accommodation and amenities than before. Furthermore, an important initiative in the field of industrial relations was taken early in 1975 with the introduction, initially for employees at the De Beers mine, of works committees which hold regular meetings with mine management. This is regarded as

a significant step towards the involvement of Black workers and their representatives in the full industrial relations process. Similar committees are shortly to be introduced on the remainder of the Kimberley division mines and the other mines in the De Beers group.

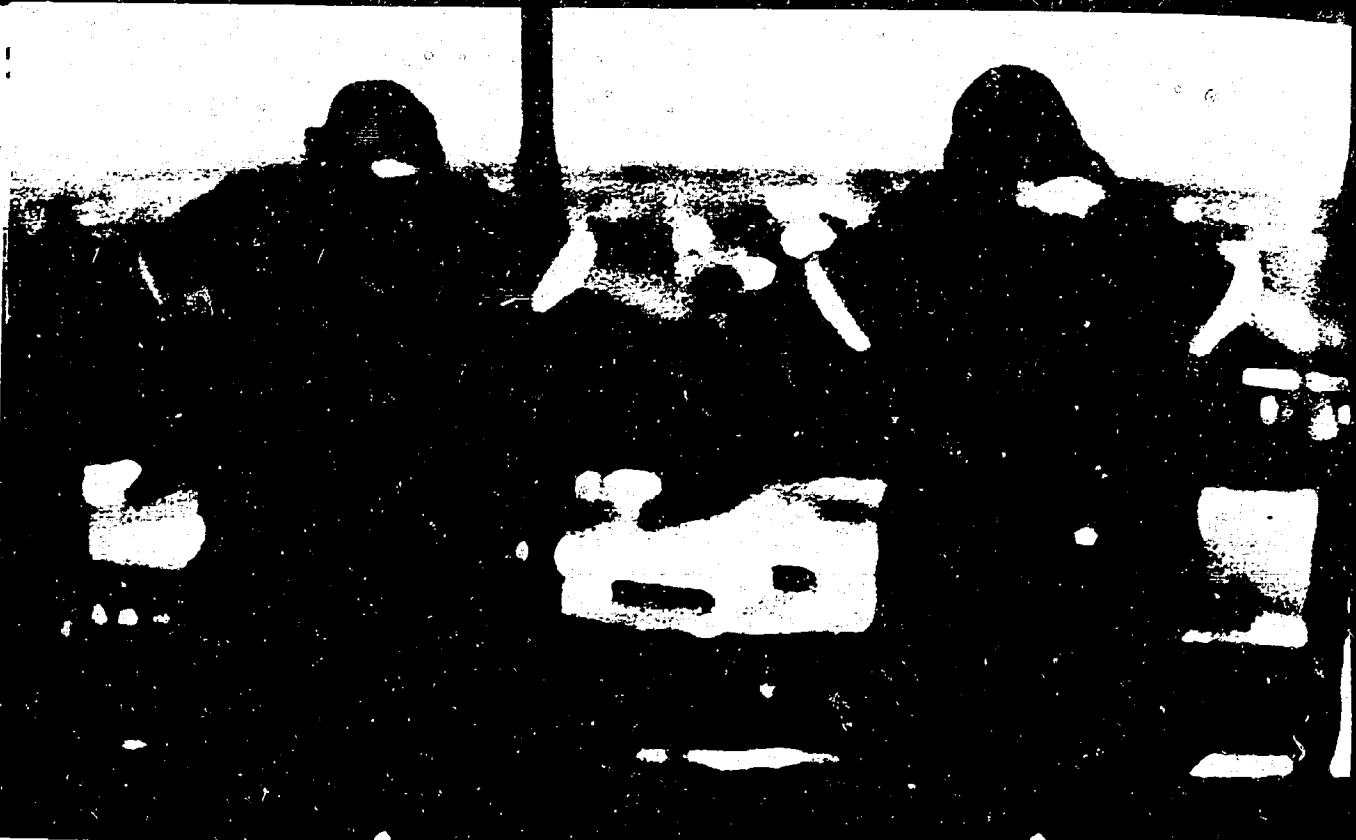
Because of heavy rains during the first quarter, ore throughput at the Finch mine fell substantially in 1974. However, an improvement in average grade from 74.18 to 82.68 carats per 100 tons partially compensated for the lower tonnage and diamond production at 2 353 413 carats was about six per cent below 1973. At the Koffelontein mine the tonnage treated was also adversely affected by rain during the first quarter and the diamond production of 341 978 carats was about eight per cent less than in the previous year.

The increased operations at Dreyers Pan during 1974 resulted in production in Namaqualand rising by 245 147 carats to 777 967 carats. The No. 3 conglomerate plant continued to operate on three shifts, treating gravels from the Annex Kleinsee area. The Dreyers Pan plant remained on a single shift until the end of July when a second shift was introduced, raising monthly production from 25 000 to 35 000 carats. Accordingly production from Dreyers Pan was 326 238 carats compared with the three months' production of 63 605 carats in 1973. The average stone size was unchanged at 0.57 carats. Production from Annex Kleinsee fell slightly to 451 725 carats and, in accordance with the mining plan, the average stone size fell from 1.05 to 0.88 carats. This fall, together with the higher production from Dreyers Pan with its smaller diamonds, resulted in a decline in the average stone size for Namaqualand as a whole from 0.95 to 0.72 carats. At Dreyers Pan a new bulk sampling plant is due to be commissioned in mid-1975, making it possible to resume the treatment of bulk samples from areas of marginal payability.

Production of Premier (Transvaal) Diamond Mining Company Limited declined by 79 364 carats to 2 422 326 carats because of a decrease in tonnage treated. Average grade was maintained at 34.62 carats per 100 tons.

Production of The Consolidated Diamond Mines of South West Africa Limited was about 30 000 carats lower at 1 569 961 carats but the average stone size was unchanged at 0.88 carats. Although the tonnage treated increased, this was not sufficient to compensate for the decline in grade from 13.75 to 13.26 carats per 100 tons. In the foreshore area, which is mined as an integral part of the Western Block, the use of a wellpoint dewatering system for maintaining slope stability of the sea wall has enabled mining in the south to be extended to a distance of 220 metres seaward of the high water mark. Assembly of a bucket wheel excavator and conveyor bridge system, which is being introduced in the Western Block because of its characteristically high over-burden, has begun and is scheduled to be commissioned in April 1975. The No. 2 conglomerate plant was commissioned in March 1975 and production should commence next year at the No. 3 plant on which construction was started last September.

De Beers Botswana Mining Company (Proprietary) Limited pro-



*One of the setting fixtures at Harry Oppenheimer House, the new building in Johannesburg in which the classifying of diamonds from the De Beers mines in South and South West Africa is now centralised. Its design allows the setting to work with the maximum natural light free from glare and as convenient as possible to industry.*

mined approximately 2 718 000 carats, substantially more than the 2 416 460 carats produced in 1973. This reflected both an increase in tonnage treated of five per cent and an improvement in the grade from 85.84 to 92.02 carats per 100 tons. A third daily treatment shift was introduced during February 1974 but the daily throughput did not reach the expected level, largely owing to the harder nature of the ground. The Mopipi Dam, which had fallen to only 8.5 per cent of capacity in June, had risen to 67 per cent in December as a result of heavy rain and flood water flowing down the Boteti River. Additional wells have been sunk with a view to ensuring water supplies during periods of drought. The DK1 pipe in Botswana has been proved viable and negotiations are continuing with the Government of Botswana on the terms on which it is to be opened. The pipe is considerably smaller than that at Orapa but the diamonds recovered are, on average, of a better quality.

An agreement was signed on 5th March 1975 between the Lesotho Government and De Beers for the establishment, at a capital cost of about R23 million, of the Letseng-la-Teraf diamond mine in the Maluti Mountains in north-eastern Lesotho. A new company, De Beers Lesotho Mining Company (Proprietary) Limited, will be incorporated in Lesotho to undertake the venture and the Lesotho Government will obtain, free of consideration, 25 per cent of its equity. Preliminary work has begun at the mine which will be an open-pit and production is expected to start early in 1977. It is expected that the plant will operate at a rate of 4 000 tons of ore a day.

The De Beers international advertising, publicity and promotional campaigns continued at a substantially increased cost and contributed to a more even pattern of sales at retail level by sustaining and enhancing the public's desire for diamond jewellery. The increasing level of participation by the jewellery trade in these programmes is most encouraging. A new eternity ring campaign was launched in 1974 and has helped to increase demand for small stones. Diamond engagement ring sales have remained buoyant and demand has increased in Germany and Japan.

Sales by the De Beers Industrial Diamond Division were narrowly higher than in 1973. While the demand for both natural and synthetic industrial diamonds was extremely strong during the first half of the year, the downturn in industrial activity throughout the Western world during the latter half affected the total sales of the division for 1974.

At the De Beers Diamond Research Centre, situated near Johannesburg, fundamental and applied diamond research was actively pursued. In the centre's mines division, which concentrates on the improvement of recovery techniques on the mines, development work continued in conjunction with a number of major projects on Group mines. After several years of investigation the synthesis division completed research and development programmes on the production of cubic boron nitride. This is a synthetic material, second only to diamond in its hardness, which has become a significant commercial abrasive in recent years and has considerable potential in the grinding of certain alloy steels.

The Industrial Diamond Division's promotional service which

operates mainly in Europe continued to provide industry with information on the latest technical developments, and seminars, backed by contributions from the Research Centre, were held in Canada, Brazil, Japan, United Kingdom, West Germany and India.

*Further details of companies in the De Beers group are given on pages 74 and 75.*

## Copper and other mining

### Sharp fall in copper prices

Extraordinarily wide fluctuations in the price of copper occurred during 1974. The high prices of the previous year, when the average London Metal Exchange (LME) cash settlement price for wire bars was £27 a metric ton, were carried over into 1974 by the short-fall in supply, together with speculative buying to counter inflation, international currency uncertainties and physical shortages of copper caused by shipping problems. During the first quarter of 1974 the price rose from £61 a ton to a record £1 400 a ton on 1st April 1974. However, by mid-July it had fallen 46 per cent to £754, when a contango appeared for the first time since March 1973. Following a brief period of stability in the £750 to £800 range, an over-supply situation developed, carrying the price down erratically to monthly averages of £609 in November and £554 in December, giving an average price for the year of £877. Since the year end the price has remained within the relatively low range of £500 to £550 and stood at £547 on 14th March 1975.

The sharp cyclical downturn in the copper price followed the adverse effects of increased oil prices and the gathering recession in the economies of the Western industrial nations caused by measures of restraint imposed in mid-1973. Consequently, world consumption of refined copper in 1974 at an estimated total of 8 227 000 metric tons was 5.2 per cent less than in 1973 while production rose by 2.2 per cent to 8 675 000 tons. Mine production declined by seven per cent in the United States but an increase of 22 per cent in Chile contributed greatly to the overall improvement in world mine output. Furthermore large stockpiles had built up in Japan which resorted to exporting an estimated 250 000 tons during the year, which was a major factor in the decline in price. LME stocks increased from 15 000 tons in May 1974 to 130 000 at the end of December having started the year at 34 800 tons. Since the year end stocks had risen to 170 000 tons on 14th March 1975.

The price of zinc on the LME fell from the spectacular average prices of £138 a ton in December 1973 and £175 in May 1974, following the downward trend of copper and reaching £101 at the year end, despite continuing difficulties in supply in many producing countries. The European producer price, at which Nchanga Consolidated Copper Mines Limited (NCCM) sells its

zinc was increased to £330 in March 1974 and a further increase to £360 was announced in November in which month the LME average price was £341. The price of lead which averaged £253 a ton last year, compared with £175 in 1973, fell relatively little in price—in comparison with copper and zinc—from £302 in March 1974 to £229 in December having benefited from producer support.

Zambia Copper Investments Limited (ZCI) holds the Group's substantial interests in the Zambian copper mining industry. During the year Zambia's transport difficulties were accentuated by a reduction in cargo handled at Lobito Bay and Moribasa and the continuing problems at Dar-es-Salaam. In addition heavy congestion surcharges were in operation at all ports. Copper stocks in the pipeline between mine and customer rose to 58 000 tons by the year end as a result of port delays and shipping problems. Bulk imports were also seriously delayed with coke from West Germany and sulphur from the Middle East being particularly affected.

At NCCM, in which ZCI has a 49 per cent interest, finished copper production at 416 000 tons was above the 1973 total of 407 730 tons. The shortfall on target can be attributed mainly to the delayed commissioning as a complete unit of the tailings leach plant at Chingola. In addition there was a slower build-up to full production potential at the new oxide plant at Rokana, and lower recoveries in concentrators and treatment plants. Delayed or restricted supply of both materials and equipment and a shortage of skilled manpower have been contributory factors in these shortfalls. The tonnage of copper sold during 1974 at 406 244 tons showed a small increase above the previous year's total of 391 596 tons but the value of sales rose significantly to K522 million compared with K423 million in 1973. The production of lead and zinc improved to 24 701 tons and 58 338 tons respectively and cobalt production was 1 962 tons. Sales of all metals for the year amounted to K570 million compared with K459 million in 1973.

At Rokana Division production from underground sources was satisfactory. However, the open-pit operations were affected by throughput problems at the new oxide concentrator, where commissioning began in February, and feed to the mills was hampered by the very fine condition of the ore which resulted in severe handling problems, particularly in the rainy months. Variations in the mineralogical composition of the ore from the open-pits to the mills have complicated metallurgical control and although there has been a steady improvement, recoveries from the plant have been below target.

Three converters have been linked to the gas collection system feeding the new acid complex and a fourth converter should be connected by May 1975, when the immediate necessity for burning sulphur for acid production will be phased out. The gas collection system as a whole, linking six converters, should be complete early in 1976. The second tankhouse unit at the refinery was converted to periodic current reversal in March 1974, and production from the tankhouse section has improved steadily as personnel in the plant have become more familiar with the new technique.

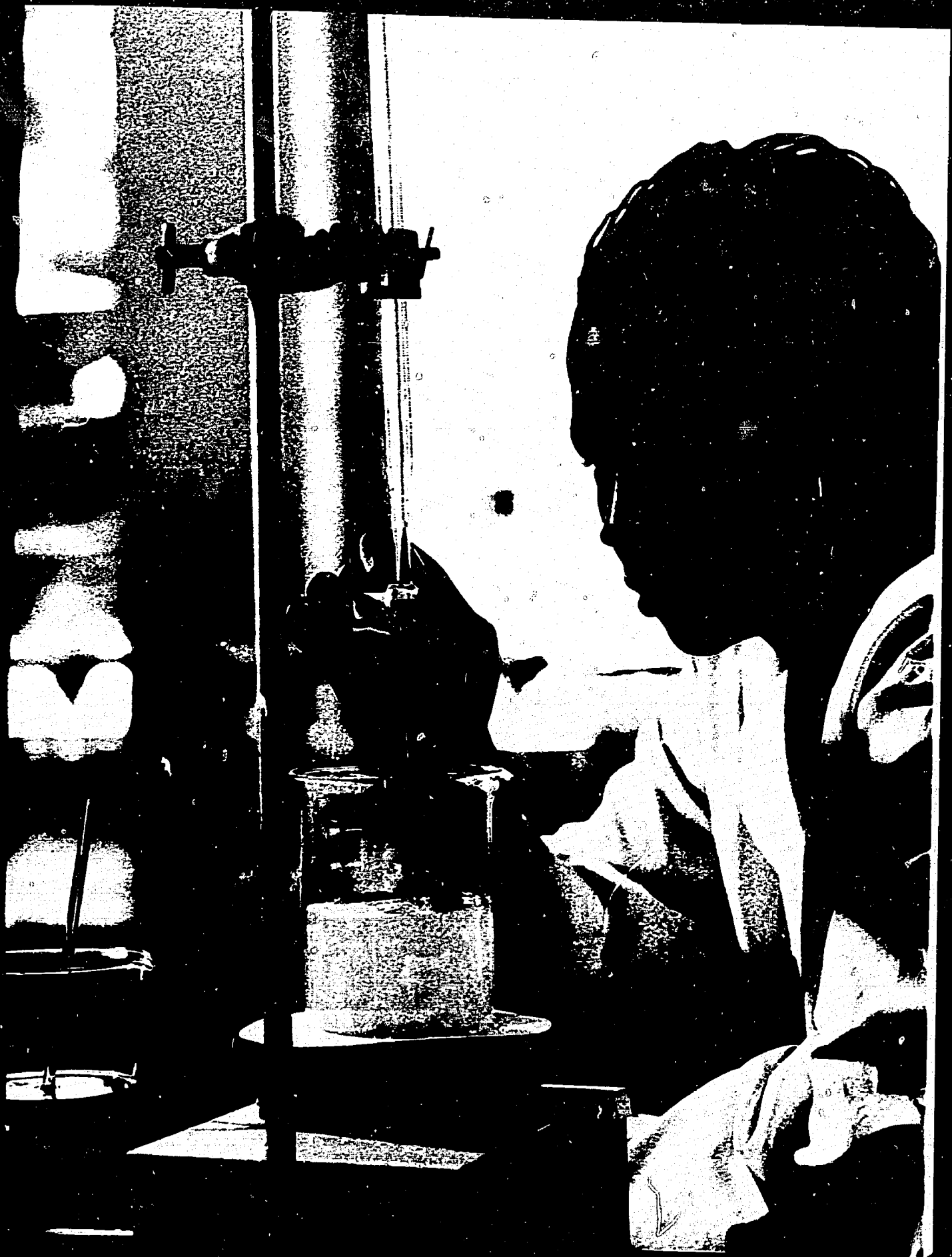
Ore tonnages at the Chingola Division, from both the underground and open-pit sections, were slightly below expectations but grades were higher than predicted. The lack of spares and of trained maintenance personnel has hampered ore production and in the open pits the overburden removal rate has been below requirements. To reduce the anticipated shortfall in production due to known delays in the completion of the full plant, commissioning of the tailings leach plant was carried out in stages and the plant therefore operated at much lower than expected recoveries. By the year end the plant was treating design feed tonnages but two thickeners still had to be commissioned. It is expected that the full plant will be available by the end of March 1975.

In March 1974 it was decided to re-open the Kansanshi mine and work is well in hand, with limited production from an open pit scheduled to begin in mid-1976. The ore will be treated at Chingola until the construction of plant at Kansanshi is completed in 1977. The project is designed to produce 26 000 tons of copper annually in cathode form through a leaching and solvent extraction circuit.

The Broken Hill Division had a satisfactory year. There were short periods of down-time in the furnace section in April, May and December, the first being due to a plant water shortage following the temporary flooding of the lower pump station at Davies Shaft and the other two for steelwork and furnace maintenance. As a result lead and Sable 4 zinc production was slightly below call although Sable 2 zinc production from the electrolytic section was ahead of target. Construction of the Waelz Kilns made good progress. However, commissioning scheduled to start in mid-1975 is likely to be held back by delays caused by port congestion. A contract was signed during the year for the supply and erection of a fine coke plant at the mine which is planned to be commissioned in mid-1976 and civil work has started.

Ruan Consolidated Mines, in which ZCI has an interest of 12.25 per cent, produced 292 893 tons of refined copper in 1974, 18 611 tons more than in the previous year and sales stood at 280 186 tons compared with 278 498 tons in 1973. During the year work commenced on the No. 2 shaft of the new Baluba mine and a further shaft at Chibuluma West was started. The Chambishi expansion progressed satisfactorily and the sinking of No. 3 shaft was completed in June 1974 at a final depth of 1 021 metres. The rehabilitation of Mutulira mine is proceeding satisfactorily with improvements in production, and the de-watering of the tailings above the mining area is showing good results.

Union Platinum Mines Limited derives its income from its direct 37.3 per cent holding in Rustenburg Platinum Mines Limited and indirectly through its small interest in Poggietersrust Platinum Limited. In the financial year ended 31st August 1974 the increased platinum price and deliveries to the United States for automotive pollution control contributed to Rustenburg's significantly higher volume of sales and profits. Revenue from sales of metals produced increased by 50 per cent and taxed profits at R56.9 million were 52 per cent higher than in the previous financial year. Dividends

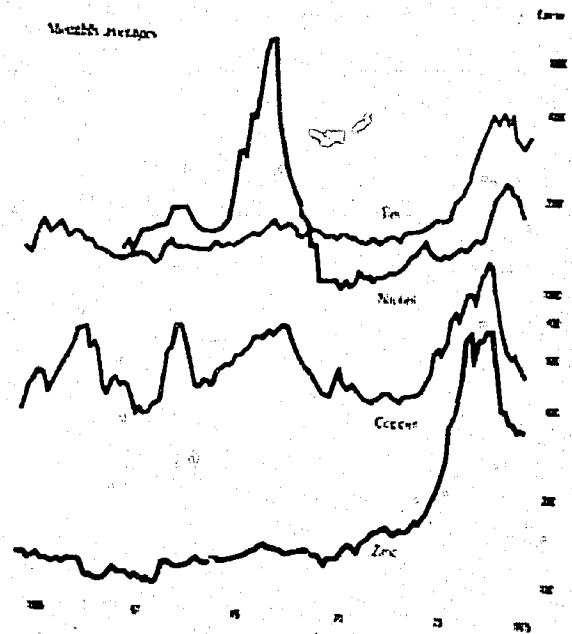


were raised by 17 per cent to R21.84 a share. This greater dividend distribution enabled Union Platinum to increase its ordinary dividend by 16 per cent to 20.41 cents a share for the year ended 31st October 1974. Although the demand for platinum remained reasonably strong during the remainder of 1974 the market has since deteriorated and dividends for the current financial year are expected to be significantly reduced. The principal reasons for this are the lower projected requirements of the motor industry, and the slump in fibreglass, electronics and oil refining demand. As a result, it was announced in February that Rustenburg, in common with other platinum producers, was to cut back mine production by approximately 25 per cent and to reduce the price of its platinum.

Net earnings of Hudson Bay Mining and Smelting Co. Limited for 1974, before extraordinary items, were Canadian \$38.58 million or \$3.88 a share compared with \$44.58 million or \$4.93 a share in the previous year. Profits before tax increased by \$3.2 million, or 5.2 per cent, over those for 1973, which indicates the substantial additional tax burden which mining companies have had imposed upon them in Canada. Annual dividends totalling \$1.60 a share were declared compared with \$2.00 in 1973. A significant feature of the past year's results has been the increasing contribution to earnings that has been made by interests other than the base metal mining operations at Flin Flon. These operations nevertheless continued to provide a substantial portion of the company's earnings with the slightly lower production of copper and zinc being more than compensated for by higher prices for these products. For the first time the Sylvite Potash division operated at full capacity throughout the year and made an important contribution to earnings. During the year a substantial investment was made by Francana Oil & Gas Ltd., a 54 per cent subsidiary of Hudson Bay, in increasing its interest in Trend Exploration Limited of Denver from 30 per cent to nearly 57 per cent, the balance of the equity interest being acquired by Minerals and Resources Corporation Limited. The oil and gas operations which consist mainly of interests in Western Decalta Petroleum Limited, Canadian Merrill Ltd., Francana Oil & Gas Ltd., and, through the last-named company, the Trend group of companies, all reported high profits in 1974 as a result of the substantial increase in oil and gas prices. In the case of the Canadian operations of these companies, a relatively smaller share of the price increases accrued to the producer. In 1974 Hudson Bay acquired a 33.64 per cent interest in Lytton Minerals Limited, a company which holds a 48 per cent interest in Compania Cuprifera La Verde S.A., a Mexican company formed to develop the La Verde copper deposit and in which the Mexican Government and Desc. Sociedad de Fomento Industrial S.A. de C.V. share the balance of the equity.

During 1974 Société Minière de Mauritanie's copper mine in Mauritania suffered more than most from the effect of increased oil costs and the falling copper price in the second half of the year and the operating results for the year showed a substantial loss. It was recently announced that agreement had been reached with the Mauritanian Government whereby foreign shareholdings in

METAL PRICES ON OPEN MARKETS



the company would be transferred to the State mining concern, Société Nationale Industrielle et Minière. Operations at the mine will continue with the same personnel as at present and Charter Consolidated will continue to provide technical assistance.

The equity earnings of The Messina (Transvaal) Development Company Limited (Messina) for the year ended 30th September 1974 jumped by 72 per cent to a record R18 951 000, mainly as a result of the 119 per cent increase in mining profits to R36 238 000. This impressive profit growth was largely attributable to the high copper price levels ruling during the first half of 1974 while the company's industrial interests, with the exception of Daimon-Nissan Investment Company Limited, operated satisfactorily.

The copper-nickel mine at Selebi-Pikwe in Botswana, in which the Group has a significant interest through Botswana RST Limited, commenced production in February 1974. Although technical difficulties in the treatment plant led to an extremely low and erratic production level throughout the year some improvement was achieved in the last quarter. Extensive modifications to the plant are being undertaken to improve its performance. An open-pit ore-wash plant was commissioned in January 1975 and the remainder of these plant modifications should be operational by the middle of this year. However, the costs of implementing the plant modifications together with inadequate production at a time of falling copper prices have seriously strained the finances of the project. Earlier plans for a refinancing scheme have had to be

postponed on account of uncertainties arising from the continuing problems and substantial loans are being provided by the principal shareholders pending refinancing at a later date.

The consolidated net profit of Rhodesian Nickel Corporation Limited for the year ended 31st March 1974 amounted to Rhodesian \$2.58 million compared with \$1.86 million and dividends paid rose by four cents a share to seven cents. The profit for the six months ended 30th September 1974 was \$1.80 million which was \$790,000 higher than for the same period in 1973. These satisfactory increases in profits are mainly due to the higher world prices for nickel and, until mid-1974, copper. The capital expenditure required to bring the Epoch Nickel deposit, acquired in January 1974, into production is estimated at \$5.4 million which will be spent over the next two years. In addition work has begun on the extensions to the smelter and refinery to increase the plant capacity to treat concentrates from Shangani Mining Corporation Limited and are expected to cost \$8.2 million.

The Cleveland potash mine in Yorkshire, United Kingdom, which is jointly owned by Charter and the Group and Imperial Chemical Industries, commenced production on a limited scale in 1973. It is expected that the second shaft will be fully operational shortly and production continues to build up to the planned annual rate. The average price of potash has, in line with most other raw materials, risen substantially during the year.

Higher wolfram prices during the year were the main cause of the strong improvement in the earnings of Beralt Tin and Wolfram Limited. Profit before tax during the first six months of 1974 amounted to £1,057,000 compared with a pre-tax loss of £71,000 for 1973. The wolfram price increased from £22 per ton unit in January 1974 to a peak of £50 in September before returning to £37.5 at the end of last year. This provided the opportunity for the operating subsidiary, Beralt Tin and Wolfram (Portugal) SAREL to sell its surplus stocks of concentrates profitably and to reduce its stockpile to a more normal level.

Production of tin concentrates from the Tronoh group of mining companies in Malaysia amounted to 8,175 metric tons in 1974 compared with 9,190 tons for the previous year. Although there was a downward trend in the metal prices during the latter months of 1974 the average price for the year was Malaysian \$1,134 per picul compared with M\$686 in 1973 and resulted in unaudited profits for the year of £3,775,000, the highest achieved by the group. Agreement has been reached with the States of Perak and Selangor which provides for the exploration and development of new tin discoveries in Malaysia.

In respect of Société Minière de Tenke Fungurume, in which Charter and associated companies hold a 28 per cent interest, the feasibility study completed at the end of 1973 confirmed the viability of the planned copper-cobalt mining and processing investment in the company's concession in Shaba, Zaïre. During the year efforts have been concentrated on obtaining the necessary third party finance to enable a decision to be taken to proceed with the project. Negotiations for a combination of export credit and

commercial bank financing in excess of US\$400 million are now reaching their final stages. The project is scheduled to produce 130,000 tons of copper a year as well as substantial quantities of cobalt and, subject to a decision to proceed in the near future upon the satisfactory completion of the financing, operations are expected to commence during the first half of 1978.

Swaziland Iron Ore Development Company Limited continued to supply high-grade ore under contract to certain Japanese steel mills. However, operations have been seriously restricted by the frequent shortages of rail transport which is supplied by the Mozambique authorities to convey ore from the mine to the port of Lourenço Marques. In October 1974 the high- and medium-grade contracts were renegotiated to permit sales price increases of 20 per cent and 40 per cent for the high- and medium-grade ore respectively. These price increases should offset, to some extent, the continuing escalation of costs. However, if the railage situation does not return to normal and remain so, it is likely that the company will incur a loss for the year ending 31st March 1975.

*The detailed operating results of mines in which the Group has substantial interests are given on pages 76 and 77.*

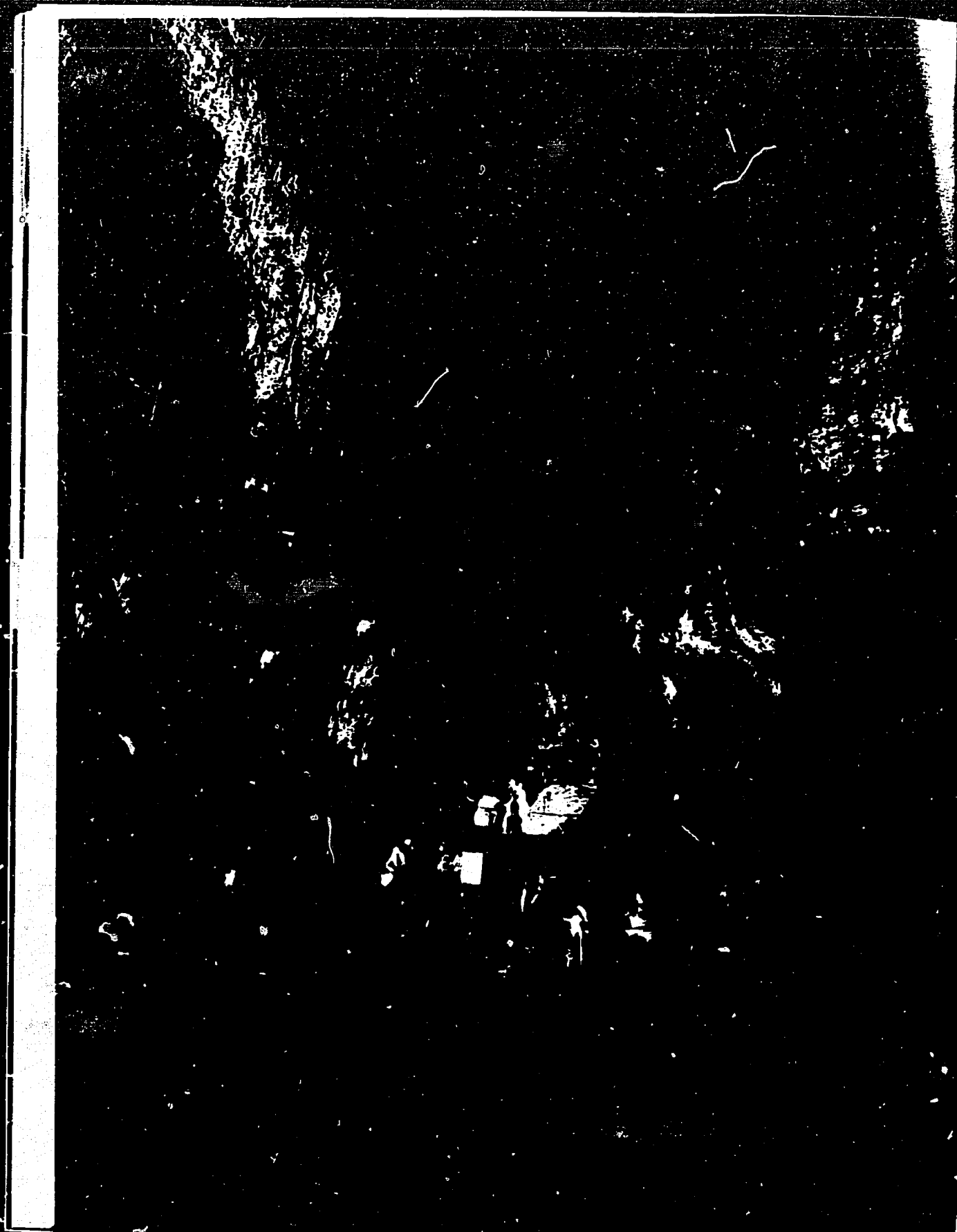
## Coal

### Strengthening its position

During 1974 the world began adapting to the energy crisis and in this process of adjustment coal is assuming an increasingly important role as a source of energy. The United States has embarked upon what it calls 'project independence', which visualises a tripling of coal production by the middle of the next decade, and France and Germany are now trying to maintain their coal production which had been rapidly declining. There has also been a pronounced increase in overseas interest in coal exports from South Africa, both for metallurgical and power generating use. The recent increased local demand, together with these export possibilities, will however require very substantial capital expenditure for the development of the necessary mining, transportation and utilisation infrastructure and this will take several years to complete.

Coal further reinforced its position as the dominant energy source in South Africa during the year and provides 75 per cent of all energy in the country. Sales by the South African coal mining industry increased by five per cent to 64.6 million tons compared with 61.5 million tons in 1973. This increase is lower than expected and reflects the severe railway truck shortage suffered by the collieries throughout the year, which has also caused an extremely costly under-utilisation of capital equipment.

Sales by the 12 coal companies administered by the Anglo-American Corporation Group rose by 1.1 million tons, or 5.5 per cent, to 21.0 million tons which represents 32.5 per cent of South



Africa's total coal production. Profits after tax increased by 23 per cent, moving from R8,4 million to R16,3 million in 1974. Total working costs a ton rose significantly by 28 per cent. This increase flowed from substantially improved wages and continued inflationary pressures on the cost of mechanical equipment and stores. However, these higher costs were largely absorbed by improved selling prices received during the year. Although the Price Controller awarded a 55 per cent increase in the controlled selling prices of coal for Transvaal collieries in September, this increase is already almost fully offset by the continuing rise in costs, and further price increases will, as a matter of some urgency, have to be sought. During 1974 certain of the Group's contracts with the Electricity Supply Commission (Escom) and South African Iron and Steel Industrial Corporation (Iscon) were adjusted to allow for the higher working costs, while the more recent contracts now contain clauses offering some protection against the erosion of money values. There is a real need to establish a fair value for coal sold in South Africa to ensure that the industry can generate capital funds internally as well as attract the additional investment necessary to maintain and increase production within the Republic.

A large part of the Group's coal production, about 58 per cent, is for power stations of Escom. Group collieries supply approximately half of the requirements of these stations. The Amot underground mine and temporary open-cast pit are at full production and in September 1974 achieved a record output of 416 000 sales tons. The new dragline is presently under construction on site and the combined annual output of the underground mine and dragline will be approximately six million tons by early 1976. The profit element of this contract is partially protected against inflation. Agreement has now been reached in principle with Escom on the renegotiation of the Kriel contract under which the Kriel 1 power station will be supplied by two operations: one, a mechanised mine producing approximately four million tons a year employing high extraction methods and starting production in 1975; and the other, an open-cast mine utilising two 80 cubic yard draglines together with shovels and trucks producing 4.5 million tons a year and achieving full production by 1980.

The need to implement mine mechanisation has been emphasised by the considerable difficulty being experienced in recruiting labour for hand-got mines and full or partial mechanisation of operations at the older mines is presently under consideration. It is noteworthy that as mining develops towards higher degrees of extraction through open-cast and full seam longwall mining techniques, the purchase of the surface as well as the coal rights has become necessary.

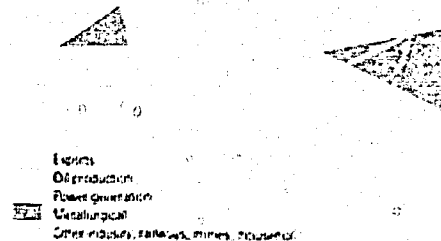
During 1974 the Group's collieries supplied 60 per cent of Iscon's outside purchases of metallurgical coal. At present there is a lack of reserves of high grade and readily mineable metallurgical coal in South Africa, which has made it increasingly difficult to establish viable new mines. As a result, despite a world-wide shortage of metallurgical coal, it is unlikely that Government permission will be given to any new export contracts for coking coal.

The export of coal and anthracite by the coal associations, to which Group collieries contribute an agreed percentage, remained at a relatively low level. The export trade was adversely affected during the year by the transport and harbour difficulties in South Africa and Mozambique. Through The Transvaal Coal Owners' Association, Coronation Collieries (Rank) signed a long-term agreement to export coal to Japan and capital expenditure on the necessary mining, washing and loading facilities for these exports is expected to be R15,5 million. Deliveries are to start in 1976. The Group was successful in obtaining conditional approval from the

#### ESTIMATES OF UTILISATION OF SOUTH AFRICAN COAL

1970: 53 million tons

Forecast for 1985: 140 million tons



Government, for the export of 100 million tons of coal over a period of 20 years which, together with approvals granted to other interested parties, could result in coal exports reaching 40 million tons a year by the mid 1980's. These additional exports, while requiring substantial capital investment, could earn significant foreign exchange in the years to come.

