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Balance sheets at March 31 1979

Figures in R millions

Corporation				Group	
1978	1979		Notes	1979	1978
Ordinary shareholders' equity					
22,3	22,4	Ordinary share capital	2	22,4	22,3
—	5,9	Share premium	3	5,9	—
351,9	351,9	Non-distributable reserves	4	366,7	365,8
207,8	239,3	Distributable reserves	5	560,2	470,2
582,0	619,5			955,2	858,3
Preferred stock and preference shares					
4,8	4,8	Preferred stock	2	4,8	4,8
—	1,0	Preference share capital	2	1,0	—
—	39,0	Preference share premium	3	39,0	—
4,8	44,8			44,8	4,8
586,8	664,3	Outside shareholders' interests in subsidiary companies	6	1 000,0	863,1
57,3	56,8	Loan capital	7	103,4	92,2
393,7	575,6	Life insurance funds	8	146,3	166,5
17,6	20,9	Loans	9	570,4	456,8
55,7	72,8	Other liabilities		609,4	419,1
—	—	Creditors, taxation and provisions		69,0	64,9
73,3	93,7	Shareholders for dividends		72,8	55,7
1 111,1	1 390,4	Bank overdrafts	9	11,5	11,3
				153,3	131,9
				2 582,8	2 129,6
Represented by:					
Investments					
General investments:					
112,0	132,4	Listed - market value, group R3 071,4 (1978: R1 996,7)	10	747,5	713,8
11,4	16,6	Unlisted - directors' valuation, group R314,5 (1978: R272,3)	10	131,4	121,8
123,4	149,0			878,9	835,6
508,3	466,6	Life insurance investments	11	678,9	577,4
—	—			1 557,8	1 413,0
—	—	Interest in subsidiary companies	12		
164,0	227,0	Fixed assets	9 & 13	39,1	38,0
18,9	29,8	Leasing assets	9 & 14	9,8	10,4
296,5	518,0	Instalment debtors	9	13,5	17,0
315,4	547,8	Loans - less provision		266,6	207,3
1 111,1	1 390,4	Other assets			
		Stocks, stores and work in progress	15	9,5	8,2
		Debtors	9	138,7	100,6
		Cash on deposit, at call and short notice		547,8	335,1
				696,0	443,9
				2 582,8	2 129,6

Income statements for the year ended March 31 1979

Figures in R millions

Corporation		Notes	Group	
1978 Fifteen months	1979		1979	1978 Fifteen months
32,6	33,3	17	220,6	213,2
59,0	74,2		82,8	78,4
—	—		8,4	9,6
4,3	4,6		11,6	18,1
100,5	106,3	18	323,4	319,3
196,4	218,4		44,1	40,4
40,0	49,5		11,8	15,2
14,7	10,6		—	5,0
6,8	0,6		2,5	—
2,8	1,7		58,4	60,6
64,3	62,4		265,0	258,7
132,1	156,0	19	16,9	17,0
10,1	10,2		248,1	241,7
122,0	145,8	20	42,7	46,4
0,3	3,4	23	3,4	0,3
—	—		46,1	46,7
121,7	142,4	22	202,0	195,0
99,1	103,0		—	(0,6)
22,6	39,4		—	0,6
21,4	7,9		103,0	99,1
1,2	31,5		99,0	95,9
0,4	0,3		6,9	33,5
—	—		92,1	62,4
(1,3)	—		17,5	16,0
(0,9)	0,3		17,5	31,7
0,3	31,8		(0,8)	(0,3)
—	—		1,9	(1,3)
—	31,5		18,6	30,1
0,3	0,3		110,7	92,5
—	—	4	0,9	5,1
—	—	5	99,1	69,9
—	—		100,0	75,0
0,3	0,3		10,7	17,5

Figures in R millions43

Notices to members

Annual general meeting

Notice is hereby given that the sixty-second annual general meeting of members of Anglo American Corporation of South Africa Limited will be held at 44 Main Street, Johannesburg on Friday, August 17 1979, at 11h00, for the following business:

- 1 To receive and consider the annual financial statements in respect of the year ended March 31 1979.
- 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 all or any portion of the 9 650 000 unissued redeemable cumulative preference shares of 2,5 cents each in the capital of the Corporation and, after providing for the allotment and issue of the ordinary shares in terms of the share incentive scheme, the staff share option scheme and any shares which shall have been set aside for allotment in substitution for shares in Rand Selection Corporation Limited arising on conversion of bonds of US\$1 000 each representing the Rand Selection US\$30 million 6½ per cent convertible loan 1986, all or any portion of the remaining 13 768 766 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 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 a rights issue, provided that any rights to such shares which can be sold in nil-paid form on The Johannesburg and/or London Stock Exchanges during the period which they

are quoted on such stock exchanges may be sold by the underwriters, and the net proceeds of any sale of such rights shall be paid to the Corporation."

The head office and United Kingdom transfer registers and the register of members of the Corporation will be closed from August 13 to August 17 1979, both days inclusive.

Holders of share warrants to bearer who wish to attend in person or by proxy or to vote 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, speak and vote in his stead. A proxy need not be a member of the Corporation.

By order of the board
J T GOLDFINCH
Managing Secretary
July 24 1979

General meeting

Notice is hereby given that a general meeting of members of Anglo American Corporation of South Africa Limited will be held at 44 Main Street, Johannesburg on Friday, August 17 1979, at 11h10 or immediately following the annual general meeting which has been convened for 11h00 that day, whichever is the later, for the purpose of considering and if deemed fit, of passing, with or without modification, the following resolution as a special resolution, namely:

"That the articles of association of the Corporation be and the same are hereby amended by the deletion of the existing article 93 and the substitution thereof of the following new article:

"93 Until otherwise determined by the Company in general meeting by ordinary resolution, the Directors shall be paid out of the funds of the Company by way of remuneration for their services at the rate of R5 000 per annum each, and the Chairman shall in addition to his remuneration as a Director be paid a further sum at the rate of R7 500 per annum. The remuneration so payable shall accrue from day to day and shall be paid quarterly."

The reasons for and the effects of the proposed special resolution are contained in the directors' report which accompanies this notice.

The head office and United Kingdom transfer registers and the register of members of the Corporation will be closed from August 13 to August 17 1979, both days inclusive.

Holders of share warrants to bearer who wish to attend in person or by proxy or to vote 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, speak and vote in his stead. A proxy need not be a member of the Corporation.

A form of proxy to enable members to vote for or against the resolution or to abstain from voting is enclosed. Completion of a form of proxy will not preclude a member from attending the meeting.

By order of the board
J T GOLDFINCH
Managing Secretary
July 24 1979

Registered Office
44 Main Street, Johannesburg

Members' diary

Financial year end March 31
Annual report published July
Annual general meeting held August

Dividends

- 1 On ordinary shares
(interim (and interim report)
declared November, paid January
final (and provisional statement)
declared May/June, paid July
- 2 On preference shares
declared June, paid June
declared December, paid December
- 3 On preferred stock
declared June, paid August
declared December, paid February

Anglo American Corporation of South Africa Limited

Incorporated in the Republic of South Africa
Company Registration No. 01 05305 06

62nd Annual Report 1979

Containing the financial statements in respect of
the year ended March 31 1979

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administered companies and major associates
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Aandeelhouders wat 'n Afrikaanse vertaling van
hierdie verslag verlang, word versoek om met die
oordragsekretaris in verbinding te tree

Directorate

CHAIRMAN

H F Oppenheimer*

DEPUTY CHAIRMEN

Sir Keith Acutt, KBE (British)

G W H Relly*

DIRECTORS

W G Boustred*

J N Clarke (British)*

Dr Z J de Beer, MP*

D A Etheredge, OBE*

G C Fletcher, MC }

C J L Griffith*

M B Hofmeyr*

J A Holmes (British)*

G Langton*

D G Nicholson (British)*

N F Oppenheimer

Sir Philip Oppenheimer (British)

B W Pain (British)

Sir Albert Robinson (British)

L G Stopford Sackville (British)

J O'gilvie Thompson*

G H Waddell*

W D Wilson

*Executive director

ALTERNATE DIRECTORS

T A J Braithwaite (British)

B E Bullett (British)

G A Carey-Smith (British)

H K Davies

Dr H B Dyer

Dr E M A F Ferreira (Portuguese)

W J Héfer

D B Hoffe

F J A Howard

M W King

O P Koevort

P J R Leyden (British)

J L P Mackenzie

A B McKerron

Dr L G Murray

M C O'Dowd

T L Pretorius

M W Stephenson (British)

J D Taylor (Canadian)

V I Webber (British)

A Wilson

Administration

CHAIRMAN'S OFFICE

OPERATING COMMITTEE
G W H Relly (Chairman)
J Ogilvie Thompson
G H Waddell

MANAGEMENT

J N Clarke
Dr Z J de Beer
J F Drysdale
D B Hoffe
J A Holmes
D G Nicholson
M C O Dowd
N F Oppenheimer
CHIEF PERSONNEL CONSULTANT
E N Cathrine
ECONOMIC CONSULTANT
A B Dickman
GROUP COMPUTER CONSULTANT
M Cowley
MANAGING SECRETARY
J T Goldfinch
PUBLIC RELATIONS CONSULTANT
B R Mortimer

Finance Office

DIRECTOR
J N Clarke
MANAGERS
J M P Desmidt
M W King
ASSISTANT MANAGER
G M Helford

CHIEF ACCOUNTANT
G C Leeman

International Co-ordination Office

MANAGER
J D Taylor
CONSULTING ENGINEER
M P O Connor

Manpower Resources Office

MANAGER
J F Drysdale
PERSONNEL CONSULTANTS
C W H du Toit
T G Mann
N D Morgan
D L van Coller
F J Worth
SENIOR MEDICAL CONSULTANT
Dr J L C Whitcombe
MEDICAL CONSULTANT
Dr J G D Laing

Technical Office

DIRECTOR
J A Holmes
DEPUTY TECHNICAL DIRECTORS
Dr M G M Amore
A D Deuchar
J L P Mackenzie
Dr L G Murray
T L Pretorius
M W Stephenson
CONSULTING ARCHITECT
D R Yetton
CONSULTING CIVIL ENGINEER
D W Standish-White
CONSULTING ELECTRICAL ENGINEER
H M Brown

CONSULTING ENGINEER

A K Chant
CONSULTING GEOLOGIST
Dr F W D Cornwall
MINING VALUATION CONSULTANT
H M MacLeod
HEAD OF TECHNICAL SERVICES
J Dyer
RESEARCH DIRECTOR
G S James

OPERATING DIVISIONS

Coal

CHAIRMAN
W G Boustred
MANAGING DIRECTOR
T A J Braithwaite
DEPUTY MANAGING DIRECTOR
D Rankin
CONSULTING ENGINEERS
P P Coetser
J D Flint
D F Rogans
CONSULTING GEOLOGIST
Dr D A M Smith
CONSULTING MECHANICAL AND ELECTRICAL ENGINEERS
G Burrage
J M Kinghorn
G O Parnell
CONSULTING METALLURGISTS
J A Crichton
D W Horsfall
CONSULTING MINING ENGINEERS
G R Canny
P D Dickson
B D McNeice
C Sutherland
ENERGY CONSULTANT
R L Cohen
FINANCIAL DIRECTOR
J A B Nichols
MARKETING AND SALES DIRECTOR
D J Ritson
PERSONNEL CONSULTANT
D B Wiggill

Commerce and Industry

CHAIRMAN
C J L Griffith
MANAGER
O P Koervort

Diamond Services

CHAIRMAN
J Ogilvie Thompson
MANAGERS
Dr H B Dyer
P J R Leyden
A Wilson
CONSULTING ENGINEERS
S F Gandar
T Lee-Jones
J C Martens
CONSULTING GEOLOGIST
Dr L G Murray
CONSULTING MECHANICAL AND ELECTRICAL ENGINEERS
I A MacKinnon
K J Trueman

CONSULTING METALLURGISTS

G Schwartz
J F Slabbert
FINANCIAL DIRECTOR
L A Lincoln
PERSONNEL CONSULTANT
C N Cross
Drilling and Mining Equipment
CHAIRMAN AND MANAGING DIRECTOR
H K Davies

Food and Agriculture

CHAIRMAN
W J Héfer
Gold and Uranium
CHAIRMAN
D A Etheredge
MANAGING DIRECTOR AND
CHIEF EXECUTIVE
G Langton
DEPUTY MANAGING DIRECTORS
W R Lawrie
M S McCrum
G V Nisbet
G S Young
CONSULTING ENGINEERS
F J Bayley
L Hewitt
D M Rood
E Schmid
R G Williams
E T Wilson
CONSULTING GEOLOGIST
Dr P J Pienaar
CONSULTING MECHANICAL AND ELECTRICAL ENGINEERS
A P de Klerk
M K Glover
G D Griesel
K N Love
CONSULTING METALLURGISTS
V J Moore
R Pendreigh
WT Ruhmer
E J J van Vuuren
FINANCIAL DIRECTOR
F Bentley
PERSONNEL CONSULTANT
S W van der Colf

Heavy Industry

CHAIRMAN
W G Boustred

Insurance

CHAIRMAN
G W H Relly
CHIEF EXECUTIVE
D G Nicholson

New Mining Business

CHAIRMAN
A B McKerron
CONSULTING ENGINEER
N J Keys
CONSULTING GEOLOGIST
Dr D A M Smith
CONSULTING METALLURGIST
G A Brown

Property

CHAIRMAN
G H Waddell
MANAGING DIRECTOR
G G L Leissner

ASSOCIATE AND REGIONAL OFFICES

Australia

EXPLORATION MANAGER
R J A Kernick

Botswana

MANAGER
N D A Hardie

Brazil

CHAIRMAN
Dr E M A F Ferreira
MANAGING DIRECTOR
P C D Burnell

United Kingdom

LONDON COMMITTEE
M B Hofmeyr
Sir Philip Oppenheimer
B W Pain
J G Richardson
L G Stopford Sackville
CONSULTING ENGINEERS
J V Clossby
C S Forristal
A Smith
H J Stucke
CONSULTING GEOLOGIST
Dr J F Osten
CONSULTING MECHANICAL AND ELECTRICAL ENGINEERS
A H W Purkiss
S Sheer
CONSULTING METALLURGIST
I R M Chaston

Zambia

MANAGING DIRECTOR
V I Webber
TECHNICAL DIRECTOR
M W Stephenson
CONSULTING GEOLOGIST
Dr P V Freeman
CONSULTING METALLURGIST
B Barlin

Zimbabwe Rhodesia

CHIEF EXECUTIVE
G A Carey-Smith
MANAGERS
B E Bullett
I C de Zwaan
R J Hedley
CONSULTING ENGINEER
T C A Wadeson
CONSULTING GEOLOGIST
E Hyman
CONSULTING MECHANICAL AND ELECTRICAL ENGINEER
J H Moll
CONSULTING METALLURGIST
P J Mostert

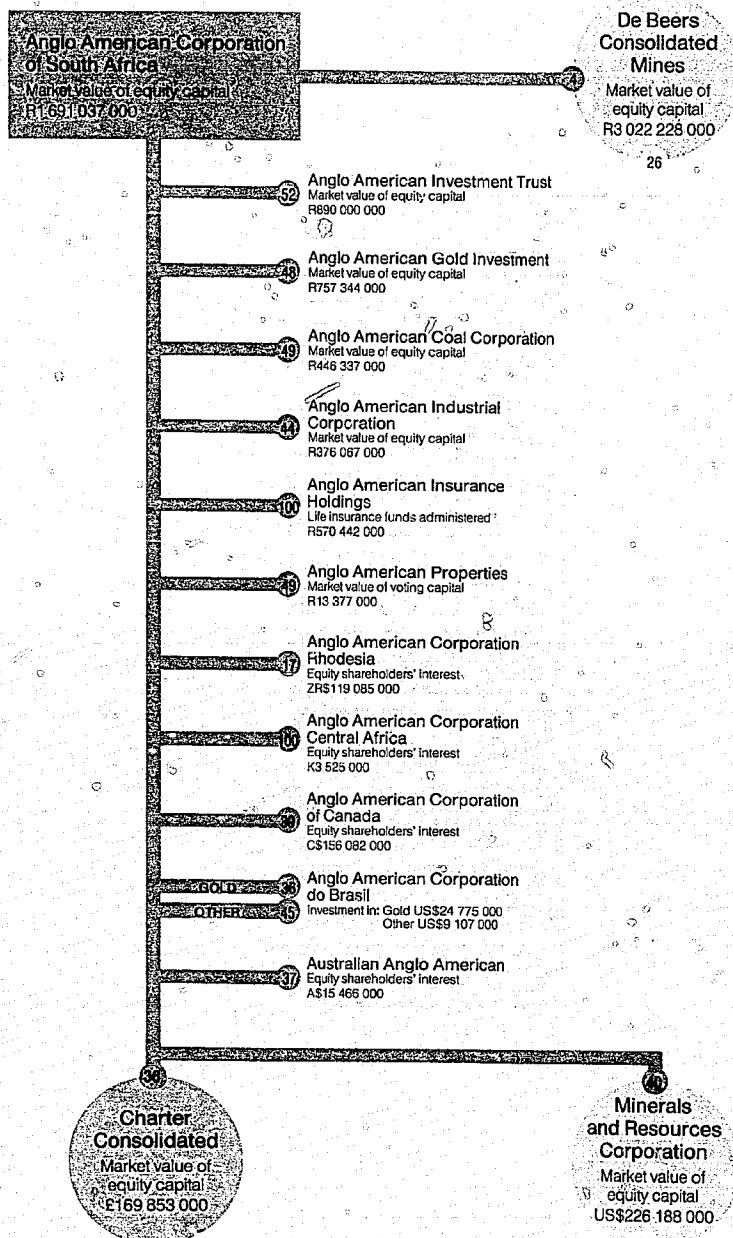
The Corporation, its relationship to its administered companies and major associates

Anglo American Corporation, directly and indirectly, develops and holds investments in mining, industrial and investment companies on a world-wide basis but principally in southern Africa. In common with other mining-finance houses in South Africa, the Corporation operates a system whereby it 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 assist them in raising capital for expansion and development.

About 45 per cent, by value, of the Corporation's general investments are in these administered finance and operating companies. A large portion of the remainder is in three major associates: De Beers Consolidated Mines, Charter Consolidated in London and Minerals and Resources Corporation (Minorco) in Bermuda. Though these companies have their own management, they have close and historic ties with the Corporation and draw upon its technical advice. Hence the relationship between the Corporation and the associates is broader than a purely financial one, thus strengthening and enhancing the contribution that each can make to mining and industrial ventures on an international scale.

In mining, the Corporation and its associates have important investments in companies engaged in the production of gold and uranium, diamonds, copper, nickel, coal, platinum, tin, potash, asbestos, iron ore, lead, zinc, manganese and wolfram. Investments in industry range from companies engaged in steel-making and heavy engineering to construction, motor vehicles, paper and textiles, chemicals, drilling tools, refractories and foodstuffs. The principal commercial interests are in insurance and property, banking, freight and travel, and computer services.

The significant shareholdings of the Corporation in the principal finance and regional companies and in the three associates, De Beers, Charter and Minorco, are shown in the chart. The figures outside each circle or rectangle show the percentage interest held after minorities. Each of the South African-based finance companies has a specialised portfolio: there is Anglo American Gold Investment Company, Anglo American Investment Trust for the diamond



mining and industrial interests in Anglo American Industrial Corporation and Anglo American Properties. The majority of the mining interests are consolidated in Anglo American Gold Corporation. On a regional basis there is Anglo American Corporation of Canada, Anglo American Corporation of Rhodesia, Anglo American Corporation of Central Africa, Anglo American Corporation of Australia and Anglo American Corporation do Brasil. The valuations given in the chart are calculated as at March 31, 1979.

Not shown in the chart are the large number of operating mining and industrial companies, again generally not subsidiaries, with which the Corporation has a special relationship through its provision of administrative and technical services and financial support, both as investor and as underwriter of new capital issues. Finally, there are the companies in which the Corporation holds portfolio investments.

To illustrate the scale of their mining operations, in 1978 companies administered by the Corporation produced over 37 per cent of South Africa's gold, equivalent to about 27 per cent of world production (excluding Communist countries), 33 per cent of South Africa's coal and 34 per cent of its uranium. The copper mines in which the Corporation holds indirect investments accounted for 12 per cent of world production in 1978.

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 R1 000 million. The majority of the share capital is held in South Africa, and most of the balance in the United Kingdom and other European countries. Ownership is widely spread, there being nearly 23 000 registered ordinary shareholders and nearly 45 000 bearer certificates in issue.

Anglo American 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 aim is to bring 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 in which it operates.



Year in brief

Equity earnings of Anglo American Corporation rose to a record R202 million during the 12 months to March 31 1979, from the R195 million earned in the 15-month period to March 31 1978. Earnings per share were 90,2 cents for the year (1978: 89,9 cents) although, as the Corporation's flow of income is highest in the quarter to March 31 each year, earnings for the 12 months to March 31 1978 would have been approximately 70 cents a share. Ordinary dividends totalling 46 cents a share were declared for the year compared with 45,25 cents a share for the 15 months to March 31 1978. If the Corporation's share of the undistributed profits of the investments, in which it or its associates, in aggregate, directly or indirectly hold 20 per cent or more of the equity were taken into account, the estimated total earnings for the year to March 31 1979, after adjusting for cross-holdings, would be 184 cents a share compared with 142 cents a share for the 12 months to March 31 1978.

Investments

The general improvement in share prices was reflected in the market value of listed investments which at March 31 1979 was R3 071 million (1978: R1 997 million), exceeding the book value by R2 324 million. The directors' valuation of unlisted investments at the year end was R314 million. 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. The total of the market capitalisation or directors' valuation of the companies administered by the Corporation and the value of the direct interests held by the Corporation and its administered companies was R6 700 million and is set out on page 7.

Investment companies

The principal finance companies administered by the Corporation include Anglo American Investment Trust (Anamint), Anglo American Gold Investment Company (Amgold), Anglo American Industrial Corporation (Amic) and Anglo American Coal Corporation (Amcoal).

Amgold's equity earnings for the 14 months to February 28 1979 were R69,7 million, an increase of 68 per cent over those

for the 12 months to December 31 1977, and dividend distribution increased by R18,7 million to R54,9 million. These results reflect the notable increase in the gold price and some success in containing working costs. The market value of listed investments rose 44 per cent to R1 095 million.

Anamint's earnings for the year ended March 31 1979 increased by 23 per cent to R79,3 million, with the dividend up by 25 per cent to R75 million.

The generally improved economic conditions during 1978 saw Amic's net equity earnings increase by 38 per cent to R52,4 million for the year ended December 31 1978. Earnings increased by 53,7 cents to 195,1 cents and the dividend increased by 10 cents to 80 cents a share.

Amcoal's turnover to December 31 1978 increased 19 per cent to R308,4 million in a year of steady growth. Net equity earnings improved by 11,5 per cent to R52,7 million and the dividend increased by 20 per cent to 72 cents a share.

Gold and uranium

Although the tonnage milled rose by 4,1 per cent, the effect of lower recovery grades was to marginally reduce gold production by mines administered by Anglo American Corporation to 261 271 kilograms. Despite a further inflation of unit costs working profits improved by 64,9 per cent to R715,4 million because of the higher average price received of R5 598 a kilogram, or about \$200 an ounce. Taxation and State's share of profits absorbed R323,2 million or 45,2 per cent of working profit.

Two new ventures, East Rand Gold and Uranium Company (Ergo) and Elandsrand gold mine, came into production during 1978.

Vaal Reefs Exploration and Mining acquired the right to exploit the main block over which Afrikander Lease holds mineral rights in return for a royalty based on revenue. Mining operations will begin in December 1979.

Diamonds

Sales of rough gem and industrial diamonds by the Central Selling Organisation increased by 23 per cent during 1978 to reach yet another record of US\$2,552 million. De Beers Consolidated Mines increased its consolidated net profit by

	Value of investments* percentage		Investment income* percentage	
	1979	1978	1979	1978†
By prime source				
Gold	40	43	37	30
Diamonds	18	19	28	31
Coal	9	6	6	8
Copper	1	1	1	1
Platinum	3	2	1	1
Other mining	2	3	1	1
Finance	7	7	7	8
Industrial	18	17	17	18
Oil and gas	1	1	1	1
Property	1	1	1	1
	100	100	100	100
Geographical				
South Africa	76	75	74	70
South West				
Africa/Namibia	4	4	5	6
Rest of Africa				
South of the				
Equator	6	6	7	8
North America	7	6	6	6
Elsewhere	7	9	8	10
	100	100	100	100

*Excluding interests attributable to outside shareholders in subsidiary companies

†for the 15-month period ended March 31 1978

32 per cent to R741 million, equivalent to 205,5 cents a share, while the consolidated net diamond account rose significantly to R956 million as a result of 1977 and 1978 price increases and surcharges. Dividends of 65 cents a share (1977: 52,5 cents) were paid and R377 million was transferred to reserves. Total mine output was nearly 12 million carats compared with 11,8 million in 1977.

Coal

Sales by the Corporation's administered coal mining companies in South Africa rose four per cent to 29,6 million tons, equal to about one-third of the country's total sales, with pre-tax operating profits increasing 12,7 per cent to R83 million. Kleinkopje, Amcoal's major new mine, was brought into production in December, only two years after the decision to go ahead with the project.

South African coal exports increased 21 per cent to 15,4 million tons, increasing foreign exchange earnings by 31 per cent

to R325 million. Industry sales grew by six per cent to 90,3 million tons.

Other mining

The improved platinum market saw consolidated after-tax profits of Rustenburg Platinum Holdings increase from R4,6 million in 1977 to R25,8 million.

Hudson Bay Mining and Smelting reported consolidated earnings of CS\$5,1 million (1977: CS\$4,4 million). Despite substantially increased revenues from higher sales of base metals and fertilisers, decreased profit margins, particularly in fertilisers, prevented substantial improvements in net profits. Hudbay strengthened its operating base in North America during the year through three investments: a 37,5 per cent interest in Tantalum Mining Corporation of Canada; increased ownership to 100 per cent of Whitehorse Copper Mines; and a 50 per cent interest, through a holding company equally owned with Minerals and Resources Corporation, in Inspiration Consolidated Copper in the United States. Hudbay's petroleum investments all reported decreased net earnings as a result of lower natural gas sales in western Canada and a continuing decline in natural oil production in Indonesia.