In Rhodesia, Wankie Colliery Company Limited's coal sales totalled 2 794 000 tons during the year ended 31st August 1974, slightly less than in the previous financial year. Coke sales increased by 30 000 tons to 267 000 tons. The consolidated net profit was R51,99 million after charging to capital R5469 000 in respect of certain initial underground development at the new No. 11 colliery which started production in January 1974. Dividends were reduced by one cent to 12 cents a share.

Further details of the coal companies in which the Group holds shares are given on pages 78 and 79.

## Industry and commerce

### Upsurge in fixed and inventory investment

Industrial production in South Africa increased further during 1974, but at a slower rate than in the preceding year. Output weakened towards the end of the year as economic activity slowed down. The various sectors have been affected in different ways by significant changes in the composition of domestic spending and, in particular, by the relative slowdown in spending on durable consumer goods. In contrast, there was a marked upsurge in fixed and inventory investment, which benefited certain sectors to some extent although the acceleration in this type of spending was inevitably reflected in a record increase in both the value and volume of imports, especially in the early part of the year. However, a good export performance in almost all categories of manufactures helped moderate these influences.

The shift in consumer spending patterns, most noticeable in the absolute decline in new cars sold during 1974, was responsible for the marked slowing down in the output growth of the transport equipment sector. Tight money conditions exerted a depressing effect on the construction industry after mid-year and, as a consequence, production in the timber sector was affected adversely. By contrast, the paper and packaging industry recorded new gains in output growth and the sectors benefiting from investment spending, such as machinery and electrical machinery, grew at record rates. Nevertheless, in general, there was evidence of some under-utilization of capacity in industry in the second half of the year, indicating the extent to which additional capacity has come on stream, as well as some slackening in demand.

The outlook for 1975 for conditions in the manufacturing sector will be determined largely by the duration of the slowdown of the economy. In particular, the absorption of excessive inventories will be an important factor, evidenced already by the levelling off in unfilled orders. At the same time, conditions abroad must be expected to have a dampening effect through a slowdown or decline in the growth of certain categories of exports.

Against this, however, there are many positive aspects; relaxation measures overseas can be expected to lead to a renewed upturn in exports of metals and minerals after a lag, while the stimulating effects of a high gold price and inflow of capital into South Africa should permit Government spending on infrastructure development to remain at a high level and this could help lead, before long to a new upswing in the economy. Despite a period of adjustment, therefore, there is every reason to expect continued growth in industry in the future.

The estimated value of the total investment of the Corporation and its associated finance companies in industry and commerce amounted to approximately R640 million at 31st December 1974 compared with about R490 million at the end of the previous year. These investments cover a wide range of activities including iron,

steel and alloys, chemicals and explosives, civil and construction engineering, drilling tools, refractory and other structural clay products, textiles, plastics, paperboard and the growing and processing of timber, including wattle extract for the leather industry, agricultural products and foodstuffs, industrial equipment, motor vehicles and components, rail locomotives and coaches, shipping, forwarding and clearing services and computer bureau services.

The Group's industrial investments in South Africa are held mainly by Anglo American Industrial Corporation Limited (Amic), but Anglo American Corporation itself and Rand Selection Corporation Limited also hold interests directly both in Southern Africa and elsewhere. Through De Beers Industrial Corporation Limited (Debincon), Amic has substantial holdings in AE & C Limited and South African Nylon Spinners (Proprietary) Limited while Mainstraat Beleggings (1965) (Eiendoms) Bepertk holds the joint interests of the Anglo American Corporation Group and the Federale Mynbou/General Mining group in the steel and heavy engineering industry. The Group also has important indirect interests in industry through Anglo American Corporation Rhodesia Limited and Zamango Industrial Corporation Limited, and through its significant holding in Barlow Rand Limited.

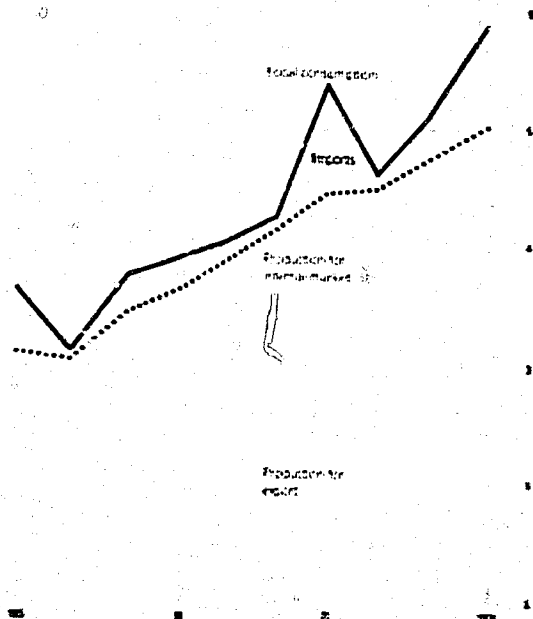
### IRON, STEEL AND ENGINEERING

Boart International Limited (Boart), a wholly-owned subsidiary of Amic, changed its name from Boart and Hard Metal Products S.A. Limited on 1st July 1974 so as to reflect better the world-wide spread of its operations. Steps taken during the year to restructure a large section of Boart's overseas interests resulted in the disposal of a number of investments and the acquisition of others. The most significant development was the extension by Boart of its minority holding in the Longyear group to a major and controlling interest. The Longyear group is the largest and most successful organisation in the international diamond drilling industry and had a record year as a result of the strong demand throughout the world for exploratory drilling services. Those results, together with a marked improvement in earnings from Boart's local drilling operations, resulted in a significant increase in the profitability of the diamond drilling division. The excellent performance in 1973 of Boart's other major division, the carbide division, continued during the year and plans have been made to increase substantially the tungsten carbide production capacity of the local manufacturing plant which is also the principal supplier of components to Boart's overseas subsidiaries. In the research field Boart has achieved impressive test results in the development of a rock cutter and an hydraulic jackhammer, both of which are expected to contribute to the improvement of productivity in the gold mining industry. Consolidated profits amounted to R9.62 million for the year ended 31st December 1974 compared with R5.23 million in 1973. Prospects for the current year appear to be fairly good.

Highveld Steel and Vanadium Corporation's operations during the year ended 30th June 1975 showed record outputs of steel and vanadium. This higher production, coupled with firm markets for

## SOUTH AFRICAN STEEL

1 ton = 1000 kg



both products, resulted in an improved net income of R11.17 million, before providing for deferred taxation of R1.26 million, compared with a net profit of R7.50 million in the previous year. The fifth iron furnace and sixth kiln were commissioned in October and early December respectively, some three months ahead of schedule. In the six months to 31st December 1974, Highveld achieved a net profit of R7.54 million, before provision for deferred tax of R1.11 million, against R5.45 million in the corresponding period in 1973. With both the steel and vanadium markets appearing firm up to the middle of this year, the recent domestic steel price increase, and the higher steel and vanadium production resulting from the commissioning of the fifth iron furnace, it is expected that profits will be improved in the second half of the financial year despite further cost increases. In November Highveld announced a planned expansion into flat products, calling for additional iron- and steel-making facilities and plate mill, at a cost of R66 million.

International Pipe and Steel Investments South Africa (Proprietary) Limited (Ipsa), in which the Group has a 15 per cent interest, increased its after-tax profit by 14 per cent to R2.72 million for the year ended 30th September 1974. Ipsa's two subsidiaries performed well, with Stewarts & Dadds of South Africa Limited increasing profits after tax by 80 per cent to R9.32 million, and Dorman Long

Vanderbijl Corporation Limited's taxed profits rising by 31 per cent to R7.54 million.

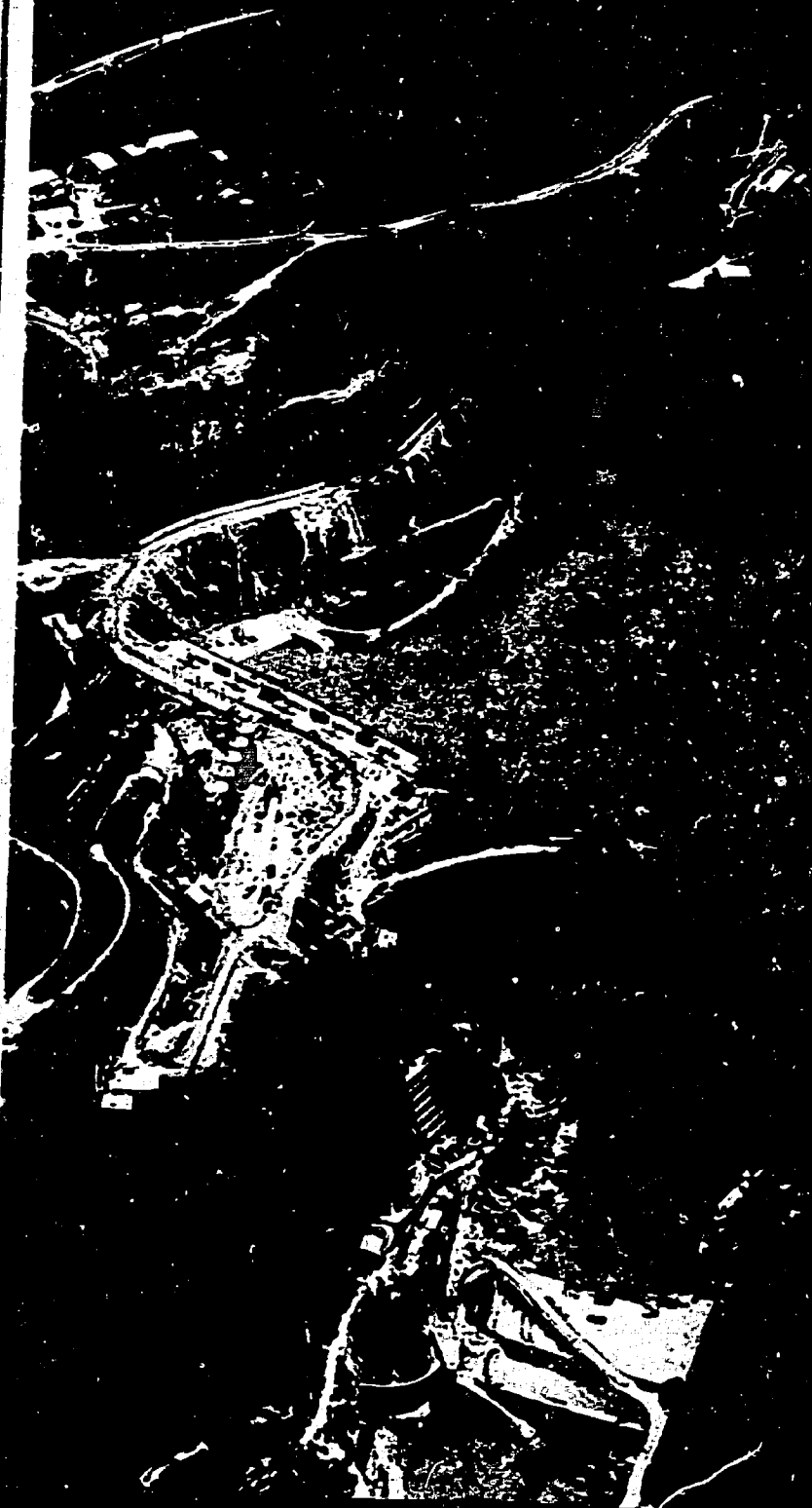
During the year, the Group sold its 37.5 per cent interest in Teming Holdings Limited to Johannesburg Consolidated Investment Company Limited as a result of which Teming Holdings is now a subsidiary of that company.

Scaw Metals Limited, a wholly-owned subsidiary of Amic, had another successful year with activity in the iron and steel foundries and in the rolling mills of the parent company remaining at a high level. Equity earnings for the year ended 31st December 1974 rose by R202 million to a record R9.12 million. The company's two subsidiaries, Flather Bright Steels (Proprietary) Limited, now wholly-owned, and Scaw Limited, formerly Scaw Low Foundries Limited, both contributed to the increased profit. The foundry order book at the year end was substantial and the rolling mills were fully loaded. Indications are, however, that the demand for rolled steel may ease slightly in the latter part of the current year. In spite of this and the problem of availability of skilled labour, another satisfactory year is expected. Progress is being made with the construction of the new melt shop, which is now expected to be commissioned towards the middle of 1975.

Transloy's (Proprietary) Limited achieved the best results in its history in 1974. Profits rose from R472,000 in 1973 to a record R3.63 million. All costs increased during the year, notably raw materials, wages, salaries and power costs, but these were more than compensated for by higher selling prices for ferro-manganese products in a strong market. During the year Alcoa Inc. of New York and Avesta Jernverks Aktieförsäkring of Sweden sold their interests in Transloy's to Philipp Brothers AG of Switzerland and the Anglo-American Corporation respectively. A new 24 MW furnace for the production of silicomanganese is to be installed at an estimated cost of R9.5 million and is expected to come into operation early in 1977.

During 1974 the Group increased its holding in Union Carriage and Wagon Company Limited which concluded another satisfactory year on 30th June 1974. As anticipated there was a higher level of activity in the company's main business, namely the building of railway rolling stock and locomotives for the South African Railways and, to a lesser extent, for users of industrial locomotives. In the export market, a series of mainline coaches were delivered in terms of contracts with the Uganda and Benguela Railways and an important sub-contract was won for the supply of locomotives to Taiwan. During the past financial year a start was made with the manufacture of pre-fabricated buildings.

The consolidated taxed profits of Vereeniging Refractories Limited, a subsidiary of The Vereeniging Estates Limited, decreased by R237,000 to R2.95 million for the year ended 31st December 1974. During the year R876,000 was paid in settlement of a claim made by an overseas coke oven contractor. The basic brick plant capacity has been increased to meet the new demand for high quality magnesite bricks for the steel industry and it is expected that this division will contribute to an improved profit situation during 1975. Manne-



*Back by an international consortium of which LTA is a member, the Cahora Bassa dam, nearing completion. The Zambesi is now backing up to form a lake that will take two years to fill. Power will flow from the third quarter*

Directors' review

Mineral Company (Proprietary) Limited had a difficult year as a result of reduced mining yields and increased costs. Steps are being taken to improve productivity and to eliminate non-profit areas wherever possible. The results of Vereeniging Tiles Limited and Vitro Clay Pipes Limited were affected by a downturn in the building activities in the latter part of 1974 and this situation is expected to continue into the current year.

#### CIVIL AND CONSTRUCTION ENGINEERING

LTA Limited's taxed profit rose by 68 per cent to R3,44 million for the year ended 30th June 1974 and equity earnings were R1,99 million compared with P 57 million in the previous financial year. Ordinary dividends were increased by 7.5 cents to 12.5 cents a share. Each of the four main operating divisions: building, civil engineering, industrialised building and Steeledale reinforcing and engineering, performed satisfactorily, having met or exceeded budget. The company has a 20 per cent interest in the civil engineering operations on the Cahora Bassa hydro-electric scheme. Because of the uncertainty prevailing in Mozambique at the time of the company's year end in June, it was considered prudent not to take any further profit on this work over and above the modest amount brought to account in 1973. However, there is presently no reason to doubt the successful conclusion of this contract, which is expected to be substantially complete during the first half of 1975. The company's other major consortium involvement, the 30 per cent interest in the construction of the plateau section of the Orange Fish Tunnel, continued to face problems as a consequence of the disruption during last year in the supply of cement. The work has now largely been completed and efforts are being directed at obtaining fair and reasonable compensation for the additional costs of the work incurred. During 1974 LTA acquired the entire equity capital of the McCarthy Contractors group and Ground Engineering Limited and 68 per cent of the Lupini group of companies. The value of uncompleted work rose from R162 million to R214 million at 30th June 1974. The company has changed its year end to 31st March and it is expected that the earnings for the nine-month period to 31st March 1975 will show a further improvement on an annual basis.

#### TIMBER AND ALLIED INDUSTRIES

Mondi Paper Company Limited had a most successful year and achieved a taxed profit of R11,53 million compared with a maiden profit of R655 000 in the year ended 31st December 1973. These excellent results were earned despite continuing inflationary pressures and reflect the buoyant conditions which existed in the paper market during most of 1974. In order to meet the growing demand for wood-free line paper and to maintain its contractual commitments to the Newspaper Press Union (NPU), it was decided to install a third high-speed paper machine, which is planned to come on stream early in 1977. The estimated total productive capacity will then be increased from 160 000 tons a year to 250 000 tons, consisting principally of newsprint, telephone

directory, and wood-free line paper. A new agreement has been negotiated with the NPU and deliveries of newsprint will begin this year at acceptable prices which are subject to escalation. During the year, the company sold two of its property-owning subsidiary companies to Natal Tanning Extract Company Limited together with the timber plantations established on the land.

Other than the significant acquisition of the Natal Tanning Extract Company in 1974, there were no material changes in the Group's holdings in timber and allied industries. During the year there were increases in log and sawn timber prices and general escalations in costs, particularly for wages, but, nevertheless, with one exception the Group companies improved their earnings. The after-tax profits of the S.A. Forest Investments Limited (SAFI) group, including Peak Timbers Limited in which SAFI holds an interest of about 95 per cent, increased from R2,1 million to R2,7 million, and those of Natal Tanning from R1,3 million to R1,8 million. Bruynzeel Plywoods Limited, in which Amic has a 66 per cent interest, was severely affected by unfavourable trading conditions towards the latter part of the year in its board manufacturing division resulting in a decrease in earnings of approximately 24 per cent as compared with the previous year. The development of the plantations of the Eastern Transvaal Timber Company (Proprietary) Limited is proceeding, but these will not be of an exploitable age for a number of years.

South African Board Mills Limited's equity earnings for the year ended 30th April 1974 were R2,32 million compared with R1,04 million in the previous financial year. Stafford Mayer Company South Africa Limited, in which the Group has a 24,5 per cent interest, derives the major portion of its income from its substantial investment in South African Board Mills. Earnings for the year ended 30th April 1974 rose accordingly by 90 per cent to R1,81 million.

#### MOTOR AND TRANSPORT

The motor vehicle market suffered from the tight financial conditions, which prevailed during most of the year, together with the adverse effects of fuel restrictions. Sales of passenger vehicles decreased by 1,2 per cent to 226 776 units while commercial vehicle sales rose marginally by 2,0 per cent to 115 151 units during 1974. Although these market conditions are expected to continue into the current year, indications are that there could be an improvement during the second half of 1975.

Notwithstanding the energy crisis and the increased costs of borrowing, illings (Proprietary) Limited achieved satisfactory profits in all divisions during the year ended 30th June 1974. A restricted supply of vehicles from Japan affected the Mazda division's performance but this problem has been overcome and there should be higher turnover and market penetration in the current financial year. The demand for Mack trucks continues to grow. The construction and industrial machinery division will concentrate in the current year on improving product support facilities and services to users.

The consolidated earnings of the McCarthy Rodway group for

the year ended 30th June 1974 totalled R2.9 million, an increase of R500 000 over the previous financial year. On 1st July 1974, Atkinson Dates Motors Limited, in which McCarthy Rodway has a 56 per cent interest, acquired the entire issued share capital of John B. Clarke Motor Company (Proprietary) Limited. This acquisition has increased the group's franchise range and is expected to provide a significant increase in the group's future earnings from its Johannesburg operations. The McCarthy Rodway group is pursuing a policy of containing costs, and with the well-balanced spread of products, including Peugeot, Mercedes-Benz, Chrysler, Toyota, Leyland, Mazda, BMW and Datsun, the group is well placed to take advantage of improved trading conditions. In February 1975 McCarthy Rodway made an offer to acquire the remaining 44 per cent equity interest in Atkinson Dates on the basis of 45 McCarthy Rodway Limited shares and R55 in cash for every 100 Atkinson Dates shares held.

Freight Services Holdings Limited earned record consolidated profits in 1974. During the year, the company acquired the Dart and Howes group whose clearing and forwarding operations in the Cape complement the wide range of services already provided by Freight Services.

#### CHEMICALS AND EXPLOSIVES

The AE & CI Limited group achieved a 44 per cent increase in sales, to R293.5 million, during the year ended 31st December 1974, partly as a result of new acquisitions. The substantially higher cost of raw materials, notably oil-based products, together with the escalation in labour and service costs during the year made price increases unavoidable. The growth in local demand for some major products has again been supplied from imports at no profit to the group and profit margins have been adversely affected. Equity earnings rose by ten per cent to 31.3 cents a share, or R26.1 million. During the first half of 1974 business conditions were favourable in all fields of operations, except animal feeds and explosives, but during the remainder of the year demand was at a lower level in a number of areas, particularly plastic and vinyl products. The coal-based ammonia plant at Modderfontein was brought on-stream in December.

During the period under review, the Group sold its 45 per cent equity interest in the plastic converter, Duropenta Holdings (Proprietary) Limited, to AE & CI for new AE & CI shares.

Chemical Holdings Limited is the major South African supplier of certain specialised chemical products. Turnover rose by 31 per cent to R14.04 million for the year ended 30th June 1974 while taxed profits increased by 79 per cent to R665 000. The dividend distribution was raised from 15 cents a share, including a bonus of three cents arising from the realisation of investments, to 16 cents. This growth in the scope of the company's activities made it necessary to create a wider capital base from which expansion could be continued at a reasonable pace. For this purpose a rights issue of shares, linked with convertible notes, aimed at raising R3 527 000 and underwritten by the Corporation was made to shareholders in February 1975.

#### FOOD

The South African maize crop reached a record level of 11.04 million tons during the 1973/74 season and was marketed at a time when world prices for this commodity were also at an all-time high. South African producers were, however, accorded only a modest price increase, but this policy did make an important contribution to the maintenance of reasonable retail prices for maize-based products, the staple foods of the lower income groups of this country. The considerable margin which still exists between world prices for maize and the average South African production costs augurs well for the short and medium term.

African Products Manufacturing Company Limited produces starches, syrups, glucose and other maize derivatives at Germiston and Meyerton in the Transvaal and at Belville in the Cape Province. During the year ended 30th September 1974 the company earned a taxed profit of R2.01 million, which was 44 per cent greater than the record established in the previous financial year. The dividend was increased from 22 cents a share to 28 cents on a marginally larger issued capital.

In Mozambique the two cashew processing companies administered by the Group, Mocita S.A.R.L. and its subsidiary Antene S.A.R.L. had a difficult year. As a result of time lost during periods of political and civil unrest following the coup in Portugal on 25th April 1974, production of both companies was lower than in 1973. At the same time costs rose sharply as a result of drastic increases in wages, fuel, packing materials and freight. Nevertheless Mocita is expected to show a satisfactory profit on its 1974 operations.

The operations of Oranje Koelkants Bepiet, which conducts an extensive meat and dairy products business, were adversely affected in 1974 by rising costs of acquisition and distribution which were not fully offset by higher selling prices. The company declared a dividend of 40 cents compared with 36 cents a share in 1973.

For the sixth year in succession there was an increase in Rhodes Fruit Farm Limited's taxed profits, which in 1974 exceeded R1.15 million. Dividends were increased from the equivalent of 21.25 cents to 24 cents a share. A pure fruit juice concentrates plant was brought into operation during March 1974 and its capacity is presently being expanded. Unfortunately the outlook for canned fruit exports during 1975 is not encouraging but the marketing arrangements and relationships which have been built up since 1970 should stand the company in good stead.

Soetvelde Farms Limited achieved a record profit for the year ended 30th September 1974 and again stands to benefit during its current financial year from the strength of the maize, wheat and soya bean markets. The company's livestock sections continue to expand and to show improved profitability. Increasing attention is being given to semi-tropical fruit and vegetable products.

#### SUNDRY

Computer Sciences Sigma (Proprietary) Limited progressed during 1974 and earned its first profit. The company is planning to market several promising new products in 1975.

Having acquired the remaining 13 per cent interest in G. & W. Holdings (Proprietary) Limited during the year, the Group now holds all the equity of this company. G. & W. Holdings, in its twin activities, mining and processing industrial minerals on the one hand and manufacturing zinc dust and zinc oxide on the other, had a most successful year with a substantial increase in turnover flowing largely from penetration into new markets. The company continues to operate a processing plant at Vlissingen, Holland, and plans are in motion to extend its European activities. A controlling interest in Hudson Mining Company (Proprietary) Limited, one of the largest producers of andalusite in South Africa, was acquired during 1974 and is expected to make a substantial contribution to future profits.

Industex Limited earned satisfactory profits during the year ended 30th June 1974. It is apparent, however, that machine replacement and other costs have escalated dramatically and these will have to be taken into account in future. The demand for tyre cord and other industrial yarns and fabrics has been fairly well maintained since the financial year end but there has been a marked fall in demand for cotton and synthetic yarns. Industex's wholly-owned subsidiary, Union Cotton Mills (Proprietary) Limited, is particularly affected by reduced demand combined with relatively large-scale imports at very low prices.

South African Nylon Spinners (Proprietary) Limited, in which A.E. & C.I. Limited and Debincor have substantial interests, had a satisfactory year despite a sharp downturn in polyester sales in the second half of 1974 and continued high-cost textile imports. The plant extensions at Bellville, near Cape Town, are proceeding on schedule but engineering delays in the United Kingdom could postpone the commissioning of the first spinning unit at Hammersdale in Natal. With effect from 17th December 1974 the company acquired, by way of a scheme which involved the issue of additional new shares to A.E. & C.I. the minority shareholders' interests in Dorsic Holdings Limited and Pan Textiles Limited.

*Further details of principal industrial, commercial and financial companies in which the Group holds stakes are given on pages 81 to 85.*

## Property

### Interests widened by Sorec acquisition

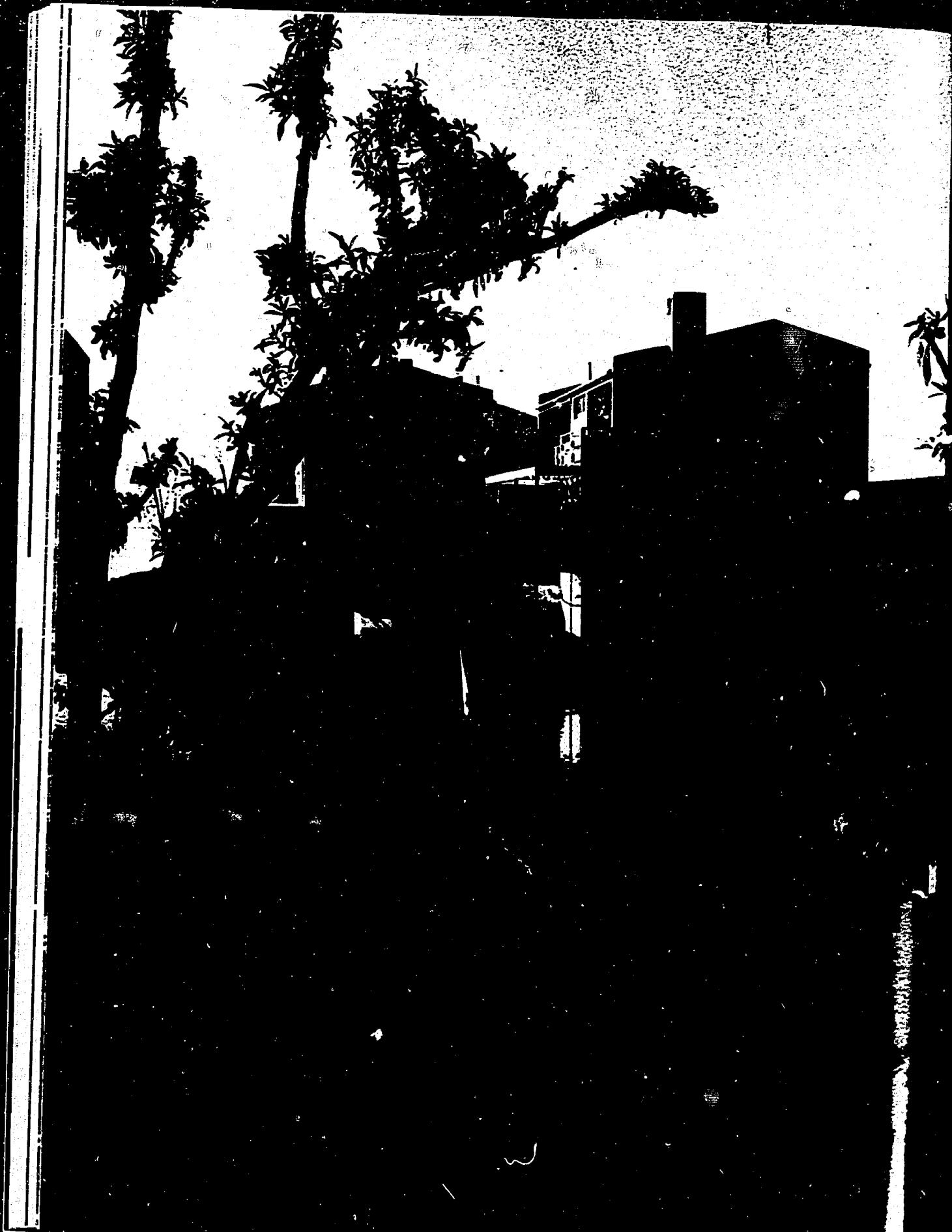
The Group's extensive property interests have been expanded by the acquisition of a major interest in Sorec Limited, the Schlesinger Insurance and Institutions Holdings' property company. The estimated value of the total investment of the Corporation and its associated finance companies in property was approximately R210 million at the year end. The property investments of the Group cover a wide range of interests including residential and industrial township developments, central city office buildings,

medical and shopping centres, a major international hotel, residential and holiday apartments and a waterfront residential marina. Although the greater portion of these investments are held by Anglo American Properties Limited (Anaprop) and Sorec, the Corporation and Group companies themselves have significant direct interests in certain major property holdings and development projects, such as Marina da Gama and Carlton Centre, in which Anaprop is itself interested.

During 1974 there was a general over-supply of office accommodation and shopping centre space in the major centres of South Africa and this had a restricting effect on the growth rate of rental income. However, the high cost of loan finance, coupled with steeply rising building costs, has curbed the development of new building projects and it is expected, in the medium term, that this will lead to the greater absorption of existing space and an increase in rentals in completed buildings. Sales of residential township land, which were buoyant in the first half of the year, declined significantly in the second half largely as a result of the lack of building society finance and the high costs of building. The demand for industrial township land followed a similar trend.

Anaprop achieved slightly improved results during the six months to 31st August 1974 with a loss of R760 000 compared with R1 005 000 in the corresponding period in 1973 and a loss of R1 960 000, before the deduction of extraordinary items, in the financial year ended 28th February 1974. During the year the measures taken by Anaprop to improve its position included the disposal of certain less profitable properties and investments and the overall strengthening of its management structure. The 34-storey 320 West Street Centre complex in Durban and the 23-storey Transvaal House in Pretoria were both completed in 1974, the latter seven months ahead of schedule, and good progress has been made with their letting at satisfactory rentals. The remaining major city-centre office building, the 34-storey Durban Bay House, in which Anaprop has a 54 per cent interest, is scheduled for completion at the end of the year. The Calama Beach resort at Umhlanga Rocks achieved satisfactory occupancy levels during the holiday season periods and a major international sales campaign was launched during 1974 to improve occupation in the off-peak periods. At La Lucia residential township, north of Durban, only 2.5 hectares of the beach-front land currently being marketed remain unsold and a further 8.1 hectares is expected to be placed on the market in 1976.

Sorec's results during the just year are considered satisfactory in view of the adverse conditions prevailing in the property market. Taxed profits for the financial year ended 30th June 1974 rose by nine per cent from E1 951 000 in the previous 12 months to R2 119 680 and dividends amounted to 8.5 cents a share. There was little profit growth during the six months to 31st December 1974 with taxed profits somewhat higher at R1 085 000 and this earnings level is expected to continue during the remainder of the current financial year. Sorec has significant interests in commercial, residential, township and industrial developments but its main strength lies in central city property development where its principal area of



*Artistic appeal and meticulous attention to detail characterise the design of Eastlake village at Muizenberg, Cape, where Marina da Gama is developing the first residential waterfront marina in South Africa*

Directors' review

activity is Johannesburg. The low-rise section of the Kite Centre, situated opposite the Carlton Centre, was completed late last year and the Sunnypark shopping centre in Pretoria was opened on schedule in October 1974. Progress on all other developments, including the new 30-storey African Eagle Life Centre in Johannesburg, is satisfactory. Sorec's own completed developments include the Schlesinger Centre, Highpoint Hillbrow and Killarney Centre, all in Johannesburg, and the African Eagle Life Centre, in Port Elizabeth and other centres. It has significant interests in Sandton City, Sandton, and the present African Eagle Life Centre in Johannesburg.

The Marina da Gama, near Cape Town, will in due course become an important source of income from township development. This residential waterfront marina of approximately 600 hectares adjacent to Sandvlei, Muizenberg, will eventually provide residential, recreational and commercial facilities for a population of 15 000 people. Eastlake, the first township extension comprising 500 units of single residential stands, houses and town-house blocks, was officially opened in October 1974 and by the year end sales to the value of R4 557 000 had been realised. In Eastlake North, the second township extension, stands to the value of R384 000 were sold on terms for transfer in 1977. Work will shortly begin on the next construction phase and it is expected that development around Sandvlei will be completed in 1978.

The Carlton Centre complex, in which the Group has a 90 per cent interest, stands in the first rank of the world's major central city complexes and has created a new focal point of city activity in Johannesburg. In turn, the Centre will be strengthened by new building developments taking place in the area, the most noteworthy of which is the Kite Centre which is linked to the Carlton Centre by a shopping arcade under Commissioner Street. By the end of 1974 the 50-storey office tower had been virtually fully let at rentals substantially higher than those prevailing in other office buildings in South Africa, while the shopping centre had been 97 per cent let by the year end. An event of significance to the Centre was the opening in July 1974 of the Skylink which can accommodate 2 500 spectators and is the first ice rink in South Africa having dimensions and facilities complying with international sporting requirements. This facility, which replaced the former Exhibition Hall, has achieved widespread popularity and should earn an excellent return on capital. Room occupancy levels and profitability at the five-star international-class Carlton Hotel continued to improve at an encouraging rate during the year.

The Group has a 75 per cent interest in Prospecton Industrial Township, located immediately south of Durban's Louis Botha Airport. During 1974 sales of stands showed a marked increase to approximately 37 hectares and with significantly higher prices being achieved revenue amounted to R6.2 million. Approximately 11 hectares of land remain to be sold of which 18 are served by rail.

The Group and its associates own the Kemilworth Centre, a 110-million retail shopping centre complex near Cape Town, which was officially opened in September 1974 although construction work is scheduled for completion until the end of 1975. The ground

floor, consisting of 41 shops including a major supermarket, and 75 per cent of the first floor shopping area was let by the year end. The centre is strategically located between the densely populated southern suburbs of Cape Town and the Cape Flats. When it is completed 105 shops will trade in the centre and free parking will be available for 3 000 cars. The Cape Town City Council is proceeding with the construction of the Kromboom River parkway, which, when completed, will materially improve access to the centre.

*Further details of the property companies in which the Group holds shares are given on pages 85 and 86.*

## Exploration and research

### Emphasis on gold and coal prospecting

During the year the Group continued its programmes of geological investigation in many parts of the world and extended its search for base metals, gold, uranium, coal and other minerals of traditional interest to new areas, in particular, Costa Rica and Angola. Investigations were also carried out in a number of other countries, including the Philippines.

Southern Africa continued to be the main area of activity with considerable attention being given to base metal and gold exploration. South Africa is regarded as an attractive area by many international mining companies and a higher level of exploration activity has become evident. During the year the Group acquired prospecting rights over a large number of interesting properties in the northern and western Cape, Transvaal and South West Africa, which are being systematically evaluated at present. There have been negotiations between the Corporation and the De Beers group on the investigation for base metals on certain properties held by De Beers in South Africa and South West Africa and it is expected that an agreement will be formalised shortly. Work has continued in the Tuli Concession in Botswana.

The continuing high gold price on the free market has given additional impetus to gold prospecting. The investigation of low-grade properties adjoining the Group's existing gold mining lease areas has continued during the year, and a number of new areas have also been taken under option in the Transvaal and Orange Free State and existing holdings have been consolidated. In addition scout drilling has begun in several localities. A joint venture arrangement has now been concluded for the exploration of an area south of the Western Areas gold mine.

The Group's search for uranium has been expanded and a number of further target areas are presently under investigation. In the Swakopmund district of South West Africa, the uranium exploration programme in conjunction with Union Corporation Limited, Compagnie Française des Pétroles and Aquitaine S.W.A. continues and initial scout drilling has revealed some low-grade uranium

*Particles of gold recovered by gravity separation. The Group's research into improved methods of gold recovery is shown in laboratory tests that washing the ore on a vibrating table, in precisely controlled motion, can (a) increase the efficiency of the separation process.*

mineralisation. Work is proceeding on this grant and others and the results of drilling and additional follow-up work are being evaluated. The mineral rights acquired by the Group during a prospecting programme in the vicinity of the old Atrikander Lease in the Kleksdorp area in 1966 were ceded to The Atrikander Lease Limited during the year in exchange for shares in that company. The Corporation now provides Atrikander Lease with administrative and technical services.