The profitability of Nchanga Consolidated Copper Mines, Roan Consolidated and Inspiration Consolidated Copper has improved following the turnaround in the world copper market while the Zambian companies are also expected to benefit from the much increased cobalt prices.

Middelplaats Manganese Mine near Sishen in the north-western Cape is to be opened in August this year.

Industry and commerce

Highveld Steel and Vanadium Corporation reported a slight increase in earnings from R20,7 million to R21 million for the year to June 30 1978, with net income increasing to R12,5 million for the following half year to December 31. Difficult market conditions encountered in the financial year subsequently improved with the iron and steel works operating at full capacity, while the commissioning of the plate mill has increased Highveld's local market share for rolled products. Highveld acquired Rand Carbide as from July 1 1978, which

Financial summary

	March 31 1979 R millions	*March 31 1978 R millions
Issued ordinary capital and reserves	955,2	858,3
Listed general investments		
Book value	747,5	713,8
Market value	3 071,4	1 996,7
Unlisted general investments		
Book value	131,4	121,8
Directors' valuation	314,5	272,3
Income from general investments	220,6	213,2
Equity earnings	202,0	195,0
Dividends on ordinary capital	103,0	99,1
Number of issued ordinary shares	223 978 377	222 964 532
	Cents per share	Cents per share
Earnings	90,2	89,9
Dividends	46,0	45,25
Underlying equity earnings	184,0	178,0
Net asset value	1 357,0	905,0

*This was a 15-month period. Earnings per share are calculated on the basis of the shares effectively in issue during the period. 1978 dividend distribution includes a special interim of 8,25 cents a share.

contributed 13 per cent to Highveld's half-year earnings to December 31.

Boart International achieved a record group taxed profit of R17,7 million in 1978 and this year profits are expected to be better as a result of greater efficiencies and deeper market penetration.

Despite difficulties in the iron, steel and engineering industry Scaw Metals increased equity earnings by 17,65 per cent to R18 million.

Consolidated net earnings of Mondi Paper Company improved by R1,2 million to R11,4 million because of a buoyant market for fine writing paper, increased local demand for

newsprint, a 66 per cent increase in exports, and static raw material prices.

Sigma Motor Corporation increased sales of passenger cars and commercial vehicles by 49,9 per cent and 7,7 per cent respectively. In January Sigma acquired Pacsa, manufacturer of Peugeot cars and light commercial vehicles and of Citroën cars, making it one of the largest motor manufacturers in the country.

In December Amic acquired the entire issued share capital and trading assets of African Products, the largest South African processor of maize for industrial purposes.

Directors' review

FINANCE AND INVESTMENT

Equity earnings rise to R202 million

Following a prolonged recession, the South African economy entered a phase of moderate and hesitant growth in 1978 reflecting the Government's cautious response to continued concern as to the balance of payments and the low level of foreign reserves. With a substantial surplus on the current account largely offset by further net outflows of capital, growth in domestic expenditure remained restricted. There was a small advance in private consumer spending, which was supplemented by a continued increase in exports, reflecting the increase from mid 1978 in the price of gold and other precious metals as well as the growth in exports of coal and other minerals and industrial products.

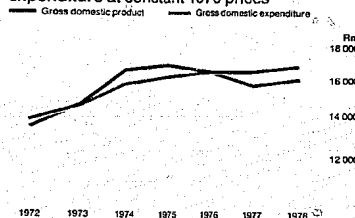
These developments held the economy on a generally positive course throughout 1978. However, by early this year it became clear that there was a need for further impetus simply to maintain momentum, let alone bring about the acceleration so vitally necessary to alleviate unemployment, which had grown from the already serious level of early 1978. While the 1979 Budget, reflecting a bolder move to more stimulatory policies, promised an improvement in domestic economic activity in the year ahead, the impact of the recent international oil crisis, together with other inflationary influences, has proved to be a severe shock. Fortunately, the sharp rise in the gold price and earnings from other exports has meant that the balance of payments and Government finances have remained sound. For this reason, and as a result of the flexibility imparted by the new dual exchange rate arrangements, it is expected that official policies will remain geared to expansion.

Group profit attributable to ordinary shareholders rose to a record R202 million for the 12 months to March 31 1979, from the R195 million earned in the 15-month period to March 31 1978 and earnings per share increased to 90,2 cents from 89,9 cents a share for the 15-month period. However, as the Corporation's flow of income is highest in the quarter to March 31 each year, earnings for the 12 months to March 31 1978 would have been approximately 70 cents a share. Ordinary

dividends of 46,0 cents a share were declared for the year compared with 45,25 cents a share for the 15-month period to March 31 1978.

General investment income was R220,6 million (1978: R213,2 million) and interest earned and fee income less expenses and interest paid amounted to R38,7 million (1978: R38,0 million). Trading profits of subsidiaries were R8,4 million and there was a surplus on realisation of investments of R11,6 million (1978: R18,1 million). Prospecting cost R11,8 million (1978: R15,2 million) while R2,5 million was provided against loans. Taxation absorbed R16,9 million (1978: R17,0 million) and outside shareholders' interests in profits of subsidiary companies and preferred stock and preference share dividends totalled R46,1 million (1978: R46,7 million).

Gross domestic product and gross domestic expenditure at constant 1970 prices



A provision of R16,3 million was made as an extraordinary item in respect of the Group's investment in Cleveland Potash Limited, which operates a potash mine in north-east England. This mine, which is owned jointly with Charter Consolidated Limited and Imperial Chemical Industries Limited, was deemed to have completed its development phase on March 31 1978. Production during 1978 was disappointing, and a pre-tax loss of £15,5 million was reported for the nine months to December 31 1978. Operations have improved during the first part of this year, and while the project is expected to achieve a level of production which will cover its operating costs by the end of 1979, it is not possible to predict when the mine will become profitable. Under these circumstances it was thought prudent to provide in full against this investment. The charge to extraordinary items was reduced by tax relief claimed in

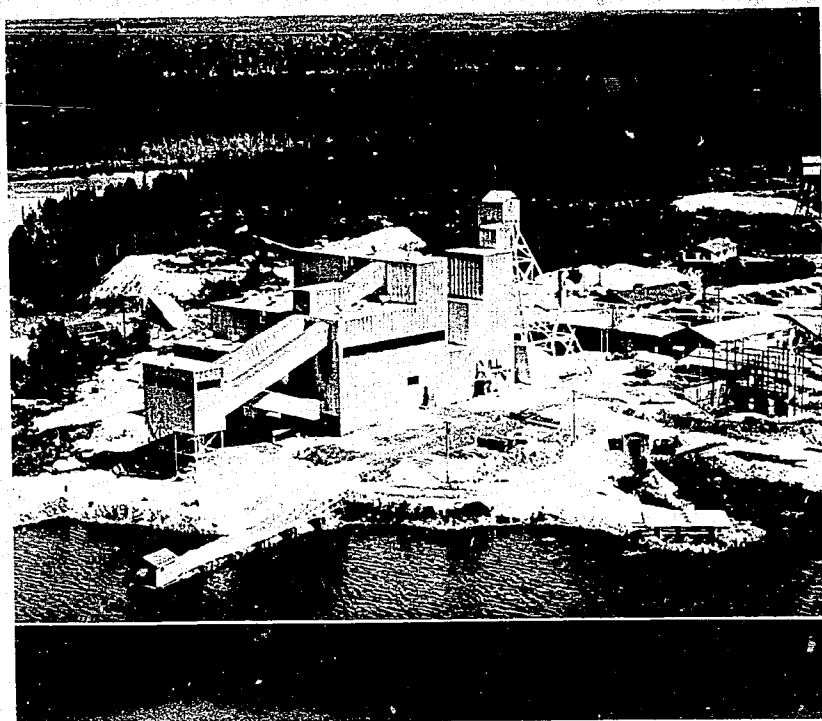
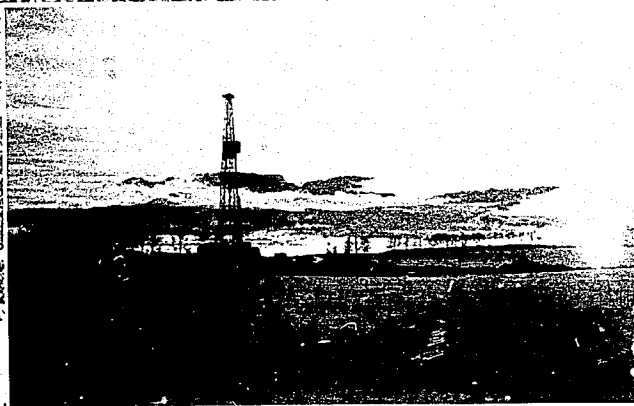
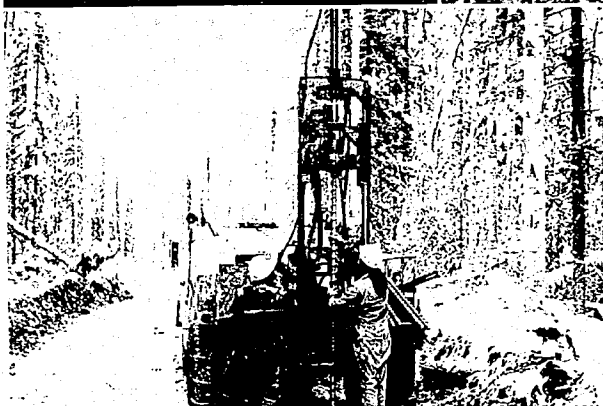
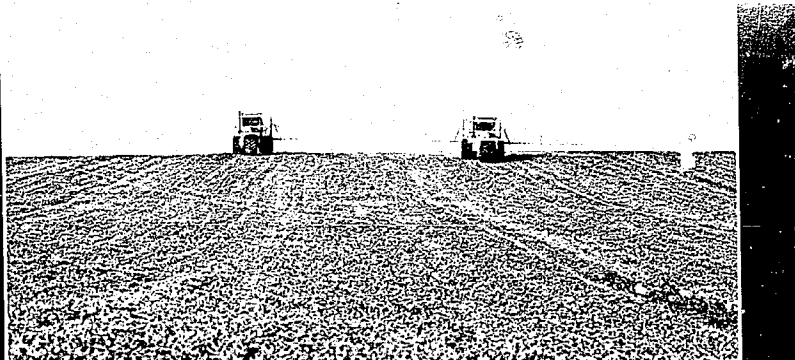
respect of prior years' investment provisions and by changes in exchange rates, so that the net charge for the year amounted to R6,9 million compared with R33,5 million for the previous 15 months.

The increase in the book value of listed investments to R747,5 million from R713,8 million mainly represents the further investment in Elandsrand Gold Mining Company Limited. The market value of listed investments reflected the general improvement in share prices during the year and at March 31 1979 these were valued at R3 071,4 million (1978: R1 996,7 million). The directors' valuation of unlisted investments at the year end was R314,5 million. After adjusting for the outside shareholders' interest in the excess of market value and directors' valuations over book values the net asset value per share was 1 357 cents (March 31 1978: 905 cents).

The overall equity value of companies administered by the Corporation and of the general investments held by the Corporation and its administered finance companies is set out below:

	R millions
1 Total market capitalisation, or directors' valuation in the case of unlisted companies, of the mining, industrial, financial and property companies administered by the Corporation	4 300
2 Value of the Corporation's interests and of its administered finance companies' interests in (1)	2 200
3 Value of the direct interests of the Corporation and its administered finance companies in the market capitalisation or directors' valuation of associated and other non-administered companies	2 400
4 Overall value of the direct interests of the Corporation and its administered finance companies, being the aggregate of (2) and (3)	4 600
5 Total of the market capitalisation or directors' valuation of companies administered by the Corporation and the value of direct interests of the Corporation and its administered finance companies in associated and other non-administered companies, being the aggregate of (1) and (3)	6 700

Aspects of the widely diverse interests and activities of Hudson Bay Mining and Smelting; Terra Chemicals Big 'A' machines applying liquid fertiliser in the US Midwest; a Canadian Merrill oil drilling rig and a Francana Oil & Gas geophysical crew drilling seismic shot holes in Alberta; the headframe and mill of Tantalum Mining Corporation at Bernic Lake in south-eastern Manitoba; and a helicopter delivering supplies to a remote exploration camp in the Rocky Mountains

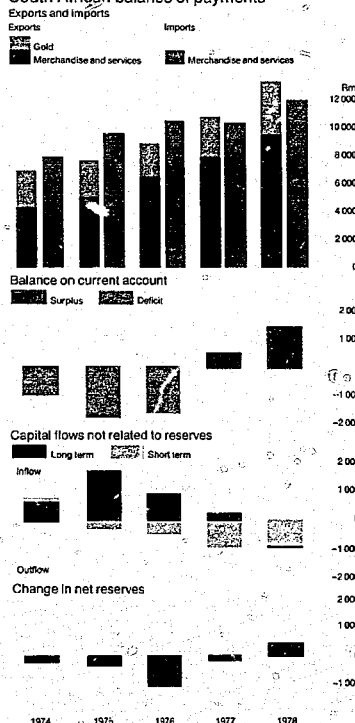


Anglo American Gold Investment Company Limited (Amgold) reported equity earnings of R69,7 million for the 14 months to February 28 1979, an increase of 68 per cent over those for the 12 months to December 31 1977. Investment income, with the exception of a third dividend of R1,2 million from Gold Fields of South Africa Limited, is comparable with that for the previous financial year, even though the results are for a 14-month period. Dividend distributions increased from R36,2 million to R54,9 million. These excellent results reflected the notable increase in the gold price and a degree of success achieved in containing working costs. The market value of listed investments rose 44 per cent to R1 095 million, reflecting higher share prices and increased investment in Elandsrand and Deelkraal Gold Mining Company Limited following rights issues by these two companies.

Anglo American Investment Trust Limited (Anamint), which holds 26,37 per cent of De Beers Consolidated Mines Limited and has investments in unquoted diamond trading companies, increased equity earnings by 23 per cent to R79,3 million in the year ended March 31 1979, and raised dividends by 25 per cent to R75 million. At the year end the market value of the company's listed investments was R805 million against R520 million at March 31 1978.

Anglo American Industrial Corporation Limited (Amic) benefited from the general improvement in economic conditions during 1978, reporting highly satisfactory results. Net equity earnings increased by 38 per cent to R52,4 million in the year ended December 31 1978, representing an increase in earnings of 53,7 cents a share to 195,1 cents. Dividend distribution was increased by 10 cents to 80 cents a share. This encouraging profit performance reflected the excellent results of the company's main subsidiaries, Boart International Limited and Scaw Metals Limited, and the return to profitability of Bruynzeel Plywoods Limited. In addition the results of Mondi Paper Company Limited were consolidated for the first time following the purchase of a further 14 per cent of the equity, bringing Amic's holding to 54 per cent. Early in 1979, Amic's interest in Mondi was again increased, to 62,7 per cent, when Mondi acquired S.A. Forest Investments Limited from Amic in

South African balance of payments



exchange for further Mondi shares.

Anglo American Insurance Holdings Limited (AAIH) holds the Corporation's investment in three life insurance companies, all of which showed steady growth during the year. African Eagle Life Assurance Society Limited offers a comprehensive range of equity-linked life insurance plans and is a leading underwriter in the group pensions market. Guarantee Life Assurance Company Limited concentrates on life insurance services to the upper income market, promoting its products exclusively through brokers. Southampton Assurance Company Limited markets a full range of life and pensions products only in Zimbabwe Rhodesia. Total life insurance funds administered by AAIH at March 31 1979 amounted to R570,4 million and premium income increased by 14,5 per cent to R112,5 million during the financial year.

Anglo American Coal Corporation Limited (Amcoal) achieved a steady growth during its year ended December 31 1978. Turnover was R308,4 million and net equity earnings improved by 11,5 per cent to R52,7 million. The dividend was increased by 20 per cent to 72 cents a share.

Johannesburg Consolidated Investment Company Limited (JCI), in which the Corporation holds a 41 per cent interest, increased its net earnings during the year ended June 30 1978 by R15,2 million to R42,2 million. The Otjijase copper mine was placed on a care-and-maintenance basis with effect from January 1978 and an amount of R44,4 million was written off as an extraordinary item. Net earnings of JCI for the six months to December 31 1978 increased by 22,8 per cent to R19,4 million and the interim dividend was increased by 10 cents to 50 cents a share. JCI holds a widespread portfolio of mining and industrial investments, deriving a major portion of its revenue from gold and diamond interests, as well as platinum. Following the strong demand for platinum the taxed profit of Rustenburg Platinum Holdings Limited - which JCI administers - showed a marked increase from R4,6 million to R25,8 million for the year to August 31 1978. The Randfontein Estates Gold Mining Company, Witwatersrand, Limited has recently completed a R200-million expansion programme for gold and uranium and increased its net earnings by 50 per cent to R72,3 million for the year ended December 31 1978.

The equity earnings of Charter Consolidated Limited, the Corporation's mining finance associate based in the United Kingdom, amounted to £14,5 million for the six months to September 30 1978 compared with £13,2 million for the same period the previous year and £25,4 million for the year ended March 31 1978. Advantage was taken of the high investment currency premium and strong gold share market, and profits on realisation of investments amounted to £9,2 million during the six months compared with £2,7 million for the half year ended September 30 1977. Investment income for the period amounted to £10,1 million compared with £11,8 million for the corresponding period in 1977. Trading profits of industrial subsidiaries increased

Directors' review

from £9.5 million in the first six months of the previous year to £10.3 million for the half year to September 30 1978, and included for the first time the earnings of M.K. Refrigeration Limited. Charter's share of the retained earnings of associated companies for the half year were £1.6 million compared with £3.6 million for the same period last year, and incorporated for the first time Charter's share of the loss of Cleveland Potash Limited of £1.9 million for the three months to June 30 1978. Taxation for the six months totalled £10.7 million compared with £8.4 million for the half year to September 30 1977, reflecting higher corporation tax on the increased profits from realisation of investments. Charter's net asset value, including investments at market value and directors' valuations, amounted to £327 million at September 30 1978.

The profits of Minerals and Resources Corporation Limited (Minorco), the Corporation's Bermuda-based associate, for the year ended June 30 1978 increased by 18 per cent mainly because of substantially higher dividends from its 29 per cent and 43 per cent interests in Engelhard Minerals & Chemicals Corporation and Trend International Limited. Minorco's profit before tax and extraordinary items for the year to June 30 1978 was US\$2.4 million higher than in 1977 at US\$16.3 million. Minorco received no dividends during the year from its 49 per cent interest in Zambia Copper Investments Limited. Dividends from investments rose by US\$1.2 million to US\$15.1 million while interest and sundry income increased from US\$2 million to US\$2.4 million. Dividend distribution was unchanged from 1977 at US\$8.8 million or 12 cents a share. Extraordinary items amounted to US\$1.6 million compared with US\$34.1 million in 1977 and related predominantly to exchange losses suffered on funds held in but not remittable from Zimbabwe Rhodesia and Zambia.

Anglo American Corporation of Canada Limited (Amcan) reported consolidated net earnings for the year ended December 31 1978 of C\$3.7 million. Earnings were marginally down on those of the previous year because of reductions in interest received and in gains on realization of investments and an increase in prospecting expenditures, which were almost offset by the higher earnings of Hudson Bay Mining

and Smelting Co., Limited (Hudbay) and from Amcan's share in the Whitehorse Copper Mines Limited joint venture. Amcan's net asset value at December 31 1978, including listed investments at market value and unlisted investments at lower of cost or directors' valuation, increased by 16 per cent to C\$108.4 million.

Anglo American Corporation Rhodesia Limited (Amrho) holds a widely diversified portfolio of interests in Zimbabwe Rhodesia. Net earnings decreased from ZR\$4.5 million to ZR\$3.3 million in the financial year to June 30 1978, mainly as a result of reduced dividend income from Hippo Valley Estates Limited and Rhodesian Alloys Limited. Amrho has major investments in Wankie Colliery Company Limited, Bindura Nickel Corporation Limited, Shangani Mining Corporation Limited, Rhodesian Alloys and Hippo Valley Estates in addition to interests in citrus, agriculture, forestry and timber processing, cement, flour milling, rolling stock hire, property, merchant banking and finance.

Anglo American Corporation do Brasil Limitada (Ambras) received a dividend of approximately US\$3.1 million in respect of its 49 per cent interest in Mineracao Morro Velho, S.A., which operates a group of small deep-level gold mines in the state of Minas Gerais. The company also pursued prospecting programmes in base metals and gold through Unigeo Geologia e Mineracao. The principal gold prospect is Jacobina in Bahia, which is at the feasibility study stage. In the base-metals sector arrangements were completed for the financing of the Codemin ferro-nickel project in which Ambras has acquired a 35 per cent interest. The mine and plant are to be commissioned in the first half of 1982, at a capital cost of approximately US\$100 million, to produce about 5 000 tons a year of nickel contained in ferro nickel, the mine having an estimated life of more than 30 years. During the year Ambras acquired a majority stake in Iracema, a company involved in the processing of cashew nuts. A four per cent participation in the Banco Bozano Simonsen de Investimento was also acquired.

Australian Anglo American Limited is continuing with an extensive exploration and prospecting programme costing some A\$5.2 million a year for mineral deposits in Australia, New Zealand and Fiji.

Further details of the principal finance and investment companies in which the Group holds a significant interest are given on pages 57 and 64.

GOLD AND URANIUM

Strong investment demand

The increase in the gold price during the year under review reflected the weakness of the dollar and consequent strong investment demand which more than matched the effects of increased supplies to the market. The price rose, from \$183 in April 1978 to \$240 at the end of March 1979, with only two interruptions. Since then the price has risen still further to its current level of around \$280.

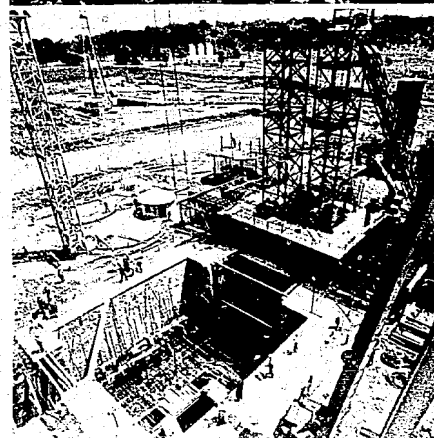
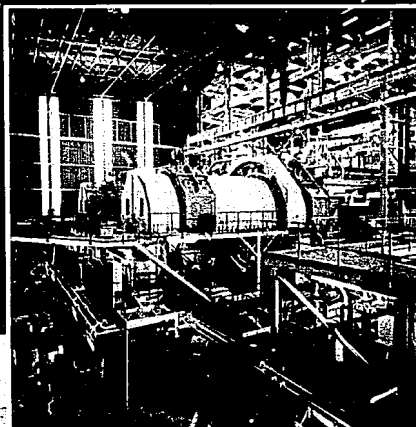
The principal setbacks occurred after announcements by the US Treasury of gold auctions. The price fell below \$170 in April 1978 on news that the US Treasury was to resume gold auctions; this coincided with India's decision to hold internal gold auctions. However the IMF announced that it was to reduce the amounts on offer at its monthly auctions from June 1978, and the market soon recovered to break through \$200 for the first time. A second temporary reaction, with the price falling below \$200, took place in November when a dollar support programme was launched which included a substantial increase in amounts to be offered at US Treasury auctions. Fears of renewed inflation, closely related to events in Iran and increases in crude oil prices, led to a renewed rise in the price which achieved \$250 for the first time in early February.

The increase in supplies to the market in the calendar year from 1 638 tons in 1977 to 1 741 tons was due to the recommencement of US Treasury sales which totalled 126 tons during the year. Although Russian sales are estimated to have remained unchanged, the Russians do not appear to have sold large quantities during the last quarter of 1978 or the first quarter of 1979 when the US Treasury sales were at their highest.

There is no doubt that the market has adapted to meet these increased amounts on offer. Fabrication demand, with the largest component the jewellery industry, grew marginally, despite higher prices. While this is encouraging it will be recalled that the increase in the gold price in 1978 reflected



Elandsrand - a mine ahead of its time - was brought into production in the western Transvaal in little more than four years, a full two years sooner than predicted. Many innovations, the result of a 'think tank' approach to project management, played a role in this achievement. One was the installation of mid-shaft loading facilities which enabled development from the shaft to proceed simultaneously with sinking. The approach to housing too has been new, to meet the changing needs of mining people



Directors' review

the weakness of the dollar and that the price in stronger currencies varied little. However in 1979 the price has risen significantly in terms of the stronger currencies, although this does not appear to have affected jewellery demand so far.

With fabrication offtake relatively stable it was investment demand that readily absorbed the increased supplies in the market, demonstrating gold's attraction as an investment medium in a world of uncertain political and economic conditions. Krugerrand sales increased by 80 per cent to six million coins; the contribution made by the International Gold Corporation Limited (Intergold), through its marketing and promotional activities was considerable. Demand for Krugerrand was particularly strong in the US where the gold market has become of greatly increased importance. Although Krugerrand sales were lower in early 1979, largely because of a build up of stocks by distributors at the end of 1978, there are now signs of a recovery, and, while the Krugerrand is expected to face competition from coins and medallions to be sold by Canada and the United States, the potential market is very large and the availability of new coins or medallions can only increase interest in gold as an investment medium. It would also appear that gold sold in this form has a lesser chance of returning to the market than that sold as bullion.

Gold's inclusion at a market-related price, without any discount, as part of the base of the European Monetary System is further demonstration of a growing appreciation of gold as a monetary asset and store of value. The tendency of central banks, with the exception of the US and Portugal, to retain gold holdings, and in some cases to add to them and to value them at market-related prices, has given added confidence and a stronger base to the market.

The rapid increase in the dollar price in the year under review together with the increased importance of the speculative aspect of investment demand, which has resulted from greater emphasis on the forward market, particularly in the US, should lead to a degree of caution in looking at future short-term movements. These elements tend to create a close relationship between movements in price and political, monetary and economic uncertainties. The

market, however, has readily absorbed increased official sales which have provided new opportunities to invest in an asset with unique physical and monetary attributes. While prospects are that official sales will probably continue, albeit at a reduced level, there remains a vast pool of US dollars and a relatively small amount of available gold, and with an international outlook of high inflation and political uncertainty, gold can only continue to play an important role.