The energy crisis stimulated a significant increase in the tempo of coal prospecting in South Africa, with a number of international oil companies and other international organisations becoming increasingly active. The Group has also increased its own coal prospecting activities and has enlarged its already extensive coal reserves, notably with further steam coal reserves in the Transvaal. In particular, a large exploration programme to prove steam coal reserves by open-cast methods for Arnot Colliery's requirements was completed and a similar programme was launched at the Kriel Colliery. Attention has also been given to the proving and assessment of metallurgical and steam coal reserves on Group properties for both existing domestic and future export markets.

In Botswana, an extensive reconnaissance drilling programme was begun in March to locate deposits with metallurgical coal potential, while in Swaziland the Group was commissioned by the Government to undertake additional drilling for steam coal for power generation purposes.

The Group has been active in Rhodesia where the investigation of serpentinites for nickel and copper continued. Exploration for gold was carried out mainly in the Umali district but no significant deposits were discovered. First-stage reconnaissance prospecting started in an area of 1 500 square miles in the Rhodesian lowveld and work was conducted to prove the extent and quality of fire clay deposits in the Wankie area. Investigation into the chrome potential of the Great Dyke continued during the year and included drilling on the North Dyke. A copper deposit near Shalumi was drilled and the results are being assessed.

In Australia the lack of definite guide lines for foreign investment continues to inhibit the activities of foreign mining companies and in addition there is uncertainty regarding the role which will be played by the new Federal body, the Petroleum and Mineral Authority. However, prospecting has continued in all States and there have been some encouraging results. The proposed mining operation based on the Blue Spec gold/antimony deposit in Western Australia was evaluated during the year and considered commercially feasible. Development of the project, under Australian Anglo American's management, has begun and mining is expected to begin in 1976.

At Namoni, in Fiji, where Australian Anglo American has a joint venture with Amay Inc, the project manager, drilling has continued. Reconnaissance drilling on the major anomaly has indicated a substantial zone of copper mineralisation in a porphyry environment and grid drilling is now being carried out to assess tonnage and grade. An important development has

been the formal agreement reached with the Fijian Government on the taxation provision for any mining operations that might result. Elsewhere in Fiji, Australian Anglo American's own exploration teams are carrying out initial surveys and drilling in areas considered prospective for base metal mineralisation.

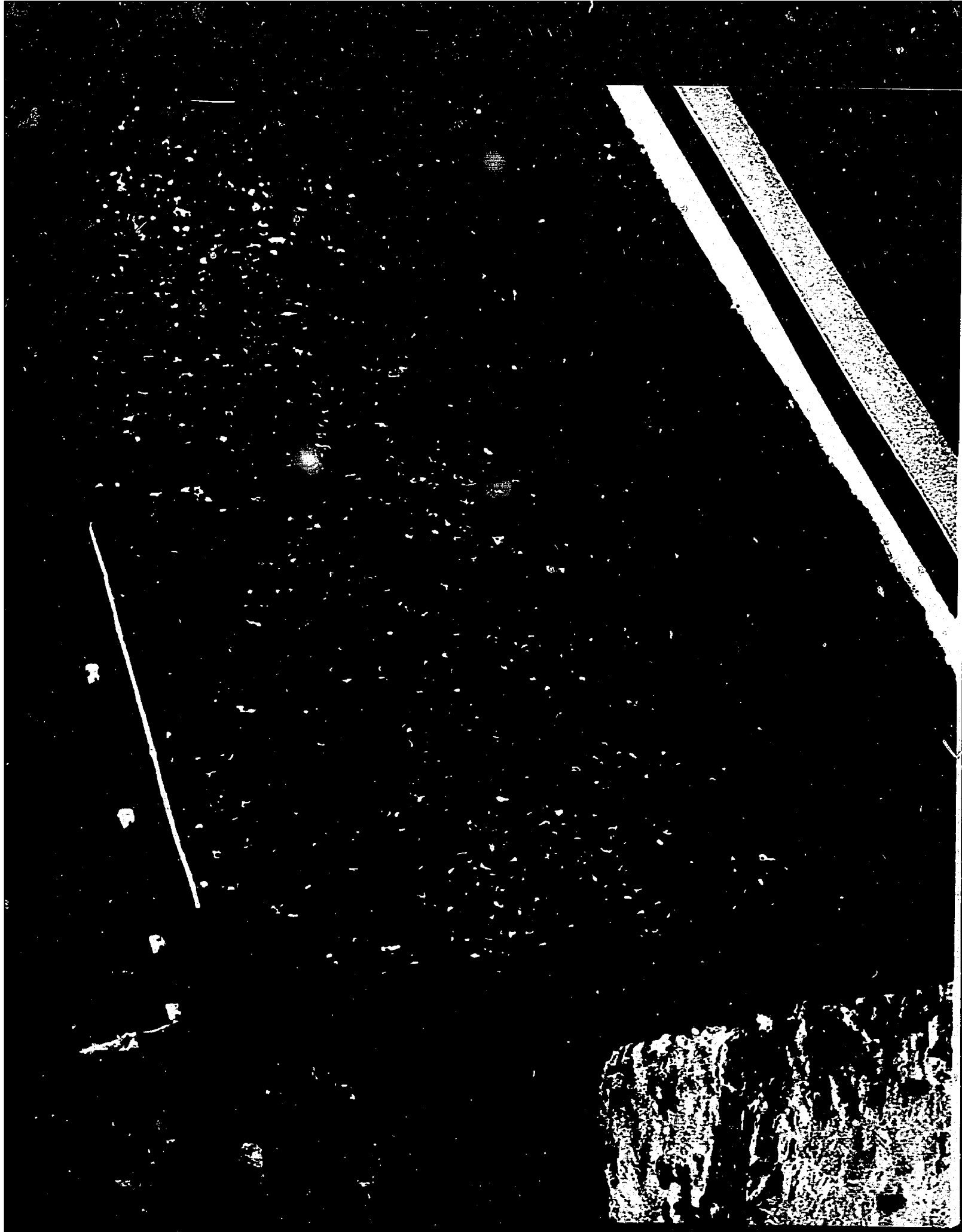
Anglo American Corporation of Canada Limited has continued to participate with Hudson Bay Exploration and Development Company Limited in a programme of exploration in the Yukon territory, Ontario, Quebec and in the North-West Territories of Canada. Hudson Bay also explored on its own account in the provinces of Manitoba and Saskatchewan. In Manitoba, however, recent provincial government proposals to participate in future exploration ventures give rise to concern and have caused the company to redirect its programme for 1975.

Charter Consolidated Limited continued to prospect in various parts of the world. An exploration programme for tin in Malaysia, in which Charter has an interest, led to the discovery of a potentially significant orebody in South Selangor in 1974. The evaluation of this prospect will continue during the current year. The investigation into the exploitation of tin deposits located off the west coast of Thailand has proceeded with the feasibility study and the design of an all weather dredge being in advanced stages of preparation. Through its 25 per cent interest in an international consortium led by Home Oil, Charter is participating in exploration for oil in the United Kingdom sector of the North Sea. Drilling of the first exploratory well on Block 210/19 was completed in August but no significant shows of hydrocarbons were encountered. Drilling of a second well either on Block 210/19 or on Block 38/2 during the course of this year is now under consideration. Exploration programmes for base metals continued last year in the Iberian Peninsula and in Ireland.

During 1974 the two Brazilian joint venture prospecting companies, Unigeo Geologia e Mineracao S.A. and Jacobina Geologia e Mineracao S.A., in which Group companies hold a 40 per cent interest—were merged and Unigeo is actively involved in a number of exploration projects in various parts of Brazil. To date, one interesting gold target on auriferous conglomerates at Jacobina in Bahia, has been identified and this target is currently being drilled. In addition, Anglo American Corporation do Brasil Limited examined a number of mining properties during the year and work on some of the more promising of these will continue in 1975.

#### RESEARCH

The major effort at the Anglo American Research Laboratories during 1974 was again towards improving gold recoveries in existing operations and further substantial success was achieved. Until recently the work was largely directed towards surface operations but underground studies with similar aims are now in progress using techniques developed previously for the surface investigation. The computer applications section and geological laboratory continue to contribute to the success of this project. In addition, computer techniques are now being applied to



## Directors' review

optimisation of uranium recovery circuits on Group mines.

The unforeseen technical problems at the Selebi-Phikwe mine in Botswana created the opportunity for a significant research effort to be directed towards their solution. In particular, attention has been paid to the concentrator circuit and final treatment of copper/nickel concentrates prior to smelting. Water treatment and other environmental work, on the mine's behalf, has also continued. Environmental protection studies are assuming increasing general importance especially on some of the Group's older operations and efforts to overcome these long-term problems are being expanded. An example has been the successful commissioning of a neutralisation plant at Kromdraai near Witbank. In earlier years the Laboratories' mineralogical work was largely a service function, but more recently, with the installation of up-to-date and sophisticated equipment, more important research work is being undertaken in the fields not only of base and other metal recovery but also of diamonds and coal. In the fuels technology section work was done on the beneficiation of fine coal and on chemical methods for removing ash from coal.

At the Electronics Laboratory the development and design of

a complete early warning fire detection system for mines was completed and the system is now in operation. It involves three major aspects of development: a combustion particle detector; an extremely sensitive gas analysis system; and a low-frequency analogue telemetering system. In view of the need for the most efficient use of electrical energy, sensitive maximum demand monitoring and control systems were developed both for mines and large electrical arc furnaces. A number of smaller projects related to individual operating problems were undertaken. An important aspect of the Laboratory's activities is the training of electronic technicians. This scheme, which operated throughout the year, will need to be expanded in the near future.

During the year the Group entered into a third joint venture with CJB De Smet, established through one of the joint ventures established earlier with Oronzio De Nora Limited of Italy—aimed at using technology in metal recovery which the Group has developed in conjunction with complementary technology available elsewhere. Significant progress has been made in all three ventures and equipment, reagents and technology are at present being evaluated by potential customers.

14th March 1975

# Annual financial statements

for the year ended 31st December 1974

The annual financial statements which appear on pages 43 to 59 were approved by the board of directors on 10th April 1975, and are signed on its behalf.

Directors' report 43

Consolidated balance sheet 46

Consolidated income statement 48

Income statement 49

Balance sheet 50

Notes on the financial statements 52

Statement of source and application of funds 55

Subsidiaries 56

Investments 58

Directors:

H. F. Oppenheimer

Keith Acutt

W. D. Wilson

J. T. Goldfinch, *Managing Secretary*

G. C. Leeman, *Chief Accountant*

# Auditors' report

To the members,

*Anglo American Corporation of South Africa Limited*

We have examined the annual financial statements and the group annual financial statements set out on pages 43 to 59. The audits of certain subsidiary companies have been carried out by other firms.

In our opinion the statements fairly present, in the manner required by the Companies Act, 1973, as amended, the financial position of the Corporation and of the Group at 31st December 1974, and the results of their operations for the year then ended.

ALEX. AIKEN & CARTER  
GOLDBY, COMPTON & MACKELVIE *Chartered Accountants (S.A.)*

Johannesburg  
10th April 1975

The directors have pleasure in submitting the annual financial statements of the Corporation, together with the group annual financial statements of the Corporation and its subsidiary companies, for the year ended 31st December 1974.

## CONSOLIDATED FINANCIAL STATEMENTS

The comments that follow relate to the consolidated balance sheet and the consolidated income statement of the Corporation and its subsidiary companies.

## CAPITAL

The authorised capital remained unchanged during the year at R20 000 000.

At the end of 1973 there were 645 100 ordinary shares of ten cents each under option to senior members of staff. During the year options over 52 000 shares were exercised and options over 12 500 shares lapsed. Accordingly, at 31st December 1974 there remained 589 600 shares under option. Since the end of the financial year no further options have been exercised and 3 000 options have lapsed. Accordingly, 577 600 shares remain under option at the date of this report.

At the general meeting of members held immediately after the annual general meeting of the company on 24th May 1974 members approved the introduction of a share incentive scheme for the benefit of senior employees (including directors holding salaried employment or office) of the Corporation and its subsidiaries. The balance of 786 000 ordinary shares for which options had not been granted under the existing option scheme plus a further 1 500 000 ordinary shares were made available for the new share incentive scheme. A total of 1 446 000 shares were issued during the year in terms of the scheme at the market prices ruling at the time. Accordingly, 840 000 incentive scheme shares remained unissued at the year end.

As a result of the issue of 52 000 shares under the share option scheme and 1 446 000 shares under the new share incentive scheme, the ordinary issued share capital of the Corporation increased from 129 889 300 shares at the beginning of 1974 to 131 387 300 ordinary shares at 31st December 1974.

Since the end of the financial year a further 69 000 shares have been issued in terms of the share incentive scheme for a total consideration of R371 070 and as at the date of this report the ordinary share capital of the Corporation is R13 145 630 in 131 456 300 shares of 10 cents each, fully paid.

The Companies Act 1973 provides that a general authority to directors to allot and issue shares shall be valid only until the next annual general meeting, i.e. in the case of the Corporation to 23rd May 1975. Members will therefore be asked to consider an ordinary resolution at the forthcoming annual general meeting placing the remaining unissued ordinary shares, not required for the purpose of the staff share option scheme or the share incentive scheme, under the control of the directors.

## SHARE PREMIUM

The share premium increased by R8 297 000 to R82 772 000 due to the exercise of the 52 000 share options and the issue of 1 446 000 incentive scheme shares mentioned above, less share issue expenses of R24 000.

## CURRENCY RESERVE

Net exchange surpluses, arising principally from foreign currency fluctuations, have been transferred to a currency reserve which stood at R4 260 000 at 31st December 1973. At the end of 1974 R324 000 was transferred from the currency reserve to cover a net deficit arising this year from changes in currency exchange rates. The reserve declined by a further R159 000 due to the revaluation of the opening balance to the rates of exchange ruling at the year end, and stood at R3 277 000 at 31st December 1974.

## LOAN CAPITAL

As a result of the depreciation during the year in the value of the rand against the U.S. dollar the Corporation's rand obligation has increased by R1 098 000 in respect of its two U.S. dollar loans, neither of which is covered by forward exchange contracts. A corresponding increase has been made to the book cost of the investments acquired with the dollars at the time the loans were raised.

## OUTSIDE SHAREHOLDERS' INTERESTS

The decrease during the year of R68 153 000 in outside shareholders' interests in subsidiary companies to R57 101 000 was mainly due to the liquidation of H.D. Development Limited (HDD). This subsidiary company held the group's interest in Engelhard Minerals and Chemicals Corporation (EMC) and, following the exchange of the Group's EMC shares for Minerals and Resources Corporation Limited (Minorco) 'A' shares, HDD was liquidated.

## INVESTMENTS

During the year the book value of the investments held by the Corporation and its subsidiaries decreased by R18 873 000 to R449 710 000. Unlisted investments increased by R38 516 000, while listed investments decreased by R57 189 000, mainly due to the acquisition of the unlisted Minorco 'A' shares in exchange for the listed EMC interest mentioned above. Substantial acquisitions were offset by the disposal of the EMC interest. The market value of listed investments at 31st December 1974 was R1 057 618 000 and exceeded the book value by R763 840 000 compared with an excess of R762 776 000 at the end of 1973. The unlisted investments were valued at 40.5 per cent higher than the book value of R155 732 000.

**PROFITS AND APPROPRIATIONS**

The profit for the year was dealt with as follows:

	1974		1973	
	R000's	R000's	R000's	R000's
Profit for the year .....		75 746		58 240
<i>Dividends on preferred stock:</i>				
No. 90 of three per cent .....	143		143	
No. 91 of three per cent .....	143		143	
<i>Dividends on ordinary shares:</i>				
Interim No. 76 of 7.5 cents a share ....	9 852		8 443	
Final No. 77 of 21.5 cents a share .....	28 248		22 733	
	38 386		31 462	
Transferred to non-distributable reserve .....	5		40	
Transferred to general reserve .....	32 559		24 001	
Lump sum contributions (net of tax) to staff pension funds in respect of prior years covering improvements in benefits effective from 1974 .....	1 899		—	
		72 849		55 503
		2 877		2 737
Unappropriated profit brought forward from previous year .....	10 348		9 070	
Adjustment thereto arising from changes in currency exchange rates (1973 includes prior year adjustments) .....	279		(1 459)	
Unappropriated profit 31st December 1974 .....		10 627		7 611
		13 524		10 348

**DIVIDENDS**

An interim dividend of 7.5 cents per share was declared on 26th September 1974 and a final dividend of 21.5 cents per share was declared on 27th February 1975, making a total for the year ended 31st December 1974 of 29.0 cents per share. This distribution represents an increase of 20.8 per cent when compared with the 24.0 cents per share paid last year, comprising an interim of 6.5 cents and a final of 17.5 cents. Dividends of three per cent were declared on the six per cent preferred stock on 7th June and 6th December 1974.

**AUDITORS**

Messrs Goldby, Panchaud & Webber, who act as joint auditors to the Corporation with Messrs Alex. Aiken & Carter, amalgamated their practice with certain other firms with effect from 1st March 1975. The amalgamated practice is now being conducted under the name Goldby, Compton & MacKelvie.

**FINANCIAL STATISTICS**

The financial statistics for the ten years 1965 to 1974 appear on page 60.

**DIRECTORATE**

The following are details of changes which occurred in the composition of the board of directors from 1st January 1974 to the date of this report:

*Appointments*

Dr Z. J. de Beer  
15th January 1974  
E. P. Gush  
15th January 1974  
D. G. Nicholson  
15th January 1974  
N. F. Oppenheimer  
15th January 1974  
D. A. Etheredge  
1st July 1974  
Dr H. B. Dyer  
(Alt. to D. A. Etheredge)  
1st July 1974  
Dr M. G. M. Atmore  
(Alt. to E. P. Gush)  
25th July 1974  
G. A. Carey-Smith  
(Alt. to W. G. Bousted)  
25th July 1974  
A. W. D. Darvall  
(Alt. to Dr Z. J. de Beer)  
25th July 1974  
Dr H. B. Dyer  
(Alt. to G. C. Fletcher)  
25th July 1974  
J. A. Holmes  
(Alt. to N. F. Oppenheimer)  
25th July 1974  
J. D. Johnson  
(Alt. to J. Ogilvie Thompson)  
25th July 1974  
A. Johnstone  
(Alt. to F. S. Berning)  
25th July 1974  
D. E. MacIver  
(Alt. to Sir Phillip Oppenheimer)  
25th July 1974  
B. W. Pain  
(Alt. to G. W. H. Rely)  
25th July 1974  
M. W. Stephenson  
(Alt. to D. G. Nicholson)  
25th July 1974

*Resignations and Withdrawals*

D. O. Beckingham  
14th January 1974  
E. T. S. Brown  
14th January 1974  
Sir Frederick Crawford  
14th January 1974  
Dr Z. J. de Beer  
(Alt. to J. Ogilvie Thompson)  
14th January 1974  
E. P. Gush  
(Alt. to Sir Phillip Oppenheimer)  
14th January 1974  
E. S. Newson  
(Alt. to Sir Frederick Crawford)  
14th January 1974  
D. G. Nicholson  
(Alt. to G. C. Fletcher)  
14th January 1974  
Dr H. B. Dyer  
(Alt. to J. W. Shilling)  
30th June 1974  
D. A. Etheredge  
(Alt. to Sir Albert Robinson)  
30th June 1974  
J. W. Shilling  
30th June 1974  
G. A. Carey-Smith  
(Alt. to F. S. Berning)  
25th July 1974  
Dr H. B. Dyer  
(Alt. to D. A. Etheredge)  
25th July 1974  
A. Johnstone  
(Alt. to W. G. Bousted)  
25th July 1974  
W. S. Gallagher  
31st December 1974

**Appointments**

G. Langton

1st January 1975

O. P. Koesvort

(Alt. to D. A. Etheredge)

21st February 1975

S. B. Kessuth

(Alt. to Sir Albert Robinson)

21st February 1975

Dr Z. J. de Beer, Mr E. P. Gush, Mr D. G. Nicholson and Mr N. F. Oppenheimer, who were appointed directors of the Corporation on 15th January 1974, retired from the board in terms of the Corporation's articles of association at the annual general meeting held on 24th May 1974 and were re-elected directors at that meeting.

Mr D. A. Etheredge and Mr G. Langton were appointed to the board on 1st July 1974 and 1st January 1975 respectively and in terms of the Corporation's articles of association, they retire at the forthcoming annual general meeting. In addition Mr F. S. Berning, Mr W. G. Boustred, Mr C. J. L. Griffith, Mr H. F. Oppenheimer, Mr G. W. H. Rely, Sir Albert Robinson, Mr S. Spiro and Mr W. D.

Wilson retire by rotation. The retiring directors are all eligible for re-election.

Details of the beneficial and non-beneficial interests of the directors in the issued ordinary share capital of the Corporation at 31st December 1974, appearing in the register of the interests of the directors in the shares of the Corporation, appear on page 88 of this report.

There are no service contracts granted by the Corporation or any of its subsidiaries to any directors of the Corporation.

**SUBSIDIARY COMPANIES**

Details of subsidiary companies in which the Corporation has a direct or indirect interest are given on pages 56 and 57 while particulars of special resolutions passed during the year by these companies appear on page 88 of this report.

**GENERAL**

The directors of the Corporation wish to thank all members of the staff of its various offices for the loyal and efficient service given during the year.

# Consolidated balance sheet 31st December 1974

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

1973			1973	
R000's	R000's		R000's	R000's
	14 000	Capital		
	1 241	Authorised:		
	4 759	140 000 000 ordinary shares of 10 cents each .....	14 000	
	<u>20 000</u>	1 241 250 six per cent cumulative preference shares of R1 each .....	1 241	
		R4 758 750 six per cent cumulative preferred stock .....	4 759	
			<u>20 000</u>	
22 989		Issued: (note 2)		
4 759		131 387 300 ordinary shares of 10 cents each, fully paid .....	13 138	
<u>17 475</u>	17 748	R4 758 750 six per cent cumulative preferred stock .....	4 759	
		Share premium .....	82 772	17 897
8 381		Less: Excess of written-down cost of shares in subsidiary companies over		
	66 094	book value of net assets at the dates of acquisition .....	8 381	
	4 725			
		Non-distributable reserve (note 3) .....		74 395
246 933				4 797
4 260		Distributable reserves		
<u>10 348</u>	261 541	General reserve (note 4) .....	279 707	
	330 108	Currency reserve (note 4) .....	3 277	
	48 520	Unappropriated profit .....	13 524	
	398 628			296 508
	<u>125 234</u>	Loan capital (note 5) .....		393 593
				49 546
		Outside shareholders' interests in subsidiary companies (note 6) .....		443 139
				57 101
	316 139	Loans		
		Associated companies and others .....		392 738
		Creditors		
22 876		Preferred stock dividend No. 91 and ordinary dividend No. 77 .....	28 391	
8 527		Taxation .....	5 925	
<u>14 369</u>	45 772	Sundry .....	22 989	
				57 305
				<u>950 283</u>
	<u>885 773</u>			

	R000's	R000's	1973	
			R000's	R000's
Investments				
Listed at cost, less amounts written off (note 6) .....	293 978		351 167	
Market value R1 057 818 000 (1973: R1 113 943 000)				
Unlisted at cost, less amounts written off and provision (note 6) .....	155 732		117 416	
Directors' valuation R218 785 000				
		449 710		468 583
Property, mineral rights and equipment (note 8) .....		11 804		11 890
Loans				
Associated companies and others, less provision .....		232 531		144 175
Debtors and cash				
Debtors .....	31 160		22 695	
Cash on deposit, at call and short notice and on hand .....	225 078		238 430	
		256 238		261 125

950 283

885 773

# Consolidated income statement for the year 1974

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

	1974	1973
	R000's	R000's
Investment income		
Listed .....	64 063	45 761
Unlisted .....	9 235	5 256
Income from interest, fees and other sources after deducting administration expenses (note 11) .....		51 017
Surplus on realisation of investments .....	73 298	36 316
	56 638	8 628
	705	
	130 641	95 961
<i>Deduct:</i>		
Interest paid:		
Loan capital .....	2 452	2 365
Loans by associated companies and others .....	27 680	13 374
Expenditure on office, research and transport equipment .....	30 132	15 743
Contributions to staff pension funds .....	2 044	1 378
Costs of prospecting .....	1 863	1 422
Provision against investments .....	4 445	3 538
Provision against loans .....	7 000	2 654
	1 300	
Group profit before taxation .....	46 784	24 735
Provision for taxation (note 12) .....	83 857	71 226
Group profit after taxation .....	4 942	9 556
<i>Deduct:</i>	78 915	61 670
Outside shareholders' interests in profits of subsidiary companies .....	3 169	3 430
Group profit attributable to Anglo American Corporation of South Africa Limited .....	75 746	58 240
Net (loss) gain arising from currency fluctuations .....	(824)	3 755
Less: Transfer from (to) currency reserve .....	824	(3 755)
	75 746	58 240
<b>Appropriations</b>		
<b>Dividends:</b>		
<i>On preferred stock:</i>		
No. 90 of three per cent, declared 7th June 1974 .....	143	143
No. 91 of three per cent, declared 6th December 1974 .....	143	143
<i>On ordinary shares:</i>		
No. 76 (interim) of 7.5c per share, declared 26th September 1974 .....	9 852	8 443
No. 77 (final) of 21.5c per share, declared 27th February 1975 .....	28 248	22 732
Non-distributable reserve .....	38 386	31 462
General reserve .....	5	40
Lump sum contributions (net of tax) to staff pension funds in respect of prior years covering improvements in benefits effective from 1974 .....	32 559	32 071
	1 899	
	19	
	2 897	55 503
Unappropriated profit, 31st December 1973 .....	10 548	2 717
Adjustment thereto arising from changes in currency exchange rates .....	279	9 076
	10 627	954
Transfer to currency reserve of surplus arising from currency fluctuations in prior years .....		8 116
		505
Unappropriated profit, 31st December 1974 .....	10 627	7 611
	13 524	10 325

For notes see pages 52 to 74

# Income statement for the year 1974

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

	R000's	R000's	1973	
			R000's	R000's
Investment income				
Listed .....	37 239		26 360	
Unlisted .....	<u>1 935</u>		<u>2 162</u>	
Income from subsidiaries (note 9) .....		39 174		28 522
Income from interest, fees and other sources after deducting administration expenses (note 11) .....		11 229		14 483
Surplus on realisation of investments .....		42 627		24 071
		<u>3</u>		<u>4 769</u>
		93 033		71 845
<i>Deduct:</i>				
Interest paid:				
Loan capital .....	2 452		2 369	
Loans by associated companies and others .....	<u>26 217</u>		<u>12 042</u>	
Expenditure on office, research and transport equipment .....	28 669		14 411	
Contributions to staff pension funds .....	1 883		1 118	
Costs of prospecting .....	1 425		1 087	
Provision against investments .....	4 100		3 079	
Provision against loans .....	7 149		2 654	
	<u>200</u>		<u>189</u>	
Profit before taxation .....		43 426		22 529
Provision for taxation (note 12) .....		49 607		49 316
Profit after taxation .....		<u>2 383</u>		<u>3 884</u>
		47 224		45 432
<i>Appropriations</i>				
<i>Dividends:</i>				
<i>On preferred stock:</i>				
No. 90 of three per cent, declared 7th June 1974 .....	143		143	
No. 91 of three per cent, declared 6th December 1974 .....	<u>143</u>		<u>143</u>	
<i>On ordinary shares:</i>				
No. 76 (interim) of 7.5c per share, declared 26th September 1974 .....	9 852		8 443	
No. 77 (final) of 21.5c per share, declared 27th February 1975 .....	<u>28 248</u>		<u>22 733</u>	
General reserve .....	38 386		31 462	
<i>Lump sum contributions (net of tax) to staff pension funds in respect of prior   years covering improvements in benefits effective from 1974</i> .....	7 300		13 700	
	<u>1 899</u>		<u>—</u>	
		47 585		45 162
Appropriated profit, 31st December 1973 .....		-361		270
		<u>623</u>		<u>353</u>
Appropriated profit, 31st December 1974 .....		<u>262</u>		<u>623</u>

# Balance sheet 31st December 1974

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

1973				
R000's	R000's		R000's	R000's
	14 000	Capital		
	1 241	Authorised:		
	4 759	140 000 000 ordinary shares of 10 cents each .....	14 000	
	<u>20 000</u>	1 241 250 six per cent cumulative preference shares of R1 each .....	1 241	
		R4 758 750 six per cent cumulative preferred stock .....	4 759	
			<u>20 000</u>	
12 989		Issued: (note 2)		
4 759		131 387 300 ordinary shares of 10 cents each, fully paid .....	13 138	
	17 748	R4 758 750 six per cent cumulative preferred stock .....	4 759	
	<u>76 475</u>			
		Share premium .....		17 897
				<u>82 772</u>
		Distributable reserves		
176 700		General reserve (note 4) .....	186 000	
623		Unappropriated profit .....	262	
	179 323			186 262
	<u>271 546</u>	Loan capital (note 5) .....		286 931
	48 520			<u>49 546</u>
	<u>320 066</u>			336 477
		Loans		
16 034		Subsidiary companies .....	16 662	
290 786		Associated companies and others .....	373 558	
	306 820			390 220
		Creditors		
22 876		Preferred stock dividend No. 91 and ordinary dividend No. 77 .....	28 391	
2 763		Taxation .....	539	
11 208		Sundry .....	20 105	
	36 847			49 035

60 233

775 732



# Notes on the financial statements

## 1 Accounting policies

- (a) The listed and unlisted investments of the Group are predominantly income earning long-term holdings. Where in the opinion of the directors, a permanent diminution in the value of investments has occurred, provision for such diminution is charged against current profits.
- (b) No depreciation of land, buildings and fixed improvements is provided. Office, research and transport equipment is written off in the year of acquisition.
- (c) Assets and liabilities in foreign currencies are expressed at the approximate rates of exchange ruling at the year end.
- (d) Prospecting expenditure is written off in the year in which it is incurred.
- (e) Due to the nature of the group's activities the directors are of the opinion that to publish a figure for turnover would be meaningless.

## 2 Share capital

The unissued capital comprises 8 612 700 ordinary shares of ten cents each and 1 241 250 six per cent cumulative preference shares of R1 each.

In terms of resolutions of members, three million ordinary shares were placed at the disposal of the directors acting through trustees for a share option and a share incentive scheme for senior members of the staff as follows:

- (a) Share option scheme—1 500 000 shares were placed at the disposal of directors but, when the scheme was discontinued during the year, options had not been granted in respect of 786 000 shares, which were transferred to the share incentive scheme at that stage. Options were granted for ten years or until retirement whichever is the earlier. Options granted in terms of the scheme are as follows:

	Balance at 31.12.73	Lapsed during year	Exercised during year	Balance at 31.12.74
Granted on 27th August 1969 at 650 cents a share ..	270 800	7 500	15 500	244 800
Granted on 19th January 1972 at 537 cents a share ..	205 300	3 000	28 500	173 800
Granted on 1st August 1973 at 700 cents a share ..	169 000	2 000	5 000	162 000

- (b) Share incentive scheme—1 500 000 shares were placed at the disposal of directors and 786 000 were transferred from the share option scheme. Of these shares 1 446 000 were issued during the year leaving a balance of 840 000 shares available under the scheme.

The remaining 7 192 100 unissued ordinary shares are under the unrestricted control of the directors until the forthcoming annual general meeting.

## 3 Non-distributable reserve

The increase in the non-distributable reserve arises as follows:

Balance at 31st December 1973 .....	R4 725 000
Adjustments thereto arising from changes in currency exchange rates .....	67 000
Profit on sale of land by subsidiary .....	5 000
	<u>R4 797 000</u>

## 4 Distributable reserves

### General reserve

The increase in the general reserve arises as follows:

	Corporation	Group
Balance at 31st December 1973 .....	R178 700 000	R246 933 000
Adjustment thereto arising from changes in currency exchange rates ..	—	215 000
Appropriated this year .....	7 300 000	32 559 000
	<u>R186 000 000</u>	<u>R279 707 000</u>

### Currency reserve

The decrease in the currency reserve arises as follows:

	Group
Balance at 31st December 1973 .....	R4 260 000
Deduct:	
Adjustment thereto arising from changes in currency exchange rates .....	159 000
Transfer to Income Statement .....	824 000
	<u>R5 277 000</u>

## 5 Loan capital (see directors' report)

Loan capital comprises the following:

Loans of:	Rand equivalents	
	1974	1973
(a) Swiss francs 50 000 000 .....	R8 556 000	R8 556 000
(b) U.S.\$9 321 000 .....	6 428 000	6 325 000
(c) U.S.\$50 000 000 .....	34 483 000	33 557 000
(d) R79 000 .....	79 000	82 000
	<u>R49 546 000</u>	<u>R48 520 000</u>

The differences in the rand equivalents of the U.S. dollar loans arise as a result of exchange rate fluctuations and the under-mentioned repayment of loan (b). Associated companies sub-participate in loan (c) to the equivalent of R15 875 000 (1973: R15 449 000).

Details of the individual loans are as follows:

- (a) The loan of Swiss francs 50 000 000 bears interest at the rate of 5.75 per cent per annum and is repayable by 15th November 1987, subject to the undertaking that the Corporation will, if possible, purchase in the market for cancellation up to Swiss francs 7 500 000 of the loan at prices not exceeding par in each of the four 60-day periods prior to 15th November in the years 1983 to 1986. The Corporation has the right to redeem the full loan earlier, on any annual interest payment date, at a premium of

3.5 per cent reducing by 0.5 per cent per annum in the years 1975 to 1981 and thereafter at par. The servicing and repayment of the loan is covered by forward exchange contracts with the South African Reserve Bank.

- (b) The loan of U.S.\$9 321 000 bears interest at the rate of 6.96 per cent per annum and is repayable between 1978 and 1982 subject to minor repayments of U.S.\$104 000 each year to 1977. The Corporation may, in certain circumstances, make repayment earlier.
- (c) The loan of U.S.\$50 000 000 bears interest at the rate of 7.5 per cent per annum and is repayable at par in instalments of \$1 500 000 on 1st March in each of the years 1977 to 1981 inclusive, \$2 500 000 on 1st March 1982 and \$8 000 000 on 1st March in each of the years 1983 to 1987 inclusive. The Corporation may, in certain circumstances, make repayment earlier.
- (d) The loan of R79 000 is represented by 5.75 per cent registered unsecured notes which are repayable at par on 31st March 1982 unless previously purchased or redeemed in accordance with the note conditions.

#### 6 Outside shareholders' interests

The interests of the outside shareholders in subsidiary companies amounted to R57 101 000 at 31st December 1974 (1973: R125 234 000). Their interests in the excess of the market value and directors' valuation of listed and unlisted investments respectively over book values was R2 312 000 (1973: R15 950 000, which is not comparable with 1974 principally because of the restructuring during the year of the H.D. Development Group).

#### 7 Contingent liabilities and commitments

(a) There are contingent liabilities in respect of:

(i) A guarantee with others to a diamond mining company in respect of an agreement which that company has with The Diamond Corporation Limited. The Corporation's obligation has, however, been fully counter-guaranteed.

(ii) Guarantees with De Beers Consolidated Mines Limited in respect of the servicing and repayment of foreign loans to Highveld Steel and Vanadium Corporation Limited of Deutschmarks 100 000 000 and U.S.\$20 000 000 (1973: D.M.100 000 000, U.S.\$20 000 000 and S.F.65 000 000). The servicing and repayment of the loans are covered by forward exchange contracts with the South African Reserve Bank.

(iii) Completion undertakings to lenders to Bamangwato Concessions Limited and the Republic of Botswana in respect of a loan (amounting to the equivalent of R37 244 000 at current exchange rates) of loan in United States dollars, Deutschmarks and rand whereby the Corporation with others undertakes to arrange or procure 37.5 per cent of the finance, additional to that already arranged, which may be required to complete the Sekhbi-Pikwe mine. A 64 per cent of the loan in the undertakings has been laid off to associated companies. The undertakings continue until certain requirements as to completion of the project have been met.

Guarantees with another in respect of the United States dollar and Deutschmark loans, referred to in the preceding paragraph, to the extent of the equivalent of R7 563 000 (at current exchange rates); of which R4 347 000 has been laid off to associates.

(iv) Other guarantees given by the Corporation totalling R12 717 000 (1973: R9 930 000) and by subsidiary companies totalling R13 858 000 (1973: R12 154 000) for the fulfilment of other contractual obligations. Counter-guarantees have been obtained for R3 678 000 (1973: R2 459 000).

(b) There are commitments in respect of undertakings to subscribe or procure subscriptions for shares in and to make loans to other concerns.