Demand for uranium increased dramatically following the oil crisis in 1973/74. The international recession of the past few years, however, has led to a downward revision of energy demand growth projections and hence to delays in and curtailment of both nuclear and conventional energy programmes throughout the free world. This has been aggravated, in the case of nuclear energy, by opposition from environmentalists which will have been increased by the incident at Harrisburg, Pennsylvania. Nevertheless, there appears to be a growing awareness that construction programmes cannot be allowed to slip further without inhibiting industrial growth. Furthermore, the Opec oil price increases and Iran's disruption of the oil market may be expected to bring about renewed interest in nuclear energy. The uranium industry in South Africa anticipates a continuing major role in the world market, not least because of its established reputation for reliability.

The South African gold and uranium mining industry

The industry produced 704 479 kilograms of gold in 1978, which was 7 466 kilograms, or 1.1 per cent, more than in 1977. Although the average recovery grade declined from 9.22 grams to 8.85 grams a ton, production increased because tonnage milled rose by 3.7 million tons to 78.2 million tons and because additional gold was won by non-primary gold producers. The average gold price received in 1978 increased to R5 587 a kilogram (\$200 an ounce) from R4 084 a kilogram (\$146 an ounce) in 1977. Unit costs increased on average by R3.26, or 13.7 per cent, to R27.10 a ton milled. Working profits, however, rose by R708.4 million, or 67.2 per cent, to R1 762.8 million, of which taxation and State's share of profits absorbed an estimated R923 million, or 52.4 per cent,

compared with 47 per cent in 1977. Capital expenditure on producing mines was R448.3 million compared with R430.3 million in 1977. Dividend declarations totalled R546.6 million, R207.9 million more than for 1977.

Labour

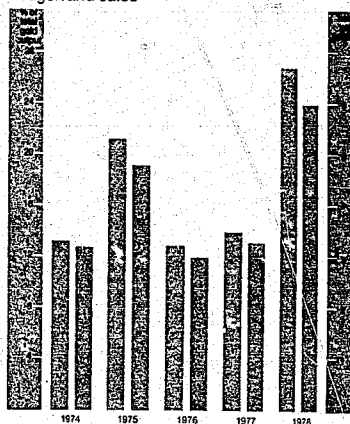
Wage increases for whites were less than seven per cent and for blacks an average of 12 per cent. It is the Corporation's belief that it is in the interests of the mining industry to pay higher percentage increases to blacks.

For the first time in some years there was no shortage of black labour, partly because of the high levels of unemployment in southern Africa and partly because of increased pay and continued efforts to improve accommodation and working conditions. In addition, inducements to migrant employees to return to their previous jobs after each contract are proving successful. The consequent lower turnover of labour is important in increasing the stability of that labour and should lead to higher productivity despite generally greater depths and more difficult mining conditions.

It is clear from the recommendation of the second report of the Franzsen Commission that any system contributing to the achievement of a five-day working week should not be allowed to increase costs, and negotiations in this respect are continuing.

In March a country-wide illegal sympathy strike was staged by some

Krugerrand sales



members of the Mineworkers' Union in protest against the appointment of coloureds at the O'okiep Copper Company Limited's mine to certain positions previously held by whites. The strike collapsed within a week. A conciliation board was appointed to settle a dispute over the withdrawal of benefits from the striking miners. A deadlock was reached and this has been reported to the Minister of Mines. Meanwhile, greater efforts must be made with Government, employee associations and unions to resolve the issues of labour utilisation in the interests of all parties.

Administered mines

Gold production by the eight producing mines administered by Anglo American Corporation declined by 1 137 kilograms, or 0,4 per cent, to 261 271 kilograms. Although the tonnage milled rose by 4,1 per cent, or 1 064 000 tons, to 27 339 000 tons, lower recovery grades were recorded at all mines. There was a further inflation of unit costs, which rose by R3,08 or 12,7 per cent to R27,33 a ton milled. Working revenue increased by 36,5 per cent to R1 462,6 million as a result of the higher average price received of R5 598 a kilogram. Working profits improved by R281,4 million, or 64,9 per cent to R715,4 million. Taxation and State's share of profits absorbed R323,2 million which was R163 million more than in 1977. Capital expenditure on mining assets by these mines increased from R174,5 million in 1977 to R239,4 million. Dividends paid totalled R194,7 million compared with R112,9 million in 1977.

Uranium production by administered mining companies increased to 1 896 tons in 1978 from 1 533 tons in 1977, while East Rand Gold and Uranium Company Limited (Ergo) produced 118 tons. The resultant total of 2 014 tons represents 44 per cent of all uranium produced in South Africa during the year. Further production increases are planned for 1979.

Ore reserves of administered mines are currently estimated at 60,5 million tons at a pay limit based on a gold price of R4 610 a kilogram (\$165 an ounce).

The Joint Metallurgical Scheme established by the Orange Free State mining companies to recover uranium, gold and sulphuric acid from current and deposited slimes, produced 653 tons of uranium, 1 459

kilograms of gold and 288 000 tons of sulphuric acid and made an overall profit of R19,2 million for the year ended December 31 1978. Minor modifications to the pyrite section of the uranium plant have overcome filtration problems and led to an increase in the recovery of uranium; persistent failures in certain sections of the acid plant have limited production of both acid and gold and further improvements are necessary to increase the general profitability of the scheme. Extensions to the slimes section of the uranium plant are expected to be complete late in 1979 and, following the commissioning period, the increased

capacity of 500 000 tons a month should be maintained from mid 1980.

At Free State Geduld Mines Limited full-scale sinking operations of both the No. 5 main and ventilation shafts started on schedule in February and May 1978, respectively. Initial teething problems were followed by good progress through the difficult Ventersdorp lava formation and by the end of the calendar year the main and ventilation shafts were respectively 1 067,8 and 1 071,7 metres below collar. A drilling programme is in progress to evaluate the north-eastern area of the lease. Although significant values have been obtained in the A, B and Basal reefs, completion of the planned programme is necessary before the importance of the present results can be gauged.

The sinking of the No. 3 shaft at Free State Saaiplaas Gold Mining Company Limited is complete. Following a 12-month equipping period the shaft is expected to be commissioned in 1980 and to reach full capacity during 1981. The necessary plant extensions and the balance of the programme are on target to meet these dates although funding requirements have yet to be arranged to complete the programme.

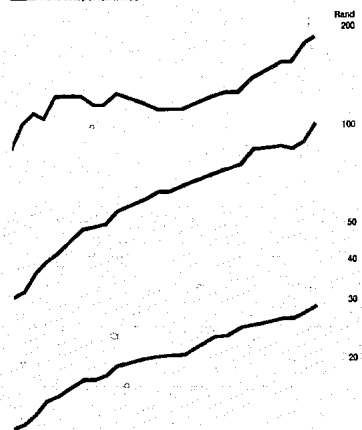
Production build-up at the President Steyn Gold Mining Company Limited's higher-grade No. 4 shaft has been slower than was forecast and was further delayed in June 1978 when problems were encountered with the steelwork in the shaft. This has partly been offset by increasing production at Nos. 1 and 2 shafts, though with adverse effects upon the grade. An underground fire at the No. 4 shaft in the December quarter aggravated the difficulties.

At Elandsrand Gold Mining Company Limited the first bar of gold was poured in December 1978, more than two years ahead of the target set in the prospectus. The total expenditure on capital works included in the first phase up to initial production is in the region of R183 million. The planned gold production in 1979, the first full year of production, is 6 000 kilograms and capital expenditure is estimated at R70 million of which nearly R25 million will be spent on development.

At Vaal Reefs Exploration and Mining Company Limited tonnage milled rose to a record 7 822 000 tons in 1978 through better

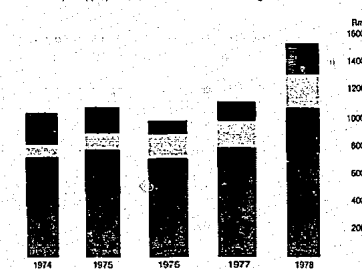
Administered gold mines: costs and revenue

Production costs and gold price
— Market price per ounce
— Rand cost per ounce produced
— Rand cost per ton milled



Distribution of gross revenue

— Available for distribution
— Capital appropriations
— Tax and State share of profits
— Working costs



plant availability. Meanwhile uranium treatment capacity is being substantially expanded, with the extensions to the West uranium plant now fully operational, and the commissioning of the new South uranium plant and of extensions to the East plant expected in the second quarter of 1979. By the year end all preparatory work had been completed on No. 9 shaft which had reached a depth of 480 metres. It is planned to sink a further 1 262 metres during 1979 and to begin station cutting. A tragic accident occurred when 41 of the company's employees died in an underground fire at No. 8 shaft on December 1 1978. The area had to be sealed off and the fire has since burnt itself out.

Shareholders of The Afrikaner Lease Limited and Vaal Reefs have accepted an arrangement whereby Vaal Reefs acquires the right to exploit the main block over which Afrikaner Lease holds mineral rights in return for a royalty based on revenue, provided Vaal Reefs starts mining operations as soon as possible. Mining operations will begin in December 1979 at about 15 000 tons of ore a month, which will be transported to Vaal Reefs for treatment. Meanwhile, a separate treatment plant for the recovery of uranium and gold is to be constructed by Vaal Reefs at the site of the new mine for commissioning during the first half of 1981, after which treatment at Vaal Reefs' existing plant will cease. The capacity of the new plant, 50 000 tons a month, should be fully utilised about 12 months after commissioning, and thereafter the average annual production is expected to be about 385 metric tons of uranium oxide and 460 kilograms of gold. In the light of the potential ore reserves within the main block to be leased to Vaal Reefs which could support a much larger operation, the new mine will incorporate features enabling the scale of operations to be easily expanded as circumstances warrant.

Uranium plant capacity at Western Deep Levels Limited is being extended from 65 000 tons a month to 265 000 tons a month, to enable the total Carbon Leader reef tonnage to be treated in addition to about 50 000 tons a month of reclaimed slimes from No. 3 slimes dam. The escalated cost of the extension is estimated at R50 million, with commissioning scheduled for the beginning of 1981. Centares mined

showed a marked improvement in 1978, owing to the absence of seasonal fluctuations in the availability of black labour, the improvement in the recruitment and retention of skilled white miners and the fact that operations were at no time seriously interrupted by fires or seismic activity.

Ergo started producing gold in April 1978, the first uranium having been produced on February 25 1978. Sulphuric acid production from the 1 000 tons-a-day plant started in March 1978, and the 500 tons-a-day plant produced sulphuric acid and oleum shortly afterwards. Since then, output has increased but production targets, particularly for gold and acid, have not yet been achieved. Engineering teething troubles and operational problems have been more prevalent than expected and have delayed the build-up to full output. Nevertheless Ergo achieved an operating profit of R18 million in its first full year of operation and declared a maiden dividend of 25 cents a share as envisaged in the prospectus issued in July 1977.

The South African Land & Exploration Company Limited had a successful year. Its operations rely entirely on the treatment of waste rock and crushing plant slimes to produce gold, and operating profit amounted to over R2 million. Depending on the gold price in relation to costs, the company should be able to continue on the present basis for at least another year. As for the prospecting programme, the results of the first of the two exploratory boreholes south and south-west of the plant area have been extremely disappointing. Drilling is continuing in the second hole and the results will determine whether further expenditure is warranted.

Safety

Despite the intensive efforts made to further reduce accidents, the fatality rate on administered gold mines increased from 1.29 per thousand employees in 1977 to 1.82 in 1978; there was, however, a reduction in the reportable accident rate from 43.47 to 40.59. Vaal Reefs won the Chairman's Safety Shield, awarded on the basis of improvement in lost-time accidents, and Free State Geduld was awarded the Chamber of Mines Millionaire Shield, awarded to mines achieving a million consecutive fatality-free shifts.

The detailed operating results of gold mines administered by Anglo American Corporation and those in which the Group holds a significant interest are given on pages 58 and 65.

DIAMONDS

Third year of record sales

During 1978 sales of rough gem and industrial diamonds by the Central Selling Organisation (CSO) reached a record level, for the third year in succession, of US\$2 552 million or R2 219 million, 23 per cent higher than the previous year. Notwithstanding increases in the price of rough gem, of 15 and then 17 per cent, implemented by the CSO in 1977, growing speculation in the market for rough diamonds, related to fears about the instability of currencies and the increasing use of diamonds as a store of value, led to an unprecedented demand for most qualities of goods sold by the CSO during the first months of 1978. The effect was that prices paid for rough diamonds in the secondary markets were not only well in excess of prices received by the producers, but were also out of line with those then capable of being sustained for polished goods in the jewellery trade. To counter the threat to the stability of the trade the CSO, in March 1978, at the height of the speculative boom, introduced temporary surcharges on its list prices. Starting at 40 per cent, the surcharge was progressively reduced, as the market returned to more normal conditions, to 10 per cent in July. At the August sale the surcharge policy was superseded by a substantial overall price increase of 30 per cent, to encourage the liquidation of stocks of polished goods that had built up in the cutting centres. Despite continued demand for rough diamonds, the market has since quietened and trading conditions following the Christmas 1978 jewellery sales, which were lower than many had expected, indicate a return to normality.

Industrial diamond sales in 1978 were also higher than the previous year's record. In marketing natural industrial diamond, the emphasis was on those qualities for which synthetic substitution is still not technically possible. Synthetic diamond sales increased markedly, reflecting sustained demand for all synthetic grit products, particularly those in the coarser sizes and better qualities.



Sharing the inhospitable territory of South Africa's west coast with seals, gulls and the occasional lonely fishing hamlet are the diamond mines of De Beers, Namaqualand division, now a major producer of high quality gem diamonds. These remote mining communities have had to attain a degree of self-sufficiency normally found only in much larger centres, not only in regard to health, food and housing, but also in areas no less important to the quality of life such as education and recreation.



Directors' review

De Beers' group results

The 1977 and 1978 price increases and surcharges contributed to De Beers Consolidated Mines Limited's significantly higher consolidated net diamond account of R956 million, which as a result of a change of accounting method is now arrived at after deduction of capital expenditure incurred in maintaining production but before deduction of export duty. The corresponding net diamond account figure for 1977 was R735 million. Income from other sources, notably unlisted investments and interest received, rose by R72 million to R263 million and expenditure by R9 million, so that the consolidated profit before tax of R1 156 million was R284 million higher than in 1977. Taxation, including export duty and the State's share of profits under mining leases, together absorbed R446 million, an increase of R115 million. Despite the higher incidence of taxation, the consolidated net profit after tax attributable to De Beers rose by 32 per cent, or R178 million, to a new record of R741 million. After allowing for dividends on the preference capital, the 1978 earnings were equivalent to 205.5 cents (1977: 156.1 cents) a deferred share, from which dividends of 65 cents (1977: 52.5 cents) were paid and R377 million transferred to reserves.

Diamond stocks increased by R35 million to R256 million while net current assets rose to R889 million (1977: R502 million). At December 31 1978 the De Beers group's

cash reserves stood at R1 295 million (1977: R683 million).

Diamond production from the mines of the De Beers group in South Africa, South West Africa/Namibia, Botswana and Lesotho amounted to 11 994 610 carats in 1978 compared with 11 808 195 carats in 1977. The main contributors to this increase were Finsch mine, north-west of Kimberley, the Orapa mine of De Beers Botswana Mining Company (Proprietary) Limited, in which De Beers has a 50 per cent interest, and the Namaqualand mines, of which Koiingnaas and the small Langhoogte mine were brought into production during the year. Production decreased slightly at three of the four Kimberley mines mainly because of a policy to extend the life of these mines by re-treating dump material and correspondingly reducing the treatment of ore from underground. Production at Koffiefontein was also lower, as part of the programme to mine the lower grade contact area of the pit and to create an ore stockpile before the change-over to underground mining in 1981. Production decreases at Premier mine and at CDM were attributable in both cases to a decline in recovery grade. Letseng-la-Terai mine in Lesotho more than doubled production in its first full year of operations.

Productive capacity is expected to increase substantially as a result of capital expenditure programmes within the De Beers group. Modifications to the Finsch treatment plant, costing some R58 million,

will increase throughput by 40 per cent and improve recovery efficiency from mid 1980. Mining is to start further south along the Namaqualand coast in the Mitchell's Bay area, and production through the Koiingnaas plant is to be increased by about 50 per cent during the same year. The expanded Orapa plant in Botswana achieved full production early in 1979 and at the nearby Letihakane plant full production from the second stage of development is planned for the latter half of the year. A feasibility study of the new Jwaneng mine in southern Botswana has been prepared, based on treatment of 400 000 tons a month and on production starting in mid 1982 at a cost currently estimated at R270 million. Access development to ore reserves below the gabbro sill at Premier is in progress, although, as a result of bad ground conditions, stopping in this area, due to commence early in 1980, will be delayed by some months. At Letseng, work is in progress to increase plant capacity this year to 150 000 tons a month in order to treat ore from the satellite pipe as well as from the existing pit.

The objective of fully integrated conditions of service for employees of all races on the De Beers group's mines in South Africa and South West Africa/Namibia is being furthered by the steady implementation of the comprehensive job grading system, adopted early in 1978, and by close attention to training and the development of employees. Satisfactory progress was made with the extension of the financially assisted home-ownership schemes in Kimberley and at Koffiefontein to black and coloured employees. Progress towards introducing a five-day working week at the Kimberley and Premier mines continued during 1978.

Continuing work at the De Beers Diamond Research Laboratory on the synthesis of diamond has brought about the development of an improved high pressure system, and over the next two years new presses will be installed at the De Beers group's synthetic factories in South Africa, Ireland and Sweden. As a result of monitoring and refinement of existing synthetic grit products a new, high impact strength product, MDA100, has been developed to augment ranges already being used successfully in impregnated metal bonds for grinding glass and ceramics. Further

	Metric tons treated		Carats recovered		Carats per 100 metric tons	
	1978	1977	1978	1977	1978	1977
De Beers mine	704 800	725 497	111 720	113 963	15.85	15.71
Dutoitspan mine	792 500	792 806	128 214	112 143	16.18	14.15
Bultfontein mine	883 800	1 042 240	285 885	329 729	32.35	31.64
Wesselton mine	1 807 800	1 948 348	498 733	528 817	27.59	27.14
Dump retreatment	187 400	—	56 556	—	30.18	—
Finsch mine	3 757 900	3 639 640	2 630 166	2 425 799	69.99	66.65
Koffiefontein mine	3 687 900	3 712 694	342 833	409 789	9.30	11.04
Kimberley Division total	11 822 100	11 861 225	4 054 107	3 920 240		
Namaqualand mines	4 964 800	4 066 711	1 224 952	1 162 752	24.67	28.59
Premier mine	7 527 800	7 074 403	1 983 435	2 010 307	26.35	28.42
CDM	15 136 300	14 899 997	1 898 211	2 001 217	12.54	13.43
Letseng-la-Terai mine	1 417 000	680 000	48 977	22 688	3.46	3.34
Orapa mine	3 585 400	3 449 565	2 454 405	2 345 010	68.45	67.98
Letihakane mine	1 111 200	1 087 310	330 523	345 981	29.74	31.82
Totals	45 564 600	43 119 211	11 994 610	11 808 195		

improvements in the quality of amber boron nitride have substantially increased market acceptance of ABN300 and the metal-clad version, ABN360, two superhard non-diamond abrasives used in grinding high speed steels. The SYNDITE product range was extended to cover applications in rock drilling and turning tools for use on a wide variety of non-ferrous metals. SYNDITE wire-drawing dies were also marketed for the first time. In collaboration with universities abroad, an X-ray technique has been developed for the 'fingerprinting' of both cut and uncut diamonds, and research into the potential use of this technique is being pursued.

Further details of the De Beers group are given on pages 65 and 66.

COAL

Further growth in exports

The South African coal mining industry increased exports by 21 per cent to 15.4 million tons in 1978, earning R325 million in foreign exchange, which was 31 per cent higher than the previous year. This achievement, together with an increased output from tied collieries for the Electricity Supply Commission (Escom) and the commencement of production from the new colliery developed to supply Sasol 2, contributed to the six per cent growth in the industry's sales output from 85 million tons in 1977 to 90.3 million tons in 1978.

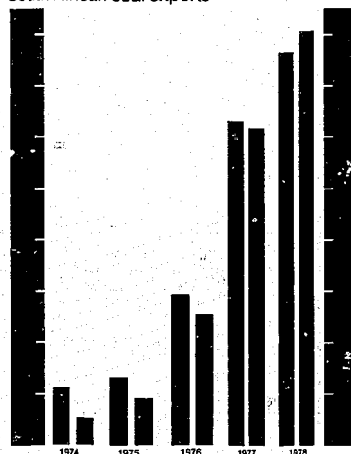
Exports through Richards Bay reached 13.5 million tons in 1978 compared with 10.9 million tons the previous year. This high tonnage was achieved against a design capacity of 12 million tons and despite machinery difficulties experienced in August and September. The last quarter of the year saw the start of the commissioning of the plant in the Phase II expansion and the planned annual throughput rate of 20 million tons was achieved as scheduled by the end of the first quarter of 1979.

In November 1978 the Government announced revised export permissions in principle which will increase exports through Richards Bay from the present authorised level of 20 million tons to 44 million tons a year, consisting of 40 million tons of bituminous coal and four million tons of anthracite. The South African coal mining

industry, in conjunction with the South African Railways and the Richards Bay Coal Terminal Company Limited, has embarked on a study of this major expansion programme.

The domestic market, other than in supplies to Escom from tied collieries and the development of the Sasol 2 mine, showed continued weakness resulting in reduced outputs from certain collieries in the industry. With surplus capacity in the collieries supplying the domestic market, buyers have become more selective in their requirements and this has emphasised the need to improve quality.

South African coal exports



Sales during the year by South African companies administered by the Corporation rose by four per cent to 29.6 million tons, which was approximately 33 per cent of the country's total sales output, with total operating profits, before tax, of these collieries increasing by 12.7 per cent to R83 million. The most noteworthy achievement by administered collieries was in containing unit working cost increases to an average of 9.8 per cent, well below the country's 1978 rate of inflation of 11.6 per cent.

The supply of coal to Escom by administered coal mining companies increased by 1.5 million tons, or nine per cent, to 18.5 million tons as a result of increased sales by Kriel, Cornelia and Vierfontein collieries. Kriel's opencast mine commenced

coaling early in 1978 and produced 580 000 tons during the year, with production planned to build up to 4.5 million tons a year when all generating sets at the power station are commissioned.

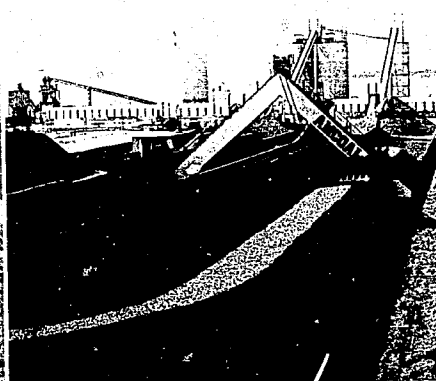
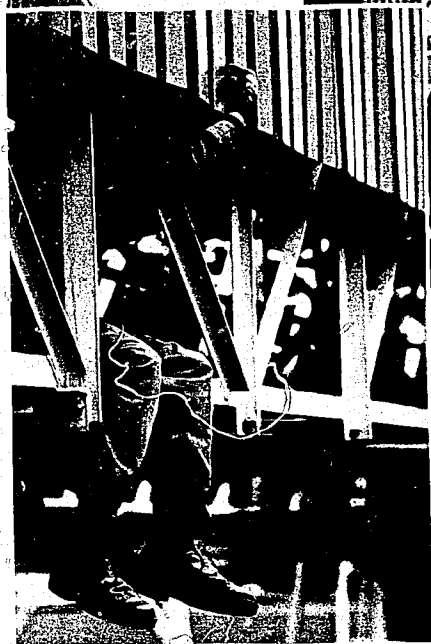
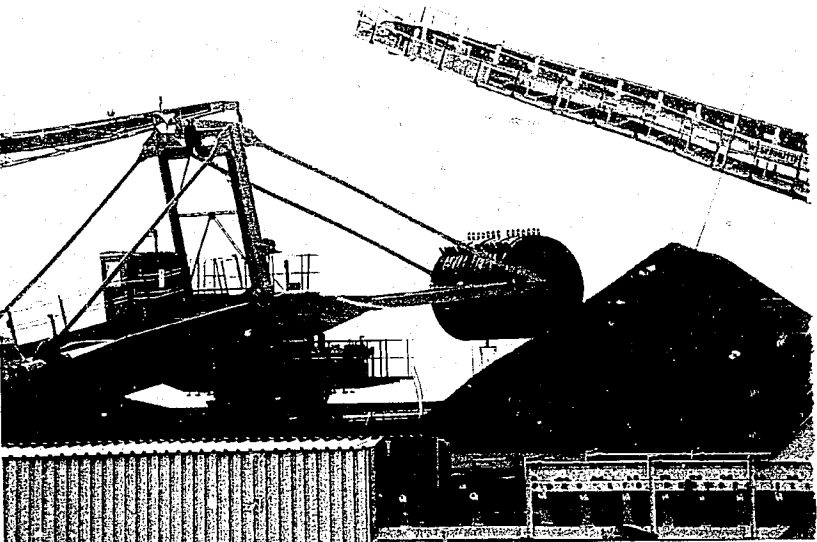
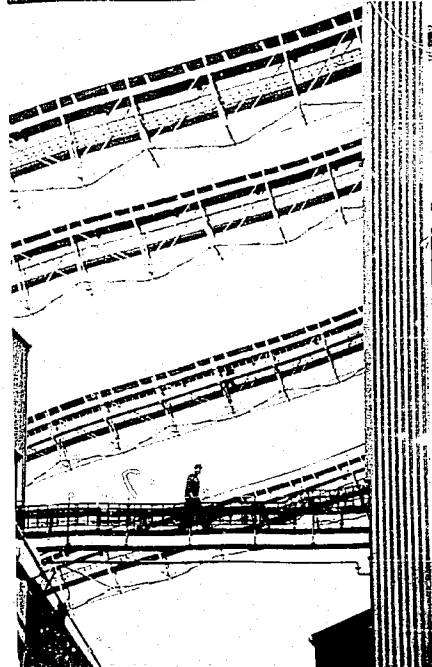
The export collieries in the Transvaal, Bank, Landau and Kleinkopje, together supplied 4.9 million tons of low-ash and steam coal out of the Transvaal Coal Owners Association's total 1978 exports of 10 million tons. The export market for steam coal remained firm throughout the year and higher than anticipated sales of low-ash metallurgical coal were achieved.

Amcoal group

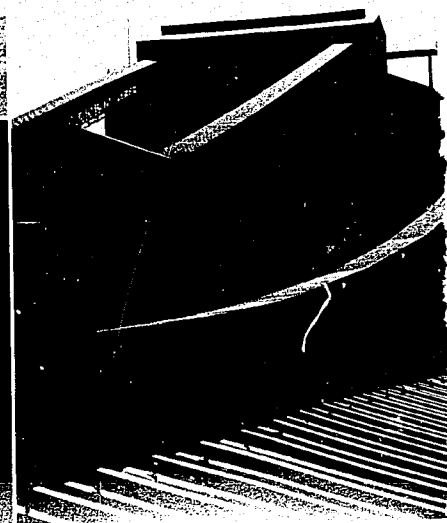
Amcoal recorded further growth in 1978. Turnover increased by 19 per cent to R308.4 million and net equity earnings by 11.5 per cent to R52.7 million, with dividends raised by 20 per cent to 72 cents a share. The Amcoal group collieries had outstanding capital expenditure programmes totalling R124 million in present money terms at the end of the year. Amcoal's major new mine, Kleinkopje colliery, was brought into production on December 1 1978, an important achievement considering the decision to proceed with this project was taken only two years earlier. Kleinkopje is now supplying low-ash coal to Iscor, and steam coal to both the domestic and export markets at planned rates. The first phase in the development of this mine will be completed within the original total capital estimate of R109 million in 1976 money.

Vryheid Coronation Limited, despite difficult trading conditions in the metallurgical coke market, was able to achieve the same level of pre-tax profit as in 1977 but an increase in the taxation charge resulted in the after-tax profit of R4.16 million being 6.2 per cent less than that earned in 1977. The Natal Anthracite Colliery Limited group of companies experienced a 13 per cent reduction in after-tax profits as a result of production difficulties which restricted output at Natal Anthracite colliery.

As part of the revised Government export allocations referred to earlier, Amcoal has been awarded permission in principle to export six million tons of coal a year for 30 years. Of this permission, two million tons a year has been granted firm as part of Phase II of the export programme and will be provided from Kleinkopje colliery when the



Kleinkopje Amcoal's newest opencast venture was commissioned earlier this year and the first phase has quickly reached its planned annual production rate. Iscor will be supplied with 500 000 tons of low ash metallurgical coal a year and of the 2.2 million tons of steam coal production, most will be for export. At the official opening of the mine in March Mr Oppenheimer said that 'by any consideration Kleinkopje is an immensely important operation and to have brought it into production in 18 months, and within the estimated cost of R106 million, is a remarkable achievement'.



mine reaches full production. Thus Amcoal has the opportunity to expand its export activity by a further four million tons a year. Although capital costs will be higher and projected returns initially lower than for the first two phases of exports, Amcoal is confident that additional coal exports will be profitable in the longer term and therefore intends to participate fully in the Phase III expansion programme.

Wankie Colliery

Wankie Colliery in Zimbabwe Rhodesia reported an increase in net earnings from ZR\$1.6 million to ZR\$4.3 million for the year ended August 31 1978, despite sales reductions of 30 000 tons of coal and 15 000 tons of coke. This was achieved partly by a 10 per cent price increase to Zimbabwe Rhodesian consumers and by containing fixed costs. The dividend payment for the year increased from 7.5 cents a share in the previous year to nine cents.

Further details of coal mines administered by Anglo American Corporation and those in which the Group holds a significant interest are given on pages 61 and 66.

OTHER MINING

Brighter copper price outlook

Several developments during 1978 led to a significant turnaround in the Western world copper market after the unpromising outlook of a year ago. Increased consumption in the United States, Japan, West Germany and Canada saw total consumption of refined copper in 1978 rise by six per cent over the 1977 level to 7.3 million tons. The May 1978 military incursion into the Shaba province of Zaïre was the main cause for the reduction in Western world production from 6.9 million tons in 1977 to 6.8 million tons in 1978. Total world stocks of refined copper of more than two million tons at the beginning of 1978 have reduced considerably while London Metal Exchange (LME) stocks declined during the 12 calendar months from 641 200 tons to 373 650 tons and to 254 450 tons at March 31 1979.

Following the Shaba incursion, the LME monthly average cash settlement price for electrolytic copper rose above £750 in October and November and to an average of £772 in December. There was a dramatic

improvement in early 1979, resulting from concern over supplies from Zambia, Zaïre and Canada, events in Iran and inventory replenishment by fabricators, with the monthly average price of £827 a ton in January, £970 in February and £1 006 in March. However, the price subsequently fell below £900 on several occasions, but by mid June had firmed marginally to £916.

It is estimated that for 1979 Western world consumption of refined copper will again exceed production, but by a lesser margin than in 1978. With generally firm conditions underpinning the market, prices are expected at least to maintain present levels for some time. However, a slowdown of economic activity as a consequence of the recent oil price increases could have a deleterious effect, as would any significant increase in production.

The improved market has had beneficial effects on the Zambian copper mines. Nchanga Consolidated Copper Mines Limited (NCCM) and Roan Consolidated Mines Limited (RCM) have returned to profitable operation, but with continuing losses of skilled staff and shortages of spares, lower levels of output are expected. NCCM produced 370 468 tons of finished copper during 1978 compared with 407 978 tons in 1977. RCM's output was 283 387 tons against 250 509 tons for the previous year.

As a result of continued problems on the export route via Dar-es-Salaam, the rail route for exports via South Africa was re-opened in the latter part of 1978 to enable the excessive level of finished stocks to be reduced to normal levels.

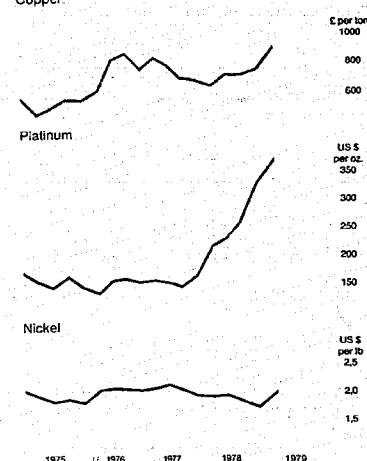
A major escalation of cobalt prices developed during 1978 as a result of restricted output from Zaïre, the world's leading producer, following the Shaba incursion. NCCM and RCM, which recently commissioned a new plant designed to produce 2 400 tons of cobalt a year, successively increased their selling price from US\$6.50 a pound at the beginning of 1978 to US\$25 a pound from January 1979. At nearly K44 000 a ton, cobalt sales are expected to provide an important contribution to the profitability of each company during 1979.

In South Africa, Rustenburg Platinum Holdings, which owns the entire equity of Rustenburg Platinum Mines Limited, reported consolidated profits after tax of

R25.8 million for the year ended August 31 1978, compared with R4.6 million for 1977. The increase is mainly the result of improved market conditions for platinum during the company's financial year, particularly the increased demand by the US automobile industry and the Japanese jewellery industry coupled with the lack of sales from Russia. The free market price of platinum responded by rising to \$280 an ounce in August 1978 and by April 1979 the price was in the range of \$388 to \$398 an ounce. The company, in turn, increased its published price of platinum progressively from a range of \$155 to \$170, which had prevailed since February 1975, to \$240 an ounce by mid 1978 and to \$350 an ounce in April 1979. These improvements justified the restoration of some of the 20 per cent cut in production which the company made in November 1977. During the financial year ended August 31 1978, Rustenburg Platinum Holdings acquired the entire issued share capital of Atok Platinum Mines (Proprietary) Limited for R2.2 million. Rustenburg's net earnings for the six months to February 28 1979 rose to R24.4 million from R300 000 in the previous half year and an interim dividend of five cents a share was declared.

Hudbay reported consolidated earnings for the year ended December 31 1978 of C\$5.1 million, compared with net earnings

Selected metal prices on open markets
Quarterly averages
Copper.



Directors' review

before extraordinary items in 1977 of C\$4.4 million. The consolidated results include Hudbay's share of earnings and losses of effectively controlled companies, which are accounted for on an equity basis, as well as a net C\$2.6 million gain arising from the conversion of the working capital of foreign subsidiaries into Canadian dollars. Despite substantially increased revenues from higher sales of base metals and fertilisers, decreased profit margins, particularly in fertilizers, prevented any substantial improvement in net profits. Results from oil and gas operations in 1978 were on a par with those of the previous year. Contributions to operating profit before taxes for the year were 1.9 per cent from base metals, 9.7 per cent from fertilizers and chemicals, 73.8 per cent from petroleum, 2.3 per cent from industrial and 12.3 per cent from financial activities. Hudbay paid no dividends during 1978, after having reduced its annual dividend from 80 cents a share in 1976 to 60 cents a share in 1977. Since the year end, Hudbay has resumed dividend payments with a dividend declared in January of 10 cents a share and a further dividend of 20 cents a share declared in April.

Hudbay made three significant investments during 1978 that broadened and strengthened its operating base in North America. In Canada, the company purchased a 37.5 per cent interest in Tantalum Mining Corporation of Canada and increased its ownership of Whitehorse Copper Mines from 41.2 to 100 per cent. In the United States a new holding company, owned equally by Hudbay and Minorco, has acquired 100 per cent of the equity of Inspiration Consolidated Copper Company. Hudbay and Minorco had previously held direct interests of 23 per cent and 15 per cent, respectively, in Inspiration. Hudbay's Canadian Metals Division expects to realize considerable savings when the new C\$33 million concentrator at Stall Lake Mine is fully operational. Studies to upgrade metallurgical plants at Flin Flon are in progress. The Government of Saskatchewan has decided not to renew Hudbay's licence to operate its hydroelectric plant on the Churchill River and discussions to determine the compensation to be paid to Hudbay have recently begun.

Hudbay's petroleum investments, represented by its 61.9 per cent interest in

Canadian Merrill Limited and its 54.9 per cent interest in Francana Oil & Gas Limited, which, in turn, owns 56.8 per cent of Trend International, all reported decreased net earnings in a year in which an oversupplied market resulted in lower sales of natural gas in western Canada, while the natural oil production decline in Indonesia continued. Increases in product prices were not sufficient to offset these factors. Canadian Merrill's net earnings in 1978 were C\$2.3 million compared with C\$3.6 million in 1977. Curtailed volumes of gas taken by the company's major customer during 1978 depressed net earnings. Moreover, Canadian Merrill reported a substantial downward revision of its estimated natural gas reserves, which resulted in higher depletion, depreciation and amortization charges in 1978. Francana had consolidated net earnings in 1978 of C\$9.7 million, down marginally from the C\$9.9 million recorded in 1977. Product price increases were negated by gas curtailments and increased operating costs and expenses. The contribution to Hudbay's profits by Trend in 1978 was approximately the same as in 1977. A merger of the interests of Francana and Canadian Merrill is being considered.

Terra Chemicals International, Inc., in which Hudbay has a 50.5 per cent interest, earned US\$1.3 million in 1978 compared with US\$8 million in 1977. Although revenues set a record, the financial results were adversely affected by sharply lower product prices attributable to a worldwide oversupply of ammonia and nitrogen-derived products, higher costs of raw materials, particularly natural gas, and increased interest costs.

Inspiration Consolidated Copper recorded a loss for 1978 of US\$7.8 million, compared with a loss of US\$11.1 million in 1977, with low metal prices, curtailed production and increased costs for labour and materials contributing to the loss. Deliveries of copper, at 89.4 million pounds, were marginally lower than in 1977, and the average price realised fell from 66.84 cents in 1977 to 64.92 cents a pound in 1978. Extensive studies are under way to optimize treatment processes, including a major review of smelter operations. Construction of a US\$14 million solvent extraction plant commenced for commissioning late in 1979.

Botswana RST Limited has an 85 per cent interest in BCL Limited which operates a copper-nickel mine at Selebi Phikwe in Botswana. The mine made considerable progress during the year with production and cost efficiencies. Production in 1978 was 39 517 tons of matte, compared with 30 772 tons in 1977. However, in spite of satisfactory cost control, lower overall metal prices resulted in an operating profit of only P2 million (1977: loss of P5.9 million). After loan interest payable of P26.9 million and sundry items, the loss on current operations was P24.7 million compared with a loss of P31.6 million in 1977. Metal prices and operating results are expected to improve in 1979, while means are being sought to improve the company's financial position, although the heavy interest burden will continue to result in an overall loss unless metal prices rise more rapidly than anticipated.

Bindura Nickel, formerly Rhodesian Nickel Corporation Limited, having changed its year end, produced a consolidated net profit of ZR\$1.7 million for the nine months ended December 31 1978, compared with ZR\$2.3 million for the year ended March 31 1978. No interim dividend was declared but the final dividend of three cents a share, absorbing ZR\$720 000, was the same as that declared for the year ended March 31 1978.

At the Cleveland Potash mine in the United Kingdom, in which Charter has a 37.5 per cent interest and Anglo American Corporation an effective holding of 11.9 per cent, production for 1978 was 249 000 tons of potash. Problems resulting from the complexity of the orebody and the difficulty of establishing a stable labour force at the mine caused serious losses of production during the year. However, a recovery which began in the fourth quarter of the year has been sustained in the first quarter of 1979.

Charter has a 10.6 per cent interest and Anglo American Corporation a 3.59 per cent interest in Tara Exploration and Development Company Limited which, through its subsidiary Tara Mines Limited, operates a lead/zinc mine at Navan in the Republic of Ireland. Production began in June 1977 and though it has built up at a slower rate than planned, due both to technical factors and to labour disputes, it is expected that a production rate of 450 000

tons of lead and zinc concentrates a year will be achieved by the middle of 1979, from 2.3 million tons of ore milled a year. The delays coupled with the low zinc prices that have prevailed until recently have necessitated renegotiation of Tara Mines' debt financing.

Beral Tin and Wolfram Limited, in which Charter now has a 50 per cent interest, reported a pre-tax profit of £3.5 million for 1978 compared with an adjusted figure of £4.7 million for 1977. During the year the Portuguese company acquired another wolfram mine, Borralha, in northern Portugal, which has the capacity to increase overall group production by approximately 20 per cent.

Swaziland Iron Ore Development Company Limited continued to treat the stockpile of mined ore during the year and effected deliveries to Japan under the medium-grade contract. Final deliveries under the contract will be made in mid 1979 and negotiations are being undertaken for the sale of the small amount of ore remaining after completion of the contract.

The official opening of the new Middelplaats Manganese mine near Sishen in the north-western Cape is to take place in August this year. Although construction of the incline service ramp has fallen behind schedule, progress in general has been very satisfactory and the project is expected to be completed within the original capital estimate. Trial shipments of ore to potential customers have already been arranged.

Zinchem and Industrial Mineral Resources (Proprietary) Limited (Zimro) reported increased net earnings for the year ended March 31 1979. The continued depressed trading conditions in the European chrome sand foundry industry, together with product substitution in the refractory trade, have adversely affected the performance of Zimro Minerals & Chemicals (Proprietary) Limited and Hudson Mining Company (Proprietary) Limited. Against this background the results attained are very satisfactory and reflect the benefit of the wide range of products in the Zimro group.

Further details of mines administered by Anglo American Corporation and those in which the Group holds a significant interest are given on pages 62 and 67.

INDUSTRY AND COMMERCE

Cost pressures remain a concern

The benefits of the modest upturn in the South African economy in 1978 were concentrated in certain areas, with others showing little sign of revival. Total private consumption expenditure increased by about two per cent, embodying a substantially higher increase in spending on durable goods, notably transport equipment, and a significant decline in semi-durable goods including clothing and footwear. Small growth in expenditure on foodstuffs reflected a further reduction in total real disposable income and continued high unemployment. Improved sales of durable goods resulted largely from replacement demand, reinforced by expected price increases, and was financed to some extent by savings and credit.

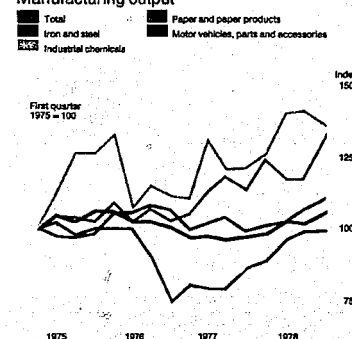
Real investment outlays dropped significantly for the third successive year, and while there was a major decline in public sector activity, it was mitigated by the expansion of some public corporations. Widespread surplus capacity inevitably meant another fall in private sector spending. It was not surprising, then, that the construction sector displayed marked weakness, compounded by a large reduction in private residential commitments.

These developments in domestic demand were reflected in the pattern of industrial output, where the total volume increased by four per cent, with major contributions stemming from categories directly or indirectly associated with the motor vehicle industry. In addition, some areas – such as iron and steel basic industries, fabricated metal products, industrial chemicals and paper and paper products – benefited from higher export sales. On the other hand there was reduced output in several other categories, including manufacturers of food and non-electrical machinery.

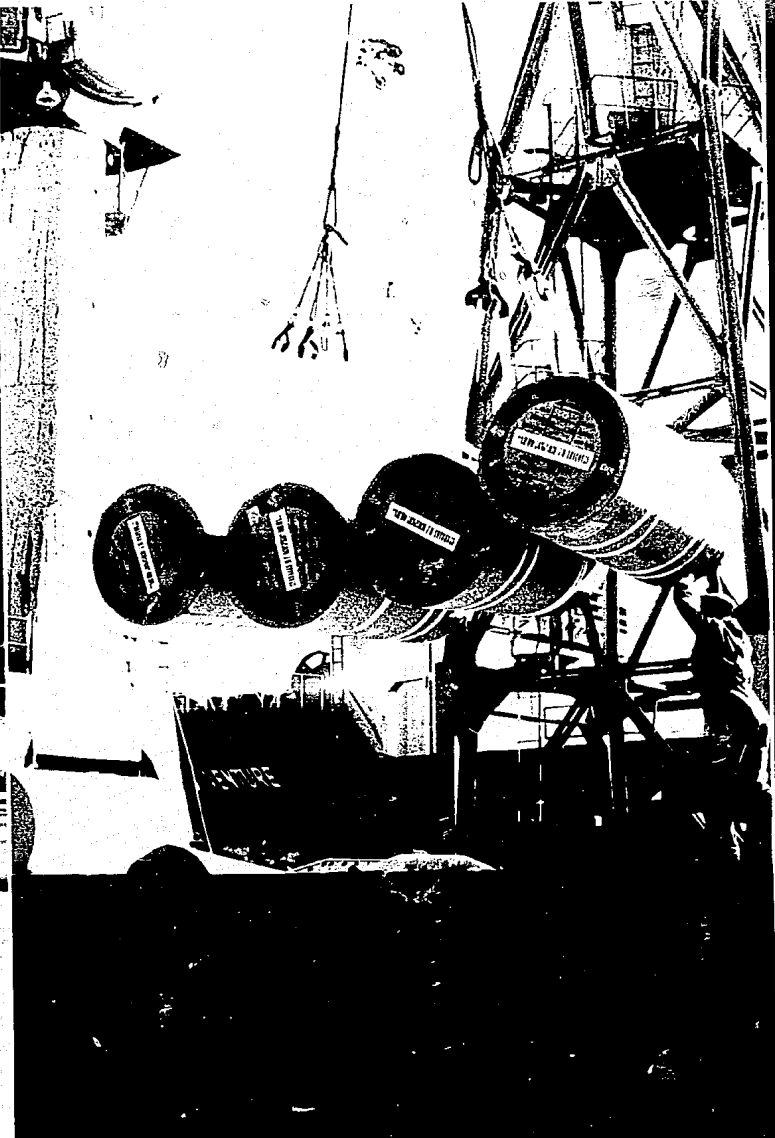
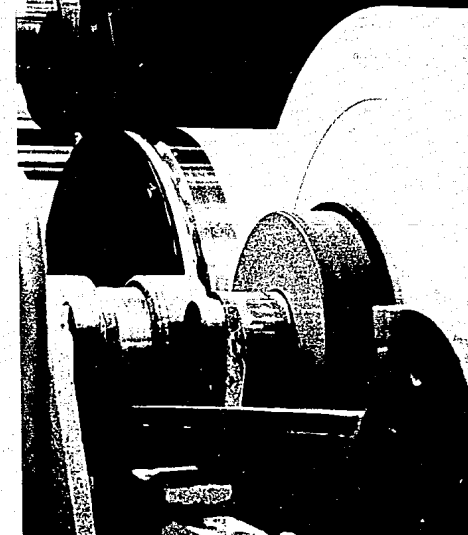
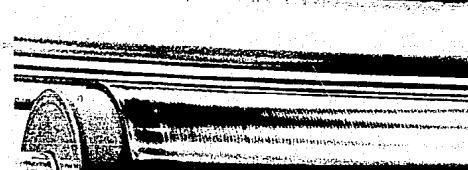
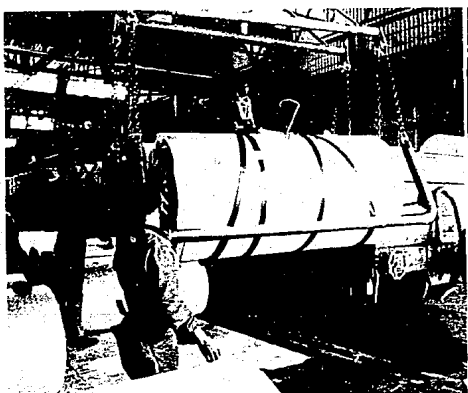
Highly competitive conditions remained a feature of both domestic and overseas markets, reflected by the fall in total manufacturing profits in the first half of 1978 compared with the same period a year earlier. Obviously, however, the growth industries already referred to enjoyed better results. An encouraging sign, after a decline in the previous year, was a significant rise in production per man-hour in manufacturing

in the first three quarters of 1978. Such trends could lead to containing cost pressures, which remain a source of concern, and to a continued improvement in export competitiveness. Overall, the expansionary measures in the 1979 Budget should lead to higher growth in domestic demand and, with recent changes in exchange rate policy, hopefully serve to improve general conditions for investment and the balance of payments.

Manufacturing output



The investments of the Corporation, its administered finance companies and its associated companies in industry and commerce cover a wide range of activities, including iron, steel, alloys, chemicals and explosives, civil engineering and construction, drilling tools, coal mining equipment, refractory and other structural clay products, textiles, plastics, paperboard, 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 and computer services. This wide spread of industrial interests is held both directly and through its investments in Amic, De Beers Industrial Corporation Limited (Debincor) and Mainstraat Beleggings (1965) Beperk. Debincor holds a substantial interest in AECI Limited, the major chemicals and explosives manufacturer. There are also other important industrial interests in Zimbabwe Rhodesia through Amrho, in Zambia through Minorco and its subsidiary Zamanglo Industrial Corporation Limited, as well as a significant interest in Barlow Rand Limited.



Mondi Paper, near Durban, is South Africa's principal supplier of newsprint and in 1978 had exports worth \$40 million. Recently it won an order to supply 8 500 tons of newsprint to the US west coast. In addition to newsprint Mondi's product range includes fine writing and computer papers and, with its new supercalendering equipment, high quality magazine papers. When a fourth paper machine is in operation by the end of 1980, Mondi's capacity will increase by 50 per cent to some 400 000 tons a year.

Iron, steel and engineering

The equity earnings of Highveld Steel and Vanadium Corporation Limited for the year ended June 30 1978 increased slightly to R21 million from R20,7 million the previous year. Net income for the half-year ended December 31 1978 amounted to R12,5 million compared with R9,8 million for the corresponding period in 1977, an increase of 27,4 per cent, and the interim dividend was increased by 20 per cent to six cents a share.

Difficult market conditions encountered in the financial year to June 30 1978 subsequently improved with the iron and steel works operating at full capacity, though production at the Vantra division continued at a reduced level. Production at Transalloys (Proprietary) Limited, however, has returned to full capacity. Apparent world steel consumption in 1978 increased by six per cent over 1977 to reach a new record level of 712,5 million tons. Further world-wide growth of about three per cent is forecast for 1979, with consumption in the free world increasing at a slower rate than in the communist bloc. Domestic steel demand during 1978 showed some improvement over 1977, but apparent consumption was nonetheless approximately 20 per cent below the record level of 1975. Further modest growth is expected in 1979.

With the commissioning of the plate mill, Highveld increased its local market share for rolled products. The demand for vanadium, weak in 1977, strengthened early in 1978 and has since remained steady, while the export demand and prices for Transalloys' manganese and silicon ferro-alloys showed significant improvements during the last six months of 1978.

In terms of an agreement entered into in December 1978 Highveld acquired the trading assets of Rand Carbide Limited with effect from July 1 1978 and now owns the entire issued share capital of that company. This new division of the group also benefited from the improvement in world-wide ferro-alloy demand, both directly in the form of ferro-silicon exports and indirectly in increased sales of metallurgical char and electrode paste to the South African ferro-alloy industry. This acquisition contributed an encouraging 13 per cent to Highveld's earnings for the half year to December 31 1978. Market conditions are not expected to improve but it is anticipated that the after-

tax profit for the six months to December 31 1978 will at least be maintained in the second half of the current financial year.

Boart International, a wholly-owned subsidiary of Amic, reflected a record group taxed profit of R17,7 million for 1978 compared with an adjusted figure of R16,2 million in 1977. Demand for group products was strong in South Africa and Australia but adverse conditions prevailed in Canada, Europe and Zambia. During 1978 Boart, jointly with General Mining and Finance Corporation Limited, formed Coalequip (Proprietary) Limited to market and manufacture coal mining products. An improvement in the group's main markets is expected in 1979 which, with greater efficiencies and deeper market penetration, should enhance profits.

Notwithstanding further difficulties experienced by the iron, steel and engineering industry for the year ended December 31 1978, Scaw achieved excellent results with equity earnings of R18 million being 17,65 per cent higher than the previous year. This increase is attributable to an improved volume of export sales from the iron and steel foundries, higher prices for rolled steel exports and increased grinding media sales to the expanding mining industry. The outlook for the foundries is encouraging mainly because of substantial export orders for railroad castings, while grinding media sales should continue to be satisfactory. A successful year is forecast for rolled steel products as, in addition to the price adjustment granted by the Government last September, domestic demand has improved and export prices remain attractive. Meanwhile every effort is being made to absorb escalating costs of essential materials and services and hold selling prices at competitive levels. It is anticipated that Scaw's earnings this year will be higher than last year's.