#### 8 Property, mineral rights and equipment

The amount of R11 804 000 shown in the consolidated balance sheet under this heading comprises the following:

	1974 R	1973 R
Fixed assets—land, buildings and fixed improvements at cost, or net book value 1st January 1953 .....	9 659 000	9 774 000
Mineral rights, at cost		
less amounts written off .....	2 145 000	2 116 000
Office, research and transport equipment—written off .....	—	—
	<u>R11 804 000</u>	<u>R11 890 000</u>

A register of land and buildings is open for inspection by members or their duly authorised representatives at the registered office of the Corporation.

#### 9 Income from subsidiaries

Income from subsidiaries comprises the following:

	1974 R	1973 R
Dividends .....	10 473 000	13 010 000
Interest .....	35 000	575 000
Fees .....	721 000	898 000
	<u>R11 229 000</u>	<u>R14 483 000</u>

#### 10 Directors' remuneration:

The aggregate amount payable to directors and alternate directors by the corporation and its subsidiary companies is as follows:

	1974 R	1973 R
Directors' fees .....	81 000	75 000
Other emoluments .....	980 000	942 000
	<u>R1 061 000</u>	<u>R1 017 000</u>
Pensions of past directors for services in a managerial capacity .....	R41 000	R40 000

11 The net profits of the Corporation and the group have been arrived at after taking into account the following:

	Corporation		Group	
	1974 R	1973 R	1974 R	1973 R
Administration fees .....	980 000	789 000	1 463 000	1 003 000
Audit fees .....	81 000	71 000	131 000	113 000

12 Provision for taxation

Provision for taxation has been made as follows:

	1974		1973	
	Corporation R	Group P	Corporation R	Group R
South African ..	1 709 000	2 188 000	3 310 000	4 863 000
Foreign .....	592 000	2 746 000	617 000	4 763 000
	<u>2 301 000</u>	<u>4 934 000</u>	<u>3 927 000</u>	<u>9 626 000</u>
Net adjustment in respect of previous year ...	82 000	8 000	43 000	70 000
	<u>R2 383 000</u>	<u>R4 942 000</u>	<u>R3 884 000</u>	<u>R9 556 000</u>

## Source and application of funds statement for the year 1974

	Group R000's	Corporation R000's
<b>Source of funds:</b>		
Profit before taxation and outside shareholders' interest .....	83 857	49 607
<i>Add:</i>		
Provision against investments and loans, less net adjustments arising from changes in currency exchange rates .....	<u>7 878</u>	<u>7 349</u>
	91 735	56 956
Proceeds from shares issued .....	8 446	8 446
Loans from associated companies and others .....	76 599	82 772
Increase in creditors (net) .....	<u>11 533</u>	<u>12 188</u>
Decrease in debtors and cash (net) .....	<u>5 133</u>	<u>8 860</u>
	16 666	21 048
Property, mineral rights and equipment— net decrease .....	<u>86</u>	<u>—</u>
	<u>193 532</u>	<u>169 222</u>
<b>Application of funds:</b>		
<b>Investment in subsidiary companies:</b>		
Net increase in loans .....		45 156
<i>Less:</i>		
Decrease in cost of shares .....		<u>12 070</u>
		33 386
Cost of investments acquired, less cost of investments sold .....	54 992	1 834
Loans to associated companies and others ..	89 047	91 262
Repayment of loan capital .....	72	72
Taxation .....	4 942	2 383
Dividends .....	38 386	38 386
Lump sum contributions (net of tax) to pension funds in respect of prior years ..	1 899	1 899
Increase in outside shareholders' interest in subsidiary companies .....	<u>4 194</u>	<u>—</u>
	<u>193 532</u>	<u>169 222</u>

# Subsidiaries in which the Corporation has a direct or indirect interest

	Issued share capital		Interest in share capital				Book value of holding company			
	1974	1973	Direct		Indirect		Shares		Loans	
			1974	1973	1974	1973	1974	1973	1974	1973
	R000's	R000's	Per cent	Per cent	Per cent	Per cent	R000's	R000's	R000's	R000's
<b>Incorporated in South Africa</b>										
<i>Finance and investment</i>										
African and European Investment Company Limited:										
Ordinary	4 180	4 180	80	80	20	20	20 935	20 935		
Preference	3 500	3 500								
African Loans and Investments Limited:										
Ordinary	1	1	100	100						
Preference	2	2							1 566	2 764
Anglovan Investments Limited	16	16	100	100						
Amsted Holdings (Proprietary) Limited	3 000	3 000	65	65			4 320	4 320		
Egret Investments Limited	3	3	58	58			9 658	9 663		
U.S. Properties (Proprietary) Limited	125	125			45	45	10 572	22 448		
Marjoram Holdings Limited	2	2			100	100				
Millfont Investments Limited:										
Ordinary									95 631	53 640
Preference			100	100						
The New Era Consolidated Limited	41	41	100	100						
Orion Investments Limited	550	550	100	100			1 747	1 747		
Rhocor Holdings Limited	1	1			100	100	3 045	3 045		
South African Mines Selection Limited	26	26	17	17	44	44	5 505	5 505	4 942	3 323
Thoson Limited	5 000	5 000	100	100			8 646	8 646		4 080
	3	3			100	100			22 806	24 620
<i>Computer services</i>										
Ammetosa Computer Services Limited					100	100				
<i>Property leasing</i>										
Anglo American Property Leasing Limited					100	100				
<i>Property leasing</i>										
Ammetosa Land and Estates Limited	3 460	3 460	100	100			4 255	4 255	15 246	15 437
Exchange Buildings (Proprietary) Limited	124	124			100	100				
Headstone Investments Limited					63	63				
Westander Properties (Proprietary) Limited					100	100			159	159
Zainwater Limited	200	200			100	100				
<i>Prospecting</i>										
Anglo American Prospecting Company Limited	1 233	1 237			63	63				
Anglo American Prospecting Company (South) Limited	664	656			63	63				
Arctura Minerals (Proprietary) Limited	8				63	63				
J. J. P. Ruyang Minerals (Eindhoven) Beprek					63	63				
Tayfield Investments Limited	1				49	49				
<b>Incorporated in Rhodesia</b>										
<i>Finance and investment</i>										
Consolidated Securities Limited	20	20			100	100				
Five Skies (Private) Limited					100	100				
Consolidated Mines Holdings (Rhodesia) Limited	1 028	1 028			100	100				
New Rhodesia Investments Limited	5 000	5 000	100	100			20 760	20 760		
<i>Financial services</i>										
Anglo American Corporation Services Limited	20	20			100	100				
Anglo American (Rhodesian Services) Limited	37	37			100	100				
<b>Incorporated in Luxembourg</b>										
<i>Finance and investment</i>										
Avalus Limited	1 319	1 319	100	100						
Avalus Holdings Limited	1 631	1 611	100	100			2 679	2 679	649	312
H.D. Developments Limited		26 773					711	711		
Origo Investments Limited	9 223				100	100				
<i>Finance holding</i>										
Helix Holdings S.A.	1 000	1 000			100	100				
Nelux Holdings S.A.	100	100	100	100			14	14		
<b>Incorporated in Liberia</b>										
<i>Finance and investment</i>										
Ammies Limited	1	1			100	100				
Anglo European Holdings Limited	15	15			45	45				
Madway Investments Limited	1	1			100	100			10 989	815

	Issued share capital		Interest in share capital				Book value of holding company			
	1974	1973	Direct		Indirect		Shares		Loans	
			1974	1973	1974	1973	1974	1973	1974	1973
	1974	1973	Per cent	Per cent	Per cent	Per cent	R000's	R000's	R000's	R000's
<b>Incorporated in Zambia</b>	<b>K000's</b>	<b>K000's</b>								
<i>Financial services</i>										
Anglo American Corporation (Central Africa) Limited .....	2 500	2 500	—	—	100	100	—	—	4	4
<i>Finance and investment</i>										
Anglo American Northern Properties Limited .....	8	8	—	—	100	100	—	—	—	—
<b>Incorporated in Australia</b>	<b>A\$000's</b>	<b>A\$000's</b>								
<i>Finance and investment</i>										
Anglo American Investments Australia Proprietary Limited .....	1	1	—	—	100	100	—	—	—	753
<i>Managerial services</i>										
Australian Anglo American Services Limited .....	563	563	—	—	100	100	—	—	151	213
<b>Incorporated in Bermuda</b>	<b>BDS000's</b>	<b>BDS000's</b>								
<i>Finance and investment</i>										
Anglo American Investment Trust (Bermuda) Limited .....	37	37	—	—	100	100	—	—	—	—
Maxford Company Limited .....	24	24	—	—	100	100	—	—	—	—
<b>Incorporated in the United Kingdom</b>	<b>£000's</b>	<b>£000's</b>								
<i>Finance and investment</i>										
Lizum Limited .....	5	5	—	—	100	100	—	—	—	—
Lydenberg Holdings Limited .....	5	5	100	100	—	—	326	326	—	—
<b>Incorporated in Canada</b>	<b>C\$000's</b>	<b>C\$000's</b>								
<i>Finance and investment</i>										
Arnold Canada Limited .....	20 712	20 712	—	—	62	62	—	—	—	—
Ordo Securities Limited .....	1	1	—	—	62	62	—	—	—	—
<b>Incorporated in Switzerland</b>	<b>SF000's</b>	<b>SF000's</b>								
<i>Finance and investment</i>										
Baroque Holdings A.G. ....	50	50	100	100	—	—	8	8	—	—
<i>Managerial services</i>										
Anglo American Corporation Management and Services A.G. ....	100	100	—	—	100	100	—	—	44	169
<b>Incorporated in Botswana</b>	<b>R000's</b>	<b>R000's</b>								
<i>Managerial services</i>										
Anglo American Corporation Botswana (Services) (Pty) Limited .....	•	•	100	100	—	—	•	•	—	82
<b>Other</b> .....							37	775	13	15
							<u>93 309</u>	<u>105 243</u>	<u>152 561</u>	<u>106 651</u>

\*Nominal amounts

Note:  
Aggregate after tax profits and losses attributable to Anglo American Corporation of South Africa Limited from its subsidiaries amount to:

	1974
Profits .....	R000's 39 866
Losses .....	115

# Schedule of investments at 31st December 1974

(as a percentage of book value)

	Corporation		Group			Corporation		Group	
	Issued per cent	Unissued per cent	Issued per cent	Unissued per cent		Issued per cent	Unissued per cent	Issued per cent	Unissued per cent
<b>Mining finance and investment</b>									
Anglo American Corporation of Canada Limited	49.41	6.38	46.45	50.00	<b>Copper and other mining</b>				
Anglo American Corporation of South Africa (Proprietary) S.A.R.L.		0.38			Arna Petroleum Bepertk	—	5.91	3.47	0.95
Anglo American Corporation Rhodesia Limited				0.04	Cleveland Potash Limited		0.72		0.08
Anglo American Gold Investment Company Limited				2.20	Kala Products Limited		4.59		0.49
Australian Anglo American Limited	15.66		5.88		Messina Rhodesia Investment Limited		0.60		0.06
Charter Consolidated Limited				2.40	The Messina (Tessitwaal) Development Company Limited				0.32
Falcon Investments Limited			17.05		Rhodesian Nickel Corporation Limited			1.16	
Gold Fields of South Africa Limited				2.04	Shangani Mining Corporation Limited			1.78	
Hollandstatuus Belyssings (Eendoms) Bepertk	0.33		1.27		Zambia Copper Investments Limited			0.39	
Johannesburg Consolidated Investment Company Limited		2.68		1.92	<b>Coal</b>			2.07	6.82
Preference shares					Amalgamated Collieries of South Africa Limited			0.19	
Metals and Minerals Investment Corporation Limited				4.82	Anglo Power Collieries (Pty) Limited				5.81
Minerals and Resources Corporation Limited: Ordinary shares	6.91		0.15		Blunkspan Koolbryne Bepertk				0.22
"A" shares			4.53		The Coronation Collieries Limited			0.11	
New Central Waterstrand Areas Ltd				17.67	Natal Anthracite Colliery Limited			0.26	
Opvey Investments Limited			0.15		New Laspas Colliery Limited				0.54
Overseas and Rhodesian Investment Company Limited				2.03	South African Coal Estates (Withbank) Limited			0.28	
Petroleum Investments Limited				0.87	Trans-Natal Coal Corporation Limited			0.22	
Rand Selection Corporation Limited	25.68		15.18		Transvaal Coal Corporation Limited			0.48	0.30
South African Townships Mining and Finance Corporation Limited		0.56	0.26		Vryheid Corporation Limited			0.48	
Swan Investments Limited				2.11	Zwambag Natal Collieries Limited			0.13	
Tanzania Concessions Limited			0.29		<b>Platinum</b>				
The Veterinary Estates Limited	0.27		1.31		Union Platinum Mining Company Limited	0.26		3.09	
U.C. Investments Limited			0.36		Waverval (Rustenburg) Platinum Mining Company Limited	0.81		2.51	
Western Ultra Deep Levels Limited		3.12		0.38		0.05		0.54	
<b>Gold mining</b>					<b>General investment</b>	2.91	24.44	0.91	3.67
Bullefontein Gold Mining Company Limited	12.85		9.89	0.12	Achem Investments Limited		1.42		0.19
Champion Gold Mining Company Limited		0.08	0.44		Astron Investments (Pty) Limited		0.19		0.02
Doomfontein Gold Mining Company Limited				0.12	Coriander Holdings Limited		9.71		1.04
East Driefontein Gold Mining Company Limited				0.11	Epoch Investments Limited		3.51		0.41
Elsburg Gold Mining Company Limited	3.99		1.46		Evangelio (Pty) Limited		4.72		1.00
Free State Geduld Mines Limited			0.39		First Union General Investment Trust Limited	2.91		0.91	
Kinnos Mines Limited	0.18		0.12		Mean Investments Limited				0.22
Kloof Gold Mining Company Limited	0.21		0.14		Nave Investments (Pty) Limited		2.80		0.30
Lovaine Gold Mines Limited	0.04		0.11		Pamelia Trainers (Pty) Limited				0.11
President Brand Gold Mining Company Limited				0.57	Park Holdings Limited		1.69		0.20
President Steyn Gold Mining Company Limited				0.67	Peach Investments Limited			1.69	0.18
Southvaal Holdings Limited	0.15		0.60		<b>Banking and trust companies</b>	1.06	7.97	1.05	0.26
The South African Land and Exploration Company Limited		0.10	0.06		Baluanas International Trust Company Limited		0.37		0.01
Vaal Reefs Exploration and Mining Company Limited		0.88	0.93		Banco Standard-Totta de Moçambique S.A.R.L.		0.57		0.06
Welkom Gold Mining Company Limited			0.19		Banco Totta-Standard de Angola S.A.R.L.		0.76		0.08
Western Areas Gold Mining Company Limited			0.25		Commonwealth Development Finance Company Limited		0.28		0.01
Western Deep Levels Limited	4.84		2.76		Industrial Finance Corporation of S.A. Limited		2.42		0.27
Western Holdings Limited	2.16		0.68		National Finance Corporation of South Africa		0.96		0.10
Winkelhaak Mines Limited			0.29		Netbank and Syfers-U.A.L. Holdings Limited			0.65	
Zandpan Gold Mining Company Limited	0.02		0.17		Rhodesian Acceptances Holdings Limited			0.10	
<b>Diamonds</b>					Standard Bank Investment Corporation Limited				0.31
Anglo American Investment Trust Limited	11.22		4.40		The Discount House of South Africa Limited	1.06	2.61		0.28
De Beers Consolidated Mines Limited	3.83		2.43		<b>Industrial and commercial</b>	19.29	24.07	20.25	21.15
	7.39		1.97		A.E. & C.I. Limited		0.70		0.22
					Anglo American Industrial Corporation Limited		5.47		9.14
					Barlow Rand Limited		0.84		1.08
					Chemical Holdings Limited		0.11		0.18
					Canew Investments Limited		0.11		0.01
					Conway Johnson Limited			0.11	0.14
					Consolidated Share Registrars Limited		0.21		0.02
					CT. Bowring and Associates Holdings (South Africa) Limited			1.07	0.02

	Corporation		Group	
	Listed per cent	Unlisted per cent	Listed per cent	Unlisted per cent
Giffman Holdings Limited .....			0.60	
Eastern Transvaal Timber Company (Pty) Limited .....				0.41
Engelhard Enterprises of South Africa (Pty) Limited .....				3.13
Gallo (Africa) Limited .....	0.25		0.08	
G. & W. Holdings (Pty) Limited:				
Ordinary shares .....		1.80		0.94
Preference shares .....		0.57		0.18
Hill Loegmore and Company Limited .....				0.15
Highveld Steel and Vanadium Corporation Limited .....	6.73		3.26	
Hekens Corporation Limited .....			1.02	
IBKings (Pty) Limited:				
Ordinary shares .....		2.25		0.35
Preference shares .....		0.13		0.02
Industries de Capo Mocita S.A.R.L. International Pipe and Steel Investments S.A. (Pty) Limited: "C" shares .....		1.15		0.22
J.L. Clark and Company Limited .....			3.61	1.09
L.T.A. Limited:			1.02	0.11
Ordinary shares .....	1.01		0.32	
Preference shares .....	3.28		1.02	
Mauritius Beleggings (1965) (Edens) Beprek McCarthy Rodway Limited .....	0.90	10.58	0.65	1.13
Middleburg Steel and Alloys (Pty) Limited .....				0.16
Moshi Paper Company Limited:				
Ordinary shares .....				5.10
Preference shares .....				6.42
Rhodes Fruit Farms Limited .....				0.78
Rhodesian Alloys Limited .....				0.64
Seewide Farms Limited .....				0.74
Stewarts & Lloyds of South Africa Limited .....			0.25	
The Tongaat Group Limited .....			2.43	
Transalloys (Pty) Limited .....				0.90
Union Carriage and Wagon Company Limited .....		0.29		0.25
Zinc Products Limited .....		1.28		0.14
Property .....	1.86	27.33	7.16	10.75
Anglogroup McCarthy Investments Limited .....		0.33		0.04
Anglo American (O.F.S.) Housing Company Limited .....		7.85		0.87
Anglo American Properties Limited:				
Ordinary shares .....	1.86		2.01	
Deferred shares .....		10.70		2.14
Preference shares .....			2.79	
Carbon Centre Limited .....				6.67
Creative Holdings Limited .....				0.11
Creative Homes Limited .....		4.27		0.47
Manganese Holdings Limited .....		4.18		0.45
Soco Limited .....			2.36	
Sundry .....	0.54	3.90	1.23	3.68
Anglo Transvaal Consolidated Investment Company Limited:				
7% 1967/76 stock .....		1.14		0.12
City of Johannesburg: 6.5% 1977 stock .....	0.19		0.06	
Defanco Investment Trust:				
Deferred shares .....		0.13		0.01
Preference shares .....		1.61		0.17
Edens Societe Anonyme Holdings .....				2.57
Engelhard Hazonia S.A. (Pty) Limited .....				0.45
Rand Mines Limited:				
7.25% 1977/96 stock .....			0.10	
Other interest holdings .....	0.35	1.02	1.07	0.81
Total .....	100.00	100.00	100.00	100.00
Total book value .....	R000's 91 426	R000's 14 679	R000's 293 978	R000's 155 732

# Statistics from the consolidated financial statements for the ten years to 1974

	Number of issued ordinary shares†	Issued ordinary capital and reserves	Investments		Equity earnings after taxation	Equity earnings per share†	Dividend per ordinary share†	Total ordinary dividend
			Book value	Market value*				
		R	R	R	R	cents	cents	R
1965	127 353 040	189 225 000	170 188 000	419 893 000	28 941 000	22.7	13	16 555 000
1966	128 082 300	204 685 000	179 360 000	490 104 000	30 536 000	23.8	13	16 648 000
1967	129 820 400	222 260 000	212 835 000	616 177 000	30 540 000	23.5	13	16 824 000
1968	129 820 400	237 050 000	262 299 000	956 355 000	32 728 000	25.2	14	18 175 000
1969	129 820 400	253 362 000	283 117 000‡	818 138 000‡	36 224 000	27.9	16	20 771 000
1970	129 820 400	271 283 000	307 335 000‡	688 610 000‡	38 692 000	29.8	16	20 771 000
1971	129 820 400	292 344 000	434 881 000	927 378 000	40 970 000	31.5	17	22 069 000
1972	129 858 200	314 204 000	449 946 000	1 262 094 000	45 379 000	34.9	19	24 674 000
1973	129 389 300	345 349 000	468 583 000	1 231 359 000	57 954 000	44.6	24	31 176 000
1974	131 387 300	388 834 000	449 710 000	1 276 603 000	75 460 000	57.4	29	38 100 000

\*1965 to 1971: Includes unlisted investments at book value and outside shareholders' interest in surplus of market value of listed investments over book value.

1974: Includes unlisted investments at directors' valuation and outside shareholders' interest in surplus of market value and directors' valuation over book value.

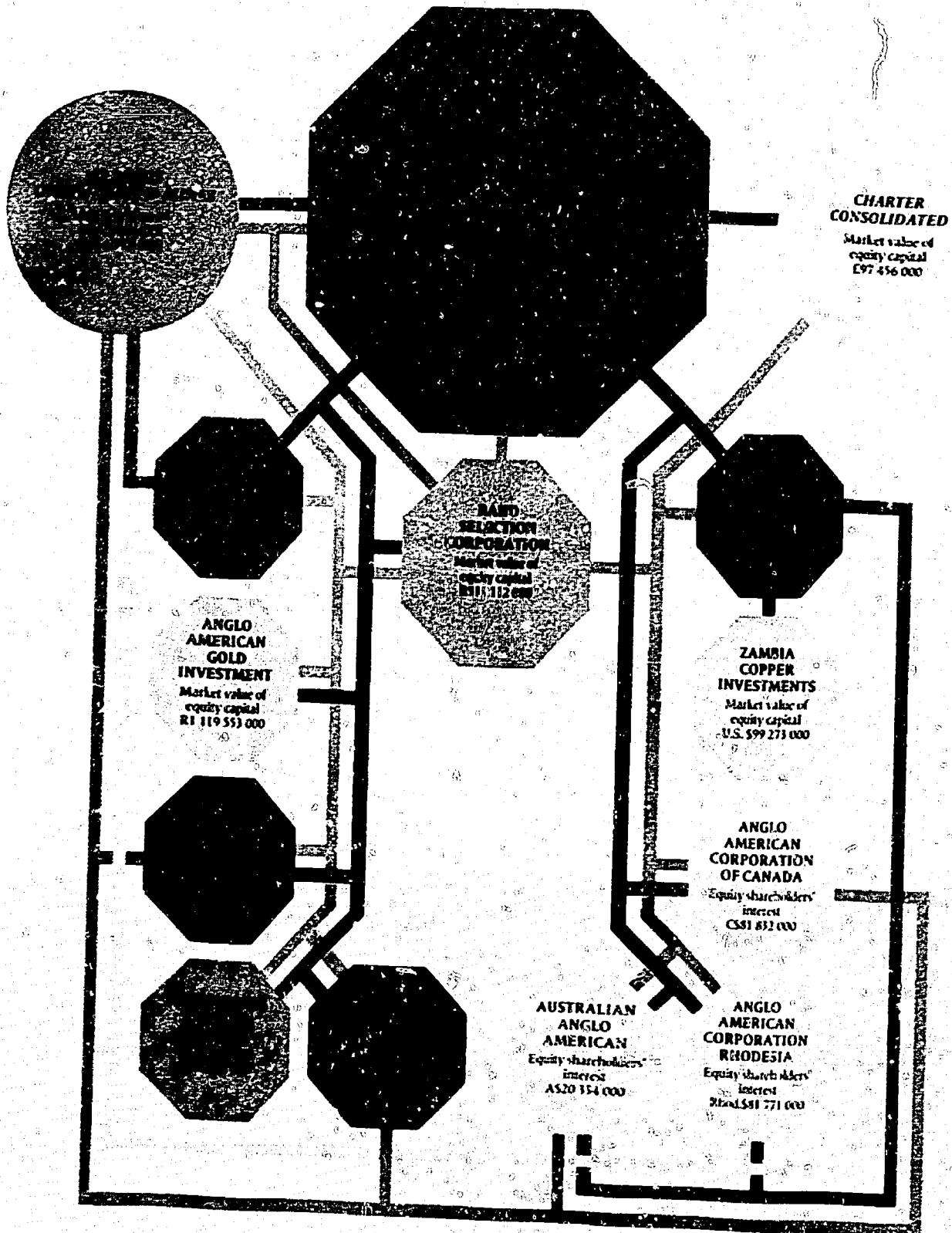
†Adjusted for share subdivision on 13th June 1969 of R1 shares into ten cent shares, for purposes of comparison.

‡Excluding investment in subsidiary companies not consolidated.

# Profile of the Group

Structure of the Group	62
Interests of the Group	65
Mining finance and investment	65
Gold and uranium	70
Diamond mining and trading	74
Copper and other mining	76
Coal	78
Industrial, commercial and financial	81
Property	85
Other	86

# Structure of the Group and its major associates



Anglo American Corporation is head of a group that comprises a large number of companies which the Corporation administers, but which in most cases are not subsidiaries in the statutory sense. These companies fall into two main categories: the finance and investment companies, through which the majority of the Corporation's investments is held; and the mining, industrial and other operating companies. The Corporation also has substantial investments in a number of companies which it does not administer, the most important of these holdings being in De Beers and Charter, with which the Corporation has close links derived from associations of many years' standing.

The structure of the Anglo American Corporation Group is outlined in the chart, which shows the significant shareholding relationships between the Corporation and the principal Group companies, and how the Group's interests in De Beers and Charter are held. The more important holdings of these two companies in the Anglo American Corporation Group are also shown.

The brief descriptions of the companies that follow indicate their principal interests or activities; the market valuations in the chart are at 31st December 1974. Names of companies outside the Anglo American Corporation Group are printed in italics.

#### DE BEERS CONSOLIDATED MINES

Principal activities and interests of the *De Beers group* are the mining of natural diamonds, the manufacture of synthetic diamonds, the marketing of diamonds produced by the group and by other producers, and a portfolio of investments outside the diamond industry. These investments and net current assets were valued at R676 million at the end of 1974 after providing for investment loans and allowing for minority interests.

#### CHARTER CONSOLIDATED

Mining finance and investment. Distribution of investments (per cent) on 31st March 1974 was: Mining finance 49.0; diamonds 7.0; gold 11.1; copper and other metals 17.2; tin and wolfram 2.0; industrial, commercial, oil, gas 11.1; long term loans 0.9. Geographical distribution (per cent): South Africa 52.7; rest of Africa 8.2; North America 13.2; United Kingdom 9.3; Australia 11.1; elsewhere 5.1.

#### RAND SILEXION CORPORATION

Finance and investment with interests in many Group companies, including Anglo American Corporation itself, AngloGold, Amic, Anamim, Miranco and Verconing Ltd. Schlesinger Insurance and Institutional Holdings and Commercial Estates are wholly owned subsidiaries and African Eagle Life

Assurance and S.A. Townships are subsidiaries. Also has significant interests in Carlton Centre, Highveld Steel, Sorex, Vaal Reefs and Western Deep Levels. Other interests include Amkan, Australian Anglo American, Charter, *De Beers* and *JCL*. Analysis of general investment portfolio by commodity and value, on 10th September 1974 was (per cent): gold 48; diamonds 6; copper 2; platinum 2; coal 2; other mining 3; industrial 11; property 2; finance 4.

#### ANGLO AMERICAN INVESTMENT TRUST

Major shareholdings in *De Beers Consolidated Mines* and diamond trading companies.

#### ANGLO AMERICAN GOLD INVESTMENT COMPANY

Substantial holdings in gold and gold/uranium mines in the western Transvaal and Orange Free State. Major interests include *East Driefontein*, Free State Goldfield, *Gold Fields of South Africa*, President Brand, President Steyn, *St. Helena*, Vaal Reefs, *West Driefontein*, Western Deep Levels, Welkom and Western Holdings. Will participate in new *Handstand* and *Peritveld* gold mines.

#### ANGLO AMERICAN INDUSTRIAL CORPORATION

Industrial finance and investment. Scan Metals, Boff International and S.A. Forest Investments are wholly-owned subsidiaries, and Freight Services Holdings and Brunsveld Plywoods are subsidiaries. Holdings in *De Beers Industrial Corporation* which has a 50.96 per cent interest in *AF&C*, Highveld Steel, *ITA*, *M. Carter Refractory*, Mondi Paper, Natal Tanning *EXHAT*, S.A. *Rand Mills*, *Urean Steel* and Verconing Refractories.

#### THE VEREE TINGESTATES

Owns properties and mineral and coal rights in the Transvaal and O.F.S. and has substantial interests in coal mining. Subsidiaries include Amalgamated Collieries Corporation, S.A. Coal Estates and Verbeid Corporation. Industrial interests include Verconing Refractories (a subsidiary).

#### ANGLO AMERICAN PROPERTIES

Substantial interests in city centre office and shopping complexes in most major centres of South Africa, townships and a marina, residential apartments and land for future development. Holds a substantial shareholding in Carlton Centre.

#### MINERALS AND RESOURCES CORPORATION

Holds 49.98 per cent of *ZCL*, approximately 30.6 per cent of *Engelhard Minerals and Chemicals Corporation's* common stock and just over 41 per cent of *De Beers Exploration*. Other substantial interests include Anglo American Corporation Rhodesia and Australian Anglo American, *Zambanga Industrial Corporation* is a wholly-owned subsidiary.

#### ZAMBIA COPPER INVESTMENTS

Substantial investments in the Zambian copper mining industry through its 49 per cent and 12.25 per cent shareholding in *Nyanza Consolidated Copper Mines* and *Rand Consolidated Mines* respectively. Also holds significant interest in *Kwana BSI Limited*.

#### ANGLO AMERICAN CORPORATION OF CANADA

Holds Canadian assets of Anglo American Corporation, *De Beers* and *Charter* groups. Has substantial holding in *Eastern Bay Mining and Smelting Co.*

#### ANGLO AMERICAN CORPORATION RHODESIA

Holds Rhodesian interests of Anglo American Corporation and a *Charter* group in finance and investment companies, iron steel, ferrochrome and allied engineering industries, citrus and forestry estates, coal and nickel mines, and industrial, prospecting and property concerns.

#### AUSTRALIAN ANGLO AMERICAN

Formed in 1971 by the Anglo American Corporation, *De Beers* and *Charter* groups to continue an extensive exploration programme and take advantage of new business opportunities in the Australian mining industry. Significant interest in and manages *Blue Spex* mine in Western Australia.

*For further information on the interests of the Group in any of the above companies*



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 ...at the end of 1974, designed  
 ...the cost to use coal as the fuel...  
 ...has a capacity of 100,000 tons a year

# Interests of the Group

The Anglo American Corporation Group has direct and indirect interests in a wide range of financial, mining, industrial, property and other companies. Particulars of the more important interests of the Group are given below, both those administered within and outside the Group

## Mining finance and investment

### Administered within the Anglo American Corporation Group

#### Anglo American Corporation Botswana Limited

The company (AMBOI) holds the interests of the Anglo American Corporation Group and certain other associated companies in Botswana.

AMBOI has an indirect interest of approximately 18 per cent in Botswana RSI Limited, which in turn holds 55 per cent of the equity of Ramungwane Concessions Limited which has developed a nickel-copper mine at Nkolofane in Botswana. Production of nickel-copper concentrate commenced in February 1974.

AMBOI also has an 80 per cent interest in Molepolole Copper (Proprietaries) Limited which has established a coal mine near Molepolole in Botswana and which commenced production in mid 1971.

West End Property Company (Proprietaries) Limited, a wholly owned subsidiary of AMBOI, owns Botswana House, a multi-story office building in Gaborone, Botswana.

#### Anglo American Corporation of Canada Limited

The company (Amcan) was established in 1966 to consolidate the bulk of the Canadian assets of the Anglo American Corporation. De Berts and Charter consolidated groups, these include both direct and indirect investments in copper, zinc, cadmium, gold, silver, potash, chemical, crude oil and natural gas production, and prospecting operations.

Year ended 31st December 1974  
 Issued capital: \$101,055,450 in 9,929,545 shares of no par value consisting of 6,119,614 class 'A' shares and 3,809,931 class 'B' shares.

Total shareholders' equity consolidated: \$119,611,000

	1974	1973
Investments		
Issued at book value	\$1,315,000	\$7,669,000
Market value	\$1,068,000	\$12,261,000
at equity value	\$116,969,000	\$102,798,000
Market value	\$149,192,000	\$192,855,000
Unlisted at book value	\$6,130,000	\$6,897,000
at equity value	\$118,781,000	\$122,627,000

Net asset value per share	\$8.29	\$12.20
Income less expenses	\$1,551,000	\$7,847,000
provision for taxes	\$10,000	\$67,000

Net income before financing costs	\$1,541,000	\$7,780,000
Per share	15¢	19¢
Dividends in consolidated income		
at book value controlled	\$7,184,000	\$8,967,000
at equity value, less provision for losses on investments	\$6,000	\$6,821,000
Net income	\$1,906,200	\$25,011,222
Per share	\$1.20	\$2.22
Dividends paid	\$1,922,000	\$3,729,000
Per share	1.20	0.75

All amounts expressed in Canadian currency.

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At 31st December 1974, Amcan's principal investments were as follows:

	1974	1973
Franklin Development Corporation Limited	5000	
Hudson Bay Mining and Smelting Co. Limited	13,12	
Tyson Minerals Limited	13,77	
Torrill Mines Limited	30,00	
Whitcliffe Copper Mines Limited	20,81	

#### Anglo American Corporation Rhodesia Limited

The company, in conjunction with certain other Rhodesian Group companies, holds the Rhodesian interests of the Anglo American Corporation and Charter Consolidated groups and has a widely diversified portfolio of Rhodesian based investments which provide the major part of its income by way of dividends. Its major investments include coal, nickel and copper mining, iron, steel, ferrochrome and alloy engineering industries, citrus, sugar, general agriculture, forestry and timber processing, cement, flour milling, rolling stock hire, property, merchandising and investment finance. In addition it has a substantial participation in the Corporation's prospecting programme in Rhodesia.

Year ended 30th June 1974  
 Issued capital: 57,088,651,50 in shares of 50 cents each.  
 Total equity capital and reserves: \$51,130,000

	1974	1973
Market value of listed investments	\$45,187,000	\$45,142,000
Book value of listed investments	\$14,824,000	\$13,420,000
Book value of unlisted investments	\$29,267,000	\$27,244,000
Profit after taxation	\$1,644,000	\$2,560,000

#### Anglo American Gold Investment Company Limited

An investment company with major shareholdings in South African gold and uranium mining companies.

Year ended 31st December 1974  
 Issued capital: 21,952,012 ordinary shares of R1 each.  
 Share capital and reserves consolidated: R139,918,000

	1974	1973
Market value of listed investments	R1,241,567,000	2,266,818,000
Book value of listed investments	R106,291,000	R107,198,000
Book value of unlisted investments	R498,000	R58,000
Consolidated net profit	R75,295,000	R22,996,000
Earnings per ordinary share	R3.29	R1.05
Dividends (ordinary)		
Amount paid	R54,880,000	R37,811,000
Per share	250¢	145¢

The ordinary shareholdings of Anglo American Gold Investment Company Limited and its subsidiary company, Orange Free State Investment Trust Limited at 31st December 1974 were:

	1974	1973
Gold producing		
Rhodesian Gold Mining Company Limited	1,700,000	708
Bechtel Gold Mining Company Limited	2,218,750	2017

	1974	1973
Development Gold Mining Company Limited	751,668	705
East Dracopis Gold Mining Company Limited	6,061,899	11,112
Esburg Gold Mining Company Limited	1,351,900	4,47
Free State Gold Mines Limited	2,112,640	21,11
Hammond Gold Mining Company Limited	717,000	2,74
Hartebeestfontein Gold Mining Company Limited	1,717,700	15,52
Kinross Mines Limited	102,000	0,57
King of Gold Mining Company Limited	2,411,467	7,78
Liberton Gold Mining Company Limited	100,000	1,27
Orange Gold Mines Limited	2,424,400	15,09
President Brand Gold Mining Company Limited	2,808,000	20,00
President Scott Gold Mining Company Limited	1,000,000	21,46
St. Helena Gold Mines Limited	1,925,000	20,00
Subversion Gold Mining Company Limited	10,000	0,08
Val Reefs Exploration and Mining Company Limited	1,108,490	16,35
Venterskop Gold Mining Company Limited	13,000	0,68
Wellton Gold Mining Company Limited	2,337,100	19,08
West Dracopis Gold Mining Company Limited	2,000,134	14,20
Western Areas Gold Mining Company Limited	1,092,500	2,61
Western Deep Levels Limited	3,409,250	13,24
Western Holdings Limited	1,369,100	20,92
Witwatersrand Mines Limited	27,800	0,23
Zandport Gold Mining Company Limited	1,718,250	11,20
Financial		
Anglo American Industrial Corporation Limited	19,169	0,16
Ellerton Gold Mining Company Limited	9,000	7,49
Gold Fields of South Africa Limited	1,76,731	10,96
South West Africa	50,000	0,22
South African Holdings Limited	1,161,202	11,11
Western Deep Levels Limited	331,400	2,96
Witwatersrand Deep Limited	10,000	2,18
Property		
Carbon Centre Limited - ordinary shares	50,000	0,18
- 5 per cent fully paid first mortgage convertible debentures 1974/96	81,000,000	2,94
Prospecting		
Australian Anglo American Services Limited	22,020	20,02
Reserve Areas West Wyalba Limited	7,500	2,40
Anglo American Corporation de Brasil Limitada	18,000	-
Rosdon Investments Limited	200	20,00
Witbank Investments (Proprietaries) Limited	2,000	20,00
Other		
Anglo De Berts Forest Services (Pty) Limited	2,250	2,57

	1971	1972
Leucanite Gold Mines Limited	1,961,000	2,500
The Altitude Lease Limited	625,087	12,16

\*Anglo American Gold Investments Company Limited has a 20 per cent interest in the gold and uranium activities of Anglo American Corporation de Brasil Limited.