The consolidated profit after-tax of International Pipe & Steel Investments South Africa (Proprietary) Limited (IPSA) decreased by 26,4 per cent to R8,7 million for the year to September 30 1978. Equity earnings of IPSA's two subsidiaries, Stewarts & Lloyds of South Africa Limited and Dorbyl Limited decreased by 21,1 per cent to R6,3 million and by 24,6 per cent to R10,2 million respectively.

Union Carriage and Wagon Company

(Proprietary) Limited is the principal builder of electric locomotives and passenger railway coaches in South Africa. Despite a decline in orders from the South African Railways since 1977, the company has maintained its profitability by rigorous control of costs.

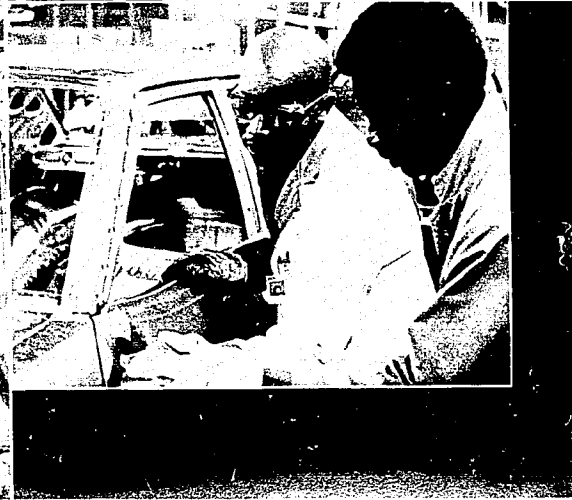
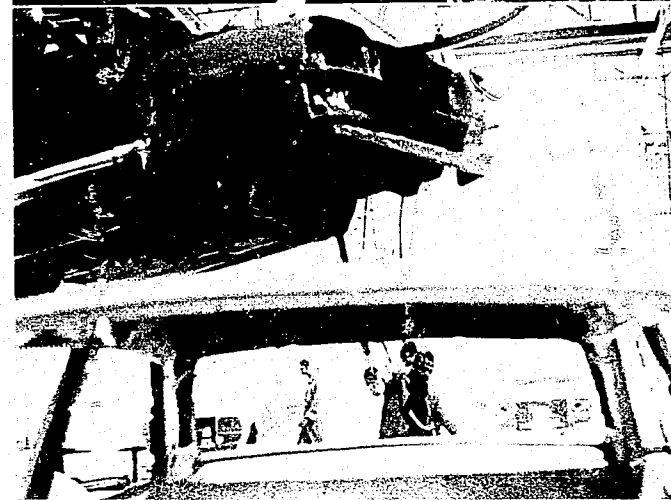
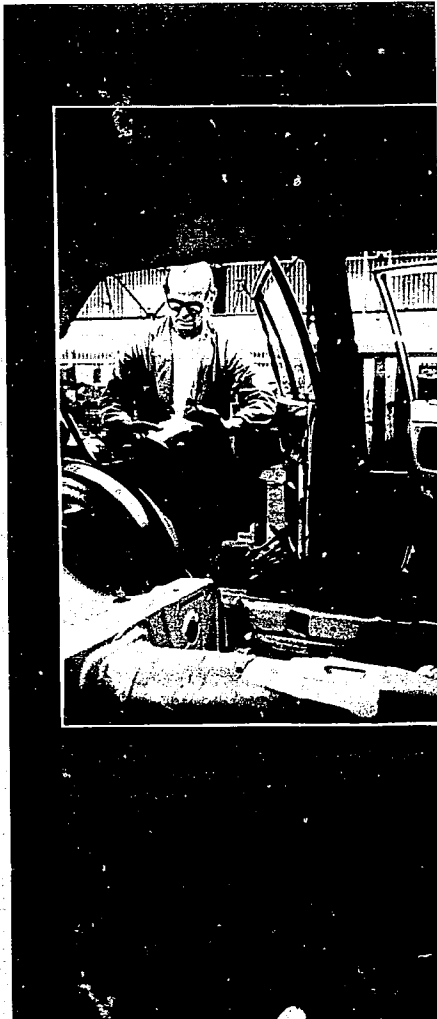
The net income attributable to ordinary shareholders of Vereeniging Refractories Limited, a subsidiary of Amcoal, increased by 48 per cent to R4,9 million for the year ended December 31 1978. Coverland Roof Tiles (Proprietary) Limited reported improved results and the refractories division improved its net operating income by 34 per cent to R6,5 million as a result of the continued import replacement programme and increased orders from the steel industry.

Civil engineering and construction

Equity earnings of the LTA Limited group for the year ended March 31 1978 were R5,8 million, compared with R5,2 million the previous financial year. Earnings were 46 cents a share as against 41 cents. Work in hand at March 31 1978 was valued at R301 million compared with R271 million the previous year. The dividend was increased by 0,5 cents to 19 cents a share. For the six months to September 30 1978 equity earnings were R3,4 million compared with R3,3 million for the same period in 1977. Earnings were 27 cents a share as against 26 cents. Work in hand at September 30 1978 was valued at R400 million. It is expected that the results for the 12 months ended March 31 1979 will show an improvement over those of the previous year.

Timber and allied interests

The improved consolidated net equity earnings for Mondi for 1978 of R11,4 million, compared with R10,2 million the previous year, were due to a buoyant market for fine writing paper, an increase in the local demand for newsprint, and an increase of 66 per cent in export sales, coupled with fairly static raw material prices. In 1979 selling prices are expected to increase along with a continued improvement in demand, although raw material prices are also expected to increase. Available production capacity will be needed for a greater proportion of local sales, so that export sales are likely to decline.



Meanwhile a fourth paper machine and a thermo-mechanical pulping plant are to be installed, to become operative towards the end of 1980. Production facilities are also to be expanded at the Durban factory of the subsidiary, South African Board Mills Limited, whose earnings fell slightly last year as a result of the disposal of its sugar mill. With effect from January 1 1979, Mondi has acquired from Amic the total issued capital of S.A. Forest Investments Limited (Safi) in exchange for the issue of new Mondi shares.

Safi incurred a loss of R973 000 in 1978, as against a loss of R392 000 in 1977. The Sabie sawmill of the subsidiary, Acme Timber Industries Limited, was unable to operate to capacity, and although some benefit was derived from improved sawn timber prices they were not commensurate with continuing cost increases. Steps are being taken to rationalise sawmilling operations in Natal and, with the disposal of the non-profitable operations of M.V. Houtprodukte (Eiendoms) Beperk, together with further increases in selling prices and better use of capacity, results for 1979 are expected to improve. Efforts to increase export sales are continuing.

Net earnings of The Natal Tanning Extract Company Limited improved to R2,9 million in 1978, compared with R1,9 million in 1977, because of a good demand for wattle extract.

Bruynzeel Plywoods made a profit of R1,5 million in 1978 compared with the previous year's loss of R2,4 million. This improvement was mainly a result of benefits from the merger of the particle board activities with those of Bisonbord Limited, as well as the stabilisation of selling prices for sawn timber.

Motor and transport

Sigma Motor Corporation (Proprietary) Limited increased sales of passenger cars and commercial vehicles by 49,9 per cent and 7,7 per cent respectively, there having been an initial surge in sales before the introduction of general sales tax followed by a gradual recovery of the economy. In January 1979, Sigma acquired Pacsa (Proprietary) Limited and the marketing of Peugeot and Citroën cars and Peugeot light commercial vehicles will continue through the existing Peugeot and Citroën

dealer network. With the rationalisation and strengthening of dealer networks and the enhancement of its product line Sigma is, subject to the effects of the oil crisis, expected to improve its market share and move into profitability in 1979. Negotiations for the merger of the company's Equipment and Truck Division with certain interests of Leyland South Africa have been terminated.

McCarthy Group Limited, the largest retail motor organisation in South Africa, increased new unit sales by 10 per cent during the year ended June 30 1978, representing 11,9 per cent of the total vehicle market, and increased net equity earnings to R3,2 million, compared with R1,6 million the previous year.

Despite static economic conditions, Freight Services Holdings Limited maintained revenue while increasing attributable group profits by more than 40 per cent. This improvement reflects ongoing benefits arising from the merger of the former Freight Services, Aero Marine and Manica groups. Major developments during the year have been the commencement of container throughput at S.A. Container Depots (Proprietary) Limited, the opening of the Fynlands steel export facility and the merger of the ships agency companies to form Freightmarine Shipping Limited. After-tax profit for 1978 was R6,9 million (1977 : R4,6 million).

Chemicals and explosives

AECI achieved an increase in group sales in 1978 of 19 per cent to R703,5 million, while net equity earnings rose by 54 per cent to R57,3 million. The total volume of sales in the Republic improved by 11 per cent during the year with increases in all sectors in which AECI operates. The R230-million Coalplex project, a joint venture with Sentrachem Limited in which AECI has a 60 per cent interest and which was commissioned during 1977, is now fully operational, producing polyvinyl chloride (PVC), carbide, acetylene, chlorine and caustic soda. The plant, which uses coal as a base is approaching breakeven and, in view of the oil price increases, has exceptional long-term potential.

The Chemical Holdings Limited group manufactures and markets a wide range of formulated and other chemicals for

industrial applications. In the year to June 30 1978 earnings dropped by 6,7 per cent to R1,06 million on a turnover of R34,6 million; dividends were maintained at 18 cents a share. The company's subsequent results have shown a marked recovery with turnover of R30,9 million and earnings of R1,3 million recorded for the nine months to March 31 1979. The interim dividend was increased by one cent a share to eight cents a share.

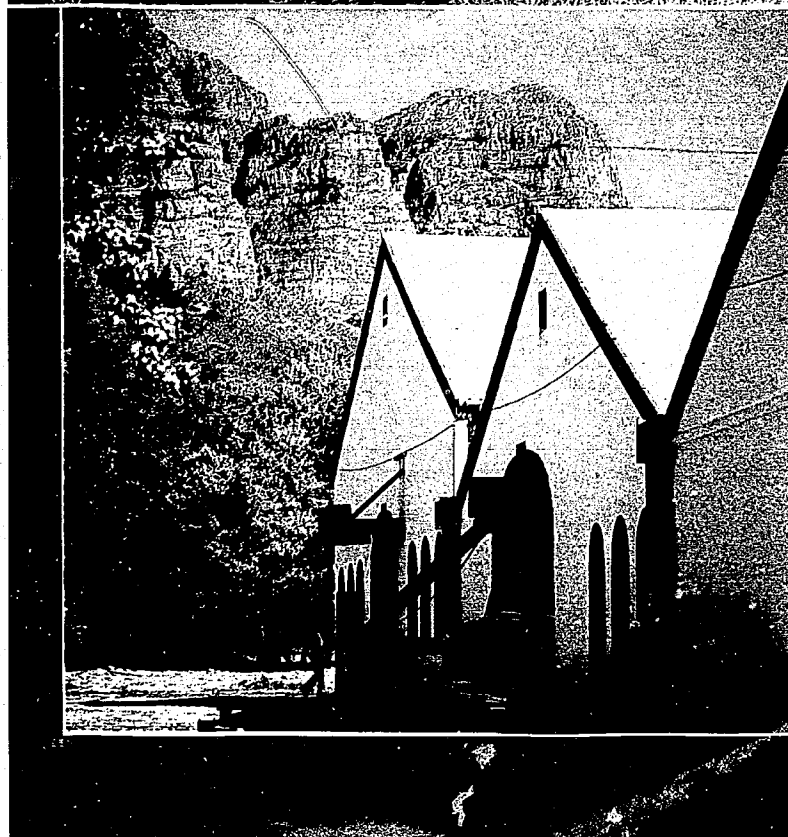
Food

The 1978 South African maize crop of 10,05 million tons was the second highest annual total on record. It was, unfortunately, followed by inadequate rainfall for the 1979 crop which is now estimated at around seven million tons, and at that level exports during the 12 months from May 1 1979 will have to be reduced from 3,3 million tons to one million tons.

African Products (Proprietary) Limited is the largest processor of maize for industrial purposes in South Africa, producing starches, glucose and dextrines at Germiston and Meyerton in the Transvaal, and at Bellville in the Cape. In the year to September 30 1978 the company's earnings rose by 18,2 per cent to R3,8 million. The Corporation and associated companies had had a significant minority interest in the original African Products Limited since 1963, and in December 1978 Amic acquired its entire issued share capital and trading assets. The business was merged with a wholly-owned subsidiary of Amic, Orange Free State Land and Estate Company (Proprietary) Limited, which then changed its name to African Products (Proprietary) Limited.

In the year to September 1978 both Soetvelde Farms Limited and RFF (Proprietary) Limited improved their operating results. The return on the funds invested in these two undertakings is, however, very far from satisfactory and reflects the unhealthy situation in which South African agriculture finds itself. Escalating operating costs continue to outstrip increases in prices received by farmers; the alarming rise in the farming community's debt adds further urgency to gaining acceptance from consumers that agriculture is entitled to fair profit margins.

The Tongaat Group Limited's net equity earnings for the year ended March 31 1978



The widely varying soils that run from the banks of the Berg river up the shady side of the Simonsberg in the western Cape, together with the scientific picking of grapes at optimum ripeness, combine to produce a natural range of delicate wines for which the Boschendal Estate is winning increasing recognition. At national and regional competitions Boschendal wines won 13 awards including a trophy for the 'Champion Riesling of the Year'. Another wine which has attracted particular interest is the Bouquet de Fleurs, dry and aromatic and unique among Cape wines.



rose by 5,5 per cent to R10,8 million; this was followed by an increase of 16,8 per cent to R12,6 million for the year ended March 31 1979.

In Mozambique, the two cashew processing companies administered by the Corporation, Mocita S.A.R.L. and its subsidiary Antenes S.A.R.L., had another successful year in 1978. Despite all the highly unfavourable influences to which they were subjected, the two companies earned taxed profits equivalent to R528 000 and declared dividends of R333 000. Exchange control regulations continue to prevent remittance of dividends.

Other commercial interests

The Industex (Proprietary) Limited group, which manufactures industrial and household textiles, acquired Wellington Industries (Proprietary) Limited, which also produces household textiles, on January 1 1978. Demand for the group's products improved toward the end of 1977 continuing during the first half of 1978 and as a result consolidated taxed profits for the year ended June 30 1978 were 38,5 per cent higher than the previous year.

Computer Sciences (Proprietary) Limited provides computer bureau service facilities through a nationwide data communications network and markets mini-computers and terminals, supported by comprehensive engineering maintenance facilities and customer support functions. As a result of the rapid growth in the data processing market, the investment made by Computer Sciences in an improved product range and higher levels of customer service and staff development, revenues rose in 1978 by 22 per cent and profits showed a significant improvement.

Further details of the principal industrial and commercial companies in which the Group holds a significant interest are given on pages 62 to 67.

PROPERTY

Prospects for property improving
Property investments are held mainly through Anglo American Properties Limited (Amaprop), the property owning subsidiaries of African Eagle Life, including Sorec Limited, and Amcoal, South African

Townships Mining and Finance Corporation Limited, Creative Homes Limited, Kenilworth Centre (Proprietary) Limited, Marina da Gama Limited and Carlton Centre Limited. These interests, managed by Anglo American Property Services (Proprietary) Limited (Ampros), include central city shop and office complexes, suburban shopping centres and residential, commercial and industrial township land.

The past year has seen some decline in the large surplus of shop and office space and residential accommodation which has arisen over the previous five years. As there is very limited new property development in any of the major centres and as surplus accommodation is being reduced, rents are expected to start to recover from the depressed levels which have prevailed for a long time. Any increase in income coupled with a reduced interest rate pattern will assist property companies in the short to medium term.

Of the 259 000 square metres of shops, 442 000 square metres of offices and 2 400 residential units managed by Ampros, 99 per cent, 92 per cent and 99 per cent respectively had been let at March 31 1979. The position of companies holding township land for resale is, however, less promising with surpluses on hand and demand at a very low ebb.

The net earnings of Sorec for the 12 months ended March 31 1979 amounted to R1 million, compared with R1,2 million for the previous 18 months, and in view of the company's overall financial position no dividend has been declared. The only changes to Sorec's portfolio during this period have been the acquisition of Zambesi House, a small office block immediately adjacent to the Carlton Centre, in Johannesburg, and the disposal of the interest in the Rogoff Rand township group.

The Corporation and associates have a 90 per cent interest in Carlton Centre which comprises a 50-storey office tower, the 30-storey Carlton Hotel, a major shopping centre, covered parking for 2 000 cars and an ice rink. Carlton Centre made an after-tax profit for the year ended June 30 1978 of R2,4 million compared with R952 000 the previous year. The 1978 profit includes a surplus of R957 000 arising from the repurchase of Carlton Centre's own debentures and a R100 000 profit on the sale

of an unlisted investment. The 1977 profit included a R74 000 surplus on the repurchase of debentures. Carlton Centre's interim report for the six months ended December 31 1978 reported a profit of R1,5 million, including a surplus of R175 000 on the repurchase of debentures.

Amaprop reported a loss for the 12 months ended March 31 1979 of R4,7 million compared with a loss of R655 000 the previous year. This increased loss is largely due to the creation of an additional R3,7 million provision for losses relating to Amaprop's investment in Marina da Gama, the development in Muizenberg, Cape Town, where land sales have increased over the previous year but at prices below original cost. Demand for industrial township land is weak and any improvement will depend on a general upturn in the economy. Amaprop's wholly-owned Cabana Beach resort hotel reflected increased earnings.

Further details of the principal property companies administered within the Anglo American Corporation Group and those in which the Group holds a significant interest are given on pages 62 and 68.

EXPLORATION AND RESEARCH

Coal reserves continue to improve

Exploration for a wide range of base metals and uranium continued in South Africa, South West Africa/Namibia and in many other parts of the world.

Investigation of a small secondary uranium deposit in the north-west Cape is nearing completion and a decision as to its viability will be taken this year. Exploration in the Karoo, where a number of uranium occurrences are being investigated in conjunction with the Spanish nuclear fuel company, Empresa Nacional del Uranio S.A., has so far failed to locate viable deposits and the future of this project will depend upon further work during the coming months. Interesting results have been obtained from work which is being carried out in association with the French companies, Minatome and Omitaramines, and Union Corporation Limited, on the secondary uranium deposits at Tubas in the Swakopmund area of South West Africa/Namibia. Further exploration is being conducted in an attempt to achieve a viable tonnage.

Directors' review

The previously reported copper/lead/zinc discovery in the Sperrgebiet in South West Africa/Namibia proved to be oxidized to more than 300 metres and exploration has ceased for the time being while other targets in the immediate region are being investigated.

Gold exploration continued at a high level. In the Erfdeels Block north of Free State Saaipiaas the drilling programme was completed early in 1978. The geological assessment indicated a substantial tonnage at a marginal average grade and mining and engineering studies are in progress. Significant gold and uranium results continued to be obtained in the area south of the Orange Free State goldfields, but the structure and geological relationships are complex and an expanded drilling programme is still in progress. Drilling south and west of the Vaal Reef's mine has continued with variable results, while south of the Western Areas mine additional intersections of the upper Elsburg reefs have been obtained which warrant further investigation. Exploratory work for uranium north of Klerksdorp continues but without significant developments at this stage.

The strong coal reserve position of companies administered by Anglo American Corporation continued to improve during the year. Proven reserves owned and available for exploitation were increased by some 200 million to 6.6 billion run-of-mine tons, while exploration activities resulted in further considerable progress being made toward the target of securing in excess of nine billion run-of-mine tons of proven reserves in consolidated coalfields.

Exploration activities are also carried out beyond southern Africa. Australian Anglo American was active in Australia, New Zealand and Fiji. In the Kimberley district of Western Australia the search has continued for extensions to the Sally Malay nickel and copper deposit as well as for additional mineral zones. Other prospects are being investigated throughout Australasia.

At the Namoi porphyry copper prospect in Fiji, work by the joint venture comprising Australian Anglo American, Consolidated Zinc Rio Tinto Australia (CRA), Preussag and Amax continued. Drilling on the two main ore bodies is well advanced, and metallurgical testing and initial engineering design work is aimed at producing a

preliminary feasibility study towards the end of 1979. Indications are that the grade of the ore bodies is low relative to the expected cost of a mining project, though undoubtedly this resource will be of future significance.

In Brazil, Ambras is conducting substantial exploration for gold and base metals through Unigeo Geologia e Mineração. Drilling of the auriferous conglomerates at Jacobina in Bahia has ceased and work is concentrated upon metallurgical tests and mining plans, with particular reference to recoverable grade. More detailed estimates of the expected operating and capital costs for various scales of operation are being obtained.

Charter has continued prospecting, with an emphasis on uranium and tungsten. In the North Sea, Charter is one of a group of companies holding a fifth round licence over two adjacent blocks, and seismic data is being interpreted to delineate a possible drilling target. Charter also participates in the exploration programmes of Australian Anglo American and Ambras.

Exploration in Canada was continued by Amcan and Hudson Bay Exploration and Development Company Limited. Base metals were sought throughout the country, especially in the Flin Flon area.

Trend Exploration Limited continued oil exploration in Indonesia, Canada and the United States and elsewhere outside North America. Canadian Merrill participated in drilling both in Canada and the United States, and Francana Oil & Gas was involved in exploration in Canada.

Research

The majority of the Anglo American Research Laboratories' (AARL) activities were again directed towards work for the Gold and Uranium Division and various exploration functions. Studies to achieve optimum results from recovery processes were carried further at the Orange Free State gold plants, at Ergo and on Afrikander Lease ores. The previously developed use of activated carbon to recover soluble gold and silver is now in full-scale operation.

A longer-term project to recover high purity tungsten compounds from its principal ores continues to make good progress. A process analysis and control group has been established and is already

active in a number of projects to improve operating efficiencies of production units. The environmental protection group, which has experienced a sharp increase in activity, will soon be strengthened to cater for the increasing range of ecological problems being encountered in mining and related activities. An important topic receiving attention is surface rehabilitation after open-cast coal mining.

At the Anglo American Electronics Laboratory an all-analogue system for the detection of underground fires in gold mines has been developed, which also eliminates the occurrence of false alarms. The system is being installed on all the Corporation's administered gold mines. All mines are also being equipped with power maximum demand controllers developed in the laboratory, with substantial savings in energy usage. Among other projects undertaken during the year were a familiarisation programme on micro-processor systems, remote control for underground scraper winches and, in conjunction with AARL, a system for automatic analysis of gold in plant effluents.

In the mining field, the main research objective remains the improvement of labour productivity through mechanisation and method modification. The mining research department evaluates new mining systems and its emphasis on medium- and short-term projects has complemented the long-term project work done by the Chamber of Mines of South Africa research establishment.

Other activities have included the development of a stoping system, improved sequential firing and walking blast barricades accompanied by backfilling. To date, raiseboring has had a major impact on accelerating the commissioning of new shaft systems and in most instances results in a faster build-up of stoping operations.

The potential of mechanical tunnel borers was proved with the completion of the first mechanically bored tunnel in a South African gold mine, at Free State Geduld in February.

June 22 1979

Annual financial statements

for the year ended March 31 1979

The annual financial statements which appear on pages 30 to 53 were approved by the board of directors on June 22 1979 and are signed on its behalf.

- 30 Directors' report
- 32 Balance sheets
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- 34 Notes to the financial statements
- 43 Source and application of funds statements
- 44 Subsidiary companies of the Corporation
- 50 General investments

Directors:

H F Oppenheimer

Keith Acutt

G W H Relly

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 group annual financial statements set out on pages 30 to 53.

In our opinion, based on our examination and the reports of the auditors of those subsidiary companies not audited by us, the financial statements fairly present, in the manner required by the Companies Act, the financial position of the Corporation and of the Group at March 31 1979 and the results of their operations for the year ended on that date.

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

Johannesburg
June 22 1979

Directors' report

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 March 31 1979.

GROUP RESULTS

This report relates to the consolidated income statement and balance sheet of the Corporation and its subsidiary companies.

Profit and appropriations

The Group profit after taxation for the year under review was dealt with as follows:

	Year ended March 31 1979 R millions	15 Months ended March 31 1978 R millions
Group profit after taxation	248,1	241,7
Outside shareholders' interests in profits of subsidiary companies	42,7	46,4
Preferred stock and preference share dividends	3,4	0,3
	<u>46,1</u>	<u>46,7</u>
Profit attributable to ordinary shareholders before extraordinary items	202,0	195,0
Per share 90,2 cents (1978: 89,9 cents)		
Ordinary dividends	103,0	99,1
Retained profit before extraordinary items	99,0	95,9
Extraordinary items	6,9	33,5
Retained profit after extraordinary items	92,1	62,4
Unappropriated profit, March 31 1978	17,5	16,0
Adjustments to unappropriated profits brought forward	1,1	14,1
	<u>18,6</u>	<u>30,1</u>
	110,7	92,5
Transfers to reserves	100,0	75,0
Unappropriated profit, March 31 1979	10,7	17,5

Life insurance

The directors of African Eagle Life Assurance Society Limited agreed that the life companies would continue to invest all surpluses in future new business growth and to supplement the inner reserves of the life fund, and no surplus has therefore accrued to the Group from the life insurance business.

Dividends

The dividends shown above comprise the following:

	1979 R millions	1978 R millions
Preferred stock:		
Nos. 98 and 99, each of 3 per cent, declared June 5 and November 23 1978 respectively	0,3	0,3
Preference shares:		
No. 1 of 5,25 per cent declared December 15 1978	2,1	—
Proportion accrued at March 31 1979	<u>1,0</u>	<u>—</u>
	3,4	0,3
Ordinary shares:		
No. 85 (interim) of 14 cents a share (1978: 12 cents) declared November 23 1978	31,2	26,8
No. 86 (final) of 32 cents a share (1978: 25 cents) declared June 7 1979	71,8	55,7
Special interim (No. 82) of 8,25 cents a share declared May 3 1977	—	16,6
	<u>103,0</u>	<u>99,1</u>

Extraordinary items

Continued difficulties were experienced during 1978 at Cleveland Potash Limited, which resulted in a loss of £15,5 million for the nine months to December 1978. The Group holds an effective 11,9 per cent interest in the project. Although the mine is performing better at present, and may break even on its operating costs by the end of the year, further funding will again be required this year to meet the costs of finance and future capital expenditure. In view of the uncertainty surrounding the future prospects for the project, the directors have considered it prudent to provide in full

as an extraordinary charge the sum of R16,3 million against the Group's investment in Cleveland as at March 31 1979. Tax relief claimed and favourable changes in exchange rates in respect of prior years' extraordinary charges against investments, had the effect of reducing the appropriation for extraordinary items by R9,4 million to R6,9 million.