### Anglo American Investment Trust Limited\*

An investment company with shareholdings in De Beers Consolidated Mines Limited and certain diamond trading companies.

Year ended 31st December 1972  
 Issued capital: R10,000,000 in 10,000,000 ordinary shares of 50 cents each and 2,000,000 six per cent cumulative preference shares of R2 each.  
 Share capital and reserves: R16,917,000

	1971	1972
Market value of listed investments	R251,224,000	R242,418,000
Book value of listed investments	R14,928,000	R17,788,000
Book value of unlisted investments	R2,742,000	R2,742,000
Net asset value per ordinary share	R27.68	R31.31
Profit after taxation and preference dividend	R29,411,000	R24,156,000
Earnings per ordinary share	29¢	24¢
Dividends ordinary:		
Amount paid	R29,000,000	R24,000,000
Per share	29¢	24¢

The company's investments at 31st December 1972 were as follows:

	1971	1972
Aluminium Sales Limited - A shares	21,600	12,000
Anglo American Industrial Corporation Limited - ordinary shares	500,000	2,100
De Beers Consolidated Mines Limited - deferred shares	91,000	26,100
The Diamond Purchasing and Trading Company (Proprietary) Limited	419,411	16,700
The Diamond Trading Company Limited	222,000	22,200
Industrial Distributors (Pty) Limited - ordinary shares	110,000	11,000
Five per cent cumulative preference shares	150,000	60,000
Industrial Ore Distributors (Pty) Limited	28,000	18,500

### Australian Anglo American Limited

The company was formed in 1971 with a subscribed capital of A\$15 million for the purpose of seeking investment opportunities, particularly in mining and uranium in the search for mineral deposits. Anglo American Corporation and its associates subscribed for 75 per cent of the issued capital. Charter Consolidated Limited, 25 per cent and Minerals and Resources Corporation Limited, subscribed for the balance of 20 per cent. Exploration programmes are being con-

ducted in New South Wales, Queensland, South Australia, Western Australia, Tasmania, Victoria, Papua New Guinea and PNG.

Year ended 30th June 1972  
 Issued capital: A\$15,000,000 in shares of 50 cents each.

### Minerals and Resources Corporation Limited\*

formerly known as Anglo American Limited

Zambia Anglo American was reincorporated in Zambia in June 1970 following the acquisition by the Zambian Government of a 51 per cent interest in the copper mining undertakings in Zambia of the Anglo American Corporation and Roan Selection Trust groups.

At a special general meeting of members held on 5th August 1972, the name of the company was changed to Minerals and Resources Corporation Limited (Minero) to accord more closely with the diversified nature of the company's activities resulting from proposals for the expansion and development of the company. As part of the expansion and diversification Minero acquired from H.D. Development Limited (HDD) the entire issued capital of its wholly owned subsidiary, Prairie Investments Limited, the principal assets of which are 80.5 per cent of the common stock and 20.7 per cent of the preferred stock in Engelland Minerals and Chemicals Corporation (EMC). As consideration for this acquisition Minero allotted 41,910,618 new 'A' ordinary shares to HDD which in turn distributed these 'A' shares to its own shareholders, Anglo American Corporation, Charter Consolidated Limited and associates. HDD was thereupon dissolved. In terms of arrangements for the dividend distribution on the new 'A' ordinary shares is limited in respect of the two years ending 30th June 1976 to the income received by Minero on the investment in EMC. Thereafter these shares will rank pari passu with the ordinary Minero shares.

Minero has also acquired, at a cost of US\$28 million, an effective interest of approximately 41 per cent in Tread Exploration Limited, a United States company which has a number of producing oil wells in North America, operates others on a production-sharing basis in Indonesia and is also actively involved in exploration in other parts of the world. During the year ended 30th June 1972, Tread Exploration earned US\$9,988,000 (1971: \$1,661,000).

Arrangements have been concluded for Minero to assume the international mineral investigations and prospecting activities of the Anglo American Corporation and Charter Consolidated groups in those areas not covered by existing regional offices of those groups.

The major investments of Minero and its subsidiaries at 30th June 1972 were:

	Percentage
Zambia Copper Investments Limited	92.70%
Zamundo Industrial Corporation Limited which holds industrial and agricultural investments in Zambia	59.9%
Zamundo Australia Proprietary Limited* which holds a 30 per cent interest in Australian Anglo American Limited	100.00
Anglo American Corporation Rhodesia Limited	47.26
Roan Selection Trust Limited which holds the interest in Tread Exploration	100.00
*Under the 1972 provisions of the Companies Act, the name of the company was changed to Minerals and Resources Corporation Limited.	
Year ended 30th June 1972	
Issued capital: BDM\$116,458,000 in 11,645,800 shares of BDM\$10 each	
Share capital and reserves consolidated: \$107,848,000	

Issued capital: Six per cent registered bond stock \$5,015,000

	1971	1972
Investments listed:		
ZCL - book cost	\$19,785,000	\$21,785,000
- market value	\$59,631,000	\$69,971,000
Other investments - book cost	\$9,839,000	\$28,851,000
- market value	\$7,176,000	\$17,321,000
Unlisted investments written off	\$59,800,000	\$59,200,000
Unlisted investments written off	\$51,160,000	\$57,700,000
Investments in subsidiary companies not consolidated		
At cost - shares	\$202,000	\$22,000
- loans	\$668,000	\$67,000
	\$870,000	\$89,000
Consolidated profit before taxation	\$29,769,000	\$29,171,000
Overseas taxation	\$118,000	\$126,000
Consolidated profit after taxation	\$29,651,000	\$28,985,000
Dividends:		
Amount paid	\$22,168,000	\$18,500,000
Per share	70 cents	59 cents

All amounts are expressed in United States currency.  
 \*In terms of the arrangements referred to above, 11,645,800 new 'A' ordinary shares of BDM\$10 each were allotted to the company during 1972 and increasing the issued capital to BDM\$116,458,000 or 11,645,800 fully paid ordinary shares of BDM\$10 each.

### New Rhodesia Investments Limited

This company is a wholly owned Rhodesian subsidiary of Anglo American Corporation and in turn owns the entire issued capital of six other companies: Anglo American Corporation Services Limited, Anglo American (Rhodesian Services) Limited, Appraised Services Limited, Blue Skies (Private) Limited, Consolidated Mines Holdings (Rhodesia) Limited and Orlop Investments Limited. The group holds a participation in the nickel mines at Bindura, Madaya and Shabema, and in addition has interests in many other Rhodesian and South African companies, both listed and unlisted.

### Rand Selection Corporation Limited

A financial and investment company with interests in financial, gold, diamond, copper and other base metals, coal, platinum, insurance, banking, industrial and property companies.

During the year Rand Selection's interests, which are predominantly mining and mining financial, were diversified into the financial services field through the acquisition of Schlemmer Insurance and Industrial and Holdings (SIH). The acquisition was implemented by way of a Scheme of Arrangement in terms of which SIH ordinary shareholders exchanged their shares for fully paid Rand Selection shares in the ratio of one share in the corporation for every nine shares held in SIH. As a result SIH, which has substantial interests in the life insurance, property development and fund holding fields, became a wholly-owned subsidiary of Rand Selection with effect from 1st April 1972. Subsequent to this date further interests were acquired in certain companies within the SIH group. This resulted in the Rand Selection group buying investments in the September 1972 which included interests in the insurance industry (through a 75 per cent interest in African Life Assurance Society Limited).

property and property development through a 47 per cent interest in Swiss Limited, in banking (through an interest of 99 per cent in Western Bank Limited) and a 79 per cent interest in Metals and Minerals Investment Corporation Limited, an investment trust company with interests in minerals and metal products. In addition, Premier Finance Corporation (Proprietary) Limited, a finance company, and Townships Estates (Proprietary) Limited, which manages the property interests of the SII group by providing technical, managerial and administrative services, both being wholly owned subsidiaries.

Year ended 30th September 1974.

Issued capital: R20,647,514.50 in shares of 50 cents each.

Share capital and reserves (consolidated): R21,941,000\*

	1974	1973
Investments (at book value)		
General-listed	R191,826,000	R176,856,000
(Market value of listed investments)	R784,319,000	R669,402,000
— Unlisted	R76,883,000	R71,196,000
Life insurance	R121,600,000	—
Banking	R46,359,000	—
Property	R11,827,000	R4,240,000
Other, including subsidiary company not consolidated	R41,175,000	R17,102,000
	<u>R693,470,000</u>	<u>R269,294,000</u>

Net asset value per share	R20.39	R21.53
Consolidated profit before taxation	102,000	R26,265,000
Taxation and deferred taxation	R756,000	R311,000
Consolidated profit after taxation and deduction of minority interests	R41,911,000	R25,933,000
Earnings per share	113.6c	76.1c
Dividends		
Amount paid	R27,016,000	R17,873,000
Per share	70.0c	52.5c

\* The aggregate value of one of shares in subsidiary companies over book value of net assets at the date of acquisition, including listed investments as a share in Chester Consolidated Limited held by Rands Selection Corporation Limited at 30th September 1974, less minority interests in subsidiary companies at 30th September 1974. The amount of investments were included at 30th September 1974.

Amounts in respect of profits from non subsidiary companies were received for only portion of the year.

Issued capital at 30th September 1974:

100 per cent convertible loan 1966	R15,216,000
100 per cent convertible registered preference 1963/67	R10,000,000
100 per cent investment abroad	<u>R11,970,000</u>
	<u>R37,206,000</u>

At 30th September 1974 the general investments of the company and its subsidiaries were spread as follows:

	1974 (Percentage)	1973 (Percentage)
General finance and investment	35.28	53.90
— Life insurance	18.08	0.51
— Bankings	5.11	—
— Property and other mining	1.37	4.51
— Life insurance	2.08	—
— Other	4.64	5.60

	1974 (Percentage)	1973 (Percentage)
General finance	1.24	8.23
Industrial and commercial	20.00	13.28
Property	8.75	12.21
Banking	0.44	0.14
— Life insurance	0.81	1.60
— Other	100.00	100.00

In February 1975 Barclays National Bank Limited made an order to acquire the entire share capital of Western Bank Limited by way of a scheme of arrangement. Rand Selection has undertaken to accept this offer in respect of its own shareholdings.

#### Rhodesian Nickel Corporation Limited

The company owns the entire share capitals of Trojan Nickel Mine Limited, Maldiva Mines Limited and Bantata Smelting and Refining Company Limited. The subsidiaries mine and refine nickel and copper in the Bantata Shumba district of Rhodesia.

Year ended 31st March 1974.

Issued capital: \$12,000,000 in ordinary shares of 50 cents each.

	1974	1973
Taxation	\$5,000	\$5,000
Profit after taxation	\$2,576,000	\$1,538,000
Dividends		
Amount paid	\$1,680,000	\$720,000
Per share	7c	6c

All amounts expressed in Rhodesian currency.

#### South African Townships Mining and Finance Corporation Limited

A finance, investment and property holding company.

Year ended 30th September 1971.

Issued capital: R4,800,000 in shares of R1 each, 92.9 per cent held by Rand Selection Corporation Limited at 30th September 1974.

Share capital and reserves (consolidated): R17,311,000.

	1974	1973
Market value of listed investments	R6,919,000	R6,942,000
Book value of listed investments	R6,694,000	R6,675,000
Book value of unlisted investments	R1,312,000	R1,225,000
Net asset value per share	R20.32	R19.00
Consolidated profit before taxation	R1,918,000	R1,522,000
Taxation	R271,000	R126,000
Consolidated profit after taxation and deduction of minority interests	R1,647,000	R1,396,000
Earnings per share	97.1c	66.5c
Dividends		
Amount paid	R1,120,000	R1,872,000
Per share	6c	15c

At 30th September 1974 the investments of the company and its subsidiaries were spread as follows:

	1974 (Percentage)	1973 (Percentage)
Diamonds	3.09	—
Investment—gold mining	28.55	—
Gold mines	31.72	5.61
Base metals, platinum, coal and other mining	1.31	25.69
Industrial	15.56	1.24
Property and farming	17.49	66.44
	<u>100.00</u>	<u>100.00</u>

#### Southvaal Holdings Limited

Year ended 31st December 1974.

Issued capital: R13,000,000 in shares of 50 cents each.

Vaal Reefs Exploration and Mining Company Limited mines an area south of the Vaal River in terms of an arrangement under which Southvaal Holdings Limited is to be paid a royalty equal to 55 per cent of the profit earned, before tax, in any financial year, after appropriations to meet capital expenditure incurred by Vaal Reefs within that area in that year and also after providing for interest and loan repayments due to Southvaal Holdings. The first royalty payment of R2,810,000 was received by the company during the 1974 financial year.

	1974	1973
Profit before taxation	R1,495,000	R66,000
Taxation	R1,431,000	R271,000
Profit after taxation	R2,065,000	R192,000
Dividends		
Amount paid	R2,340,000	—
Per share	9c	—

#### The Vereeniging Estates Limited

The company owns property, mineral and coal rights in the districts of Vereeniging, Hammarsburg and Hebron, Orange Free State. Its income is derived from substantial investments in a number of coal mining companies of which seven are operating subsidiaries from a controlling interest in Vereeniging Refractories Limited, and from real estate development. South African Coal Estates (Witbank) Limited (SACE) is now a subsidiary company following the acquisition by SACE of the entire round share capital of Springside Colliery Limited (Springside), which was previously itself a subsidiary of Vereeniging Estates. SACE acquired Springside by means of a share exchange of one new SACE share for every four units of stock held in Springside.

Year ended 31st December 1974.

Issued capital: R5,500,000 in 50c units of R2 each.

Capital and reserves (consolidated): R37,269,000.

	1974	1973
Fixed assets, property, etc.	R2,108,000	R16,189,000
Net premium on acquisition of subsidiaries	R1,324,000	R2,117,000
Market value of listed investments	R1,592,000	R1,352,000
Book value of listed investments	R1,689,000	R1,608,000
Book value of unlisted investments	R6,612,000	R7,599,000
Net asset value per unit of stock	R20.81	R20.25
Consolidated profit before taxation	R11,919,000	R11,822,000
Taxation	R1,771,000	R2,157,000
Profit on realisation of investments*	R17,000	R27,000
Consolidated profit after taxation and deduction of minority shareholders' interests	R8,877,000	R8,124,000
Earnings per unit of stock	21c	18c
Dividends		
Amount paid	R1,164,000	R1,224,000
Per unit of stock	11c	16c

\* Net on sale of property and investments transferred to other companies.

The principal investments of the company at 31 December 1974 were as follows:

- Coal**
- Amalgamated Collieries of South Africa Limited (and its subsidiary, Springsfield Collieries Limited)\*
- Anglo Power Collieries (Proprietary) Limited
- Blesbok Colliery Limited\*
- Moteng Colliery (Proprietary) Limited
- South African Coal Estates (Wilbank) Limited (and its subsidiary Springsfield Colliery Limited)\*
- The Cooperative Collieries Limited (and its subsidiary Virehad Collieries Limited)\*
- Industrial**
- Vereeniging Refractories Limited\*
- Finance**
- Anglo American Industrial Corporation Limited
- V.I. Exploration and Finance Company Limited\*
- \* Subsidiary companies

#### Zambia Copper Investments Limited

The company was formed in Bermuda in November 1969. In 1970 the company acquired 49 per cent of the equity of Nakame Consolidated Copper Mines Limited (NCCM) and 12.5 per cent of the equity of Roun Consolidated Mines Limited (RCM). The company has an indirect interest via Kalahari Investments Limited of approximately 12 per cent in Botswana RST Limited as well as interests in a number of prospecting companies.

The Zambian Exchange Control authorities have restricted the externalisation of dividend income received by the company in Zambia in respect of dividends declared by NCCM and RCM in which continue to be paid quarterly, net of withholding tax) to July and October of each year, respectively. Accordingly the directors intend to declare two dividends a year, one following the externalisation of NCCM dividends in July and one after the externalisation of RCM dividends in October.

In August 1974 it was announced that agreement in principle had been reached between the Government of the Republic of Zambia, Anglo American Corporation (Central Africa) Limited and Zambia Copper Investments Limited for the termination of the present managerial, consultancy and metal marketing agency agreement by NCCM. The new arrangements were to be effective from 1st August 1974 and it was subsequently announced in October 1974 that agreement had been reached between the parties on the detailed arrangements for the termination of these agreements.

Year ended 30th June 1974  
 Issued capital: Bf529,414 167,84 in 122,539,800 ordinary shares of 24 Botswana cents each  
 Share capital and reserves: \$27,971,000

	1974	1973
<b>Investments</b>		
Unlisted shares	\$174,421,000	\$174,421,000
Loans		
At cost	\$16,872,000	\$20,272,000
Market value	\$26,280,000	\$5,125,000
Profit before taxation	\$55,018,000	\$52,099,000
Provision for overseas		
Losses	\$16,000	\$12,000
Profit after taxation	\$55,002,000	\$52,087,000
<b>Dividends</b>		
Amount paid	\$19,071,000	\$20,960,000
Per share	90 cents	27 cents

All amounts are expressed in United States dollars.

#### African and European Investment Company Limited

- African Gold and Base Metal Holdings Limited
- African Loans and Investments Limited
- Amrha Investments (Private) Limited
- Anglo American Corporation do Brasil Limitada
- Anglo American Corporation of South Africa, (Portugal) S.A.R.L.
- Angloswazi Investments Limited
- Anglux Limited S.A.
- Ansell Holdings (Proprietary) Limited
- Appraised Securities Limited
- Blue Skies (Private) Limited
- Consolidated Mines Holdings (Rhodesia) Limited
- Kalahari Investments Limited
- New Central Witwaters and Areas Limited
- Overseas and Rhodesian Investment Company Limited
- Rhohar Holdings Limited
- South African Mines Selection Limited
- St Andrews Securities Limited
- Triton Limited
- The New Era Consolidated Limited
- Western Ultra Deep Levels Limited

	1974	1973
United Kingdom	12,807	12,807
Rest of Europe	12,852	12,852
North America	16,355	16,355
South Africa	188,119	188,119
Zambia	18,647	18,647
Rest of Africa	17,168	17,168
South West Asia	3,411	3,411
Australia	19,863	19,863
	351,112	351,112

South Africa provided 51 per cent of the company's investment income, followed by Zambia with 17 per cent and the United Kingdom with 11 per cent.

At the major potash mine established in the United Kingdom by Cleveland Potash Limited, jointly owned by Charter and associates and Imperial Chemical Industries Limited, initial production commenced on a limited scale in October 1973 and continues to build up to the planned annual rate.

The company holds 61.2 per cent of the equity in Cape Industries Limited, the principal business of which consists of the manufacture of building and insulation products, friction materials and heat engineering products, the distribution of replacement parts for the automotive industry, and the manufacture of asbestos fibre in South Africa.

Charter is participating with a consortium of Canadian and U.S. companies in oil exploration in two blocks in the U.K. sector of the North sea. Drilling of the first well was completed in August 1974 but no significant finds were made. Drilling of a second well is being considered.

Other investments include a 48.1 per cent interest in South Tin and Wolfram Limited, which mines wolfram in Portugal through its operating subsidiary. In North America, Charter has a 24.8 per cent interest in Anglo American Corporation of Canada Limited, a mining finance company which has a 44.7 per cent interest in Hudson Bay Mining and Smelting Co. Limited, which is engaged in copper, zinc and lead production with interests in oil and gas and is carrying following implementation of the arrangements for the distribution of the investments of Minerals and Resources Corporation Limited (Minerals Resources) in June 1974. Charter's indirect interest in Inco Limited Minerals & Chemicals Corporation, is now held through a new 75 ordinary shares in Minerals South African Investments include a 10 per cent holding in Anglo American Corporation of South Africa Limited, a 10.1 per cent interest in Union Corporation Limited and a 10 per cent holding in Anglo American Investment Trust Limited, the diamond investment holding company of the Anglo American Corporation Group which has important interests in De Beers Consolidated Mines and the diamond marketing companies. In addition Charter has an 11.6 per cent interest in Union Platinum Mining Company Limited representing a 4.3 per cent indirect interest in Precious Platinum Mines Limited.

In Zaire, Charter provides technical services for companies exploring for copper and other minerals in the Shaba province. Continuous drilling and test pilot studies of important known copper occurrences in the Tintic-Furukume area have indicated the presence of high-grade copper and cobaltite. Reconnaissance extends over a considerable area and test pilot studies have been completed confirming the feasibility and economic viability of establishing a major copper mining operation, subject to the satisfactory completion of financing negotiations. Through its 25 per cent participation in Anglo American Corporation of Botswana

#### Administered outside the Anglo American Corporation Group

##### Botswana RST Limited

The company, of which the Anglo American Corporation Group holds nearly 50 per cent, has an interest of 55 per cent in Botswana Tin Concessions Limited (BCL), a company conducting a nickel and copper mining operation at Selebi-Phwe in Botswana. The remaining 45 per cent interest in BCL is held by the Government of Botswana.

The Selebi-Phwe project is being undertaken in two phases. The first, which has now been completed, was the construction of the mining and ancillary facilities at Phwe, the smelting and concentrating facilities for the entire project and the mining shaft at Selebi. The second phase, comprising the development of the underground mine at Selebi, is expected to be completed during 1979.

The last high-grade copper-nickel matte was produced in February 1974, but since then technical problems encountered in the treatment process have delayed the build up of production. The necessary remedial measures are currently being implemented.

##### Charter Consolidated Limited\*

Charter Consolidated Limited (Charter) is a United Kingdom mining finance company operating internationally with interests in gold, copper, diamonds, platinum, pearls, and other minerals. It also has industrial interests.

Based on the stock exchange value of quoted investments and the directors' valuation of unquoted investments the company had investments to a total value of £131,417,000 at 31st March 1975 (1974: £127,189,000). The following is an approximate geographical analysis of these investments which takes into consideration direct interests and where possible major indirect interests in the areas concerned.

Finance and investment

Charter has a 4.5 per cent interest in Botswana KAT the company developing the Selebi-Pikwe nickel-copper project and interests in Mopurule Colliery Proprietary Limited.

The company has interests in Topoh Mines Limited (77 per cent) and in its associated companies. Avernam Tin Dredging Limited and The Sungai Besi Mines Limited, which operate tin mining areas in Malaya. Topoh Mines in association with other international companies, is also engaged in investigating the feasibility of diatomite tin deposits on the west coast of Thailand and in conjunction with State Development Corporation is participating in the opening up of two further tin mining areas in Perak and Kelantan. Charter has a 11.25 per cent interest in the Pui Brothers International Limited, which has manufacturing, industrial, property, trading and financial interests in Singapore, Malaya, Thailand and Hong Kong. Charter has a 25 per cent interest in Australian Anglo American Limited, which is carrying out an extensive exploration programme.

Year ended 31st March 1974

Issued capital: 126,201,051 in 101,791,144 fully paid shares of 25p each and 126,500 shares of 25p each, unpaid.

Share capital and reserves consolidated: £194,896,000

	1974	1973
Market value of quoted investments	£251,116,000	£263,327,000
Book cost of quoted investments	£121,051,000	£118,998,000
Book cost of unquoted investments	£61,357,000	£59,599,000
Provisional valuation of unquoted investments	£66,211,000	£58,865,000
Fixed assets	£10,075,000	£21,654,000
Net asset value per share	34p	11p
Market value of ordinary shares held by shareholders	£15,891,000	£12,411,000
Dividends per share	15.1p	11.87p
Amount paid per share	£5,987,000	£6,634,000
Per share	5.217p	6.13p

All amounts are expressed in United Kingdom currency.

On 30th January 1974 the company issued 1,267 fully paid shares of 25p each against a commission of £5,068 for the issue. The amount was accounted for over the year 1974. The company's issued capital was thereby increased to £201,467,751 on 30th January 1974. The company also issued 126,500 shares of 25p each on 11th July 1974. The amount of £31,625 was accounted for over the year 1974.

On 12th February 1974 the company issued 1,267 fully paid shares of 25p each against a commission of £5,068 for the issue. The amount was accounted for over the year 1974.

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	1974	1973
(iii) Swaziland Collieries Limited 91 per cent registered convertible notes of R240,000 1972/81	132	
Bonds issued by Charter Consolidated Overseas S.V. (i) 61 per cent unsecured bonds of DM116,000,000 1968/81	19,142	
(ii) 71 per cent French franc guaranteed bonds of FF98,000,000 1967	8,596	
Belgian long term loans - secured repayable by annual instalments over 15 years	371	
	37,685	
Loans repayable in less than five years Belgian unsecured	134	
	17,819	

De Beers Industrial Corporation Limited

An industrial finance and investment company whose main asset is a direct and indirect interest of approximately 40.9% per cent in the issued ordinary share capital of AEB/CI Limited.

Year ended 31st December 1973

Issued capital: R240,000,000 in 1,000,000 51 per cent cumulative preference shares of R2 each and 11,000,000 ordinary shares of R2 each.

Share capital and reserves consolidated: R19,540,000

	1974	1973
Market value of listed investments	R15,629,000	R12,489,000
Book cost of listed investments	R14,921,000	R14,921,000
Book cost of unlisted investments	R12,775,000	R12,614,000
Profit before taxation	R7,888,000	R7,212,000
Taxation	R87,000	R10,000
Profit after taxation and preference dividend	R7,801,000	R7,202,000
Earnings per ordinary share	69.2c	65.6c
Dividends (ordinary): Amount paid per share	R6,125,000 57.5c	R5,545,000 50c

The company's principal investments at 31st December 1973 were as follows:

	Shares held	Percentage
Alex Holdings (Proprietary) Limited	50,000	5.00
AEB/CI Limited	10,000,000	10.00
Anglo American Industrial Corporation Limited	1,176,562	6.00
Cardium Holdings (Proprietary) Limited	1,333	0.03
Hall, Leighton and Company (Proprietary) Limited	17	0.00
Highveld Steel and Vanadium Corporation Limited	1,178,400	6.17
International Pipe and Steel Investments South Africa (Proprietary) Limited	129,862	6.17
Kimberley Engineering Works Limited	500,000	5.00
Milner's Beleggings (1965) (Eendoms) Beperk	116,875	7.50
Makela's Steel and Alloys (Proprietary) Limited	481,850	5.27
Morsh Paper Company Limited	1,287,408	10.27
Northern Lime Company Limited	100,000	5.17
South African Nylon Spinners (Proprietary) Limited	5,467,862	50.41
Newlands Bonds of South Africa Limited	11,9271	0.29
Versterren Colliery Limited	81,878	2.89

Engelhard Minerals and Chemicals Corporation

The operations of Engelhard Minerals and Chemicals Corporation embrace the marketing of ores, minerals and metals, the mining and processing of non-ferrous minerals, and the refining, processing and fabricating of precious metals.

Year ended 31st December 1973

	1974	1973
Earnings before taxes	\$191,800,000	\$79,987,000
Taxation	\$81,616,000	\$27,272,000
Net earnings	\$110,184,000	\$52,715,000
Net earnings per common share		
- primary*	\$1.96	\$1.87
- fully diluted*	\$1.42	\$1.68
Dividends on common stock		
Amount paid	\$19,558,015	\$11,473,000
Per share	75c	45c

\*Based on average number of common shares outstanding applied to net earnings after allowing for issuance of preferred stock.

\*Based on preferred number of common shares outstanding assuming full conversion of \$1.25 cumulative convertible preferred stock and exercise of dilutive stock options.

All amounts are expressed in U.S. dollars.

Gold Fields of South Africa Limited

A financial and exploration company with substantial holdings in gold and gold mineral mining companies, base mineral, industrial and property companies.

Year ended 30th June 1974

Issued capital: R1,092,869,235 in 16,211,477 shares of 25 cents each.

Share capital and reserves consolidated: R128,713,000

	1974	1973
Market value of listed investments	R82,254,000	R76,807,000
Book value of listed investments	R79,511,000	R80,019,000
Book value of unlisted investments	R6,801,000	R6,029,000
Net asset value per share	R5.47	R4.64
Consolidated profit before taxation	R18,119,000	R15,127,000
Taxation	R2,595,000	R8,000,000
Consolidated profit after taxation	R15,524,000	R7,127,000
Earnings per share	219.8c	199.8c
Dividends: Amount paid per share	R24,117,000 150c	R6,727,000 40c

Hollandstraates Beleggings (Eendoms) Beperk

The company, a subsidiary of Federale Myrvoed Beperk, was formed in 1963 by Anglo American Corporation of South Africa Limited and Federale Myrvoed Beperk and has a substantial shareholding in General Mining and Finance Corporation Limited.

Charter France S.A.

Françana Development Corporation Limited

Tanganyika Concessions Limited

Charter France S.A. is a French company which is engaged in the development of the French Congo. It is a subsidiary of the Anglo American Corporation of South Africa Limited. The company is engaged in the development of the French Congo. It is a subsidiary of the Anglo American Corporation of South Africa Limited.

# Gold and uranium

## ORANGE FREE STATE

Administered by  
Anglo American Corporation

### Freebles Consolidated Mines Limited

Year ended 30th September 1973  
Issued capital: R2,000,000 in shares of R2 each. Holdings and  
projects of Free State Goldfields Mines Limited and  
Western Holdings Limited

	1973	1972
Tons milled		
Yield - production	1,000,000	750,000
Cost per ton milled		
Free State Goldfields	150,000	150,000
Western Holdings Limited	200,000	200,000
Working profit - gold	1,000,000	1,000,000
Less: State of Free State	(100,000)	(100,000)
State's share of profit	800,000	800,000
Dividends	R1,000,000	R1,000,000
Amount paid per share	R2,000,000	R2,000,000
One-twelfth	166,667	166,667
Value - asset	2,000,000	2,000,000
Less	1,000,000	1,000,000

In terms of the scheme for the continuation of mining operations at Freebles, during some years ago, the percentage of milled ore from Free State Goldfields and Western Holdings ceased at 30th September 1972. Freebles' own mining operations are now in the course of being expanded from the present level of 1,000,000 tons a month to reach a level of production which will enable the company to mine mill and treat 2,000,000 tons a month by October 1973.

The company has agreed to treat, on a toll basis, milled ore from Free State Goldfields, up to a maximum of 2,000,000 tons a month. This agreement is to start from 1st October 1973 and 30th September 1973, and the current expansion of the Free State Goldfields treatment plant is completed whatever is the earlier.

### Free State Goldfields Mines Limited

Year ended 30th September 1973  
Issued capital: R5,000,000 in shares of R5 each

	1973	1972
Tons milled*		
Yield - production	1,200,000	1,200,000
Cost per ton milled	50,000	50,000
Working profit	R12,000,000	R12,000,000
Less: State of Free State	(1,200,000)	(1,200,000)
State's share of profit	R10,800,000	R10,800,000
Dividends	R10,800,000	R10,800,000
Amount paid per share	R2,160,000	R2,160,000
One-twelfth	180,000	180,000
Value - asset	5,000,000	5,000,000
Less	2,000,000	2,000,000

The company has agreed to treat, on a toll basis, milled ore from Free State Goldfields, up to a maximum of 2,000,000 tons a month. This agreement is to start from 1st October 1973 and 30th September 1973, and the current expansion of the Free State Goldfields treatment plant is completed whatever is the earlier.

until the current expansion of the company's gold treatment plant is completed, whichever is the earlier. No other disturbances during the year had a serious effect on the mine's operations. The report of Freebles is held in equal proportions by the company and the Anglo American Corporation.

### Free State Saaipplaas Gold Mining Company Limited

Subsidiary of President Brand Gold Mining Company Limited

Year ended 30th September 1973  
Issued capital: R12,491,870 in shares of R1 each

	1973	1972
Tons milled		
Yield - production - milled	1,112,500	1,112,500
Cost per ton milled	5,33	5,33
Working profit - gold	R10,000,000	R10,000,000
Less: State of Free State	(1,000,000)	(1,000,000)
State's share of profit	R9,000,000	R9,000,000
Dividends	R9,000,000	R9,000,000
Amount paid per share	R1,800,000	R1,800,000
One-twelfth	150,000	150,000
Value - asset	1,200,000	1,200,000
Less	200,000	200,000

\*Includes 31,175 tons of milled ore sold to the company under the agreement with President Brand. This agreement terminated at the end of August 1972.

Since November 1972 the company has operated on a toll basis, up to 25,000 tons a month, for the benefit of and for account of President Brand.

The company also agreed to mill and treat up to 25,000 tons of ore a month from and for account of President Brand Gold Mining Company Limited, on a toll basis, during the period 30th April 1973 to 30th March 1974.

Uranium-bearing slimes are continuing to be sold.

As announced in the press on 14th February 1973, an offer of 11,000,000 shares of R1 each at R2.50 per share in the company has been made to the members of President Brand Gold Mining Company Limited in the proportion of one share in the company for each unit of stock held in President Brand. The offer opened on Friday 15th March 1973, and closed on Friday 14th April 1973. The company will, however, remain a subsidiary of President Brand.

The company has embarked upon an expansion programme at an estimated cost of R50,000,000 which includes the sinking of a new shaft in the western portion of its lease area. Shaft sinking is programmed to commence in the latter half of 1973 and should be completed early in 1974. The shaft should be commissioned in 1974 and operating at full capacity by 1981.

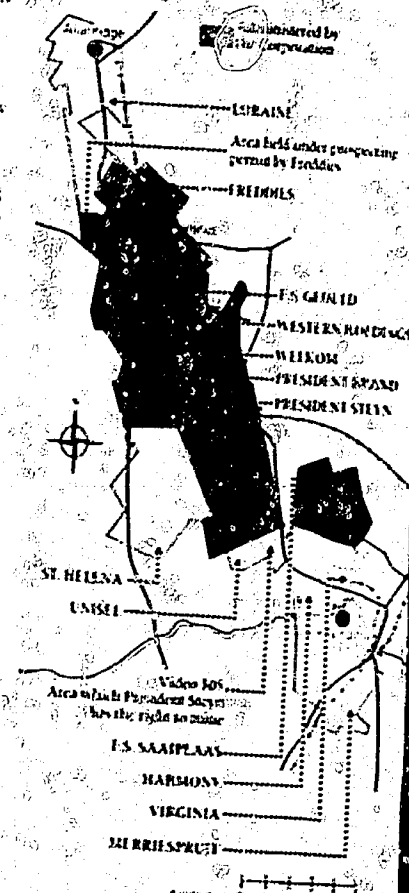
The company expects to be able to finance the balance of the cost of this expansion programme out of existing funds and working profits with possible borrowings under temporary loan facilities.

### Jeanette Gold Mines Limited

The company suspended mining operations towards the end of 1972.

In 1973 the directors decided that, in the light of the increased price of gold, the company's mining lease should be re-opened and for this purpose it would be necessary to undertake a limited exploration drilling programme in the western two-thirds of the company's lease area during the latter part of 1973.

## ORANGE FREE STATE MINES



and in order to provide the necessary funds the company made a rights offer, which was underwritten by one new share for every 12 shares held. The drilling programme commenced in April 1973 and is in progress.

### President Brand Gold Mining Company Limited

Year ended 30th September 1973  
Issued capital: R7,000,000 in units of stock of R1 each

	1973	1972
Tons milled		
Yield - production	2,500,000	2,500,000
Cost per ton milled	14,00	14,00
Working profit	R11,000,000	R11,000,000
Less: State of Free State	(1,100,000)	(1,100,000)
State's share of profit	R9,900,000	R9,900,000
Dividends	R9,900,000	R9,900,000
Amount paid per unit of stock	R1,980,000	R1,980,000
One-twelfth	165,000	165,000

	1974	1973
Tons milled	8,500,000	8,150,000
Yield - grams per ton	2,296	2,112

On 11/27/73 tons of mill ore sold to The State Mining and Mining Company Limited, a wholly owned subsidiary of the company, under the agreement which was in force until terminated at the end of October 1973.

During 1974 the mill ore on the company's behalf was sold to The State Mining and Mining Company Limited, a wholly owned subsidiary of the company, under the agreement which was in force until terminated at the end of October 1973.

The uranium plant remains on a care and maintenance basis and uranium bearing slimes are continuing to be stockpiled.

**President Stein Gold Mining Company Limited**

Year ended 30th September 1974.  
Issued capital: 27,000,000 in shares of 50 cents each.

	1974	1973
Tons milled	2,599,000	2,577,000
Yield - grams per ton	11.87	12.52
Cost per ton milled	R14.25	R10.51
Working profit	R38,000,000	R31,021,000
Taxation and State's share of profit	R26,629,000	R16,271,000
Dividends:		
Amount paid	R18,500,000	R7,000,000
Per share	13s	5s
Dividends in arrears	9,718,000	8,881,000
Value - (orig)	1,519	935

On 11/27/73 tons of mill ore sold to The State Mining and Mining Company Limited, a wholly owned subsidiary of the company, under the agreement which was in force until terminated at the end of October 1973.

**Welkom Gold Mining Company Limited**

Year ended 30th September 1974.  
Issued capital: R6,125,000 in shares of 50 cents each.

	1974	1973
Tons milled	1,866,000	2,111,000
Yield - grams per ton	8.29	5.00
Cost per ton milled	R13.79	R10.77
Working profit	R21,110,000	R15,271,000
Taxation and State's share of profit	R11,704,000	R8,500,000
Dividends:		
Amount paid	R6,718,000	R6,125,000
Per share	58c	50c
Dividends in arrears	7,497,000	5,411,000
Value - (orig)	1,116	1,217

During the year Black River disturbances had a serious effect on the mine's operations.

**Western Holdings Limited**

Year ended 30th September 1974.  
Issued capital: R1,718,188 in shares of 50 cents each.

	1974	1973
Tons milled	2,561,000	2,500,000
Yield - grams per ton	16.25	17.79
Cost per ton milled	R12.29	R9.28
Working profit	R95,144,000	R66,759,000
Taxation and State's share of profit	R64,025,000	R45,021,000

	1974	1973
Dividends:		
Amount paid	R31,159,000	R25,800,000
Per share	44s	35s
Dividends in arrears	9,851,000	1,271,000
Value - (orig)	2,111	2,274

On 11/27/73 tons of mill ore sold to The State Mining and Mining Company Limited, a wholly owned subsidiary of the company, under the agreement which was in force until terminated at the end of October 1973.

Black River disturbances during the year had a serious adverse effect on the mine's operations.

The capital of 13,000,000 is held in equal proportions by the company and Free State Gold Mines Limited.

**Administered by other mining finance houses**

**Harmony Gold Mining Company Limited**

Year ended 30th June 1974.  
Issued capital: R13,442,325 in shares of 50 cents each.

	1974	1973
Tons milled	5,234,000	4,451,000
Yield - grams per ton	6.48	7.71
Cost per ton milled	R9.78	R8.19
Working profit - gold	R47,616,000	R18,716,000
Working profit - uranium		
Yield - grams per ton	R18.00	R2.10
Taxation and State's share of profit	R25,429,000	R9,761,000
Dividends:		
Amount paid	R15,424,000	R6,612,000
Per share	5s	2s
Dividends in arrears	26,487,000	2,111,000
Gold value - (orig)	1,051	1,231
Uranium value - (orig)	21.48	22.81

All the above figures relate to the company and its wholly owned subsidiaries, Merriespoort Orange Free State Gold Mining Company Limited and Virginia Orange Free State Gold Mining Company Limited. However, the 1973 figures are not comparable as they include the subsidiaries' results for only six months.

**Lorraine Gold Mines Limited**

Year ended 30th September 1974.  
Issued capital: R1,006,956 in shares of R1 each.

	1974	1973
Tons milled	1,200,000	1,150,000
Yield - grams per ton	8.42	9.07
Cost per ton milled	R16.14	R12.97
Working profit	R12,137,000	R12,111,000
Dividends:		
Amount paid	R1,928,000	R6,700,000
Per share	12s	7s
Dividends in arrears	8,459,000	7,900,000
Value - (orig)	971	1,116

The company has an assessed loss for taxation purposes estimated at R25,000,000 at 30th September 1974.

**St. Helena Gold Mines Limited**

Nine months ended 30th September 1974.  
Issued capital: R9,625,000 in shares of R1 each.

	1974	1973
Tons milled	1,708,000	2,111,000
Yield - grams per ton	11.50	11.71

	1974	1973
Tons milled	5,591,000	5,607,000
Yield - grams per ton	11.01	12.48
Cost per ton milled	R15.61	R11.71
Working profit - gold	R128,945,000	R77,184,000
Uranium	R10,000,000	R1,427,000
Taxation and State's share of profit	R62,881,000	R32,250,000

An agreement has been entered into with Unsel Gold Mines under which St. Helena will develop and operate the new mine on behalf of Unsel. In terms of the agreement St. Helena will provide housing for other employees and the water facilities and reduction works capacity to handle the ore from the Unsel mine. The capital cost has been estimated at approximately R9.5 million which will be spread over 500 years. St. Helena will recover a remainder of cost on capital expenditure incurred and on tonnage milled once the new mine comes into production in 1978.

A new reduction works is to be constructed at an estimated cost of R22,500,000 of which some R5,000,000 is attributable to capacity to meet the requirements of the agreement with Unsel. The programme is scheduled for completion in 1977.

**FAR WEST RAND AND KLERKSDORP**

**Administered by Anglo American Corporation**

**The Afrikaner Lease Limited**

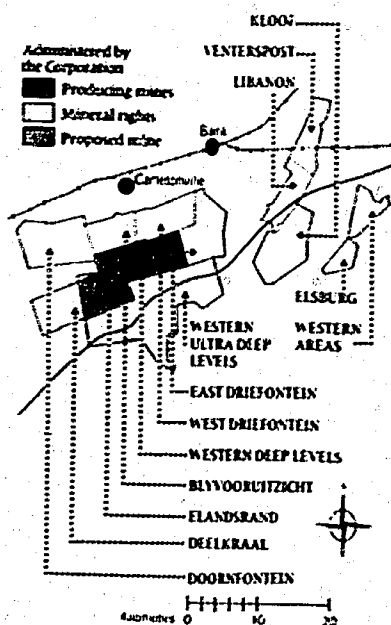
The company owns certain freehold rights and mineral rights over uranium bearing areas in the Klerksdorp district of the Transvaal. At current prices the company's uranium deposit does not constitute a viable proposition, but in view of the improved outlook for uranium the directors are hopeful of longer term prospects. During the year ended 30th June 1974 the company acquired for cash certain mineral rights from African Gold and Base Metal Holdings Limited and Anglo American Gold Investment Company Limited. This acquisition was in terms of an agreement entered into by these companies and Afrikaner Lease to consolidate certain of their mineral rights interests. As part of this arrangement 2,975,000 shares of 2 cents each in the capital of the company were allotted and issued for cash in part to African Gold and Anglo American.

**Vaal Reef Exploration and Mining Company Limited**

Year ended 31st December 1974.  
Issued capital: R6,500,000 in shares of 50 cents each.

	1974	1973
Tons milled	5,591,000	5,607,000
Yield - grams per ton	11.01	12.48
Cost per ton milled	R15.61	R11.71
Working profit - gold	R128,945,000	R77,184,000
Uranium	R10,000,000	R1,427,000
Taxation and State's share of profit	R62,881,000	R32,250,000

## FAR WEST RAND MINES



	1974	1973
<b>Dividends</b>		
Amount paid	R11 800 000	R21 880 000
Per share	250	115
<b>One reserves:</b>		
Tons	15 812 000	12 378 000
Gold value - c/mgt	1 465	1 107
Uranium value - c/mgt	41 95	23 05

\*Applicable to Vaal and Western Deep Levels  
In respect of the 1974 financial year the first monthly payment of R2 810 000 was made to Southland Holdings Limited arising out of the agreement with that company for the mining of the area south of the Vaal river

### Western Deep Levels Limited

Year ended 31st December 1974  
Issued capital: R500 000 000 in shares of R2 each

	1974	1973
<b>Tons milled</b>	1 020 000	1 239 000
<b>Yield - grams/ton</b>	15 91	15 29
<b>Cost per ton milled</b>	R16 57	R17 29
<b>Working profits:</b>		
Gold	R111 115 000	R87 277 000
Uranium	R1 328 000	260 000
Taxation and State's share of profits	R60 054 000	R77 187 000
<b>Dividends:</b>		
Amount paid	R20 000 000	R49 250 000
Per share	100	122 50
<b>One reserves:</b>		
Tons	5 622 000	5 876 000
Gold value - c/mgt	2 012	2 221
Uranium value - c/mgt*	22 60	21 12

\*Applicable to Western Deep Levels

It was announced in September 1974 that, in return for the cession of approximately 5 hectares of the south west portion of its existing mining lease area over which the right to mine the Carlson Leader Reef would be retained, the company would be entitled to a 19% per cent participation in the initial capital of Elandsrand Gold Mining Company Limited, a new gold mine to be established to the south and west of Western Deep Levels.

### Administered by other mining finance houses

#### Blyvoortzicht Gold Mining Company Limited

Year ended 30th June 1974  
Issued capital: R6 000 000 in shares of 25 cents each

	1974	1973
<b>Tons milled</b>	1 875 000	1 855 000
<b>Yield - grams/ton</b>	16 34	17 36
<b>Cost per ton milled</b>	R14 06	R11 22
<b>Working profits - gold</b>	R6 070 000*	R4 131 000
<b>Working profits - uranium</b>	R588 000	R1 095 000
<b>Taxation and lease payments</b>	R18 490 000	R17 069 000
<b>Dividends:</b>		
Amount paid	R21 600 000	R8 200 000
Per share	50	35
<b>One reserves:</b>		
Tons	6 115 000	5 571 000
Gold value - c/mgt	2 301	2 371
Uranium value - c/mgt	26 01	27 76

\*Includes revenue of R2 250 000 from lease operations

#### Buffelsfontein Gold Mining Company Limited

Year ended 30th June 1974  
Issued capital: R11 000 000 in shares of R1 each

	1974	1973
<b>Tons milled</b>	1 270 000	2 801 000
<b>Yield - grams/ton</b>	10 91	12 31
<b>Cost per ton milled</b>	R14 95	R11 60
<b>Working profits - gold</b>	R50 193 000	R22 257 000
<b>Net profit - uranium and acid</b>	R77 000	R8 168 000
<b>Taxation and lease payments</b>	R26 959 000	R15 517 000
<b>Dividends:</b>		
Amount paid	R17 600 000	R8 250 000
Per share	100	75
<b>One reserves:</b>		
Tons	6 679 000	6 165 000
Gold value - c/mgt	2 184	2 286
Uranium value - c/mgt	54 33	57 82

#### Doornfontein Gold Mining Company Limited

Year ended 30th June 1974  
Issued capital: R9 628 000 in shares of R1 each

	1974	1973
<b>Tons milled</b>	1 401 000	1 402 000
<b>Yield - grams/ton</b>	12 7	13 1
<b>Cost per ton milled</b>	R14 01	R11 96
<b>Working profits - gold</b>	R12 158 000	R11 700 000
<b>Taxation and State's share of profits</b>	R19 774 000	R8 960 000
<b>Dividends:</b>		
Amount paid	R9 628 000	R1 816 000
Per share	100	75
<b>One reserves:</b>		
Tons	2 115 000	2 281 000
Gold value - c/mgt	1 541	1 712

#### East Driefontein Gold Mining Company Limited

Year ended 31st December 1974  
Issued capital: R55 448 145 in 507 600 ordinary shares of R1 each fully paid and 1 733 180 unissued units each comprising one A share of R1 fully paid and 25 cents redeemable unissued interest bearing loan stock.

	1974	1973
<b>Tons milled</b>	1 199 500	1 240 000
<b>Yield - grams/ton</b>	15 5	17 9
<b>Cost per ton milled</b>	R14 04	R12 19
<b>Working profits</b>	R47 227 000	R16 812 000
<b>Dividends (ordinary shares):</b>		
Amount paid	R27 916 000	R1 670 000
Per share	50	50
<b>One reserves:</b>		
<b>Main Reef:</b>		
Tons	258 000	176 000
Value - c/mgt	1 531	1 275
<b>Ventersdorp Contact Reef:</b>		
Tons	1 210 000	274 000
Value - c/mgt	3 218	2 618

No provision is made for taxation, the assessed taxable taxation purposes being estimated at R55 760 000 at 31st December 1974.

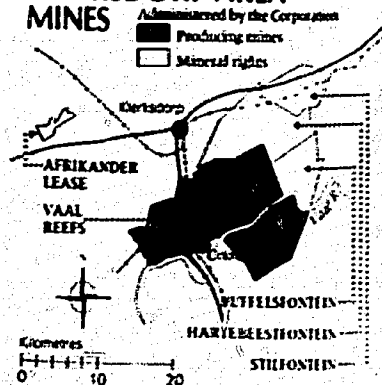
\*After allowing for tribute royalties of R1 320 000 paid to West Driefontein Gold Mining Company Limited in terms of an agreement which expired on 31st March 1971

#### Elsburg Gold Mining Company Limited

Year ended 31st December 1974  
Issued capital: R10 200 000 in stock units of R1 each

	Six months ended 30th June 1974	1973
<b>Tons milled</b>	591 000	1 127 000
<b>Yield - grams/ton</b>	8 55	8 33
<b>Cost per ton milled</b>	R11 56	R12 29
<b>Working profits</b>	R5 065 000	R3 990 000
<b>Dividends:</b>		
Amount paid	R1 655 500	R2 500 000
Per unit of stock	11 50	5
<b>Declared December 1974</b>	R10 200 000*	—
Per unit of stock	11 50	—

## KLERKSDORP AREA MINES



in effect from 1st July 1974, Western Areas Gold Mining Company Limited acquired the entire assets and liabilities of the company in exchange for 19611960 new Western Areas stock units of R1 each. In addition, the 1297000 Eberg stock units previously held by Western Areas have been cancelled.

As a result of these arrangements the company is now owned 100% by the equity of Western Areas.

Details of dividend received on the company's equity are set out in the Western Areas Gold Mining Company Limited.

### Hendeefontein Gold Mining Company Limited

Year ended 30th June 1974.  
Issued capital: R11,200,000 in shares of R1 each.

	1974	1973
Tons milled	2,966,000	2,675,000
Yield - grams per ton	1238	1175
Cost per ton milled	R14.39	R12.50
Working profit - gold	R59,694,000	R21,329,000
Taxation and State's share of profit	R1,504,000	R5,529,000
Dividends	R12,078,000	R6,117,000
Amount paid per share	R17.920,000	R11.200,000
Reserves	168	100
Tons	11,520,000	8,819,000
Gold value - emg	1,482	1,888
Minimum value - emg	25.52	21.40

### Kloof Gold Mining Company Limited

Year ended 30th June 1974.  
Issued capital: R10,200,000 in shares of R1 each.

	1974	1973
Tons milled	1,611,000	1,667,000
Yield - grams per ton	171	173
Cost per ton milled	R15.50	R11.82
Working profit - gold	R19,892,000	R26,280,000
Taxation and State's share of profit	R5,229,000	-
Dividends	R21,570,000	R16,090,000
Amount paid per share	28	48
Reserves	1,509,000	1,682,000
Tons	2,520	2,592

A total redemption of loan stock of 29 cents per centred unit, amounting to R2,120,000 was made on 31st February 1974. In terms of the conditions of issue of the centred units the 7,998,150 'A' shares included therein were converted to ordinary shares on 28th February 1974.

### West Driefontein Gold Mining Company Limited

Year ended 30th June 1974.  
Issued capital: R1,692,100 in shares of R1 each.

	1974	1973
Tons milled	2,718,000	2,627,000
Yield - grams per ton	275	283
Cost per ton milled	R14.11	R11.02
Working profit - gold	R17,486,000	R14,278,000
Taxation and State's share of profit	R1,108,700	R3,019,000
Dividends	R16,129,000	R10,972,000
Amount paid per share	28	20
Reserves	1,009,000	1,000,000

	1974	1973
Value - emg	1131	1,191
Verreysloop Contact Reef		
Tons	2,400,000	1,600,000
Value - emg	1,816	1,222

### Western Areas Gold Mining Company Limited

Year ended 31st December 1974.  
Issued capital: R40,400,980 in stock units of R1 each.

	1974	1973
Tons milled	2,917,000	2,351,000
Yield - grams per ton	675	691
Cost per ton milled	R12.31	R9.92
Working profit	R11,687,000	R17,200,000
Taxation and State's share of profit	-	R972,000
Dividends	R21,687,114	R7,216,000
Amount paid per unit of stock	25	15
Reserves	12,465,411	8,501,125
Tons	1,458	1,166

\*Includes the results of Eberg Gold Mining Company from 1st July 1974 and, consequently, the 1973 and 1974 figures are not comparable.

\*Paraded No. 18 of 18 units was paid for 2067,500 units of stock, while dividend No. 19 of 12 units was paid for 27,200,980 units of stock.

During 1974 arrangements were concluded between Eberg Gold Mining Company Limited of Eberg and Western Areas Gold Mining Company Limited (Western Areas) to rationalise the mining operations of the two companies. The arrangements, which were effective from 1st July 1974, provided for Western Areas to acquire the entire assets and liabilities of Eberg in exchange for the issue to Eberg of 19611960 new

Western Areas stock units and for the 1,297,000 Eberg stock units held by Western Areas to be cancelled.

### Lihanon Gold Mining Company Limited Zandpan Gold Mining Company Limited

### EAST RAND AND EVANDER

Administered by  
Anglo American Corporation

### Daggafontein Mines Limited

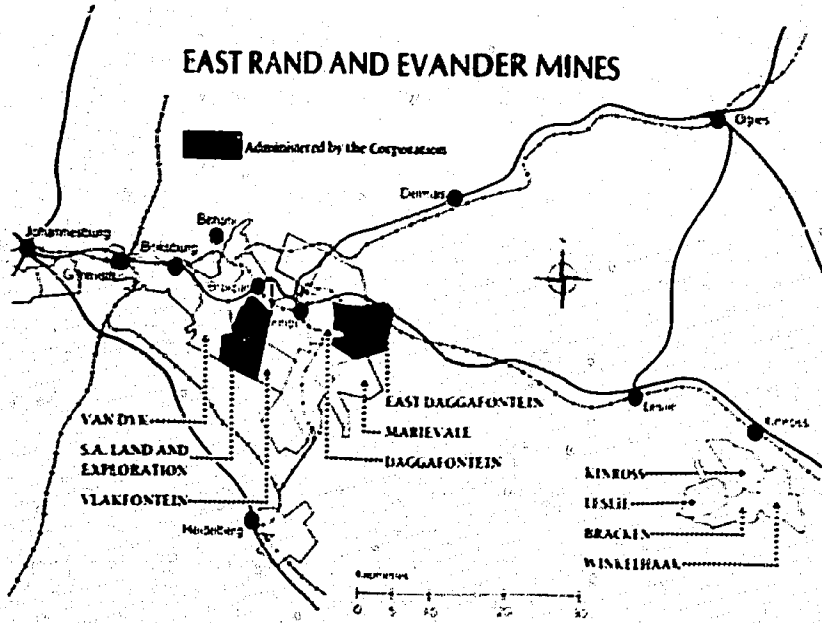
Year ended 31st December 1974.  
Issued capital: R3,500,000 in shares of 50 cents each.  
Clean up operations were completed at the end of 1968 and the company has abandoned its mining lease. Virtually the only asset left to the company is the unworked freehold of the farm Daggafontein No. 125, F.C. district. Specimen portions of which is covered with old claims claims.

### East Daggafontein Mines Limited

Year ended 31st December 1974.  
Issued capital: R1,700,000 in shares of R1 each.

	1974	1973
Tons milled	1,074,000	1,125,000
Yield - grams per ton	222	210
Cost per ton milled	R6.19	R4.25
Working profit	R1,766,000	R2,909,000
Taxation	R268,000	R1,504,000
Dividends	R912,000	R1,500,000
Amount paid per share	28	21

### EAST RAND AND EVANDER MINES



## Diamond mining and trading

The company's mine is classified as an assisted mine in terms of the Gold Mines Assistance Act No 82 of 1968, but does not qualify for a payment from the State.

Underground mining operations are now expected to continue until at least the end of 1975 but treatment of the old Daggaboson No 2 surface rock dumps acquired some years ago from Daggaboson Mines Limited, will on present estimates, continue until early 1974.

### The South African Land & Exploration Company Limited

Year ended 31st December 1973

	1974	1973
Issued capital: R1 150 000 in shares of 15 cents each		
Tons milled	1 088 000	1 207 000
Yield - grams/ton	5.11	5.82
Cost per ton milled	R12.31	R12.12
Working profit	R4 940 000	R3 187 000
Taxation and State's share of profit	R2 090 000	R1 687 000
Dividends:		
Amount paid	R2 804 000	R1 660 000
Per share	85c	81c
One reserves:		
Tons	1 128 000	1 095 000
Value - mgpt	1 084	1 236

The company's mine is classified as an assisted mine in terms of the Gold Mines Assistance Act No 82 of 1968, but does not qualify for a payment from the State.

An exploratory drilling programme involving the reopening and delimiting of two existing boreholes and the drilling of one new borehole is in progress to test the potential of an area to the south of the present mine workings. The drilling of further boreholes will be dependent on the results obtained.

### Administered by other mining finance houses

#### Winkelhaak Mines Limited

Nine months ended 30th September 1973

	Nine months ended 30th September 1973	
	1973	1972
Issued capital: R12 000 000 in shares of R1 each		
Tons milled	1 510 000	1 480 000
Yield - grams/ton	7.37	8.48
Cost per ton milled	R7.94	R7.11
Working profit	R25 851 000	R21 466 000
Taxation and State's share of profit	R16 374 000	R12 831 000
Dividends:		
Amount paid	R11 280 000	R5 760 000
Per share	94c	58c
One reserves:		
Tons	10 000 000	7 800 000
Value - mgpt	1 242	1 207

Blacken Mines Limited  
Kinross Mines Limited  
Leslie Gold Mines Limited

### Administered outside the Anglo American Corporation Group

#### De Beers Consolidated Mines Limited

The mining operations of the De Beers group are conducted by De Beers Consolidated Mines Limited and its subsidiaries. The Consolidated Diamond Mines of South West Africa Limited, Premier (Transvaal) Diamond Mining Company Limited and De Beers Botswana Mining Company (Proprietary) Limited. In Kimberley the company owns the De Beers, Kimberley and Westcliff mines and leases the Bulwerston and Dutoitspan mines from subsidiary companies. The De Beers, Dutoitspan, Bulwerston and Westcliff mines are presently being operated. De Beers also operates the Finsch mine which is situated northwest of Kimberley, and the Koffiefontein mine situated in the Orange Free State.

Agreement has been reached with the Government of Lesotho for the opening of the Letseng-La-Teta diamond mine. This mine will be brought into production by the De Beers Letseng Mining Company (Proprietary) Limited, at present in the course of formation.

In Namaqualand De Beers is currently mining on the farms Annex, Kleintje and Dieries Pan while other deposits on the farms Langloogje and Koopmans can be brought into production at short notice.

In addition the company has, through its 19.29 per cent direct and indirect interest in Rand Selection Corporation Limited and through its subsidiary, De Beers Holdings (Proprietary) Limited, large interests in the mining of gold, copper, platinum, coal and other minerals, and in a number of industrial, finance, insurance, banking and property companies. Another subsidiary, De Beers Industrial Corporation Limited, has an interest, directly and indirectly, of 40.96 per cent in A.F. & C. Limited, a 10.11 per cent direct interest in South African Nucleon Spinners (Proprietary) Limited and a 10.27 per cent interest in Mochl Paper Company Limited.

Year ended 31st December 1973

Issued capital: 1 211 478 in 800.0 preference shares of R5 each and 136 509 557 deferred shares of 5 cents each.

Features from the consolidated accounts:

	1974	1973
Preference share capital	R1 978 000	R1 978 000
Deferred share capital and reserves	R540 090 000	R769 612 000
Long term loans	R27 149 000	R27 781 000
Minority interests	R57 722 000	R51 424 000
	R629 119 000	R849 795 000
Diamond mining and holding assets	R94 611 000	R51 289 000
Diamonds on hand		
At cost:		
Mining companies	R16 784 000	R21 187 000
Other companies	R234 000 000	R184 000 000
Listed investments	R201 925 000	R212 881 000
Market value of listed investments	R389 211 000	R418 561 000
Unlisted investments	R125 791 000	R116 951 000
Long term loans	R21 292 000	R18 820 000
Net current assets	R495 773 000	R210 607 000
Other	R14 165 000	R9 772 000
	R629 119 000	R849 795 000
Diamond revenue	R232 867 000	R129 377 000
Interest and dividends on investments	R92 187 000	R71 870 000

Rentals and other revenue

	1974	1973
Rentals and other revenue	R7 181 000	R7 022 000
	R112 450 000	R112 450 000
Less: Prospecting, interest and other charges	R29 516 000	R21 170 000
Consolidated profit before tax	R112 689 000	R112 689 000
Taxation and Government's share of profits under mining leases:		
Consolidated profit after tax	R112 689 000	R112 689 000
Minority interest and preference dividend	R12 788 000	R12 788 000
Attributable to deferred shareholders	R199 721 000	R215 457 000
Per share	58.7c	57.2c
Dividends paid	R89 217 000	R55 120 000
Per share	24c	22c

#### The Consolidated Diamond Mines of South West Africa Limited

Issued capital: R9 980 000 in 148 000 7 1/2 per cent cumulative preference shares of R1 each and 5 500 000 ordinary shares of R1 each.

De Beers has a direct interest of 98.11 per cent in the ordinary shares and a direct and indirect interest of 100.7 per cent in the preference shares of this company, which carries on open cast alluvial mining operations along the southern portion of the coast of South West Africa and is a leading producer of gem diamonds. Production in 1973 totalled 1 609 961 carats compared with 1 500 865 carats in 1972.

#### Premier (Transvaal) Diamond Mining Company Limited

Issued capital: R10 000 in 10 000 preference shares of 50 cents each and 120 000 deferred shares of 25 cents each.

De Beers holds 98.11 per cent of the deferred shares and 91.88 per cent of the preference shares of this company which operates the Premier mine at Collins in the Transvaal. The mine produced 2 022 136 carats in the year, principally of industrial quality, as compared with 2 501 690 carats in 1972.

#### De Beers Botswana Mining Company (Proprietary) Limited

Issued capital: R9 500 000 in shares of R1 each.

De Beers Holdings (Proprietary) Limited and the Government of the Republic of Botswana hold the entire issued share capital of the company. This company operates the Orapa mine in central Botswana which was brought into production in mid 1971. The mine, which is operated on the open cast system, produced 2 718 000 carats in 1973 compared with 2 416 500 carats in 1972.

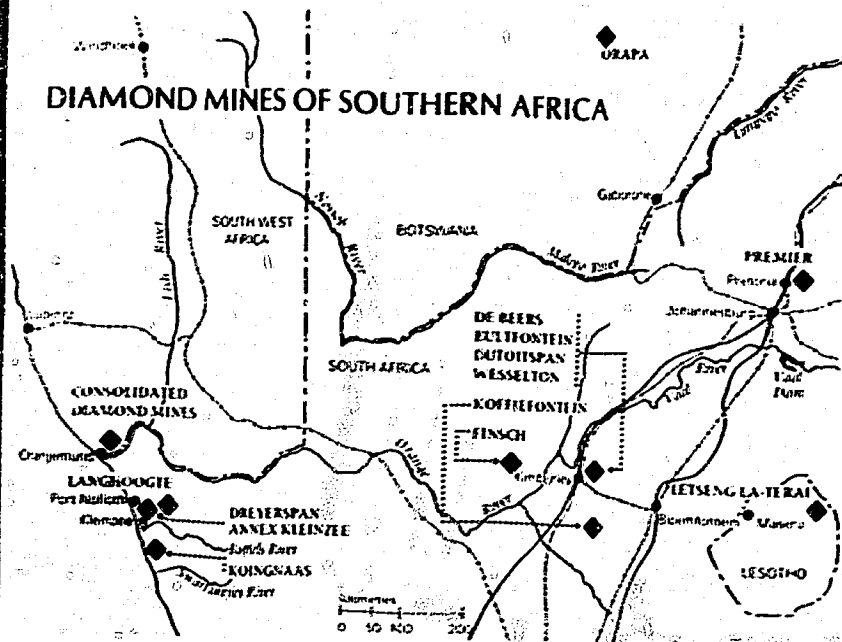
#### The Diamond Corporation (Proprietary) Limited

Issued capital: R44 000 000 in shares of R1 each.

The corporation contracts with various producers who are not members of the Diamond Producers Association for the purchase of their production.

The corporation has built up large mineral resources which facilitate the holding of large stocks.

## DIAMOND MINES OF SOUTHERN AFRICA



### De Beers Industrial Diamond Division Limited

Issued capital: R1 657 000 in shares of R2 each  
 The company is the outlet for the sale of De Beers drilling and tooling, is a diamond trading company and also holds the De Beers group's patents relating to industrial diamonds. It is, in addition, the managing agent company implementing the policy of the industrial diamond division and it administers the De Beers diamond research Laboratory.

### De Beers Industrial Diamond Division (Ireland) Limited

Issued capital: £175 000 in shares of £1 each  
 This company provides technical services to Ultra High Pressure (Ireland) Limited and Scandiamant AB. It also administers the industrial diamond group of companies in Shannon, Ireland.

companies, thereby stabilising the trade. In addition the corporation holds important investments in De Beers (Proprietary) Limited and Rand Selection Corporation Limited.

### The Diamond Purchasing and Trading Company (Proprietary) Limited

Issued capital: R5 000 000 in shares of R2 each

### The Diamond Trading Company Limited

Issued capital: R2 000 000 in shares of R2 each  
 These two companies and their subsidiaries are concerned with the marketing of gem and near gem diamonds.

### De Beers Holdings (Proprietary) Limited

Issued capital: R15 700 000 in shares of R2 each  
 This company holds investments in mining, industrial and financial companies and finances, to a large extent, prospective companies outside South Africa. Through a subsidiary, De Beers Botswana (Proprietary) Limited, the De Beers group has an interest in the Orapa mine in Botswana. It also holds the De Beers group's interest in companies concerned with sea and beach mining. De Beers (Canada) Limited, which is a subsidiary company, has interests in several Canadian mining and refining ventures, and another subsidiary, De Beers (USA) Holding S.A. has an interest in Australian American Limited.

### Ultra High Pressure Units Limited

Issued capital: R5 000 000 in shares of R2 each  
 De Beers has a 50 per cent interest in this company.

### Ultra High Pressure Units (Ireland) Limited

Issued capital: £100 000 in shares of £1 each  
 De Beers has a 50 per cent interest in this company.

### Scandiamant Aktieförlag

Issued capital: 500 000 Sw.Kr. in shares of 100 Sw.Kr. each  
 De Beers has an indirect interest of 25 per cent.

These three companies manufacture synthetic diamonds in South Africa, Ireland and Sweden respectively.

### Industrial Distributors (Ireland) Limited

Issued capital: R1 500 000 in 500 000 five per cent cumulative participating preference shares of 50 cents and 2 500 000 ordinary shares of 50 cents each.

### Industrial Distributors (Sales) Limited

Issued capital: R2 000 000 in shares of R2 each.

### Abrasive Grit Sales Limited

Issued capital: £1 600 000 in 160 000 ordinary shares of £1 each and £200 000 ordinary shares of £1 each.

### Industrial Grit Distributors (Shannon) Limited

Issued capital: £1 500 000 in ordinary shares of £1 each.

These companies are concerned with the marketing of the types of industrial diamonds known as float, drilling material and cut tool material and synthetic, which are in increasing demand in industry for a variety of purposes.

## Copper and other mining

### Administered within the Anglo American Corporation Group

#### Swaziland Iron Ore Development Company Limited

The company operates an iron ore mine at Ngwenya in Swaziland, and is fulfilling the following contracts for the supply of iron ore to Japan:

(a) 14.5 million dry metric tons of high grade lump ore over the period to 1975;

(b) 5.1 million dry metric tons of high grade fines over the period to 1975; and

(c) 7.2 million metric tons of medium grade ore over the period to 1975.

A total of 246 million dry metric tons of high- and medium-grade ore was supplied to the Japanese steel mills during 1974 under the above contracts.

During the year the contract for the supply of medium-grade ore was renegotiated on more favourable terms.

#### Bindura Smelting and Refining Company Limited

#### Botswana Exploration and Mining Company (Proprietary) Limited

#### Iron Duke Mining Company Limited

#### Madriva Mines Limited

#### Tombill Mines Limited

#### Trojan Nickel Mine Limited

### Administered outside the Anglo American Corporation Group

#### Hudson Bay Mining and Smelting Co. Limited

This Canadian company continues to derive a substantial part of its revenue from the operation of nine base metal mines in the Flin Flon-Sour Lake area of southern Manitoba and Saskatchewan. Complex ores are produced from which the company recovers copper, zinc, gold, silver, cadmium, selenium and lead concentrates.

The company, together with Anglo American Corporation of Canada Limited (Amax), has purchased a joint shareholding of 67 per cent in Tilton Minerals Limited of Vancouver. Tilton has a 46 per cent interest in Minas Del Oro, S.A., of Mexico, which owns the La Verde copper deposit with proven ore reserves of 718 million tons, grading 0.699 per cent copper with minor gold and silver values.

The company has a 32 per cent shareholding in Sidline Copper Limited which owns a porphyry type copper deposit in south-western British Columbia containing more than 100 million tons grading in excess of one per cent. Hudson Bay may increase its interest through drilling and development work. However, no work was undertaken in 1974 in view of certain changes in mining taxation which would adversely affect the stability of this venture.

The company's other base metal interests include a 25 per cent interest in Whitehorse Copper Mines Ltd., a one sixth interest in a joint venture with that company and Amax in the Yukon and a 19 per cent interest in Rutland Iron Mines Limited which owns an iron deposit on the northern tip of Baffin Island.

The company, through its Silvert of Canada Division, operates a pyritic mine, with reserves of 150 million tons, and a refinery in southern Saskatchewan, and produced 1,091,000 tons of matte of pyrite in 1974. The majority of the sales of pyrite in the U.S. were handled by Terra Chemicals International, Inc. of

Santa City, Iowa, a fertilizer manufacturer in which Hudson Bay holds a 10 per cent interest.

The company has a 60 per cent interest in Francana Minerals Limited, a sodium sulphate producer in Saskatchewan, and through wholly-owned subsidiaries produces zinc-base concentrates mainly for the automotive trade, and zinc oxides.

The company has continued to increase its interests in the oil and gas industry and now holds 54 per cent of Francana Oil and Gas Limited (FOGL), 38 per cent of Western Decatur Petroleum Limited, which may be increased to 45 per cent on conversion of a 5 million dollars debenture which the company holds, and 23 per cent of Canadian Metall Limited. The oil and gas interests of these companies extend to many parts of the world, as well as across Canada. In May 1974, FOGL increased to 57 per cent its interest in Tread Exploration Limited, which has over 250,000 acres of interest in a production sharing contract in Indonesia with Pertamina, the Indonesian State oil company. Reserves were substantially expanded in 1974, and productive capacity is now approximately 120,000 barrels per day. Year ended 31st December 1974:

Issued capital stock, \$68,136,356 in 9,411,433 shares of no par value.

Total shareholders' equity \$217,286,000

	1974	1973
Gross revenue from sale of products	\$216,438,000	\$181,646,000
Income and provincial mining taxes	\$80,499,000	\$76,175,000
Net earnings after taxation	\$18,579,000	\$27,292,000
Earnings per share	\$1.86	\$3.06
Dividends:		
Amount declared per share	\$19,907,000	\$19,231,000
Investments in other companies	\$1,170,000	\$2,237,000
Investments in marketable securities at cost	\$2,511,000	\$2,511,000
Production:		
Slab zinc—tons	70,757	75,100
Metallic cadmium—kg	135,504	139,059
Refined copper—tons	47,173	52,095
Selenium—kg	19,075	58,798
Gold—oz	50,312	62,892
—g	1,557,759	1,955,923
Silver—oz	1,065,418	1,291,059
—g	32,982,151	40,214,235
Lead concentrates—tons	65	98

All amounts expressed in Canadian currency.

#### Nchanga Consolidated Copper Mines Limited

On the Zambian Copperbelt, the company operates a copper mine and a central services division at Kitwe and copper mines at Chingola and Childsdownside. A lead and zinc mine is in operation at Kalwe, some 200 kilometres south of the Copperbelt. Fifty one per cent of Nchanga's issued ordinary share capital is held on behalf of the Zambian Government by Zambia Industrial and Mining Corporation Limited, in the form of 'A' ordinary shares, and the remaining 49 per cent is held by Zambia Copper Investments Limited in the form of 'B' ordinary shares.