Investments

During the year under review the book value of the Group's investments (other than life insurance investments) increased by R43,3 million to R878,9 million, of which listed investments increased by R33,7 million and unlisted investments by R9,6 million. The market value of listed investments at March 31 1979 was R3 071,4 million and exceeded the book value by R2 323,9 million, compared with an excess of R1 282,9 million at March 31 1978. The unlisted investments were valued at R314,5 million compared with a valuation of R272,3 million at March 31 1978.

Capital

AUTHORISED

At April 1 1978 the authorised capital of the Corporation was R30 000 000, divided into: 240 000 000 ordinary shares of 10 cents each,

1 241 250 six per cent preference shares of R1 each, and

R4 758 750 six per cent cumulative preferred stock.

In terms of a special resolution passed by members at a general meeting held on June 23 1978, the 1 241 250 six per cent preference shares of R1 each were converted and sub-divided into 49 650 000 redeemable cumulative preference shares of 2,5 cents each. As a result, at March 31 1979 the authorised capital of R30 000 000 was divided as follows:

240 000 000 ordinary shares of 10 cents each,

49 650 000 redeemable cumulative preference shares of 2,5 cents each, and

R4 758 750 six per cent cumulative preferred stock.

ISSUED

Ordinary shares

	No. of shares
Shares in issue at April 1 1978	222 964 532
Allotted during the year:	
Conversion of Rand Selection Corporation Limited (RSC) 6,5 per cent loan bearer bonds	893 245
Exercise of share options granted to senior employees	26 000
Issued in terms of the share incentive scheme	94 600
Shares in issue at March 31 1979	223 978 377
Allotted since April 1 1979:	
Conversion of RSC loan	175 436
Exercise of share options	67 500
Shares qualifying for final dividend No. 86, and also being the number in issue at date of this report	224 221 313

Preference shares

Subsequent to the passing of the special resolution referred to above, on July 1 1978 40 000 000 redeemable cumulative preference shares of 2,5 cents each were issued to certain South African financial institutions in a private placing at a price of R1 per share. No application was made for a stock exchange listing for these shares, which yield a dividend of 10,5 per cent per annum calculated on the issue price, payable half-yearly in arrear on June 30 and December 31 each year. The shares are redeemable at R1 each in four equal instalments on July 1 1985, January 1 1986, July 1 1986 and January 1 1987.

There were no other issues of preference shares during the year and up to the date of this report.

Preferred stock

During the year ended March 31 1979 and up to the date of this report there were no changes to the R4 758 750 six per cent cumulative preferred stock in issue.

UNISSUED

Of the 15 778 687 ordinary shares which were unissued at June 22 1979, specific authority has been granted to the directors to allot and issue up to 626 700 shares in respect of the share option and share incentive schemes and 1 383 221 shares in

respect of the RSC US\$12 820 000 6,5 per cent convertible loan 1986. The balance of 13 768 766 unissued ordinary shares together with the 9 650 000 unissued redeemable cumulative preference shares are the subject of a general authority granted to the directors in terms of Section 221(3) of the Companies Act, 1973, as amended. This general authority remains valid only until the next annual general meeting which is to be held on August 17 1979 and members will be asked at that meeting to consider an ordinary resolution placing the remaining unissued ordinary and preference shares under the control of the directors. The full text of the proposed resolution is set out in the notice convening the annual general meeting.

Share premium

At March 31 1979 share premiums totalled R44,9 million, reflecting the R39 million premium resulting from the issue of the 40 000 000 redeemable cumulative preference shares referred to above and premiums totalling R5,9 million arising from the issue of ordinary shares under the share option and incentive schemes and upon conversion of RSC bearer bonds, after deduction of share issue expenses.

SUBSIDIARY COMPANIES

Details of subsidiary companies in which the Corporation has a direct or indirect interest are given on pages 44 to 49. Particulars of special resolutions passed by these companies during the period under review appear on page 69 of this report.

DIRECTORATE

The following changes occurred in the composition of the board of directors:

Appointments

B E Bullett
(Alt to J A Holmes) May 10 1978
Dr L G Murray
(Alt to N F Oppenheimer) May 10 1978
J D Taylor
(Alt to Sir Albert Robinson) May 10 1978
T L Pretorius
(Alt to Sir Philip Oppenheimer)
January 11 1979
Dr E M A F Ferreira
(Alt to J Ogilvie Thompson) January 11 1979
T A J Braithwaite
(Alt to C J L Griffith) January 11 1979

A B McKerron

(Alt to L G Stopford Sackville) June 22 1979

Resignations and withdrawals

J D Johnson
(Alt to J Ogilvie Thompson) July 21 1978
C D M Melville
(Alt to C J L Griffith) September 5 1978
D E MacIver
(Alt to Sir Philip Oppenheimer)
January 10 1979
A Johnstone
(Alt to L G Stopford Sackville) June 15 1979
H R Fraser June 22 1979
A B McKerron
(Alt to H R Fraser) June 22 1979
E P Gush June 22 1979
Dr M G M Atmore
(Alt to E P Gush) June 22 1979

In terms of the Corporation's articles of association, Sir Keith Acutt, Mr J N Clarke, Mr G C Fletcher, Mr M B Hofmeyr, Sir Philip Oppenheimer, Mr J Ogilvie Thompson and Mr G H Waddell retire from the board by rotation at the forthcoming annual general meeting. All the retiring directors are eligible for re-election. Details of the interests of the directors are given on page 69. There are no service contracts granted by the Corporation or any of its subsidiaries to any directors of the Corporation.

DIRECTORS' REMUNERATION

At the general meeting, which in terms of the notice appearing on the inside front cover of this report has been convened to follow immediately after the annual general meeting on August 17 1979, members will be asked to consider a special resolution to amend the articles of association by the adoption of a new article 93 in substitution for the existing article. The effect of the new article will be to change the basis upon which the annual remuneration of the directors is calculated, principally owing to the continued erosion in the value of money. The present effect of the articles of association is that the Chairman receives R6 000 per annum and each other director R3 000. The effect of the proposed new article 93 will be to increase the remuneration to R12 500 for the Chairman and R5 000 for each of the other directors. With the present board of 21 directors, the total amount payable to directors will increase from R66 000 to R112 500.

Balance sheets at March 31 1979

Figures in R millions

Corporation		Notes	Group	
1978	1979		1979	1978
22,3	22,4			
—	5,9			
351,9	351,9			
207,8	239,3			
582,0	619,5			
4,8	4,8			
—	1,0			
—	39,0			
4,8	44,8			
586,8	664,3			
57,3	56,8			
393,7	575,6			
17,6	20,9			
55,7	72,8			
—	—			
73,3	93,7			
1 111,1	1 390,4			
112,0	132,4			
11,4	16,6			
123,4	149,0			
508,3	466,6			
—	—			
—	—			
—	—			
164,0	227,0			
18,9	29,8			
296,5	518,0			
315,4	547,8			
1 111,1	1 390,4			
Represented by:				
Investments				
General investments:				
Listed — market value, group R3 071,4 (1978: R1 996,7)		10	747,5	713,8
Unlisted — directors' valuation, group R314,5 (1978: R272,3)		10	131,4	121,8
Life insurance investments		11	878,9	835,6
Interest in subsidiary companies		12	678,9	577,4
Fixed assets		9 & 13	1 557,8	1 413,0
Leasing assets		9 & 14	39,1	38,0
Instalment debtors		9	9,8	10,4
Loans — less provision			13,5	17,0
Other assets			266,6	207,3
Stocks, stores and work in progress		15	9,5	8,2
Debtors		9	138,7	100,6
Cash on deposit, at call and short notice			547,8	335,1
			696,0	443,9
			2 582,8	2 129,6

Figures in R millions

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Notes to the financial statements

Figures in R millions unless otherwise stated

1. Accounting policies

(a) Investments

- (i) The listed and unlisted general 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 an investment, flowing from normal circumstances, has occurred, provision for such diminution is charged against current profits.
- (ii) Expenditure, including interest where applicable, relating to the development of land and buildings forming part of the insurance investments, is capitalised and included in the capital cost of the development.

(b) Mineral rights

Mineral rights and certain development expenditure are generally maintained at book cost. Where, however, exploitation is not likely in the foreseeable future, expenditure is written down to a nominal value.

(c) Instalment debtors and leasing assets

Income in respect of instalment debtors and leasing assets is included in the income statement in proportion to the instalments accrued.

(d) Stocks, stores and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value on bases consistent with the previous year. Cost is determined mainly on the average cost basis, and the cost of work in progress includes a proportion of overheads. Consumable stores are valued at cost less adequate provision for obsolescence.

(e) Foreign currencies

Assets and liabilities in foreign currencies not covered by forward exchange contracts are expressed in South African currency at the rates of exchange ruling at the year end.

The rand value of investments, acquired from the proceeds of foreign loans not covered by forward exchange contracts, is adjusted for any change in the rand liability of the loan.

Gains or losses arising from foreign currency transactions and conversions (other than those relating to insurance) are transferred to, or charged against, a currency reserve.

(f) Life insurance subsidiaries

The information shown in the consolidated financial statements in respect of subsidiary life insurance companies is in accordance with the provisions of the Companies Act, relating to insurance companies. In particular:

- (i) The market value of listed life insurance investments is not disclosed. The basis of valuation of these investments is stated in note 11.
- (ii) Contingency reserves and movements thereon are not separately disclosed.
- (iii) Insurance surpluses are after transfers to or from contingency reserves. Individual items of income and expenditure and taxation, other than those required to be disclosed in terms of the Act, are not separately stated.

Additional transfers to contingency reserves may be made as an appropriation of profits.

(g) Turnover

Due to the nature of the group's income, the directors are of the opinion that the disclosure of a turnover figure would be meaningless.

(h) Depreciation

The Corporation and certain of its subsidiaries write off expenditure on office, research and transport equipment in the year of acquisition.

Depreciation of leasing assets is provided on a straight line basis over the periods of the leases.

No depreciation of buildings is provided.

Other depreciating assets are depreciated on straight line or diminishing value bases to reduce their book values to estimated residual values over their effective lives.

(i) Prospecting expenditure

Prospecting expenditure is written off in the year in which it is incurred.

2. Capital

Authorised:

	1979	1978
240 000 000 ordinary shares of 10 cents	24,0	24,0
1 241 250 six per cent cumulative preference shares of R1	—	1,2
R4 758 750 six per cent cumulative preferred stock	4,8	4,8
49 650 000 redeemable cumulative preference shares of 2,5 cents	1,2	—
	<u>30,0</u>	<u>30,0</u>

Issued:

223 978 377 ordinary shares of 10 cents	22,4	22,3
R4 758 750 six per cent cumulative preferred stock	4,8	4,8
40 000 000 redeemable cumulative preference shares of 2,5 cents	1,0	—
	<u>28,2</u>	<u>27,1</u>

Unissued

16 021 623 ordinary shares of 10 cents	1,6	1,7
1 241 250 six per cent cumulative preference shares of R1	—	1,2
9 650 000 redeemable cumulative preference shares of 2,5 cents	0,2	—
	<u>1,8</u>	<u>2,9</u>

Reserved ordinary shares

(i) Share option scheme

Options granted and outstanding under a scheme which was discontinued in 1974:

	Changes during year		Number of shares Outstanding at	Outstanding at
	Lapsed	Exercised	31.3.79	31.3.78
650 cents per share on August 27 1969	30 500	3 500	141 000	175 000
537 cents per share on January 19 1972	3 000	20 500	123 800	147 300
700 cents per share on August 1 1973	3 000	2 000	136 500	141 500
			<u>401 300</u>	<u>463 800</u>

Options were granted for 10 years or until two years after retirement of the option holder, whichever is the earlier.

(ii) Share incentive scheme

During the year 94 600 shares were issued under the scheme, leaving available for issue

292 900 387 500

At March 31 1979 R10 156 000 (1978: R9 995 000) had been advanced to the trustees of the scheme.

(iii) Conversion rights

Shares reserved to cover the conversion rights of holders of the six-and-a-half per cent convertible loan raised in 1971 by

Rand Selection Corporation Limited (see note 7(e))

1 558 662 2 451 914
2 252 862 3 303 214

Preference shares

The 1 241 250 six per cent cumulative preference shares of R1 each were converted into 49 650 000 redeemable cumulative preference shares of 2,5 cents each. 40 million shares were issued on July 1 1978 at a premium of 97,5 cents per share. The rate of dividend is 10,5 per cent per annum calculated on the issue price of R1 per share. The shares are redeemable at the issue price in four equal half-yearly instalments commencing July 1 1985.

Remaining unissued shares

The remaining 13 768 761 (1978: 13 732 254) ordinary and 9 650 000 redeemable cumulative preference shares are under the control of the directors until the forthcoming annual general meeting.

3. Share premium

Ordinary shares:

Premium on 893 245 shares issued in respect of Rand Selection Corporation Limited convertible loan	5,2
Premium on 120 600 shares issued under the share incentive and share option schemes	0,7
	<u>5,9</u>

Preference shares:

Premium of 97,5 cents per share on 40 000 000 shares issued during the year	39,0
---	------

4. Non-distributable reserves

Corporation		Group
351,9	Balance at March 31 1978	365,8
—	Appropriation from income statement:	0,9
—	Non-distributable investment realisation profits	366,7
<u>351,9</u>		

5. Distributable reserves

Corporation		Total		Total	General reserve	Group Unap-propriated profit	Currency reserve
General reserve	Unap-propriated profit						
207,5	0,3	207,8	Balance at March 31 1978	470,2	449,0	17,5	3,7
			Adjustment thereto for changes in exchange rates	(3,1)	(2,2)	(0,8)	(0,1)
			Adjustment for prior years' taxation	1,9		1,9	
	31,5	31,5	Retained profit after extraordinary items	92,1		92,1	
<u>31,5</u>	<u>(31,5)</u>	<u>—</u>	Appropriations	(0,9)	99,1	(100,0)	
<u>239,0</u>	<u>0,3</u>	<u>239,3</u>		<u>560,2</u>	<u>545,9</u>	<u>10,7</u>	<u>3,6</u>

6. Outside shareholders' interests

The interests of the outside shareholders in subsidiary companies amounted to R103,4 million at March 31 1979, (1978: R92,2 million) made up of R21,2 million (1978: R23,6 million) in the insurance group and R82,3 million (1978: R68,6 million) in other companies. At March 31 1979 there was also attributable to the outside shareholders of the non-insurance subsidiaries their interest of R421,9 million (1978: R274,4 million) in the excess of market value and directors' valuation of listed and unlisted investments respectively over their book values. As market values and directors' valuations are not disclosed in respect of investments which form part of the insurance investments, a corresponding figure is not given in respect of the outside shareholders in the insurance subsidiaries.

7. Loan capital

capital			Group	
Corporation			Rand equivalents	
1978	1979		1979	1978
		Loans of:		
8,6	8,6	(a) Swiss francs 50 000 000	8,6	8,6
7,8	9,7	(b) US\$1 425 000 (1978: \$9 009 000)	9,7	7,8
—	—	(c) US\$5 272 000	—	4,6
40,8	38,4	(d) US\$45 500 000 (1978: \$47 000 000)	38,4	40,8
—	—	(e) US\$12 820 000 (1978: \$20 167 000)	9,1	14,3
—	—	(f) Registered unsecured rand debentures	30,0	30,0
0,1	0,1	(g) Registered unsecured notes	0,1	0,1
—	—	(h) Life insurance subsidiaries	49,4	59,1
—	—	(i) Mortgage loan	0,3	0,3
—	—	(j) US\$440 000 (1978: \$525 000)	0,4	0,5
—	—	(k) Registered unsecured notes	0,3	0,4
<u>57,3</u>	<u>56,8</u>		<u>146,3</u>	<u>166,5</u>

Details of the individual loans are as follows:

(a) *Swiss francs 50 000 000*

The loan bears interest at the rate of 5,75 per cent per annum and is repayable by November 15 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 November 15 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 1,5 per cent reducing by 0,5 per cent per annum in the years 1979 to 1981 and thereafter at par. The servicing and repayment of the loan are covered by forward exchange contracts with the South African Reserve Bank.

(b) *US\$11 425 000*

This is the participation of the Corporation in a loan raised by an associated company.

The loan bears interest at the rate of 6,96 per cent per annum and is repayable in instalments of \$2 856 000 on June 1 in each of the years 1979 to 1982.

(c) This was the participation of Rand Selection Corporation Limited in a loan raised by an associated company. The participation was taken over by the Corporation during the year and is included in (b) above.

(d) *US\$45 500 000*

The loan bears interest at the rate of 7,5 per cent per annum and is repayable at par in instalments of \$1 500 000 on March 1 in each of the years 1980 and 1981, \$2 500 000 on March 1 1982 and \$8 000 000 on March 1 in each of the years 1983 to 1987 inclusive. The Corporation may, in certain circumstances, make repayment earlier.

The loan is participated as follows:

	1979	1978	1979	1978
	\$000's	\$000's	R000's	R000's
Rand Selection Corporation Limited	4 936	10 963	4 173	9 533
Others	10 334	10 674	8 737	9 282
	<u>15 270</u>	<u>21 637</u>	<u>12 910</u>	<u>18 815</u>

(e) *US\$12 820 000*

The loan, raised by Rand Selection Corporation Limited (RSC), bears interest at the rate of 6,5 per cent per annum. Holders have the right until January 31 1986 to convert the loan into ordinary shares of the Corporation at a price of R5,875 per share and calculated at an exchange rate of R1 equals US\$1,40.

The balance of the loan then outstanding will be redeemed at par on March 1 1986. However, RSC may, on giving no less than 90 days notice, redeem the whole of the loan at any time:

- (i) At a price of 100,5 per cent until March 1 1980 and thereafter at par.
 - (ii) At par, if the mean of the quotation of the shares of the Corporation on The Johannesburg Stock Exchange on each of the 20 business days preceding the 15th day prior to the day on which notice of redemption is first published, is at least 150 per cent of the conversion price.
 - (iii) At par, if RSC has been, or on the occasion of the next payment due in respect of the loan will be, compelled by law to deduct any South African taxes. The conditions of issue of the loan require that any such taxes shall be borne by RSC.
- The loan may be purchased by RSC at any time and at any price in the open market or any price not exceeding 103 per cent, plus accrued interest, by private treaty. Bonds purchased by RSC may be reissued or surrendered for cancellation. The interest and repayment of the loan are covered by forward exchange contracts with the South African Reserve Bank at a rate of R1 equals US\$1,41.

(f) *Registered unsecured rand debentures*

The debentures, issued by RSC, bear interest at the rate of 10 per cent per annum and will be redeemed in 15 equal annual instalments by drawings on the last Friday of March in each year commencing on March 25 1983 with the final redemption on March 28 1997.

RSC has the right to purchase debentures. Debentures so purchased are cancelled and may not be reissued and shall be applied in reducing the next redemption or redemptions.

(g) *Registered unsecured notes*

The loan of R79 000 is represented by 5,75 per cent registered unsecured notes which are repayable at par on March 31 1982 unless previously purchased in accordance with the note conditions.

(h) *Life insurance subsidiaries*

Of these loans R40 709 000 (1978: R43 616 000) is secured by mortgages over certain of the land and buildings shown in note 11. In terms of the Companies Act no further information is required to be given in respect of these loans.

(i) *Mortgage loan*

The loan is secured by mortgage over land and buildings having a book value of R1 214 000 (1978: R1 214 000) and bears interest at the rate of 6,25 per cent per annum. It is repayable in half-yearly instalments of R5 000 until December 22 1984 and the remaining balance of R259 000 is repayable on June 22 1985.

(j) **US\$440 000**

The loan bears interest at the rate of 9,5 per cent per annum and is repayable in half-yearly instalments of \$55 000. The loan is covered by a forward exchange contract.

(k) **Registered unsecured notes**

The loan of R320 000 is represented by 9,75 per cent registered unsecured notes which are repayable at par in equal annual instalments on October 16 each year until 1995.

8. Life insurance funds

The life insurance funds at March 31 1979, which include additional inner reserves and unallocated surpluses, exceed the actuarial valuation of liabilities under insurance policies and contracts at that date.

9. Secured short-term borrowings

Loans include borrowings totalling R1 159 000 (1978: R1 382 000) secured by pledge and cession of leasing assets and instalment debtors having a book value of R1 171 000 (1978: R1 658 000).

Bank overdrafts include advances totalling R4 796 000 (1978: R6 141 000) secured by the hypothecation of land and buildings, movables, book debts, leasing assets and instalment debtors having a book value of R8 695 000 (1978: R7 255 000).

10. General investments

At cost less amounts written off and provision

Corporation				Group				
1978		1979		1979		1978		
Unlisted	Listed	Unlisted	Listed	Listed	Unlisted	Listed	Unlisted	
11,4	112,0	16,6	132,4	747,5	131,4	713,8	121,8	Book value
	390,9		612,2	3 071,4		1 996,7		Market value
28,8		43,1			314,5		272,3	Directors' valuation ...
								Excess over book value
17,4	278,9	26,5	479,8	2 323,9	183,1	1 282,9	150,5	(see note 6)

11. Life insurance investments

Fixed interest securities (previously reflected at amounts approximating to their redemption values) and listed equities, held in respect of unit linked investment portfolios, are now both valued at market price while mutual fund units are valued at repurchase price.

Subject to the foregoing, investments are shown in the consolidated balance sheet on the following bases after making allowance for diminution in value when applicable:

Government and public authority stocks, debenture stocks and all dated fixed interest stocks including redeemable preference shares, which are normally held to redemption, are reflected at amounts related to their redemption value and consist of the following:

	1979	1978
Government and public authority stocks	220,2	191,2
Debentures and other loan stocks	23,7	14,8
Funds on deposit and treasury bills	23,9	6,3
	267,8	212,3

Property investments are reflected at cost or amounts based on periodic valuations of the respective underlying properties and consist of:

	1979	1978
Freehold land and buildings	257,9	251,5
Listed equities and options	2,7	1,5
Loans and debentures	14,8	13,9
	275,4	266,9

Listed and unlisted equities (other than in property owning companies) are reflected at cost or revalued amounts based on periodic valuations of the respective equities and consist of:

	1979	1978
Listed equities and mutual fund units	96,1	57,4
Unlisted equities	5,4	5,4
	101,5	62,8

Mortgage and other loans and all other investments including funds on deposit are shown at par or at redemption value and consist of:

	1979	1978
Mortgages secured over fixed property	8,0	10,0
Loans secured against group insurance companies' policies	22,6	20,2
Other loans and investments	3,6	5,2
	<u>34,2</u>	<u>35,4</u>
	678,9	577,4

12. Interest in subsidiary companies

	1979	1978
Shares at cost, less amounts written off and provision	427,6	408,7
Loans, less provision	212,1	220,6
Dividends accrued	45,6	64,2
	<u>685,3</u>	<u>693,5</u>
Less: Loans from subsidiary companies	218,7	185,2
	<u>466,6</u>	<u>508,3</u>

13. Fixed assets - Group

	Cost or valuation	1979 Deprecia- tion	Book value	Cost or valuation	1978 Deprecia- tion	Book value
Land and buildings	24,8	---	24,8	24,8	---	24,8
Plant, machinery, motor vehicles and equipment	9,5	3,9	5,6	8,2	3,2	5,0
Mineral rights	7,3	1,2	6,1	5,8	1,2	4,6
	<u>41,6</u>	<u>5,1</u>	<u>36,5</u>	<u>38,8</u>	<u>4,4</u>	<u>34,4</u>
Life insurance:						
Furniture, motor vehicles and equipment at cost, less accumulated depreciation and amounts written off			2,6			3,6
Office, research and transport equipment - written off			---			---
Mining assets at cost less recoupments and amounts written off			---			---
			<u>39,1</u>			<u>38,0</u>

Land and buildings are included at group cost or at valuation. Other fixed assets are included at cost or valuation reflected in the subsidiary companies' financial statements, and depreciation, which includes amounts written off, is stated without adjustment for accumulated depreciation provided at the dates of acquisition of the subsidiary companies.

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

14. Leasing assets

	1979	1978
At cost	16,2	17,8
Less: Depreciation	6,4	7,4
	<u>9,8</u>	<u>10,4</u>

These represent assets of finance subsidiaries whose business is the leasing of assets. The assets are leased for periods of between three and five years.

15. Stocks, stores and work in progress

	1979	1978
Raw materials	5,8	3,2
Work in progress	0,7	2,4
Consumable stores	1,1	1,1
Finished products	1,9	1,5
	<u>9,5</u>	<u>8,2</u>

16. Contingent liabilities and commitments

(a) Contingent liabilities in various currencies in respect of:

Corporation
1978 1979

Group
1979 1978

14,3	14,3	(i) A performance 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 counter-guaranteed as to 20 per cent by a subsidiary and 50 per cent by an associated company.	14,3	14,3
17,2	26,5	(ii) Guarantees with De Beers Consolidated Mines Limited in respect of the servicing and repayment of a loan to Highveld Steel and Vanadium Corporation Limited of US\$20 000 000 (1978: US\$20 000 000). The servicing and repayment of the loan is covered by forward exchange contracts with the South African Reserve Bank	26,5	17,2
12,6	19,2	(iii) Guarantees, with another, to certain lenders to BCL Limited, to the extent of the equivalent of	15,5	10,3
4,6	7,3	Which amount has been counter-guaranteed as to	11,0	6,9
10,8	13,0	A guarantee, with another, of a loan to the Government of the Republic of Botswana equivalent to	13,0	10,8
6,9	8,4	Which amount has been counter-guaranteed as to	6,0	5,0
3,9	4,6		7,0	5,8
8,5	11,9		18,0	12,7
63,1	41,3	(iv) Other guarantees	44,2	68,1
37,2	22,5	Which have been counter-guaranteed as to	26,0	42,7
		These include a guarantee in respect of a loan advanced to gold mining companies for an amount of R19 525 000 (1978: R34 080 000). The Corporation's obligation has been counter-guaranteed.		
25,9	18,8		18,2	25,4

(b) Commitments in respect of:

(i) BCL Limited

Undertakings whereby the Corporation and another undertake to provide or procure 37,5 per cent of:

- any finance which may be required to complete Phase two of the BCL project;
- finance required by BCL Limited up to an aggregate amount of the equivalent of R6 721 000 (1978: R10 500 000) for pollution control expenditure during the period April 1 1979 to December 31 1983;
- up to an aggregate amount of the equivalent of R27 070 000 (1978: R43 884 000) which may be required by BCL Limited during the period April 1 1979 to December 31 1981 to meet cash deficiencies of all kinds other than deficiencies arising from:
 - the acceleration of indebtedness or,
 - expenditure incurred for the completion of the project or,
 - expenditure incurred for the control of pollution.

A subsidiary and certain associated companies have undertaken responsibility for 18 per cent and 46 per cent respectively of these commitments.

- (iii) The support of the obligations of an associated company in Brazil:
- to subscribe for 35 per cent of the share capital of Empresa de Desenvolvimento de Recursos Minerais "Codemin" S.A. (Codemin) (a company developing a nickel mine in Brazil) in an amount as at March 31 1979 of US\$13 790 000 (R11 659 000); and, until certain physical completion tests for the Codemin project have been met and certain financial tests have been satisfied, a commitment
 - to provide 38,88 per cent of such monies as Codemin may require to enable it to pay when due all amounts under a loan agreement under which facilities of US\$59 000 000 (R49 882 000) have been granted to Codemin. No drawings had been made as at March 31 1979;
 - to provide or procure 38,88 per cent of any funds in excess of US\$98 400 000 (R83 192 000) which may be required to complete the Codemin project.
- Associated companies have undertaken responsibility for 55 per cent of these support commitments.
- (iii) Undertakings to acquire, subscribe or procure subscriptions for shares in and to make loans to other concerns.
- (iv) Capital expenditure authorised by the boards of subsidiaries but not contracted for amounting to R377 000 (1978: R790 000).

17. Investment income – general investments

Corporation			Group	
1978	1979		1979	1978
29,0	30,6	Listed	182,8	180,0
3,6	2,7	Unlisted	37,8	33,2
<u>32,6</u>	<u>33,3</u>		<u>220,6</u>	<u>213,2</u>

18. Income from subsidiary companies

	Corporation			Group	
	1979	1978		1979	1978
Dividends	104,2	95,2			
Fees	2,1	2,1			
Interest	—	3,2			
	<u>106,3</u>	<u>100,5</u>			

19. Taxation

Corporation			Group	
1978	1979		1979	1978
5,9	—	South African	4,9	10,5
1,4	1,4	Foreign	3,7	3,9
7,3	1,4		8,6	14,4
—	0,4	Net adjustment in respect of prior year	(0,1)	(0,2)
<u>7,3</u>	<u>1,8</u>		<u>8,5</u>	<u>14,2</u>
		Dealt with as follows in the income statement:		
10,1	10,2	Taxation	16,9	17,0
(2,8)	(8,4)	Extraordinary items (see note 24)	(8,4)	(2,8)
<u>7,3</u>	<u>1,8</u>		<u>8,5</u>	<u>14,2</u>

The Secretary for Inland Revenue has changed the previous practice, employed over many years, in respect of certain expenditure claimed as a deduction for tax in the financial years 1976 and 1978. Objections to the assessments raised by the tax authorities are being lodged and payment of the additional tax has been made under protest. Taxation for the year to March 31 1979 has been provided on the assumption that the revised basis of assessment will be applied. However, it is intended that objection will be lodged.

No South African taxation is payable by the Corporation in respect of the year to March 31 1979 as a result of the amounts charged to extraordinary items giving rise to a computed tax loss of R16 700 000. Any additional relief from taxation in future years in respect of this loss will be shown as an extraordinary item.

South African income tax is not payable by companies on dividend receipts. As the major portion of the income of the Corporation and the Group is comprised of dividends, the provision for South African taxation is significantly disproportionate to profit before taxation.

20. Profit after taxation

The profits of the Corporation and the Group have been arrived at after taking into account the following expenditure:

Corporation			Group	
1978	1979		1979	1978
1,1	1,2	Administration and professional fees	3,2	4,3
0,1	0,1	Audit fees	0,5	0,6
		Depreciation of plant, machinery, motor vehicles, furniture and equipment	1,0	1,0
		Depreciation of leasing assets	4,5	6,1
1,9	2,2	Expenditure on office, research and transport equipment	2,5	2,6
		Loss on disposal of fixed assets	—	0,6
0,4	0,5	Leasing charges	1,9	2,4

21. Directors' remuneration

The aggregate emoluments of the Corporation's directors and alternate directors from the Corporation and its subsidiary companies are as follows:

	1979	1978
Directors' fees	0,1	0,1
Other emoluments	1,6	1,9
	1,7	2,0
Pensions of past directors for services in a managerial capacity	0,1	0,1

22. Earnings per share

The earnings per share is based on the number of ordinary shares in issue at March 31 1979. The 1978 earnings was based on 217 068 082 shares, being the number effectively in issue during the fifteen months.

23. Dividends

	1979	1978
<i>On preferred stock:</i>		
Nos. 98 and 99 of 3 per cent each declared June 5 1978 and November 23 1978	0,3	0,3
<i>On preference shares:</i>		
No. 1 of 5,25 per cent declared December 15 1978	2,1	—
Proportion of preference dividend accrued	1,0	—
	3,1	—
<i>On ordinary shares:</i>		
No. 85 (interim) of 14 cents per share (1978: 12 cents) declared November 23 1978	31,2	26,8
No. 86 (final) of 32 cents per share (1978: 25 cents) declared June 7 1979	71,8	55,7
Special (interim) of 8,25 cents per share declared May 3 1977	—	16,6
	103,0	99,1

24. Extraordinary items

Corporation			Group	
1978	1979		1979	1978
		Provision against investment in:		
—	17,1	Cleveland Potash Limited	16,3	—
6,9	—	Société Minière du Tenke-Fungurume	—	10,4
17,3	—	Botswana RST Limited	—	25,9
(2,8)	—	Tax relief claimed in respect of a portion of investment	—	(2,8)
		Prior years' investment provisions:		
—	(8,4)	Tax relief claimed (see note 19)	(8,4)	—
—	(0,8)	Changes in exchange rates	(1,0)	—
21,4	7,9		6,9	33,5

Figures in R millions43

Subsidiary companies of the Corporation

at March 31 1979

	Issued share capital		Interest in share capital				Book value - Corporation			
	1979	1978	Direct		Indirect		Shares		Loans	
			1979	1978	1979	1978	1979	1978	1979	1978
	R000's	R000's	%	%	%	%	R millions	R millions		
Incorporated in South Africa										
<i>Finance and investment</i>										
Achem Investments Limited	1	1	47	47	48	48	0,3	0,3	—	—
African and European Investment Company Limited										
— ordinary	4 180	4 180	80	80	20	20	20,9	20,9	24,1	6,5
— preference	3 500	3 500	—	—	—	—	—	—	—	—
African Eagle Property Holdings Limited					75	75	—	—	—	2,6
African Gold and Base Metal Holdings Limited	100	100	—	—	100	100	—	—	—	—
African Loans and Investments Limited										
— ordinary	1	1	100	100	—	—	—	—	0,7	0,9
— preference	2	2	—	—	—	—	—	—	—	—
Anglo American Insurance Holdings Limited	222	222	—	—	100	100	—	—	—	—
Anglo American Investment Trust Limited										
— ordinary	5 000	5 000	37	37	15	15	3,5	3,5	—	—
— preference	5 000	5 000	—	—	—	—	—	—	—	—
Anseld Holdings Limited			65	65	35	35	9,7	9,7	5,5	—
Aspella Investments Limited	1	—	—	—	75	—	—	—	—	—
Biccard Street Properties (Proprietary) Limited			—	—	66	65	—	—	—	—
Century Plaza Holdings (Proprietary) Limited			—	—	75	75	—	—	—	—
Charvadis Investments (Proprietary) Limited			—	—	62	61	—	—	—	—
Conimat Investments Limited	16	—	100	—	—	—	—	—	—	—
Control Logic Holdings Limited			—	—	100	100	—	—	0,3	0,3
Coriander Holdings Limited	4	4	12	12	82	82	1,6	1,6	6,7	3,2
Courser Holdings Limited	1	1	—	—	100	100	—	—	—	—
Egret Investments Limited	—	3	—	58	—	—	—	11,3	—	—
Electro Chemical Industries Limited	8	8	50	50	50	50	—	—	—	—
Engelhard Enterprises of Southern Africa Limited			—	—	100	100	—	—	—	—
Eurangle Limited			22	22	41	41	0,8	0,8	—	—
First Consolidated Holdings (Proprietary) Limited	400	400	—	—	100	100	—	—	—	—
Greater Services (Proprietary) Limited			—	—	100	100	—	—	—	—
Guarantee Life Properties (Proprietary) Limited			—	—	75	75	—	—	—	—
Helix Investments Limited			33	33	33	33	—	—	—	0,2
Institutional Investments Holdings (Proprietary) Limited	312	312	—	—	75	75	—	—	—	—
Institutional Investments Limited	3	3	—	—	75	75	—	—	—	—
K.S.J. Properties (Proprietary) Limited	2	2	—	—	100	100	—	—	—	—
Litorn Finance (Proprietary) Limited	100	100	—	—	100	100	—	—	—	—
Lodestone Holdings Limited	1	1	—	—	100	100	—	—	—	—
L.S. Properties Limited		129	—	—	—	67	—	—	—	—
Marjoram Holdings Limited	2	2	—	—	100	100	—	—	112,8	117,1
Methwick Holdings Limited										
— 'A' ordinary	2	2	—	—	100	100	—	—	30,2	28,6
— 'B' deferred	2	2	—	—	100	100	—	—	—	—
Millibar Investments Limited										
— ordinary	—	15	—	100	—	—	—	0,7	—	—
— preference	—	—	—	—	—	—	—	3,1	—	—
The New Era Consolidated Limited	550	550	100	100	—	—	3,1	—	—	—
Ninth Stage Investments (Proprietary) Limited			—	—	72	72	—	—	—	—
Oriole Investments Limited	1	1	—	—	100	100	—	—	—	—
Own Home Finance Company (Proprietary) Limited	10	10	—	—	75	38	—	—	—	—
Pan African Minerals (Proprietary) Limited	200	200	—	—	77	77	—	—	—	—
Pintail Investments Limited	4	4	—	—	100	100	—	—	—	—
Provincial Acceptance Corporation (Proprietary) Limited	40	40	—	—	75	75	—	—	—	—
Rand American Investments Limited			—	—	100	100	—	—	—	—
Randsel Investments Limited			—	—	100	100	—	—	—	—
Rand Selection Corporation Limited										
— ordinary	21 125	21 125	12	12	88	88	298,9	298,9	4,2	9,6
— preference	12 500	12 500	—	—	100	100	—	—	—	—
Rhochar Holdings Limited	27	27	18	18	82	82	5,5	5,5	—	—
Runcorn Holdings Limited			—	—	100	100	—	—	—	—
Sorec Limited	22 497	22 497	—	—	57	55	—	—	7,0	8,3
Sorec Developments (Proprietary) Limited			—	—	57	55	—	—	—	—
Sorec Eagle Properties (Proprietary) Limited	4	4	—	—	66	65	—	—	—	—
Sorec Eagle Properties (Rissik Street) (Proprietary) Limited			—	—	65	65	—	—	—	—
Sorec Properties Brits (Proprietary) Limited			—	—	75	75	—	—	—	—
South African Mines Selection Limited	5 000	5 000	100	100	—	—	8,6	8,6	—	—
South African Townships Mining and Finance Corporation Limited	4 460	4 460	—	—	100	100	—	—	—	—
Thaton Limited	3	3	—	—	100	100	—	—	—	16,8
Townstate Nominees (Proprietary) Limited			—	—	100	100	—	—	—	—
Western Ultra Deep Levels Limited	1 500	1 500	44	44	16	16	0,5	0,5	—	—
Zinchem and Industrial Mineral Resources (Proprietary) Limited	2 094	2 094	6	6	71	71	0,4	0,4	—	—
<i>Life assurance</i>										
African Eagle Life Assurance Society Limited	3 283	3 283	—	—	75	75	—	—	—	—
Guarantee Life Assurance Company Limited	1 375	1 375	—	—	75	75	—	—	—	—
Institutional Life Brokers (Proprietary) Limited	10	10	—	—	100	100	—	—	—	—

*Nominal amount

	Issued share capital		Interest in share capital				Book value - Corporation R millions			
	1979 RODO's	1978 RODO's	Direct		Indirect		1979 Shares	1978	1979 Loans	1978
			1979 %	1978 %	1979 %	1978 %				
Leasing services										
First Consolidated Leasing and Finance Corporation Limited	400	400	—	—	100	100	—	—	—	—
Computer services										
Annercosa Computer Services Limited	.	.	—	—	100	100	—	—	—	0,1
Computer owning										
Chelstead Holdings (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
Property administration										
Anglo American Property Services (Proprietary) Limited	.	.	—	—	100	100	—	—	.	0,2
Managerial services										
Zimro (Proprietary) Limited	.	.	—	—	77	77	—	—	.	.
Property owning										
African Eagle Life (Proprietary) Limited	1	1	—	—	55	54	—	—	—	—
African Eagle Properties Braamfontein Werf (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
African Eagle Properties Jacobs (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
African Life Centre Johannesburg (Proprietary) Limited	.	.	—	—	72	72	—	—	—	—
African Life Centre Pretoria (Proprietary) Limited	.	.	—	—	70	69	—	—	—	—
Annercosa Land and Estates Limited	3 460	3 460	100	100	—	—	4,2	4,2	13,8	13,8
Barbara Investments (Proprietary) Limited	1	1	—	—	66	65	—	—	—	—
B. and S. Building (Proprietary) Limited	.	.	—	—	100	100	—	—	—	—
Behrens Street Properties (Proprietary) Limited	4	4	—	—	75	75	—	—	—	—
Benpary Investments (Proprietary) Limited	.	.	—	—	100	100	—	—	—	—
Braamfontein Centre (Proprietary) Limited	1 000	1 000	—	—	57	55	—	—	—	—
Bryanston Hobart Shopping Centre (Proprietary) Limited	275	275	—	—	100	100	—	—	—	—
Century Plaza (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
Crescent Developments (Proprietary) Limited	2	2	—	—	100	100	—	—	—	—
Delphin Investments (Proprietary) Limited	.	.	—	—	70	69	—	—	—	—
Disco Properties Braamfontein (Proprietary) Limited	.	.	—	—	70	69	—	—	—	—
Doris Court (Proprietary) Limited	.	.	—	—	57	55	—	—	—	—
Eleventh Stage Investments (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
Ezray Investments (Proprietary) Limited	1	1	—	—	66	65	—	—	—	—
Exchange Buildings (Proprietary) Limited	124	124	—	—	100	100	—	—	—	—
Field North (Proprietary) Limited	.	.	—	—	57	55	—	—	—	—
First Stage Investments (Proprietary) Limited	.	.	—	—	66	65	—	—	—	—
Getzin Investments (Proprietary) Limited	.	.	—	—	29	29	—	—	—	—
G.L.L.D. Investment Company (Proprietary) Limited	.	.	—	—	66	65	—	—	—	—
Gower Properties (Proprietary) Limited	1	1	—	—	62	61	—	—	—	—
Griffin Properties (Proprietary) Limited	.	.	—	—	55	54	—	—	—	—
Guarantee Life Properties Southdale (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
Highrise Holdings (Proprietary) Limited	2	2	—	—	29	29	—	—	—	—
Ivanel Properties (Proprietary) Limited	.	.	—	—	57	55	—	—	—	—
Ives Investments (Proprietary) Limited	.	.	—	—	29	29	—	—	—	—
Jasmin Enterprises (Proprietary) Limited	.	.	—	—	70	69	—	—	—	—
Jobacs (Proprietary) Limited	.	.	—	—	57	55	—	—	—	—
Kenilworth Centre (Proprietary) Limited	.	.	81	81	—	—	—	6,5	—	6,5
Kersauer Properties (Proprietary) Limited	.	.	—	—	100	100	—	—	—	—
Killarney Centre (Proprietary) Limited	.	.	—	—	57	55	—	—	—	—
Killarney Developments East (Proprietary) Limited	.	.	—	—	57	55	—	—	—	—
Kreza Heights (Proprietary) Limited	.	.	—	—	29	29	—	—	—	—
Lanaria Properties (Proprietary) Limited	.	.	—	—	48	49	—	—	—	—
L.H.A. Properties (Proprietary) Limited	3	3	—	—	70	69	—	—	—	—
Lowerberg Properties (Proprietary) Limited	.	.	—	—	69	68	—	—	—	—
Lynbeth Strand Street Properties (Proprietary) Limited	.	.	—	—	59	59	—	—	—	—
Markort Properties (Proprietary) Limited	4	4	—	—	55	54	—	—	—	—
Mbul' a Estate (Proprietary) Limited	8	8	—	—	100	75	—	—	—	—
Miron Investments (Proprietary) Limited	.	.	—	—	55	54	—	—	—	—
Naoj Properties (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
Ninth Stage Properties (Cape Town) (Proprietary) Limited	.	.	—	—	69	68	—	—	—	—
Ninth Stage Properties (Johannesburg) (Proprietary) Limited	2	2	—	—	72	72	—	—	—	—
Patgef Investments (Proprietary) Limited	14	14	—	—	57	55	—	—	—	—
P.H.B. Investments (Proprietary) Limited	.	.	—	—	75	75	—	—	—	—
P.L.G. Investments (Proprietary) Limited	.	.	—	—	66	65	—	—	—	—
Rimit Properties (Proprietary) Limited	.	.	—	—	70	69	—	—	—	—
Sabel Developments (Proprietary) Limited	2	2	—	—	100	100	—	—	—	—
Sanso Properties (Joubert Street) (Proprietary) Limited	.	.	—	—	62	61	—	—	—	—
Sanso Properties (Pretoria) Limited	.	.	—	—	62	61	—	—	—	—
Sanso Properties (Riebeeck Street) (Proprietary) Limited	.	.	—	—	62	61	—	—	—	—
Shengro (Proprietary) Limited	.	.	—	—	70	69	—	—	—	—
Sixbro Properties (Proprietary) Limited	.	.	—	—	57	55	—	—	—	—
Sorec Properties Bononi (Proprietary) Limited	.	.	—	—	66	65	—	—	—	—
Sorec Properties Braamfontein (Proprietary) Limited	.	.	—	—	66	65	—	—	—	—
Sorec Properties Braamfontein Holdings (Proprietary) Limited	.	.	—	—	66	65	—	—	—	—

*Nominal amount

	Issued share capital		Interest in share capital				Book value - Corporation			
			Direct		Indirect		R millions		Loans	
	1979	1978	1979	1978	1979	1978	Shares	1979	1978	1978
	R000's	R000's	%	%	%	%				
Sorec Properties Cape Town (Proprietary) Limited	•	•	—	—	57	55	—	—	—	—
Sorec Properties Gardens (Proprietary) Limited	•	•	—	—	66	65	—	—	—	—
Sorec Properties Hillbrow (Proprietary) Limited	2 500	2 500	—	—	57	55	—	—	—	—
Sorec Properties Krugersdorp (Proprietary) Limited	•	•	—	—	57	55	—	—	—	—
Sorec Properties Port Elizabeth (Proprietary) Limited	•	•	—	—	57	55	—	—	—	—
Sorec Properties Sunnyside (Proprietary) Limited	•	•	—	—	48	45	—	—	—	—
Sorec Properties Waterkant Street (Proprietary) Limited	•	•	—	—	69	68	—	—	—	—
Sorec Townships Holdings (Proprietary) Limited	•	•	—	—	57	55	—	—	—	—
Stiemond Properties (Proprietary) Limited	•	•	—	—	66	65	—	—	—	—
Sydvil Properties (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
Sydray Investments (Proprietary) Limited	•	•	—	—	66	65	—	—	—	—
Talas Properties Mayfair (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
Talas Properties Primrose (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
Talas Properties Springs (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
Talas Properties Vanderbijlpark (Proprietary) Limited	•	•	—	—	66	65	—	—	—	—
Tenth Property Company (Proprietary) Limited	•	•	—	—	69	68	—	—	—	—
Theatre Centre (Proprietary) Limited	•	•	—	—	57	55	—	—	—	—
Three Five Nine Seven Johannesburg (Proprietary) Limited	•	•	—	—	48	49	—	—	—	—
Treveson Properties (Proprietary) Limited	•	•	—	—	48	49	—	—	—	—
Van den Berg's Transport Investments (Proprietary) Limited	•	•	—	—	55	54	—	—	—	—
Virawal Properties (Proprietary) Limited	10	10	—	—	75	75	—	—	—	—
Vogelux (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
voorwaarts (Eiendoms) Bepok	•	•	—	—	70	69	—	—	—	—
Wanderers View Properties (Proprietary) Limited	•	•	—	—	70	69	—	—	—	—
Wanderers View Property Holdings (Proprietary) Limited	•	•	—	—	100	100	—	—	—	—
Westander Properties (Proprietary) Limited	•	•	—	—	55	54	—	—	—	—
Westcom Properties (Proprietary) Limited	•	•	—	—	100	100	—	—	—	—
Zaaiwater (Proprietary) Limited	200	200	—	—	59	59	—	—	—	—
Zeestraat Properties (Proprietary) Limited	•	•	—	—	—	—	—	—	—	—
Township developer										
Whitehall Court (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
Townships and mineral rights holding										
Rustland Centre (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
Title to freehold rights holding										
Johannesburg Estate Company (Proprietary) Limited	•	•	—	—	75	75	—	—	—	—
Property maintenance and design										
Maintenance and Design Services (Proprietary) Limited	56	56	—	—	100	100	—	—	—	—
Prospecting										
Anglo American Base Metal Holdings S.W.A. (Proprietary) Limited	60	60	76	—	—	76	—	—	—	—
Anglo American Prospecting Company Limited	224	224	—	—	95	95	—	—	—	—
Anglo American Prospecting Company (South) Limited	13	13	—	—	95	95	—	—	—	—
Anglo American Prospecting Services (Proprietary) Limited	•	•	—	—	—	72	—	—	—	—
Dinal Investments (Proprietary) Limited	5	5	—	—	74	74	—	—	—	—
Dunnoch Investments (Proprietary) Limited	•	•	—	—	56	56	—	—	—	—
Jeannette Gold Mines Limited	7 839	7 839	—	—	—	57	—	—	—	—
Warbler Investments (Proprietary) Limited	3	3	57	—	—	—	—	—	—	—
Manufacturing and marketing										
Foundrex (Proprietary) Limited	•	•	—	—	77	77	—	—	—	—
Glacier Kaolin (Proprietary) Limited	12	12	—	—	77	77	—	—	—	—
S.A. Oxides and Barytes Mills (Proprietary) Limited	21	21	—	—	77	77	—	—	—	—
Wheel Weights (Proprietary) Limited	24	24	—	—	77	77	—	—	—	—
Zimro Minerals and Chemicals (Proprietary) Limited†	•	•	—	—	77	77	—	—	—	—
Zinchem (Proprietary) Limited	•	•	—	—	77	77	—	—	—	—
Mining and processing										
Clapham Chrome (Proprietary) Limited	10	10	—	—	77	77	—	—	—	—
G. & W. Base and Industrial Minerals (Proprietary) Limited	580	580	—	—	77	77	—	—	—	—
G. & W. (Silica Sands) (Proprietary) Limited	•	•	—	—	77	77	—	—	—	—
Hudson Mining Company (Proprietary) Limited	3	3	—	—	77	62	—	—	—	—
Lager Mining Company (Proprietary) Limited	1	1	—	—	41	38	—	—	—	—
Ocean Bentonite Company (Proprietary) Limited	24	24	—	—	77	77	—	—	—	—
S.A. Oxides (Proprietary) Limited	45	45	—	—	77	77	—	—	—	—
Mineral rights holding										
African Hawk Eagle Holdings Limited	•	•	—	—	76	76	—	—	—	—
Andalusite Transvaal (Proprietary) Limited	1	1	—	—	43	39	—	—	—	—
Booted Eagle Holdings Limited	•	•	—	—	76	76	—	—	—	—
Calliope Holdings Limited	402	402	—	—	91	91	—	—	—	—
Crowned Eagle Holdings Limited	•	•	—	—	76	—	—	—	—	—
Ferrobar Holdings Limited	4	4	—	—	76	76	—	—	—	—

*Nominal amount

†formerly G. W. Industrial and Chemical Supplies (Proprietary) Limited

	Issued share capital		Interest in share capital				Book value - Corporation			
			Direct		Indirect		R millions		Loans	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
	R000's	R000's	%	%	%	%				
Martial Eagle Holdings Limited	•	•	—	—	76	76	—	—	—	—
Roy Point-Braakfontein Colliery Limited	•	•	—	—	73	73	—	—	—	—
Steppe Eagle Holdings Limited	•	—	—	—	76	—	—	—	—	—
Tawny Eagle Holdings Limited	•	—	—	—	76	—	—	—	—	—
Taybair Holdings Limited	1	1	—	—	76	76	—	—	—	—
Mining rights holding										
Langkrans Anthracite (Proprietary) Limited	85	85	—	—	75	75	—	—	—	—
Limestone Deposits (Proprietary) Limited	•	•	—	—	77	77	—	—	—	—
Natal Coal Syndicate (Proprietary) Limited	200	200	—	—	75	75	—	—	—	—
Dormant										
Prestin Holdings (Proprietary) Limited	•	•	—	—	57	55	—	—	—	—
Prestin (Proprietary) Limited	2	2	—	—	57	55	—	—	—	—
Sorec Investments (Proprietary) Limited	•	•	—	—	57	55	—	—	—	—
Teastaff Investments Limited	•	•	—	—	75	75	—	—	—	—
Townview Estates Limited	1	1	—	—	100	100	—	—	—	—
Incorporated in Australia	A\$000's	A\$000's								
Finance and investment										
Angborne Investments Australia Proprietary Limited	1	1	—	—	100	100	—	—	—	—
Ausrand Proprietary Limited	2	2	—	—	67	67	—	—	—	—
Spinifex Finance Proprietary Limited	39	39	—	—	100	100	—	—	—	—
Managerial services										
Australian Anglo American Services Limited	563	563	—	—	100	100	—	—	—	0.1
Incorporated in Bermuda	BD\$000's	BD\$000's								
Finance and investment										
Anglo American Investment Trust (Bermuda) Limited	37	37	—	—	100	100	—	—	—	—
Incorporated in Botswana	P000's	P000's								
Managerial services										
Anglo American Corporation Botswana (Services) (Proprietary) Limited	•	•	100	100	—	—	•	•	•	0.1
Property owning										
West End Property Company (Proprietary) Limited	50	50	44	44	22	22	•	•	—	—
Mining										
Morupule Colliery (Proprietary) Limited	•	•	35	35	18	18	•	•	0.2	0.4
Incorporated in Canada	C\$000's	C\$000's								
Finance and investment										
Anseid (Canada) Limited										
- ordinary	19 493	19 493	—	—	96	96	—	—	—	—
- 5% preference	10 875	—	—	—	96	—	—	—	—	—
- 6% preference	6 256	—	—	—	—	96	—	—	—	—
Cello Securities Limited	—	1	—	—	—	—	—	—	—	—
Incorporated in France	FF000's	FF000's								
Finance and investment										
Compagnie Financiere Eurafrique S.A.	29 000	29 000	—	—	63	63	—	—	—	—
Managerial services										
Charter France S.A.	199	199	—	—	63	63	—	—	—	—
Charter France Services S.A.	100	100	—	—	63	63	—	—	—	—
Incorporated in Lesotho	R000's	R000's								
Managerial services										
Anglo American Lesotho Services Company (Proprietary) Limited	•	•	—	—	100	100	—	—	—	—
Incorporated in Liberia	US\$000's	US\$000's								
Finance and investment										
Allegro Holdings Limited	50	50	—	—	63	63	—	—	—	—
Animes Limited	1	1	—	—	100	100	—	—	—	—
Falcón Investments Limited										
- 'A' voting	1	1	—	—	100	100	—	—	—	—
- 'B' non-voting	111	51	100	100	—	—	39.9	15.4	—	—
Librand Limited	—	1	—	—	—	100	—	—	—	—
Merlin Investments Limited	—	40	—	—	—	100	—	—	—	—
Midway Investment Limited										
- 'A' voting	1	1	—	—	100	100	—	—	—	—
- 'B' non-voting	100	100	—	—	—	—	—	—	—	—