In August 1973 the President of the Republic of Zambia announced certain proposed changes regarding the future management of the Zambian copper mining industry. Shortly thereafter the Zambian loan stock 1962 and 1965, 1975, issued in 1970, by payment for the Zambian Government's 51 per cent shareholdings in NCCM and Roan Consolidated Mines, were redeemed in full. Such redemption enabled the enactment of

legislation withdrawing the 100 per cent capital allowances for tax purposes for the two companies and the application, as for all other Zambian companies, of withholding tax of 20 per cent to all future dividends. In addition, the termination of dividends on the 'B' ordinary shares were made subject to formal exchange control regulations. Pending the enactment of new investment legislation, the 100 per cent capital allowances were required by those prevailing up to 31st March 1974.

In August 1974, agreement in principle was reached between the government of the Republic of Zambia and the Anglo American Corporation Group on self-management arrangements for NCCM. The detailed arrangements were completed on 15th November 1974, in terms of which with retrospective effect to 1st August 1974, the agreement whereby the Group provided management, technical and other services to NCCM was terminated nearly five and one-half years before its scheduled expiry. At the request of NCCM, the Anglo American Corporation Group has undertaken to continue to supply various services, such as services purchasing, recruiting and engineering services.

Year ended 31st March 1974:

Issued capital: K253,648,724 in 64,374,152 'A' ordinary shares of K2 each and 61,858,715 'B' ordinary shares of K2 each and 344,961,511 per cent and 257,512 five per cent redeemable cumulative preference shares of K2 each.

Share capital and reserves: K413,165,000  
Long term loans: K41,625,000

	1974	1973
Production of finished copper—tons	408,751	440,057
Copper sales—tons	197,185	251,794
Total sales revenue—		
all metals	K555,000,000	K162,900,000
Profit before taxation	K276,504,000	K99,822,000
Taxation	K161,972,000	K22,624,000
Profit after taxation	K114,532,000	K77,198,000
Extraordinary item	K667,000	K1,192,000
	K115,199,000	K78,390,000

Dividends:  
Ordinary 'A' and 'B' shares: K57,000,000 K36,000,000  
Preference shares: K64,000 K22,000

All amounts expressed in Zambian currency.

#### Roan Consolidated Mines Limited

The company operates copper mines at Mutalala, Inyanga, Chilokwa and Chambishi on the Zambian Copperbelt, at Kalengwa in the North Western Province of Zambia and a copper refinery at Ndola.

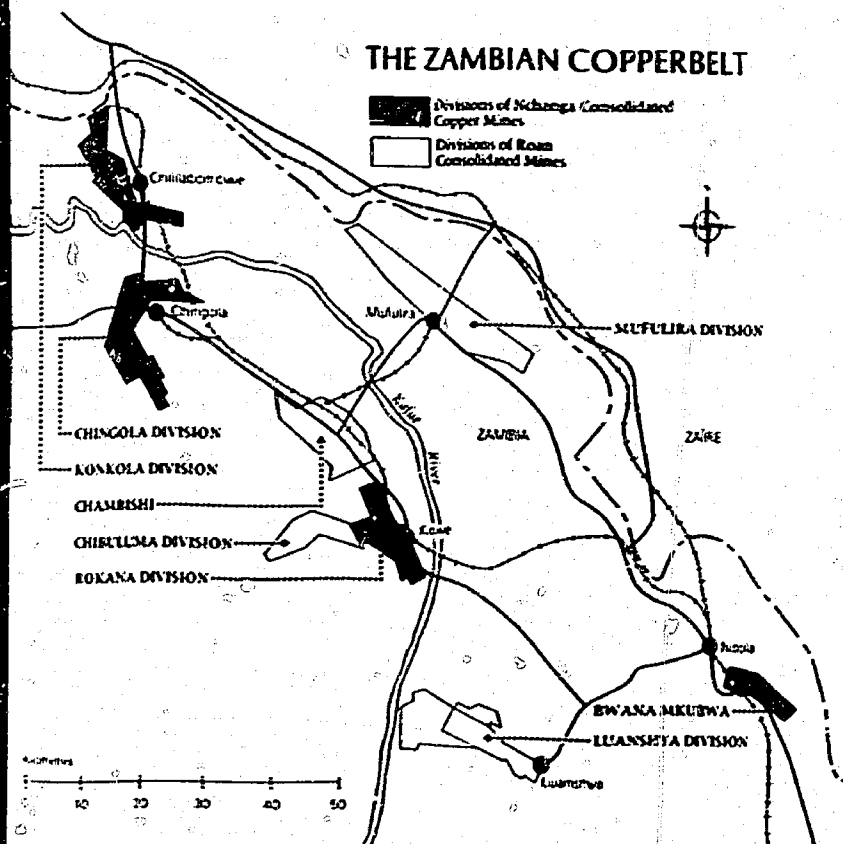
The effect of the proposals relating to taxation allowances, the application of withholding tax and exchange control regulations announced by the President of the Republic of Zambia in August 1973 are detailed in the section dealing with Nchanga Consolidated Copper Mines Limited. Self management arrangements similar to those agreed to for NCCM, and having retrospective effect from 1st August 1974, have been implemented by Roan Consolidated Mines Limited.

The 'A' ordinary shares, which comprise 51 per cent of the issued capital, are held by the Zambian Government, Zambia Industrial and Mining Corporation Limited, Zambia Copper Investments Limited and 12.25 per cent of the equity in the form of 'B' ordinary shares of K4 each.

Year ended 30th June 1974:

Issued capital: K121,260,264 in 15,460,654 'A' ordinary shares of K4 each and 14,854,182 'B' ordinary shares of K4 each.

## THE ZAMBIAN COPPERBELT



Share capital and reserves	K255 199 000	
Revenue stocks, loans and credit facilities	K541 000 000	
	1974	1973
Production of finished copper - tons	281 121	278 768
Copper sales - tons	277 736	262 933
Average proceeds - cents	K1 444	K977
Total sales revenue	K407 697 000	K247 481 000
Gross dividend profit before taxation	K222 541 000	K75 742 000
Taxation	K144 074 000	K28 544 000
Consolidated profit after taxation (including extraordinary items)	K78 457 000	K17 298 000

All amounts expressed in Zambian currency.

### The Messina (Transvaal) Development Company Limited

The company mines copper in the northern Transvaal and in Rhodesia and has interests in property, power, public manufacturing and finance companies.

Year ended 30th September 1974  
 Share capital: R5 425 000 in 10 850 000 shares of 50 cents each fully paid and 550 000 shares of 50 cents each one cent paid up.

Production of finished copper - metric tons	1974	1973
Average price per ton	71 417	79 911
Consolidated profit before taxation	R19 666 000	R21 274 000
Taxation	R12 686 000	R6 418 000
Consolidated profit after taxation and distribution of minority shareholders' interests*	R6 980 000	R14 856 000
Earnings per share*	178	162
Dividends		
Amount paid	R6 510 000	R6 000 000
Per stock unit	68	58
* Includes company profits of R557 000 in 1974 and R1 254 000 in 1973.		

### The South West Africa Company Limited

The company mines lead, zinc and vanadium ores in South West Africa.

Year ended 31st June 1974  
 Share capital: 1 425 000 in 2 850 000 ordinary shares of 50p each  
 Share capital and reserves (consolidated) 12 211 000

	1974	1973
Concentrates produced - metric tons		
Lead vanadate	8 448	6 176
Zinc lead sulphate	22 680	20 747

	1974	1973
Iron sulphate	29 710	27 426
Tin wolfram	—	22 255
	80 788	22 628
Sales proceeds - Consolidated profit before taxation	14 245 869	11 971 287
Consolidated profit before taxation	12 151 912	11 288 819
Taxation	11 127 890	1 777 000
Consolidated profit after taxation	1 024 022	1 511 819
Dividends		
Amount paid	1 024 022	1 511 819
Per share	16,75p*	1,51p*

\* Owing to the approved dividend policy and conditions under the company's memorandum and articles of association, the company's consolidated profit in 1973 was placed on a deferred maintenance basis during February 1973.

\* Taxation is 25% after allowing for normal tax credits. It is similar to 30% after allowing for normal tax credits. All amounts are expressed in United Kingdom currency.

### Union Platinum Mining Company Limited

The company derives its revenue from investment income; the principal source being Rustenburg Platinum Mines Limited.

Year ended 31st October 1974  
 Issued capital: R1 570 000 in shares of 10 cents each

	1974	1973
Income from investments		
Quoted	R50 000	R57 000
Unquoted	R9 000 000	R9 242 000
Profit before taxation	R9 050 000	R9 299 000
Taxation	89 000	39 000
Profit after taxation	R8 961 000	R9 260 000
Dividends		
Amount paid	R8 961 000	R9 260 000
Per share	5,71p	5,71p

\* Includes an amount of R1 000 000 in 1973.

- Ansa Petroleum Beprek
- Cleveland Potash Limited
- Kilm Products Limited
- Lydenburg Platinum Limited
- Lytton Minerals Limited
- Messina Rhodesia Investment Limited
- Shangani Mining Corporation Limited
- The Northern Lime Company Limited
- Tsumeb Corporation Limited
- Waterfall (Rustenburg) Platinum Mining Company Limited
- Whitehorse Copper Mines Ltd.

# Coal

## Administered within the Anglo American Corporation Group

### Amalgamated Collieries of South Africa Limited

Year ended 31st December 1974.  
Issued capital: R6 220 000 in shares of R2 each.

	1974	1973
Coal sales—less: Cornelia Colliery Springfield Collieries Limited*	3 307 380	3 271 244
	2 946 416	3 463 011
	6 251 816	6 734 255
Consolidated profit before taxation	R1 609 000	R2 250 000
Taxation	1 321 000	2616 000
Consolidated profit after taxation	R1 288 000	R1 634 000
Dividends: Amount paid	R1 244 000	R1 244 000
Per share	40c	40c
Trade and other investments and income derived from investments	R1 810 000	R1 775 000
	R215 000	R213 000

\* Subsidiary company.

### Angle Power Collieries (Proprietary) Limited

The company controls two collieries which are contracted to supply coal under long-term contracts to power stations of the Electricity Supply Commission. The Arnot colliery in the district of Middelburg, Transvaal, supplies Eskom's Arnot power station which, when fully operational, will require six million tons of coal a year. The method of mining at Arnot is being revised to incorporate a large open cast operation which will eventually produce about two-thirds of the colliery's output, with the balance from underground operations.

The Kriel colliery which is being established in the district of Bethal, Transvaal, will supply Eskom's Kriel power station at which the first generating set is expected to be commissioned in October 1975. At full production in 1981 the power station is expected to require approximately eight and a half million tons of coal a year.

In order to repay existing loans and finance additional capital expenditure at the Arnot and Kriel collieries, the company made three rights offers to shareholders. On 15th December 1973 14 000 000 new shares were offered in the ratio of two new shares for every three held, on 16th April 1974 4 050 000 shares were offered in the ratio of 23 new shares for every one hundred held, and on 22nd January 1975 20 000 000 shares were offered in proportion to existing shareholders. All three offers were underwritten and as a result approximately R21 000 000 of new capital was raised.

Year ended 28th February 1974.  
Issued capital: R12 500 000 in shares of 50 cents each.

	1974	1973
Coal sales—less	1 118 000	1 220 744
Net profit	R1 827 780	R2 224 292

Notes: No provision is made for taxation, the amount for the taxation purposes being assessed at R2 500 000 on 28th February 1974.

The gross profit for 1974 was materially affected by the revised methods of coal sales on the original contracts concluded with Eskom. The contract was renegotiated during August 1974 for more favourable terms.

\* Following the rights issue on 16th April 1974 and 22nd January 1975, referred to above, the issued capital is now R11 325 000, 500 000 shares of 50 cents each.

### Blesbok Colliery Limited

Year ended 31st December 1974.  
Issued capital: R1 540 000 in shares of 50 cents each.

	1974	1973
Coal sales—less	549 141	331 816
Profit before taxation	2 446 000	2 149 000
Taxation	397 000	216 000
Profit after taxation	R3 49 000	2 243 000
Dividends: Amount paid	R155 000	215 000
Per share	6c	6c

### Ingagane Colliery (Proprietary) Limited

Year ended 30th June 1974.  
Issued capital: R1 950 000 in shares of R2 each.  
Mining operations were suspended with effect from 29th February 1973 and the mine was placed on a care-and-maintenance basis.

### Natal Anthracite Colliery Limited

Year ended 30th June 1974.  
Issued capital: R2 000 000 in stock units of 50 cents each.

	1974	1973
Coal sales—less	667 866*	415 529
Consolidated profit before taxation	R1 174 000	2 763 000
Taxation	R168 000	2 301 000
Consolidated profit after taxation	R1 006 000	2 462 000

Dividends:	1974	1973
Amount paid	R500 000	2 314 000
Per stock unit	14c	14c

\* Includes sales by Bledgway Collieries (Proprietary) Limited, the entire issued share capital of which was acquired with effect from 2nd July 1973 in exchange for 1 311 222 shares in the company.

### Natal Coal Exploration Company Limited

Year ended 30th June 1974.  
Issued capital: R2 500 000 in shares of 50 cents each.  
With the closure of the mine in October 1968, the company's business is confined to the receipt of royalties income from:

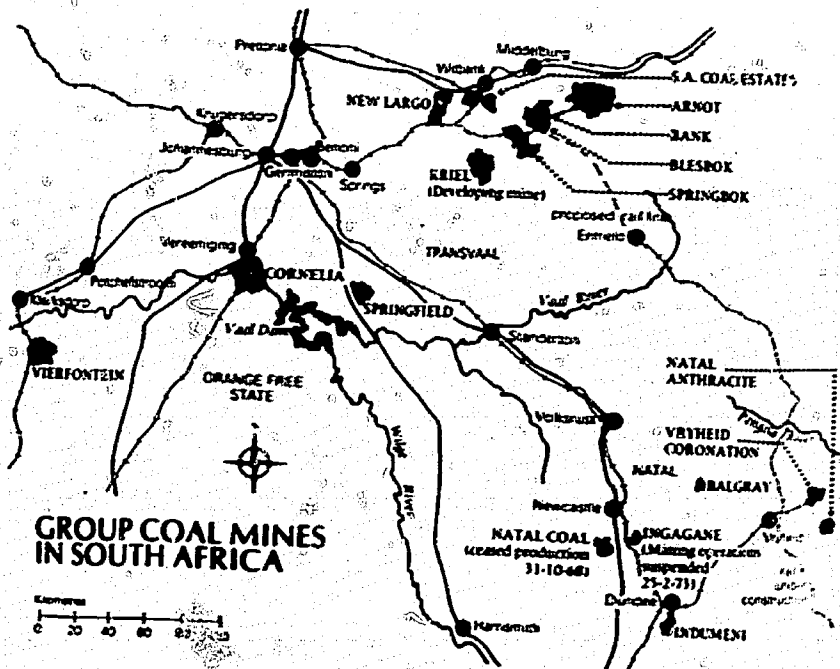
- (1) The lease of its basement coal trade allocation to three other producing collieries in Natal.
- (2) The lease of its coal reserves in the Moss Kluisz area to The Natal Cambrian Collieries Limited. It is anticipated that these reserves will be mined out during the year ending 30th June 1978, after which income from this source will cease.

	1974	1973
Net profit	R146 000	210 000
Dividends: Amount paid	R125 000	250 000
Per share	25c	25c

At a general meeting of members held on 22nd October 1974, the disposal of 446 hectares of land, being the remaining realisable fixed asset of the company, was approved.

### New Largo Colliery Limited

Year ended 30th June 1974.  
Issued capital: R1 600 000 in shares of 50 cents each.



	1974	1973
Coal sales - bank	1 296 188	1 422 234
Coal sales - taxation	R197 000	242 000
Coal sales - other	R119 000	214 000
Coal sales - other taxation	R278 000	224 000
Dividends		
Amount paid	R224 000	222 000
Per share	7	7

**South African Coal Estates (Witbank) Limited**

Year ended 31st December 1974.  
 Issued capital: R5 951 500 in shares of R2 each.

	18 months ended 31st December 1974	Year ended 30th June 1973
Coal sales - bank		
Coal sales - taxation	1 695 259	1 158 432
Coal sales - other	151 371	50 143
Coal sales - other taxation	169 370	128 425
Dividends		
Amount paid	862 156	595 910
Per share	195 644	—
	503 030	1 962 910

	1974	1973
Consolidated profit before taxation	R3 378 000	2 755 000
Taxation	R588 000	—
Consolidated profit after taxation	R2 790 000	2 755 000
Dividends		
Amount paid	R1 298 000	2 440 000
Per share	60	40

\* From 1st January 1974.

*In terms of the order made on 20th December 1973, the company on 1st January 1974 increased the issued share capital of Springfield Colliery Limited (Springfield) by means of a share exchange of one new 50c share for every two old shares of 25c held in Springfield, with effect from 1st January 1974.*

*Following its acquisition of Springfield, SACE became a subsidiary of The Witwatersrand Estates Limited and changed its name on 1st January 1974 to SACE.*

*In order to finance part of the capital expenditure required for SACE to build its abutment and conveyor for the supply of coal to Japan, the company issued R100 000 in July 1974 by means of a rights issue of 200 000 shares.*

**The Coronation Collieries Limited**

Year ended 31st December 1974.  
 Issued capital: R3 600 000 in shares of 50 cents each.

The company owns 65.45 per cent of the issued capital of Vryheid Coronation Limited.

	1974	1973
Coal sales ex Bank Colliery - bank	1 696 115	1 685 280
Coal sales ex Vryheid Coronation Limited - bank	569 660	641 319
Coal sales ex Vryheid Coronation Limited - bank	61 981	—
Consolidated profit before taxation	R1 127 000	2 326 600
Taxation	R1 355 000	2 271 000
Consolidated profit after taxation and deduction minority shareholders' interests	R2 165 000	2 122 000

	1974	1973
Dividends		
Amount paid	R685 000	2 412 000
Per share	8	8
Trade and other investments at cost	R921 000	2 912 000
Income derived from investments	R105 000	2 101 000

**Vierfontein Colliery Limited**

Year ended 30th June 1974.  
 Issued capital: R2 000 000 in shares of 50 cents each.

	1974	1973
Coal sales - bank	1 314 440	1 550 525
Profit before taxation	R472 000	2 556 000
Taxation	R159 000	2 190 000
Profit after taxation	R313 000	2 146 000
Dividends		
Amount paid	R80 000	2 200 000
Per share	7.8	8

**Wankie Colliery Company Limited**

Year ended 31st August 1974.  
 Issued capital: \$12 666 744 in shares of \$1 each.

	1974	1973
Sales:		
Coal - bank*	2 291 918	2 205 623
Coal - bank	266 709	246 717
Tax - bank	7 617 791	5 255 024
Profit before taxation	\$2 486 000	\$2 150 000
Taxation	\$491 000	\$540 000
Profit after taxation	\$1 995 000	\$1 610 000
Dividends		
Amount paid	\$1 520 000	\$1 667 000
Per share	12	11
Listed investments:		
Bank cost	\$1 208 000	\$1 231 000
Market value	\$665 000	\$1 150 000
Unlisted investments:		
Loans	\$1 491 000	\$5 693 000
Other	\$284 000	\$284 000

All financial figures are expressed in Rhodesian currency.  
 \*The difference of coal sales has been provided to enable coal supplies to the colliery and preparation plant. The previous year's figures have been adjusted accordingly.  
 \*At the Wankie Colliery certain extraordinary costs of \$600 000, which would normally have been charged to production costs, were capitalised.

In December 1974 the authorised capital was increased from \$20 000 000 in shares of \$1 each to \$26 000 000 in shares of \$1 each and the company intends to make a bonus issue of one new share for each ordinary share held in May 1975.

**Zuignuin Natal Collieries Limited**

Year ended 30th June 1974.  
 Issued capital: R7 000 000 in shares of 50 cents each.

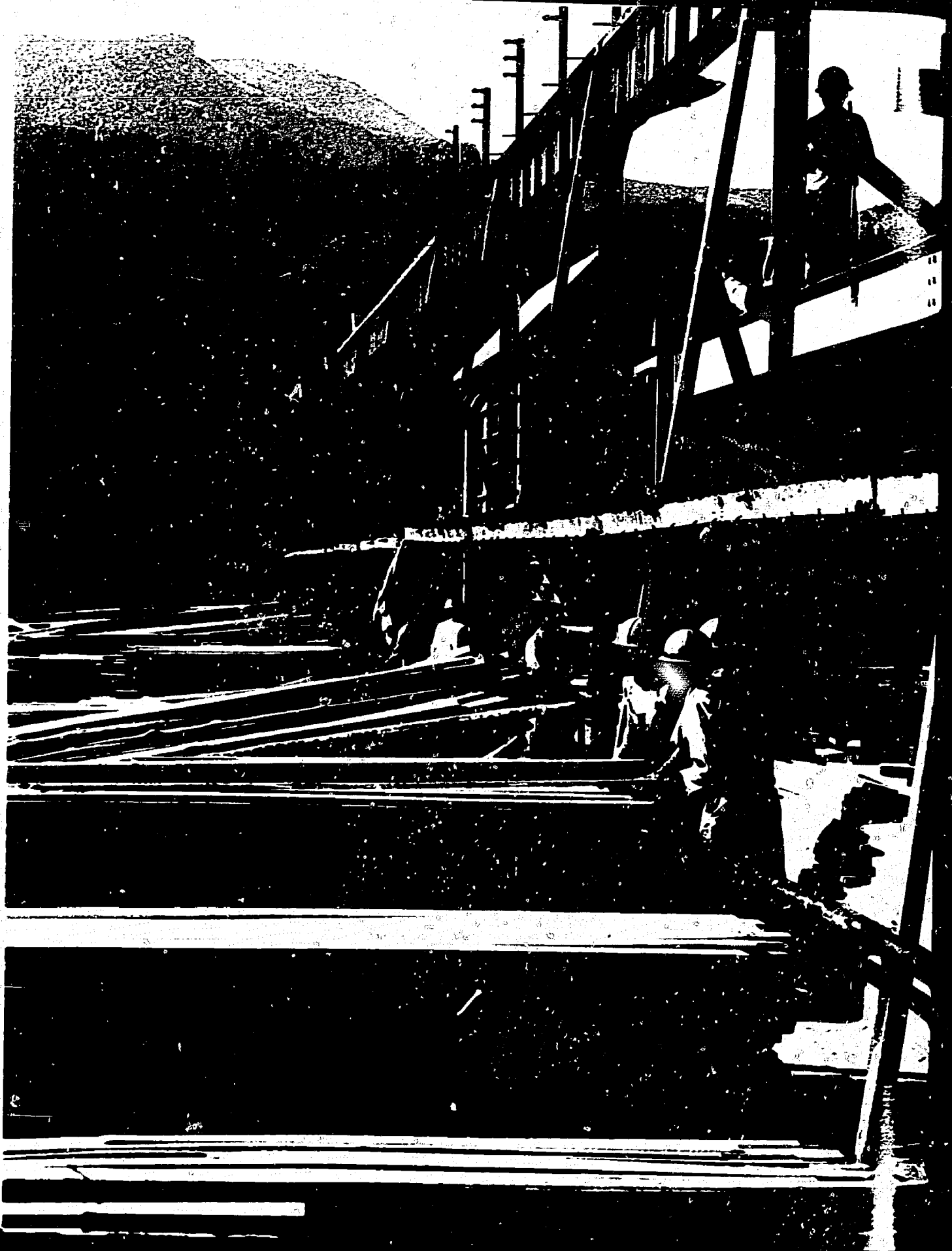
	1974	1973
Coal and coal sales - bank	R9 040	2 511 127
Consolidated profit before taxation	R121 000	2 100 000
Taxation	R148 000	2 000 000
Consolidated profit after taxation	R273 000	2 100 000
Dividends		
Amount paid	R238 000	2 200 000
Per share	17	18

\* Sales by the subsidiary company Indumeni Coal Mines Limited.

**Indumeni Coal Mines Limited**  
**Morupule Colliery (Proprietary) Limited**  
**Springfield Collieries Limited**  
**Swariland Collieries Limited**  
**Transvaal Coal Corporation Limited**  
**Vryheid Coronation Limited**  
**Witbank Coal Holdings Limited**

Administered outside the  
**Anglo American Corporation Group**

**Apex Mines Limited**  
**Blinkpan Koolmyne Beperk**  
**Coke Producers (Proprietary) Limited**  
**Trans-Natal Coal Company Limited**  
**Witbank Colliery Limited**



... from the wet mill being treated for the drying  
... Industries' smelter near Sable, eastern Tanzania.  
... group. And has now expanded its mill capacity  
... 270,000 tons a year.

## Industrial, commercial and financial

### Companies within the Anglo American Corporation Group

#### African Eagle Life Assurance Society Limited

This company, which was formed in 1901, is the largest life insurer in South Africa and is a leading insurer of group pension plans and industrial life business. It offers a full range of life assurance products, including conventional with profit policies, property and equity linked plans. Subsidiary life companies include Guarantee Life Assurance Company Limited and Southampton Assurance Company of Rhodesia Limited.

#### Anglo American Industrial Corporation Limited

This corporation (Aimco) was formed to consolidate the industrial holdings of the Anglo American Corporation Group and plays an active role in the provision of capital for industrial projects.

The corporation's principal interests are its three wholly owned operating subsidiaries, Bourn International Limited, Scan Metals Limited and S.A. Forest Investments Limited, while its investments range over those held within the South African economy.

Year ended 31st December 1973

Issued capital: R24,727,501 in ordinary shares of R1 each

	1973	1972
Assets including investments		
Assets of subsidiary companies	R125,760,000	R111,929,000
Net assets of listed companies	R19,105,000	R6,218,000
Net assets of unlisted companies	R50,999,000	R5,222,000
Consolidated profit before taxation	R19,640,000	R2,411,000
Consolidated profit after taxation	R17,192,000	R1,024,000
Consolidated profit after taxation and debenture interest	R18,464,000	R2,079,000
Dividends per share	116c	85c
Amount paid per share	R14,072,000	R12,231,000
Dividend cover	17.6	24.0

Consolidated subsidiary companies at 31st December 1973:

Anglo American Industrial Finance Company Limited\*

Anglo American Industrial Investments Limited\*

Aimco has the following wholly owned subsidiaries:

S.A. Forest Investments Limited

Bourn International (Proprietary) Limited which has the following subsidiary:

Bourn International (Proprietary) Limited 100.2 per cent owned

Bourn International Limited\*\*

Freight Services Holdings Limited (51.26 per cent owned)

Scan Metals Limited and Scan Metals Company (Proprietary) Limited\*

Scan Metals Limited\*

Clay Products Limited

Bourn Investments (Proprietary) Limited and Bourn Investments (Proprietary) Limited

Clay Products Limited

Bourn Investments (Proprietary) Limited and Bourn Investments (Proprietary) Limited

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Bourn Investments (Proprietary) Limited and Bourn Investments (Proprietary) Limited

limited changed its name to Bourn International Limited (Bourn) better to describe the international scope of its operations. Bourn, a wholly owned subsidiary of Anglo American Industrial Corporation Limited, is through its subsidiaries and associates, engaged in the manufacture and marketing of all types of diamond and tungsten carbide tipped drilling tools, and in surface and underground contract drilling and the provision of mining services to all major mining countries. Bourn has also established itself as a supplier of a wide range of tungsten carbide and diamond products to industry in Southern Africa and Australia.

During the year Bourn increased its holding and now has a 75 per cent interest in the Bourn group of companies, which conducts contract drilling and the manufacture and sale of drilling equipment on a world-wide basis.

The consolidated profit of the Bourn group, after taxation and minority shareholders' interests, was R9.62 million for the year to 31st December 1973, compared with R5.21 million for the previous year.

Bourn's major operating companies are Bourn Diamond Products (Proprietary) Limited, Bourn Drilling (Proprietary) Limited, Bourn Drilling and Contracting Rhodesia Limited, Bourn Hard Metals (Proprietary) Limited, Bourn Hard Metals (Europe) Limited, Bourn Hard Metals (Canada) Limited, Bourn Products Rhodesia Limited, Bourn Tools (Proprietary) Limited, Contractual Holdings Limited, Dikarib Limited, Longview International BV, Minifill Limited, The Deep Drilling Co. Limited, Wenzel GmbH.

#### Bruvnzeyl Plywoods Limited

The company manufactures veneers, plywood, block board, chipboard, veneered chipboard, cross grain timber, mouldings, laminated beams, wooden trusses, modular furniture and campuses.

Year ended 31st December 1973

Issued capital: R5,191,125 in 200,000 5c per cent cumulative preference shares of R2 each and 10,182,000 ordinary shares of 50 cents each, fully paid and 210,000 partly paid shares of 50 cents, 1 cent paid.

Share capital and reserves consolidated: R18,711,000

	1973	1972
Consolidated profit before taxation	R1,192,000	R1,277,000
Taxation	R1,206,000	2,000,000
Consolidated profit after taxation		
Minority interests and preference dividend	R1,811,000	R2,405,000
Earnings per ordinary share	18c	24c
Dividends (ordinary)		
Amount paid per share	R711,000	R,124,000

\*The company's 1973 financial year closed 28th March 1974 and 31st December 1973. The comparative figures for 1972 are for the year ended on that date.

The company is controlled by the Anglo American Industrial Corporation, which holds 66.29 per cent of the ordinary issued share capital.

#### Clay Products Limited

The company owns a factory near Bulawayo, Rhodesia,

producing a wide range of refractory products and earthenware pipes and fittings.

Year ended 31st March 1974

Issued capital: \$798,000 in shares of \$2 each

	1974	1973
Taxation	\$64,000	\$67,000
Profit after taxation	\$117,000	\$118,000
Dividends:		
Amount paid per share	\$18,000	\$20,000
	45c	50c

All amounts expressed in Rhodesian currency.

#### Computer Sciences Sigma (Proprietary) Limited

This company, in which the Anglo American Corporation Group has a 70.52 per cent shareholding, offers a wide range of computer services, including batch and remote job processing and remote computing through two well equipped bureaux. Systems development and support is provided by the technical services division and the company's hardware marketing subsidiary, Computer Advances (Proprietary) Limited, has had significant success with its products, particularly the Datapoint range.

#### Freight Services Holdings Limited

The Freight Services group provides services in shipping, clearing, forwarding, crating, container travel, developing air freight and ship agents.

During the year the company reduced its substantial investment in Mozambique by the disposal of part of its controlling interest.

Anglo American Industrial Corporation and Charter Consolidated Limited together hold 77.15 per cent of the equity of Freight Services Holdings.

#### G. & W. Holdings (Proprietary) Limited

This company, through its wholly owned subsidiaries, G. & W. Base and Industrial Minerals (Proprietary) Limited and G. & W. Industrial and Chemical Supplies (Proprietary) Limited, and Hudson Mining (Proprietary) Limited, is engaged in the mining, processing and marketing of a wide range of industrial minerals to a number of industries including the foundry, refractory, paint, rubber, plastic, oil drilling, chemical, ceramic, glass, agricultural and pharmaceutical industries. Its main processing plant is situated at Wadeville, Germiston, and it has a number of mining operations in various parts of the country.

It was the first company to supply chrome sand to the foundry industry in Europe. Substantial export sales have been generated with this product and a complete drying and logging plant has been established at Vlaspaert, Holland, from where total output between throughout Europe is achieved. Research and development in this business has been established in Brussels, Belgium.

Another subsidiary, Zinabon (Proprietary) Limited, produces zinc dust for the gold mines and the paint industry and zinc oxide for use in the rubber, paint, ceramic, pharmaceutical, agricultural and chemical industries at its factory near Berendse.

As a result of increasing its production capacity in the latter half of 1973, this company has increased its output by approximately 1,000 tons per annum and this places it in a strong position to bid and earn valuable export orders.

#### Guarantee Life Assurance Company Limited

Guarantee Life Assurance Company Limited operates under a licence to provide services in the field of life assurance and pension requirements and offers a wide range of

life assurance products including those linked to separate specialised property and equity investment portfolios. A wholly owned subsidiary, Guarantee Life Properties (Proprietary) Limited, has investments in several prime locations.

#### Highveld Steel and Vanadium Corporation Limited

Highveld Steel and Vanadium Corporation owns and operates an iron, steel and vanadium complex at Watbank in the Transvaal. Highveld, together with its wholly owned subsidiaries, Transvaal Vanadium Company (Proprietary) Limited and Ironstone Minerals (Proprietary) Limited, holds rights to proved iron ore reserves totalling some 120 million tons and, in addition, certain mineral leases in the course of reparation will vest in the group rights to a further estimated 20 million tons of ore.

The full ore requirements of both the steelworks and the Vanadia division are supplied by the corporation's Mysoshe mine at Kwa-Natal.

The performance of all sections of the steelworks during the financial year ended 30th June 1974 remains satisfactory with the steel plant achieving a new record output of continuous cast blocks in the rolling mill. The tonnage of sections rolled increased for the sixth successive year.

Net income for the full year ended 31st December 1974 was R7 512 000 (R5 154 000) against which a charge of R1 090 000 has been made in respect of a provision for deferred taxation in keeping with the policy adopted in 1971 June 1974 to create such a provision.

The fifth scheduled iron mine lease was commissioned in October, followed by the sixth in January 1974, some three months ahead of schedule.

A major expansion programme costing R60 million was recently announced which will increase steel production to more than three quarters of a million tons a year by 1979. The programme includes further facilities at both the iron and steel plants and the rolling mill.

Year ended 30th June 1974

	1974	1973
Share premium	R971 000	R770 000
Reserve for taxation	R31 168 000	R21 260 000
Reserve for undivided profits	R99 173 000	R93 592 000
Reserve for depreciation	R511 000	R2 456 000
Reserve for deferred taxation	R11 166 000	R7 195 000
Consolidated net income after taxation	R1 280 000	—
Dividends	R980 000	R7 195 000
Amount paid per share	R1 250 000	R7 195 000
Accumulated loss	R5 500 000	R20 000 000

Long-term loans of DM10 000 000 (approximately R18 200 000) and US\$3 000 000 (approximately R11 400 000), both of which attach rights to subordinated ordinary shares were raised in Europe in 1966 and 1967. Highveld has entered into forward exchange contracts with the South African Reserve Bank, securing the rate of exchange on payment of interest and repayment of the capital sums in respect of these loans.

The short-term loan of R5 000 000 (US\$1 000 000) was repaid on 30th May 1974 and was replaced by short-term loan facilities from Anglo American Corporation.

#### Hippo Valley Estates Limited

The company produces sugar, citrus and related products in Rhodesia.

Year ended 31st March 1974.

Issued capital: 50 000 000 in shares of 50 cents each.

	1974	1973
Profit after taxation	\$2 524 000	\$2 572 000
Dividends	—	—
Amount paid per share	\$1 597 000	\$1 452 000
Per share	12c	12c

All amounts expressed in Rhodesian currency.

#### Illings (Proprietary) Limited

The company imports and distributes Mazda passenger cars and light commercial vehicles, Komatsu earth moving equipment, Hitachi cranes and hydraulic excavators and Komatsu and Amere mechanical handling equipment. Mack heavy duty trucks are assembled at the company's plant in Lindenburg and the franchise for Mack off-highway trucks has recently been acquired.

The company is controlled by the Anglo American Corporation Group, which holds 77.05 per cent of the ordinary share capital and 99 per cent of the preference share capital.

#### Industrias de Caju Mocita S.A.R.L.

The company holds a licence to process 19 000 metric tons of cashew seed a year at João Belo in Mozambique. The company is the leading exporter of unroasted cashew kernels and by-products in Mozambique and has developed markets in more than 20 countries under the brand name of Mocita.

In addition the company's subsidiary, Industrias de Caju, Antanas S.A.R.L. operates a second factory at Antanas Ene, north of Beira, which holds a licence to process 15 000 metric tons a year.

The two factories will produce 340 000 cases of cashew kernels and 1 000 metric tons of CNSL a year at full licensed throughput.

#### LTA Limited

The LTA group is one of the largest building and civil engineering groups in Southern Africa. Its operations embrace commercial, industrial and residential building, industrialised building systems, steel fabrications, civil engineering in all its aspects, and sub-contracting activities for the building and civil engineering industries.

Year ended 30th June 1974.

	1974	1973
Issued capital	R5 177 355	R5 177 355
177 355 fully paid ordinary shares of R1 each	—	—
177 355 partly paid ordinary shares of R1 each (5 cents paid) (variable Share Incentive Scheme)	R5 177 355	R5 177 355
10 552 700 fully paid 10 per cent cumulative convertible redeemable preference shares of R1 each	R10 552 700	R10 552 700
State capital and reserves (consolidated)	R16 300 000	R16 300 000

	1974	1973
Consolidated profit	—	—
Before taxation	R5 145 000	R1 067 000
Less: taxation	R1 675 000	R1 295 000
Consolidated profit after taxation and deduction of minority shareholders' interests	R3 470 000	R2 772 000

	1974	1973
Losses on profits on sale of investments and fixed assets and amounts written off investments	R188 000	R12 000
Net asset value per ordinary share	109c	77c
Earnings per ordinary share	17c	12c
Dividends:	—	—
Ordinary shares:	—	—
Amount paid per share	R673 000	R5 177 355
Preference shares:	R1 052 700	R10 552 700

#### Mainstraat Beleggings (1965) (Eiendoms) Beperk

The company was formed in 1965 by Anglo American Corporation and the Federale Maatskappij General Mining Group for the purpose of investing principally in the fields of engineering and heavy industry. The company has interests in Highveld Steel and Vanadium Corporation Limited, Hill, Longmore and Company (Proprietary) Limited, International Pipe and Steel Investments S.A. (Proprietary) Limited, Suezair & Boud of South Africa Limited and Unico Cement and Wagon Company (Proprietary) Limited.

#### Mondi Paper Company Limited

The company's share capital is held by the Anglo American Corporation and De Beers groups and by Johannesburg Consolidated Investment Company Limited.

Mondi operates a paper mill at Merelani, Durban, comprising a groundwood mill, two highspeed paper machines and a paper finishing department.

#### Premier Finance Corporation (Proprietary) Limited

The principal activities of the company is the provision of instalment credit facilities and medium term finance. A subsidiary company, First Consolidated Leasing Corporation Limited, specialises in the leasing of movable assets.

#### Rhodes Fruit Farms Limited

On its extensive estate in the Great Drakensberg Valley of the Western Cape, the company grows quantities of fruit for sale on the South African and export markets and for canning in its own factory. A pure fruit juice plant was brought into operation during 1974. It also produces wine and table grapes and is in the process of developing a major peppy and a dairy herd in the nucleus of a livestock section.

#### Scaw Metals Limited

The company, which is a wholly owned subsidiary of Anglo American Industrial Corporation Limited, operates in three major fields namely:

(a) Ferrous and non ferrous castings.

(b) Rolled steel products in the merchant line and in the grinding media for mining and steel making.

The cast ferrous products include castings for components such as freight car wheels and locomotive wheels.

The profit after tax of the Scaw Metals group of companies for the year ended 30th June 1974 was R9 119 000 compared with R7 102 000 in 1973. The company has investments in Highveld Steel and Vanadium Corporation Limited, Ferro-Steel Industries (Proprietary) Limited and Manufacturing Private Limited.

### Seetvle Farms Limited

The company was formed to consolidate and develop the farming interests of the Anglo American Corporation and De Beers groups. Its operations embrace a wide range of activities, including the growing of maize, wheat and other cereal crops, raising and fattening of cattle, pigs and sheep and milk production over large areas of the Transvaal, Orange Free State, Northern Cape and Rhodesia. Debshan Ranches (Private) Limited, a wholly owned subsidiary, has an extensive cattle ranching operation near Gwelo, Rhodesia. Dawn Orchards Limited, another wholly owned subsidiary, produces tomatoes, a range of vegetables and tropical fruits under irrigation in the north of the northern Transvaal.

### S.A. Forest Investments Limited

The S.A. Forest Investments group of companies is the largest integrated plantation and sawmilling operation in South Africa. The group owns extensive timber plantations and operates sawmills in the Eastern Transvaal and Natal, and also manufactures forest built houses.

The company holds approximately 95 per cent of the equity of Forest Industries and Veneers Limited, which owns the entire issued share capital of Peak Timbers Limited. Peak Timbers in turn owns under franchise and operates a sawmill in Swaziland.

### The Natal Tanning Extract Company Limited

The company owns 5000 hectares of forest land in the north eastern Transvaal and Natal which is planted mainly in wattle with smaller areas under pine, gum, rubber, sugar cane and phormium. The principal operations are the production of tanning extract from wattle bark and three factories are operated for this purpose. In addition certain by-products, including approximately 50000 tons of wattle timber a year, are produced.

This forest land area was recently increased by the acquisition of the woodlands division of Moredun Paper Mills (Pty) Limited.

### Transalloys (Proprietary) Limited

The company, in which the Anglo American Corporation Group has a 65 per cent shareholding, produces manganese alloys at a plant near Witbank, Transvaal. The remaining 35 per cent interest is held by Philipp Brothers AG, Switzerland.

### Vereeniging Refractories Limited

The company manufactures a wide range of refractory products at the Main Works, Vereeniging, and the Southern Works, Springs. The main consumers of refractories are the steel, ferro-alloys, glass, cement and copper industries. Other products manufactured include sulphur earthenware pipes and fittings, building pipes and wall or pre-stressed beams and linings.

The manufacture of concrete roofing products is undertaken by subsidiaries, Vereeniging Tiles Limited, Pretoria and Benoni and Coconation Concrete Tiles (Pty) Limited at Durban. A new company, Vereeniging Tiles (Pty) Limited, which is wholly owned by Vereeniging Tiles Limited and Coconation Industries Limited, is being formed to take over the roofing tile operations in the Witwatersrand.

Witwatersrand Pipes Limited, jointly owned with Cullinan Refractories Limited, produces earthenware sewer and drainage fittings in a modern plant established at Witwatersrand. Vereeniging Bulk raw material requirements of the company are supplied by the wholly

owned subsidiaries Mingo Mineral Company (Pty) Limited and Refractory Minerals (Private) Limited which operate quarries in the Republic of South Africa and Rhodesia, respectively. Mopani Magnesite (Pty) Limited, jointly owned with Cullinan Minerals Limited, has recently commenced the mining of magnesite in the Northern Transvaal.

Year ended 31st December 1974  
Issued capital: R15 000 000 in 500000 ordinary shares of 30 cents each and 500000 5 per cent cumulative non-redeemable preference shares of R2 each  
Share capital and reserves consolidated: R18 810 000

	1974	1973
Fixed assets less depreciation	R19 576 000	R15 328 000
Group profit before taxation	R1 110 000	R5 208 000
Taxation	R1 162 000	R1 913 000
Group profit after taxation and deduction of minority shareholders' interests and preference dividend	R2 408 000	R2 597 000
Earnings per ordinary share	48c	52c
Dividends (ordinary)		
Amount paid	R1 800 000	R1 800 000
Per share	36c	36c

\*Earnings per ordinary share is stated before the deduction of non-redeemable preference shares of R2 each.

### Acme Timber Industries Limited

### Boart International Luxembourg S.A.H.

### Bowater Associated Industries (Proprietary) Limited

### Central Reserves (Proprietary) Limited

### Central Reserves (Rhodesia) (Private) Limited

### Debshan Ranches (Private) Limited

### Dewhurst Fresh Foods Limited

### Eastern Transvaal Timber Company (Proprietary) Limited

### Ewing McDonald & Company Limited

### Fletcher Bright Steels (Proprietary) Limited

### Forest Industries and Veneers Limited

### Gerencia Industrial Limitada

### Industrial Metal Products (1972) Limited

### Industrias de Caju, Antenas S.A.R.L.

### Peak Timbers Limited

### R.N.F.E. (Private) Limited

### Scaw Limited

### Shaft Sinkers (Proprietary) Limited

### Simooma Estates Limited

### Zamango Industrial Corporation Limited

## Companies outside the Anglo American Corporation Group

### AE & CI Limited

The company produces mine explosives and accessories, a wide range of plastics, heavy chemicals for industrial and agricultural use, vinyl products and animal health-care. Its main factories are situated in Modderfontein, Noodburg, Norderst West and Uitenhageville. A subsidiary company manufactures

phosphatic fertilizer and industrial chemicals in Rhodesia. Other major investments include 100 per cent in Protea Plant Holdings (Proprietary) Limited (50 per cent of this was acquired from Protea Holdings Limited with effect from 1st October 1974), 100 per cent in Danopona Holdings (Proprietary) Limited (acquired during 1974), 68 per cent in Rand Carbide Limited and 49 per cent in Incovert Fertilizer (Proprietary) Limited. In addition the company was party to an arrangement in terms of which the outstanding shares in Debsa Holdings Limited and Pan Textiles Limited were acquired by South African Nylon Spinners (Proprietary) Limited in exchange for the issue of AE & CI shares. The Pan and Debsa shares so acquired were in turn sold to South African Nylon Spinners in exchange for new shares in that company. As a result of this transaction AE & CI's investment in South African Nylon Spinners has increased from 15 per cent to 29.2 per cent. The large new coal based ammonia plant at Modderfontein was brought into use in December 1974. A coal based chemical complex for the production of PVC and a range of other chemical products is to be constructed at Sasolburg at an estimated cost in excess of R200 million and is scheduled to be completed in 1977.

Year ended 31st December 1974  
Issued capital: R59 000 000 in 5000000 5 per cent cumulative preference shares of R2 each and 181 000 350 ordinary shares of R1 each  
Share capital and reserves consolidated: R188 677 000  
Fixed capital: R57 500 000

	1974	1973
Book value of fixed assets	R216 352 000	R177 704 000
Trade investments at cost	R27 468 000	R28 824 000
Net asset value per ordinary share	R2.19	R2.00
Consolidated profit before taxation*	R17 417 000	R20 575 000
Taxation*	R12 456 000	R16 704 000
Consolidated profit after taxation, deduction of outside shareholders' interests and preference dividend	R26 107 000	R22 128 000
Earnings per ordinary share	11.5c	12.5c
Dividends (ordinary)		
Amount declared	R11 551 000	R12 824 000
Per share	11.7c	12c

\*Note: Profit before taxation includes dividends from joint ventures which have been shown at the cost of the investments. Taxation has been calculated on the same amount as for the above period.

\*After deducting for the amount of dividends from joint ventures which have been shown at the cost of the investments.

The interest declared of 6 cents per share per annum was paid on the 1st January 1975 and the final dividend of 12 cents was paid on the 15th December 1974. The 1974 dividend was paid on the 15th December 1974 and the 1973 dividend was paid on the 15th December 1973.

### African Products Manufacturing Company Limited

The company produces a wide range of consumer goods, including detergents, glassware and kitchenware products. It is situated in Durban, Natal, and is owned by African Products Limited, Durban, Transvaal, Rhodesia and Natal. The company is a subsidiary of Anglo American Corporation Limited. Year ended 31st September 1974  
Issued capital: R100 000 000 in 10000000 100 cent shares of R10 each  
Share capital and reserves consolidated: R100 000 000

	1974	1973
Consolidated profit before taxation	R2 221 000	R2 220 000
Taxation	8922 000	8422 000
Consolidated profit after taxation and deduction of minority shareholders' interests	R2 000 000	R2 150 000
Dividends		
Amount paid	R1 020 000	R600 000
Per share	25c	22c

**Barlow Rand Limited**

An industrial financial and investment company which owns a group comprising a large number of subsidiaries and administered associate companies operating throughout southern Africa and in Europe. The principal interests and activities of the group include mining and quarrying, primary and secondary manufacturing, commercial property, investment, and the distribution and merchandising of a diverse range of products to all sectors of the national economies.

Incorporated 26th September 1974  
 Issued capital: R100 000 000 in 1 000 000 ordinary shares of R2 each and 10 000 000 preference shares of 10 cents each, fully paid and 2 172 000 ordinary shares of 10 cents each, unpaid.

Consolidated reserves (consolidated) R217 700 000 1974

	1974	1973
Retained profits	R245 121 000	R228 324 000
Minority shareholders' interests	R217 170 000	892 120 000
Shareholders' interest	R22 000 000	R22 000 000
Reserves	R464 291 000	R310 244 000
Consolidated profit before taxation	R2 221 000	R2 220 000
Taxation	8 922 000	8 422 000
Consolidated profit after taxation and deduction of minority shareholders' interests	R2 000 000	R2 150 000
Dividends		
Amount paid	1 020 000	600 000
Per share	25c	22c

**Chemical Holdings Limited**

Chemical Holdings is the holding company of a group which provides a complete service to industry in Southern Africa. Its activities include the manufacture and distribution of PVC chemicals in many forms, but also the provision of a expert service on the uses of the chemical, and their application to various industrial processes. The company supplies a wide range of chemicals including dyestuffs, for the colouring of dyes to textiles and dyeing chemicals, as well as the paper industry, detergents, various process chemicals and many others of scientific application in industry.

Incorporated 16th June 1974  
 Issued capital: R10 000 000 in fully paid shares of R1 each and 10 000 000 preference shares of 10 cents each, fully paid.

	1974	1973
Consolidated profit before taxation	R1 111 000	R1 111 000
Taxation	444 400	444 400
Consolidated profit after taxation and deduction of minority shareholders' interests	R666 600	R666 600
Dividends		
Amount paid	666 600	666 600
Per share	66c	66c

	1974	1973
Consolidated profit before taxation	R1 151 026	848 000
Taxation	842 100	817 530
Consolidated profit after taxation and deduction of minority shareholders' interests	R308 926	30 470
Dividends		
Amount paid	R292 700	R292 000
Per share	10c	15c

Incorporated 1st March 1974. The company raised additional funds totalling R1 527 102 by means of a rights issue of limited units consisting of shares and convertible notes. As a result the issued ordinary capital at 31st March 1974 was R1 527 102 in fully paid shares of R1 each.

**Industry Limited**

The company operates spinning and weaving plants utilizing cotton and synthetic fibres in Port Elizabeth, Rawsonville and other types of fabrics are manufactured by the rubber industry, as well as industrial fabrics. A wholly owned subsidiary in Cape Town operates a yarn dyeing and weaving plant and manufactures a wide range of textile products.

**International Pipe and Steel Investments South Africa (Proprietary) Limited**

International Pipe and Steel Investments South Africa (Proprietary) Limited (IPSA) was formed by Anglo American Corporation of South Africa Limited, South African Iron and Steel Industrial Corporation Limited (Sais), Mellon Investments Limited (Mellon), African Gate Holdings Limited and British Steel Corporation to regroup their interests in Vanderbil Engineering Corporation Limited, Dorman Long (Africa) Limited and Scientific Blocks of South Africa Limited. IPSA has a 51 per cent interest in Scientific Blocks and 48 per cent of Dorman Long Vanderbil Corporation Limited. Anglo American Corporation Group companies hold approximately 15 per cent of the issued capital of IPSA, approximately 33 per cent is held by British Steel Corporation and the balance of 30 per cent is held by Mellon and African Gate Holdings Limited.

**McCarthy Railway Limited**

The group is the largest general motor organization in South Africa and includes Atlasbus Cities Motors Limited, Olympic Motors Limited, Lyndale's Motors (Proprietary) Limited, Macgrippe Investments Limited, Lyndale's Distributions Limited, McCarthy's Motorized Investments Limited, Paces Motors Limited and various limited through African states. The group has recently acquired the entire issued share capital of John B. Clarke Motor Company (Proprietary) Limited which handles the Datsun franchise in Johannesburg, Kimberley and Namibia.

McCarthy Main Holdings Limited a wholly owned subsidiary of the company and the Anglo American Corporation Group. During the year to 30th June 1974 the 70 per cent holding of the ordinary share capital and the 99.91 per cent holding of the preference share capital of Hings (Proprietary) Limited (Hings) were distributed in specie to the company's shareholders by way of a reduction in share premium account to the company. McCarthy Main holds a 50 per cent interest in Metal Holdings (Proprietary) Limited which in turn has a controlling interest of 77.187 per cent in Metal

Investments Limited (formerly Anglo Engineering Limited). Metal Investments is the sole South African distributor for Carter International Limited of New York, and manufacturer of air conditioning, refrigeration, industrial heating and ventilation equipment and truck bodies for Toyota and Mazda vehicles. McCarthy Main holds 15 per cent of the equity of Anglo Terminals Limited.

Year ended 30th June 1974  
 Issued capital: R7 198 825 in 14 197 650 ordinary shares of 50 cents each and 150 000 50 per cent cumulative preference shares of R2 each.  
 Share capital and reserves (consolidated) R21 107 000

	1974	1973
Consolidated profit before taxation	R5 000 000	R7 000 000
Taxation	R1 275 000	R2 000 000
Consolidated profit after taxation and deduction of outside shareholders' interests in subsidiaries and preference dividends	R2 915 000	R2 520 000
Earnings per ordinary share	204c	179c
Dividends (ordinary)		
Amount paid	R1 130 000	R900 000
Per share	80c	72c

Approved by directors and auditors on 30th April 1975.

**South African Board Mills Limited**

The company produces paper and soft base paper, and operates a sugar mill in Melville in Natal. A substantial interest is held in Ralmurrah SA (Proprietary) Limited which utilizes soft base paper for conversion into floor coverings, roofing tiles and dampers.

Year ended 30th April 1974  
 Issued capital: R4 987 500 in 997 500 ordinary shares of 50 cents each and 200 000 six per cent cumulative preference shares of R2 each.  
 Share capital and reserves (consolidated) R10 020 000

	1974	1973
Consolidated profit before taxation	R1 172 000	R1 200 000
Taxation	R460 000	500 000
Consolidated profit after taxation and preference dividends	R2 119 000	R1 200 000
Earnings per ordinary share	255c	240c
Dividends (ordinary)		
Amount paid	R900 000	500 000
Per share	45c	25c

\*After providing R500 000 (1973: R600 000) for consolidation.

**Stafford Mayer Company South Africa Limited**

The company operates as an investment company, managing agents, and as secretaries and transfer agents to South African Board Mills Limited. The company also holds a 60 per cent interest in Anglo American Corporation Group Limited, 100 per cent of the issued share capital of this company.

**The Tongaat Group Limited**

The company was formed at the beginning of 1974 and was specifically involved in the purchase of sugar until 1965, when it diversified its operations to include food, clothing, property and construction. The group consists of the following divisions:

# Property

## Administered within the Anglo American Corporation Group

### Anglo American (O.F.S.) Housing Company Limited

The company provides housing in the Orange Free State for employees of associated companies. At 31st December 1974 the cost of lands, houses, flats and houses owned by the company amounted to R28 146 407.

### Anglo American Properties Limited

Amprop has a well diversified spread of investments both as to type and geographical location with a gross asset value in excess of R100 million. It has interests in completed buildings and developments under construction in most major cities of South Africa including office and shopping complexes, hotels, parking garages, retail shopping complexes and residential and holiday apartment blocks. In addition it has land holdings and township developments in the Transvaal and Natal and is developing a national residential marina, the first in South Africa, at Muizenberg, Cape.

During the year to 28th February 1974 the company raised additional capital amounting to R15 700 000 by means of a rights issue of 11 700 000 seven per cent cumulative convertible redeemable preference shares of 50 cents each.

Holders of the preference shares have the right during the month of June in each of the years 1974 to 1979 inclusive to apply for the conversion of their preference shares into ordinary shares of the company on the basis of one fully paid ordinary share ranking pari passu with the existing issued ordinary shares of the company for every two preference shares surrendered for conversion, equivalent to an issue price of 100 cents an ordinary share.

Year ended 28th February 1974

Issued capital: R31 000 000 in 10 000 000 ordinary shares of 50 cents each, 10 000 000 deferred ordinary shares of 50 cents each and 11 700 000 seven per cent cumulative convertible redeemable preference shares of 50 cents each.

Share capital and reserves consolidated: R41 090 000

Fixed term liabilities	
Redeemable first mortgage debentures	R19 900 000
First mortgage bonds	3 435 000
Unsecured loans	25 270 000
	<u>R48 605 000</u>

	1974	1973
Book value of fixed assets	R55 428 000	488 820 000
Market value of fixed assets		
Investments	R50 000 000	200 000 000
Book cost of fixed investments	R1 000 000	21 000 000
Book cost of intangible investments	R11 000 000	110 000 000
Consolidated profit after taxation and other taxation credits and adjustments	R1 000 000	20 000 000
Reserves	R27 000 000	157 820 000
Consolidated profit after taxation and other taxation credits and adjustments	R27 000 000	157 820 000

\* The above figures are consolidated figures for the company and its subsidiaries and do not include the results of the company's investments in other companies.

Specialist machinery (Forgan Sugar Limited).  
 Building materials (Geonation Industrials Limited).  
 Physics and electrical engineering (Forgan Investments Limited).

Food and feeds (Moreland Foods and Feeds (Proprietary) Limited).

Textiles (David Whitehead and Sons (S.A.) Limited).

The assets of the company's investments include the following: a 24.5 per cent interest and 50 per cent control in Helden Corporation Limited, a 28 per cent interest in Hupack Products (Proprietary) Limited, a 44 per cent interest in Gypsum Industries Limited and a 100 per cent interest in Salmat Limited.

Year ended 31st March 1974

Issued capital: R15 188 700 in 11 021 550 ordinary shares of R1 each fully paid, 441 000 ordinary shares of R1 each, 5 cents paid and 2 145 000 64 per cent convertible cumulative preference shares of R1 each.

Share capital and reserves consolidated: R70 840 000

	1974	1973
Book value of fixed assets	R67 384 000	R65 587 000
Market value of fixed assets		
Investments	R6 893 000	R5 118 000
Book cost of fixed investments	R1 500 000	R1 280 000
Book cost of intangible investments		
Consolidated profit after taxation and preference dividends	R5 143 000	R1 748 000
Reserves		
Amount paid	R2 494 000	R2 012 000
Per share	193c	16c

\* The company controls and controls of Helden Corporation Limited and of South Investments Limited through its subsidiaries (Proprietary) Limited.

The 1974 dividend of 193 cents was payable on ordinary shares of R1 each on 1st August 1974 on terms of a 10 per cent accumulation fund. The 1973 dividend of 16 cents was payable on 1st August 1973.

### The Union Steel Corporation of South Africa Limited

The company owns steel works at Vereeniging where it produces hot-rolled, forged and cast steel products including copper and aluminium coatings and wire. It also owns subsidiary, Veldmaeder (Proprietary) Limited, which manufactures agricultural dies and other engineering parts.

The company's wholly owned subsidiary, Uco (Proprietary) Corporation (Proprietary) Limited, operates a continuous wire and conductor plant at Richards Bay.

Year ended 31st December 1974

Issued capital: R15 000 000 in 20 000 000 ordinary shares of 50 cents each, 125 000 preference 'A' shares of R2 each and 125 000 preference 'B' shares of R2 each.

Share capital and reserves consolidated: R40 812 000

	1974	1973
Book value of fixed assets	R11 078 000	R29 964 000
Market value of fixed assets		
Investments	R6 218 000	R1 142 000
Book cost of fixed investments	R1 118 000	R57 000
Book cost of intangible investments		
Consolidated profit after taxation and other taxation credits	R5 000 000	R7 750 000
Reserves		
Amount paid	R1 600 000	
Per share	25c	

### Union Carriage and Wagon Company (Proprietary) Limited

The company is the lowest single supplier of railway

passenger coaches and electric locomotives to the South African Railways and produces rolling stock for sale to other railway authorities and private operators in Southern Africa. The company also supplies industrial diesel coaches and diesel locomotives and has recently diversified into the manufacture of labour built modular buildings.

During 1974 the company fulfilled its first important export order to Angola and, in conjunction with GEC (London) of Britain, obtained an order worth R6 million for the construction of 20 25 kV AC electric locomotives for Taiwan.

The company has achieved a high level of local content in the rolling stock it produces for the Railways.

- Alex Holdings Limited
- Atkinson Oates Motors Limited
- Barrats Industries Limited
- Border Forests (Rhodesia) Limited
- Carlton Hotels Limited
- Consolidated Share Registrars Limited
- C.T. Bowring and Associates Holdings (South Africa) Limited
- Cullinan Holdings Limited
- Gallo (Africa) Limited
- Hall, Longmore and Company Limited
- Hogariths Limited
- Ipsom Limited
- J.L. Clark and Company Limited
- Karina (Private) Limited
- McCarthy-Main Holdings Limited
- Middleburg Steel and Alloys (Proprietary) Limited
- Oranje Koelkamers Beperk
- Premier Portland Cement Company (Rhodesia) Limited
- Rheem South Africa (Proprietary) Limited
- Rhodesian Alloys Limited
- Ropes and Matings Holdings Limited
- South African Nylon Spinners (Proprietary) Limited
- Stewarts & Loyds of South Africa Limited
- Terra Chemicals International Inc.
- The Ridgeway Hotel Limited
- The Rhodesian Iron and Steel Company Limited
- The Rhodesian Milling Company Limited
- Zambia Breweries Limited

Other

\*The amount of R2811,000 was provided for extraordinary items, mainly for the carrying down of the value of properties and buildings.

**Carlton Centre Limited**

This company owns the Carlton Centre in the central business district of Johannesburg. This complex, which is one of the finest commercial building developments in the world, comprises a 40-storey office tower, a 10-storey international law hotel, two department stores, approximately 100 retail shops, an internationalised sea tank, and covered parking facilities for 2,000 cars.

Year ended both June 1974  
 Issued share capital: R118111,50 in 28,100,000 ordinary shares of 50 cents each  
 Loan capital: R14,000,000, 7% per cent first mortgage convertible debentures 1979-1980, fully paid. R10,000,000 7% per cent second mortgage debentures 1977-2001 fully paid.

	1974	1973
Book value of trust assets	R79041,000	R77,617,000
Operating profit (loss)	R2,704,000	(R11,400,000)
Consolidated loss before taxation	R2,111,000	R2,122,000*
Taxation	R0,000	R11,000
Consolidated loss after taxation and deduction of minority shareholders' interests	R2,091,000	R2,222,000
Accumulated loss	R5,024,000	R5,965,000

**Marina da Gama Limited**

Marina da Gama, the first residential marina development in Africa, will comprise a waterfront township extending over 200 hectares and providing 5,000 houses and flats for an estimated 15,000 people. Subject to the successful outcome of negotiations with the Central Government for a subsidy, the intended developers are an ocean front, linked through a deep-water channel and breakwaters to Table Bay, providing full mooring and servicing facilities for over 500 ocean-going recreational boats and a further 1,000 boats in a linked residential water area. An 18-hole golf course with country houses will ascend the hillside and landscaped parks and houses around Sandhills, an inland lake. The first sales of houses and plots in the lake village area commenced in August 1974.

**Suez Limited**

Suez is a property investment company, and through its subsidiary companies, has interests in commercial, residential, township and industrial developments.

The company concentrates on central city property developments mainly in Johannesburg, Pretoria and Cape Town and at both June 1974 completed buildings in which the company had a major investment consisted of almost 200,000 square metres of office space, 10,000 square metres of retailing space and 17,000 residential units and six cinemas.

During the year the issued ordinary share capital of the company was increased, as a result of the conversion of 87,000 deferred 'A' shares of R1 each into 87,000 ordinary shares of R1 each and the placement of 174 ordinary shares of R1 each to holders of options on 27th March 1974. 558,500 deferred 'B' shares of R1 each were issued at a premium of 15 cents a share in exchange for 71 shares of R1 each in and for a company holding R388,251 issued Suez Properties (Water Lane Street) (Proprietary) Limited on 14 July 1974.

50,000 'B' shares of R1 each were converted to rank as ordinary shares of R1 each.

Year ended both June 1974

Issued share capital: R22,497,255 in 21,751,719 ordinary shares of R1 each, 50,000 ordinary deferred 'B' shares of R1 each, 116,976 ordinary deferred 'C' shares of R1 each, and 558,500 ordinary deferred 'D' shares of R1 each.

Share capital and reserves (consolidated): R64,726,000.

	1974	1973
Land, buildings, equipment and investments (gross)	R99,902,000	R94,109,000
Consolidated profit before taxation	R1,462,000	R2,882,000*
Taxation	R1,324,000	R1,971,000*
Consolidated profit after taxation and deduction of minority shareholders' interests	R1,120,000	R2,518,000*
Dividends paid	R1,847,000	R2,422,000*
Per share	KS	11,75%

\*The comparative figures are for the thirteen months period ended both June 1973.

**Amaprop McCarthy Investments Limited**

**Annercosa Land and Estates Limited**

**Anglo American Property Leasing Limited**

**Bay Passage Investments Limited**

**Bryanston Hobart Shopping Centre (Proprietary) Limited**

**Cabana Beach Development (Proprietary) Limited**

**C.D.L. Properties (Durban) (Proprietary) Limited**

**Chatter Properties (Private) Limited**

**Creative Homes Limited**

**Crescent Developments (Proprietary) Limited**

**Exchange Buildings (Proprietary) Limited**

**Isipingo Property Investments Limited**

**Kenilworth Centre (Proprietary) Limited**

**La Lucia Property Investments Limited**

**Orange Free State Land and Estate Company (Proprietary) Limited**

**Sabel Developments (Proprietary) Limited**

Administered outside the

Anglo American Corporation Group

Mainplace Holdings Limited

**BANKING AND TRUST COMPANIES**

Administered outside the Anglo American Corporation Group

**Nedbank and Syfrets-UAL Holdings Limited**

The company (Nedbank) is a banking and financial services holding company. Nedbank was formed as a result of the merger between Syfrets and UAL Holdings Limited (Syfrets, Nedbank Limited and Syfrets Limited) which was effective from 1st October 1973. Syfrets was in turn created during the last half of 1973 through the merger of The Syfrets and South African Trust Companies Limited and UAL Holdings Limited.

Year ended both September 1974  
 Issued capital: R65,911,134 in 85,000,000 high paid shares of R1 each, 16,710,000 shares of R1 each, 1 cent paid and 2,744,022 shares of R1 each 2 cents paid.

Share capital and reserves (consolidated): R143,898,000.

	1974	1973
Total assets	R1,722,506,000	R1,628,422,000
Consolidated profit after taxation and deduction of minority shareholders' interests	R21,116,000	R21,806,000
Earnings per share	25.2	25.5
Dividends		
Amount paid	R12,024,000	R7,729,000
Per share	14	9

\*The comparative figures for 1973 cover the nine month period to both September 1973.

**Bahamas International Trust Company Limited**

**Banco Standard-Totta de Mocambique S.A.R.L.**

**Banco Totta-Standard de Angola S.A.R.L.**

**Barclays National Bank Limited**

**British and Rhodesian Discount House Limited**

**Cayman International Trust Company Limited**

**Compagnie Financière de Paris et des Pays-Bas**

**Founders Building Society**

**National Finance Corporation of South Africa**

**Rhodesian Acceptances Holdings Limited**

**Standard Bank Investment Corporation Limited**

**The Discount House of South Africa Limited**

**PROSPECTING**

Administered within the Anglo American Corporation Group

Anglo American Prospecting Company Limited  
 Anglo American Prospecting Company (South) Limited

Anglo American Prospecting Services (Proprietary) Limited

Annercosa Canadian Exploration Limited

Australian Anglo American Searches Limited

Australian Anglo American Ventures Limited

Kalbarrian Metal Holdings (Proprietary) Limited

New Middlebridge Limited

Prospecting Ventures Limited

Seethridge Limited  
Swakop Exploration (Proprietary) Limited  
Tuli Exploration (Proprietary) Limited  
Valley Exploration and Mining Company Limited  
Zamango Exploration Limited

Administered outside the  
Anglo American Corporation Group

Balfinland Iron Mines Limited  
Cape Verde (Proprietary) Limited  
Syndicat de Recherches de Nord-Andriamena

Anglo American Gold Development Company Limited  
Anglo American International (U.K.) Limited  
Anglo American International Services (Proprietary) Limited  
Anglo American (Rhodesian Services) Limited  
Anglo Botswana Services (Proprietary) Limited  
Anglo Charter International Services Limited  
Anmercosa Computer Services Limited  
Anmercosa Sales Limited  
Anmersales A.G.  
Australian Anglo American Services Limited

GENERAL INVESTMENT

Administered within the  
Anglo American Corporation Group

Ansell (Canada) Limited  
Compagnie Financiere Eurafrique  
Epoch Investments Limited  
Eurango (Proprietary) Limited  
Lydenburg Holdings Limited

Administered outside the  
Anglo American Corporation Group

First Union General Investment Trust Limited

SUNDRY COMPANIES

Administered within the  
Anglo American Corporation Group

Anglo American Rhodesian Development Corporation Limited

The company's main source of income is the hiring of mine stock, originally purchased for \$15.5 million in 1952, to the Rhodesia Railways under long term lease arrangements. In addition, it administers as independent operating divisions, the Maswe Curus and near Salibani and substantial forestry estates in the Eastern Highlands.

Inter-Mine Services O.F.S. (Proprietary) Limited

The company supplies stores and materials to certain Anglo American Corporation Group gold mining companies in the Orange Free State and the Transvaal. Such operations are financed by the companies concerned.

Anglo American Corporation (Central Africa) Limited

Anglo American Corporation Management and Services A.G.

Anglo American Corporation Services Limited

# Statutory and other information

## (a. Special resolutions passed by subsidiary companies

### ANGLO AMERICAN CORPORATION (CENTRAL AFRICA) LIMITED

29.11.74 Amendment to articles of association to empower directors to appoint and to determine the remuneration and duties of a managing director.  
(b) Re-numbering certain clauses in the articles of association.

### ANGLO AMERICAN PROPERTY LEASING LIMITED

22.7.74 (a) Change of name from Anglo American Leasing (Proprietary) Limited.  
(b) Company converted from a private to a public company.

### ANGLO AMERICAN PROSPECTING COMPANY LIMITED

11.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

### ANGLO AMERICAN PROSPECTING COMPANY (SOUTH) LIMITED

11.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

### ANSELL HOLDINGS (PROPRIETARY) LIMITED

12.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

### ANSELL (CANADA) LIMITED

10.4.74 Amendment to articles of association relating to directors' qualifications.

### CELIO SECURITIES LIMITED

10.4.74 Amendment to articles of association relating to directors' qualifications.

### EGRET INVESTMENTS LIMITED

12.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

17.12.74 Reduction of capital by repayment of the share premium account.

### HD DEVELOPMENT LIMITED

15.8.74 Company placed in liquidation.

### LS PROPRIETIES (PROPRIETARY) LIMITED

12.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

12.12.74 Reduction of capital by repayment of the share premium account.

### MAROKAM HOLDINGS LIMITED

12.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

### ORIOLE INVESTMENTS LIMITED

12.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

### RHOCHAR HOLDINGS LIMITED

12.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

### THATON LIMITED

12.9.74 Amendment to articles of association to empower directors to deal with premiums on shares which arose between 1.1.51 and 11.12.71.

## (b) Shareholdings

The interests of the present directors and alternate directors in the shares of the Corporation at 31st December 1974 appearing in the Register of the Interests of the Directors in the shares of the Corporation are set out below. Except where otherwise indicated there have been no changes between this date and 27th March 1975.

Director	Beneficial	Not held	Options
	£	£	£
Dr Keith Axon	—	42,000	—
Dr M. G. M. Atmore	15,000	100	6,000
F. S. Berman	20,000	1,000	—
W. G. Boestred	20,000	100	9,000
G. A. Gates-Smith	15,000	—	—
A. W. D. Hazell	15,000	100	7,500
H. K. Davies	15,000	1,000	7,000
Dr J. J. de Boer	20,000	100	4,000
Dr H. B. Dyer	15,000	1,000	7,000
D. A. Etheredge	20,000	100	8,000
G. C. Fletcher	30,000	4,500	10,000
H. R. Fraser	20,000	100	—
C. J. L. Griffith	20,000	1,000	9,000
I. P. Gosh	20,000	100	9,000
W. J. Hefer	15,000	1,000	6,500
D. B. Hoyle	15,000	1,000	7,500
M. B. Hume	30,000	1,000	10,000
J. A. Holmes	15,000	—	2,000
F. J. A. Howard	15,000	100	—
J. D. Johnson	15,000	—	5,000
A. Johnson	15,000	100	—
N. E. Kinnaird-Welch	20,000	100	—
O. P. Koovert	15,000	—	5,000
S. B. Koovert	15,000	—	6,000
G. Langton	20,000	—	—
P. J. R. Leiden	15,000	—	1,000
D. I. Makler	15,000	50	7,000
A. B. McArthur	15,000	100	5,000
C. D. W. McNeill	15,000	—	6,000
D. G. Nalibson	20,000	100	7,000
M. C. O'Hara	15,000	1,000	2,500
H. F. Oppenheimer	11,251,912	—	—
S. F. Oppenheimer	11,251,912	—	—
Sir Philip Oppenheimer	1,250	1,000	—
	2,500	—	—

Director	Beneficial	Not held	Options
	£	£	£
B. W. Pain	—	—	—
G. W. H. Reith	30,000	1,000	15,000
Sir Albert Robinson	—	1,000	—
S. Spira	30,000	1,000	10,000
M. W. Stephenson	15,000	—	5,000
J. Ogilvie Thompson	30,000	1,000	15,000
G. H. Waddell	11,251,912	—	—
A. Wilson	15,000	4,000	—
W. D. Wilson	30,000	10,000	10,000
	1,000	—	—
	350	—	—

The interests of the undermentioned directors on 27th March 1975 were as follows:

Director	Beneficial	Not held	Options
	£	£	£
W. G. Boestred	30,000	100	9,000
D. A. Etheredge	30,000	100	8,000
H. R. Fraser	30,000	100	—
C. J. L. Griffith	30,000	1,000	9,000
O. P. Koovert	15,000	100	5,000
S. B. Koovert	15,000	100	6,000
G. Langton	20,000	100	—

The Corporation is not aware of the extent of any of the directors' family interests.

\* Shares held under a share purchase scheme.  
\* Indirect partial.

Members of the Corporation who wish to receive copies of the annual reports and accounts of quoted companies associated with the Corporation may obtain them upon application to the Managing Secretary or to the Joint London Secretaries of the Corporation. Changes of address should be notified to the Corporation's transfer secretaries:

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