*Nominal amount

	Issued share capital		Interest in share capital				Book value - Corporation R millions			
			Direct		Indirect		Shares		Loans	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
Incorporated in Liberia†	US\$000's	US\$000's	%	%	%	%				
Revetment Holdings Limited										
- A stock	1	1			100	100				
- B stock	1	1			100	100				
- C stock	1	1	100	100			0.3	0.3		
- D stock	1	1			100	100				
Sward Investments Limited	50	1	100	100			3.0			
Tefancon Limited	1	1	63	63	32	32				
Dormant										
Anglo European Holdings Limited		15				67				
Nimrod Investments Limited	1	1			100	100				
Martingale Investments Limited	1	1			100	100				
Park Holdings Limited	1 000	1 000			62	62				
Swan Investments Limited		1				67				
Incorporated in Luxembourg	US\$000's	US\$000's								
Finance and investment										
Anglo Australia S.A.†										
- A' shares	2 050	205	100	100			1.8	0.2		
- B' shares	660	32			100	100				
Anglo Rand Holdings S.A.										
- A' shares	3 000		100							
- B' shares	1 500				100					
Anglux Limited S.A.										
- A' shares		205				100				1.6
- B' shares		3 114		100						
Axalux Holdings Limited	1 631	1 631	100	100			0.7	0.7		
Lighthouse Investments Limited	7 336	7 336			100	100				
Orlop Investments Limited	9 223	9 223			100	100				
Rand Luxembourg Limited S.A.										
- A' shares		32				100				
- B' shares		1 361				100				
Patent holding										
Crucible S.A.	32	3			100	100				
Ellux Holding S.A.	FF000's	FF000's								
Nilux Holding S.A.		1 000				100				
		100		100						
Incorporated in the Netherlands	US\$000's	US\$000's								
Finance and investment										
Georgic Holdings N.V.										
- A' shares	1	1								
- B' shares	1	1			80	80				
- C' shares	1	1			63	63				
Incorporated in the Netherlands	US\$000's	US\$000's								
Finance and investment										
Erabas B.V.	5 727	5 727			100	100				
Gallie Holdings B.V.	739	739			48	48				
Incorporated in Rhodesia**	R\$000's	R\$000's								
Finance and investment										
Appraised Securities Limited	20	20			100	100				
Blue Skies (Private) Limited					100	100				
Consolidated Mines Holdings (Rhodesia) Limited	1 028	1 028			100	100				
Jameson Mining Holdings (Private) Limited	4	4			100	100				
New Rhodesia Investments Limited	5 000	5 000	100	100			20.8	20.8		
Rhodes Investments Limited	12 100	12 100			100	100				
Varied Investments (1968) (Private) Limited	2	2			100	100				
Financial services										
Anglo American Corporation Services Limited	20	20			100	100				
Anglo American (Rhodesian Services) Limited	37	37			100	100				
Life insurance										
Southampton Assurance Company Limited	1 000	1 000			75	75				
Property owning										
Sanso Properties Salisbury (Private) Limited	1	1			47	47				
Southampton Properties (Private) Limited†	8	8			75	75				
Southampton Properties (Cinema) (Private) Limited‡	8	8			75	75				

*Nominal amount

†Formerly Anglo Holdings S.A.

** now Zimbabwe Rhodesia

§Formerly Talas Properties of Rhodesia (Private) Limited

‡Formerly Talas Properties of Rhodesia (Salisbury) (Private) Limited

	Issued share capital		Interest in share capital				Book value - Corporation R millions			
	1979	1978	Direct		Indirect		Shares		Loans	
			1979	1978	1979	1978	1979	1978	1979	1978
	R\$000's	R\$000's	%	%	%	%				
Incorporated in Rhodesia										
<i>Prospecting</i>										
Neil Chrome Mines Limited	60	60	—	—	65	65	—	—	—	—
New Middleridge Limited	140	130	—	—	65	65	—	—	—	—
Rhochrome Limited	214	214	—	—	65	65	—	—	—	—
Southridge Limited	240	240	—	—	65	65	—	—	—	—
Valley Exploration and Mining Company Limited	360	330	—	—	65	65	—	—	—	—
Incorporated in Swaziland										
<i>Mining</i>										
Swaziland Iron Ore Development Company Limited	6 000	6 000	—	—	59	59	—	—	—	—
<i>Dormant</i>										
Swaziland Industries (Proprietary) Limited	3	3	—	—	77	77	—	—	—	—
Incorporated in Switzerland										
<i>Finance and investment</i>										
Barque Holding A.G.	50	50	100	100	—	—	—	—	—	—
Rend Holding A.G.	50	50	—	—	100	100	—	—	—	—
Incorporated in the United Kingdom										
<i>Finance and investment</i>										
Electronic Limited	352	352	—	—	95	95	—	—	—	—
Luxam Limited	5	5	—	—	100	100	—	—	—	—
Lydenburg Holdings Limited	5	5	100	100	—	—	0,3	0,3	—	—
Pionsjudged Investments Limited	—	—	—	—	—	—	—	—	—	—
— ordinary	—	—	—	—	95	95	—	—	—	—
— preferred	—	—	—	—	95	95	—	—	—	—
Purlined Holdings Limited	—	—	95	95	—	—	—	—	—	3,7
<i>Marketing</i>										
Annercosa Sales Limited	—	—	—	—	60	60	—	—	—	—
Incorporated in Zambia										
<i>Finance and investment</i>										
Anglo American Corporation (Central Africa) Limited	2 500	2 500	—	—	100	100	—	—	—	—
<i>Dormant</i>										
Anglo American Corporation Zambia Services Limited	—	—	—	—	51	51	—	—	—	—
Anglo American Northern Properties Limited	8	8	—	—	100	100	—	—	—	—
Other										
							0,2	0,2	0,1	—
							427,6	408,7	212,1	220,6
<i>Nominal amount.</i>										
Aggregate after-tax profits and losses attributable to Anglo American Corporation of South Africa Limited from its subsidiaries amount to:										
	R millions									
	1979	1978								
Profits	168,1	170,6								
Losses	4,3	2,3								

General investments

at March 31 1979

	Group		Market value		Corporation		Market value	
	Units held		R millions		Units held		R millions	
	1979	1978	1979	1978	1979	1978	1979	1978
Listed								
Mining finance and investment			703.9	490.5			206.3	156.0
Anglo American Gold Investment Company Limited	10 498 905	10 498 905	362.2	291.9	5 214 035	5 214 035	179.9	145.0
Botswana R.S.T. Limited	2 166 171	2 166 171	1.4	0.4	1 444 114	1 444 114	0.9	0.3
Charter Consolidated Limited	37 301 555	37 301 555	105.8	77.3	—	—	—	—
General Mining and Finance Corporation Limited	3 969 045	77 569	36.4	2.0	200 675	3 490	1.8	—
Gold Fields of South Africa Limited	539 010	539 010	18.3	10.6	59 199	59 199	2.0	1.1
Johannesburg Consolidated Investment Company Limited	2 900 036	2 900 036	85.4	50.7	—	—	—	—
Metals and Minerals Investment Corporation Limited	1 151 347	1 176 347	3.3	1.6	—	—	—	—
Minerals and Resources Corporation Limited	29 423 666	29 364 215	59.6	53.9	5 145 974	5 145 974	21.7	11.6
New Central Witwatersrand Areas Limited	441 800	441 800	1.5	0.9	—	—	—	—
U.C. Investments Limited	—	338 000	—	1.2	—	—	—	—
			741.7	515.8			252.1	139.9
Gold and uranium mining								
1. Witwatersrand and East Rand			96.6	100.1			14.9	15.2
Bracken Mines Limited	30 512	289 892	0.1	0.3	—	—	—	—
East Daggafontein Mines Limited	496 497	496 497	0.2	0.2	—	—	—	—
East Rand Gold and Uranium Company Limited	14 641 958	15 523 158	78.3	85.4	2 405 089	2 505 089	12.9	13.8
Grootvlei Proprietary Mines Limited	2 000	158 000	—	0.3	—	54 000	—	—
Kinross Mines Limited	323 268	323 268	2.0	1.8	161 478	161 478	1.0	0.9
Leslie Gold Mines Limited	200	54 628	—	—	—	—	—	—
The South African Land & Exploration Company Limited	1 250 937	1 250 937	1.9	0.9	649 112	649 112	1.0	0.5
Winkelhaak Mines Limited	983 800	983 800	14.1	11.2	—	—	—	—
			539.9	326.6			226.6	116.3
2. West Rand								
The Afrikaner Lease Limited	2 998 162	2 998 162	16.5	15.0	1 235 234	1 235 234	6.8	6.2
Buffelsfontein Gold Mining Company Limited	967 100	967 100	17.0	13.8	10 033	10 033	0.1	0.1
Deelkraal Gold Mining Company Limited	1 554 843	984 078	4.1	1.3	371 657	235 226	1.0	0.3
East Driefontein Gold Mining Company Limited	2 805 259	2 876 224	2.9	33.5	2 339 372	2 339 372	34.6	27.0
Elandsrand Gold Mining Company Limited	37 468 718	25 157 565	224.3	85.4	24 563 078	16 100 849	147.4	54.8
Elsburg Gold Mining Company Limited	2 409 772	2 409 772	4.7	4.9	—	—	—	—
Hartbeesfontein Gold Mining Company Limited	830 484	830 484	23.5	15.2	7 366	7 366	0.2	0.1
Kloof Gold Mining Company Limited	—	33 805	—	0.3	—	33 805	—	0.3
Southval Holdings Limited	2 508 723	2 508 723	29.5	20.1	637 931	637 931	7.2	4.9
Vaal Reefs Exploration and Mining Company Limited	1 854 663	1 854 663	58.4	40.8	191 815	191 815	6.1	4.2
Western Areas Gold Mining Company Limited	1 436 366	1 436 366	4.0	4.6	—	—	—	—
Western Deep Levels Limited	7 174 903	7 174 750	110.6	87.9	1 467 663	1 467 663	23.2	18.4
Zandpan Gold Mining Company Limited	1 182 792	1 188 792	5.4	3.8	10 967	10 967	—	—
			105.2	89.1			10.6	8.4
3. Orange Free State								
Free State Geduld Mines Limited	226 650	226 650	6.8	6.2	—	—	—	—
Free State Saeplias Gold Mining Company Limited	4 546 131	4 546 131	7.9	5.6	—	—	—	—
Loreine Gold Mines Limited	256 200	620 805	0.4	0.9	—	25 600	—	—
President Brand Gold Mining Company Limited	1 558 527	1 558 527	29.1	25.3	—	—	—	—
President Steyn Gold Mining Company Limited	2 328 204	2 328 204	34.3	30.3	—	—	—	—
St. Helena Gold Mining Company Limited	—	44 050	—	0.6	—	—	—	—
Welkom Gold Mining Company Limited	1 341 068	1 341 068	8.7	6.1	—	—	—	—
Western Holdings Limited	479 894	479 894	18.0	14.1	284 370	284 370	10.6	8.4
			917.3	593.1			66.3	42.8
Diamonds								
De Beers Consolidated Mines Limited	109 258 135	109 258 135	917.3	593.1	7 889 350	7 889 350	66.3	42.8
			238.6	111.0			7.3	2.0
Coal								
Anglo American Coal Corporation Limited	11 408 218	11 408 218	216.8	97.0	382 699	231 736	7.3	2.0
Apex Mines Limited	86 485	86 485	1.9	0.8	1 687	1 687	—	—
Natal Anthracite Colliery Limited	1 244 176	1 644 176	11.4	7.8	—	—	—	—
Natal Coal Exploration Company Limited	—	1 691 301	—	0.4	—	—	—	—
Vierfontein Colliery Limited	305 604	305 604	0.3	0.2	—	—	—	—
Vryheid Coronation Limited	2 178 626	2 178 626	5.1	3.3	—	—	—	—
Witbank Colliery Limited	—	—	—	—	—	—	—	—
— shares	33 000	30 000	1.0	0.3	—	—	—	—
— 13.5% 1979/82 unsecured convertible notes	—	843 200	—	0.1	—	—	—	—
Zuignin Natal Collieries Limited	673 875	673 875	2.1	1.1	—	—	—	—
			75.3	32.4			15.1	6.5
Platinum								
Lydenburg Platinum Limited	342 000	342 000	0.6	0.3	—	—	—	—
Rustenburg Platinum Holdings Limited	24 649 805	24 649 805	74.7	32.1	4 974 305	4 974 305	15.1	6.5
			16.1	11.9				
Copper and other mining								
Bindura Nickel Corporation Limited	8 506 700	8 187 258	7.9	5.6	—	—	—	—
The Messina (Transvaal) Development Company Limited	1 465 933	1 465 933	3.1	2.1	—	—	—	—
Shangani Mining Corporation Limited	2 600 533	2 600 533	1.3	1.0	—	—	—	—
Tanganyika Concessions Limited	498 114	498 114	1.3	1.0	—	—	—	—
Formerly Rhodesian Nickel Corporation Limited	—	—	—	—	—	—	—	—

	Group		Market value		Corporation		Market value	
	Units held		R millions		Units held		R millions	
	1979	1978	1979	1978	1979	1978	1979	1978
Copper and other mining								
Tara Exploration and Development Company Limited	220 410	220 410	2.3	2.1	—	—	—	—
Zambia Copper Investments Limited	996 233	996 233	0.2	0.1	—	—	—	—
Banking			45.1	33.6				0.8
Barclays National Bank Limited	6 745 449	6 745 449	40.4	25.0	—	—	—	—
Nedbank and Syfrets - UAL Holdings Limited	—	1 499 722	—	3.3	—	—	—	—
RAL Holdings Limited*	1 320 900	1 381 000	4.7	4.5	—	—	—	—
Standard Bank Investment Corporation Limited	—	250 000	—	0.8	—	250 000	—	0.8
Industrial and commercial			323.9	198.9			64.9	40.6
AECI Limited	944 187	944 187	4.4	2.1	944 187	944 187	4.4	2.1
Anglo American Industrial Corporation Limited	12 411 030	12 411 030	173.8	105.5	1 529 385	1 529 385	21.4	13.0
Barlow Rand Limited	8 620 420	8 620 420	50.0	30.9	2 544 277	2 544 277	14.7	9.1
Boumat Limited	38 900	38 900	0.1	—	—	—	—	—
Chemical Holdings Limited								
— ordinary	1 520 090	1 079 705	4.0	1.7	180 054	107 918	0.5	0.2
— unsecured convertible notes	—	R770 675	—	0.9	—	R126 238	—	0.1
Cullinan Holdings Limited	2 115 002	2 115 002	6.7	2.9	—	—	—	—
Edgars Consolidated Investments Limited	73 000	73 000	0.3	0.1	—	—	—	—
Gallo (Africa) Limited	470 155	470 155	0.4	0.2	299 145	299 145	0.3	0.1
Highveld Steel and Vanadium Corporation Limited	17 875 027	17 875 027	40.7	26.8	6 578 713	6 578 713	14.8	9.9
Hule's Corporation Limited	1 008 950	1 008 450	2.9	2.0	—	—	—	—
Johnson Matthey and Company Limited	2 659 375	851 000	10.6	5.6	—	—	—	—
LTA Limited	3 920 363	3 920 363	9.8	6.5	2 653 081	2 653 081	6.6	4.4
McCarthy Group Limited	3 468 633	3 158 633	2.6	2.0	869 771	728 721	0.7	0.5
Romatex Limited	340 000	424 500	1.0	0.6	—	—	—	—
Russell Holdings Limited	—	100 000	—	0.1	—	—	—	—
The South African Breweries Limited								
— ordinary	135 000	210 250	0.1	0.2	—	—	—	—
— preference	200 100	200 100	0.2	0.1	—	—	—	—
Stewarts and Lloyds of South Africa Limited	932 362	932 362	1.9	1.6	—	—	—	—
Television and Electrical Holdings Limited	303 638	303 638	0.4	0.2	—	—	—	—
The Tongaat Group Limited	3 638 758	2 911 008	12.0	6.8	—	—	—	—
Tiger Oats and National Milling Company Limited	192 760	192 760	2.2	1.8	127 840	127 840	1.5	1.2
The Union Steel Corporation (of South Africa) Limited	606 194	606 194	0.3	0.1	—	—	—	—
Vereeniging Refractories Limited	—	86 400	—	0.2	—	—	—	—
Insurance			0.5	0.3				
South African Eagle Insurance Company Limited	152 800	152 800	0.5	0.3	—	—	—	—
Property			7.5	7.9				
Anglo American Properties Limited								
— ordinary	4 869 483	4 869 483	1.2	0.9	—	—	—	—
— preference	23 425 880	23 425 880	6.3	7.0	—	—	—	—
Sundry			1.5	1.3			0.2	0.3
City of Johannesburg - 6.5% 1997 stock	R187 500	R187 500	0.1	0.1	R187 500	—	—	0.1
First Union General Investment Trust Limited - preference	221 100	221 100	0.2	0.2	—	—	—	—
Rand Mines Limited - loan stock	R590 500	R592 500	0.4	0.4	—	—	—	—
Other minor holdings	—	—	0.8	0.6	—	—	0.2	0.2
Total market value			3 071.4	1 996.7			612.2	390.9

*formerly Rhodesian Acceptances Holdings Limited

	Group		Corporation	
	Units held	Directors' valuation R millions	Units held	Directors' valuation R millions
	1979	1978	1979	1978
Unlisted				
Mining finance and investment				
Anglo American Corporation of Canada Limited	4 039 841	3 051 290	—	—
Anglo American Corporation Rhodesia Limited	4 705 854	4 705 854	—	—
Australian Anglo American Limited	15 400 000	15 400 000	—	—
B.C.L. Limited - preference	15 149 250	15 149 250	10 099 500	50 000
Hollandstraat-ses Beleggings Beperk	—	980 000	—	—
Overseas and Rhodesian Investment Company Limited	500 000	500 000	—	—
Diamonds				
Abrasive Grit Sales Limited	21 600	21 600	—	—
Cymberline (Proprietary) Limited - variable rate cumulative preference	39 000	39 000	—	—
The Diamond Purchasing and Trading Company (Proprietary) Limited	461 756	461 756	—	—
The Diamond Trading Company (Proprietary) Limited	500 000	500 000	—	—
Industrial Distributors (1946) (Proprietary) Limited	—	—	—	—
- ordinary	330 000	330 000	—	—
- participating preference	150 000	150 000	—	—
Industrial Grit Distributors (Shannon) Limited	—	—	—	—
- ordinary	28 000	28 000	—	—
- 'A'	3 200	—	—	—
Smade Holdings (Proprietary) Limited - 'B'	50	50	—	—
Coal				
Blinkpan Koolmyne Beperk	700 000	700 000	—	—
Copper and other mining				
Anglo American Corporation do Brasil Limitada	38 763 449	—	38 763 449	—
Cleveland Potash Limited	—	—	—	—
- ordinary	875 000	875 000	—	—
- preference	3 750 000	3 750 000	—	—
- 10% loan stock 1984	2 000 000	2 000 000	—	—
- 11% loan stock 1985	2 750 000	—	—	—
Gamsberg Zinc Corporation Limited	3 334 005	3 334 005	2 223 000	2 223 000
Messina Rhodesia Investments Limited	1 599 379	458 583	—	—
Rhodesian Alloys Limited	2 266 663	2 266 663	—	—
Societe de Miniere D'Anglade	24 000	24 000	—	—
Tsumeb Corporation Limited	95 000	95 000	—	—
General finance				
Compagnie Holding Franco Sud-Africaine	285 000	285 000	—	—
Epoch Investments Limited	—	—	—	—
- ordinary	250 000	250 000	227 500	227 500
- preference	50 000	50 000	50 000	50 000
Management and Technical Services Limited	—	—	—	—
- 'A' voting	250	250	—	—
- 'B' non-voting	100	100	—	—
- 'D' non-voting	100	100	—	—
Mean Investments Limited	—	20 250	—	—
Nave Investments Limited - 'A'	28 927	—	—	—
Societe Financiere Louis Le Grand	279 300	279 300	—	—
Tarl Investments Limited - 'A'	5 000	5 000	5 000	5 000
Banking				
Aspella Investments Limited	—	350	—	—
Bahamas International Trust Company Limited	—	—	—	—
- voting	124	124	124	124
- non-voting	1 876	1 876	1 876	1 876
Central Reserves (Proprietary) Limited	50	50	50	50
Commonwealth Development Finance Company Limited	241 525	241 525	233 050	233 050
The Discount House of South Africa Limited - ordinary	217 500	217 500	217 500	217 500
Industrial Finance Corporation of South Africa Limited	437 502	437 502	425 000	425 000
National Finance Corporation of South Africa Limited	728 000	624 000	728 000	624 000
Industrial and commercial				
Cardium Holdings Limited	5 000	5 000	—	—
J. L. Clark and Company Limited	38 094	114 282	25 396	76 187
Clay Products Limited	61 500	61 500	—	—
Computer Sciences (Proprietary) Limited	1 826 334	1 826 334	—	—
Consolidated Metallurgical Industries Limited	—	—	—	—
- shares	3 798 077	1 875 000	1 923 077	—
- convertible loan stock	R576 922	R576 922	—	—
Consolidated Share Registrars Limited	19 370	19 370	19 370	19 370

	Group		Corporation	
	Units held	Directors' valuation R millions	Units held	Directors' valuation R millions
	1979	1978	1979	1978
Industrial and commercial				
Control Logic (Proprietary) Limited	12 500	12 500	—	—
Conway Johnson Limited	98 400	98 400	—	—
C.T. Bowring and Associates Holdings (South Africa) Limited				
— ordinary	25 000	25 000	25 000	25 000
— preference	2	2	1	1
C.T. Bowring and Associates (Rhodesia) (Private) Limited				
— ordinary	37 281	37 281	—	—
— preference	1	1	—	—
Eastern Transvaal Timber Company (Proprietary) Limited	7 750	7 750	—	—
Hall Longmore and Company (Proprietary) Limited	147	147	—	—
International Pipe and Steel Investments S.A. (Proprietary) Limited	4 019 197	4 019 197	820 156	820 156
Kiln Products Limited	1 764 274	1 764 274	99 562	99 562
McCarthy Main Holdings Limited	1 500	1 500	730	730
Mainstraat Beleggings (1965) Bepk	547 500	547 500	365 000	365 000
Middelburg Steel and Alloys (Proprietary) Limited	1 136 595	1 136 595	—	—
Mimbula Fitula Holdings Limited	1 500 000	1 125 000	—	—
Mondi Paper Company Limited				
— ordinary	14 111 941	14 111 941	610 983	610 983
— preference	10 000 000	10 000 000	—	—
RFF Limited				
— ordinary	1 443 673	718 464	196 801	—
— preference	—	1 005 240	—	—
Shaft Sinkers (Proprietary) Limited	3 000 000	3 000 000	—	—
Sigma Motor Corporation (Proprietary) Limited	450 519 670	6 819 670	444 738 859	1 038 859
Sigma Properties Nelspruit (Proprietary) Limited - preference (formerly Illings (Proprietary) Limited)	8 500	17 000	4 137	8 273
Soetvelde Farms Limited	1 709 393	1 709 393	—	—
Union Carriage and Wagon Company (Proprietary) Limited	454 776	454 776	111 192	111 192
Property				
Amaprop McCarthy Investments Limited	294	294	196	196
Anglo American (O.F.S.) Housing Company Limited	637 500	637 500	615 131	615 131
Anglo American Properties Limited - deferred	2 520 847	2 520 847	—	—
Carlton Centre Limited	14 183 333	14 183 333	—	—
Creative Homes Limited	505 352	505 352	100 000	100 000
Dennehof Court (Proprietary) Limited	40	40	—	—
Main Place Holdings Limited	559	559	368	368
Marina da Gama Limited	5 512	5 512	—	—
Sundry				
Ansa Petroleum Bepk	1 802	1 802	—	—
Edesa Societe Anonyme Holding A.G.	1 200	1 200	800	800
Lucas Block Minerals Limited	100	100	100	100
Other minor holdings	—	—	—	—
Total directors' valuation				
		314,5	272,3	43,1
				28,8

Ten year summary

Year end	Number of issued ordinary shares	Issued ordinary capital and reserves	Investments		Net asset value per share	Equity earnings after taxation	Equity earnings per share	Underlying earnings per share ²	Ordinary dividend per share	Total ordinary dividend
			Book value	Market value ¹						
December 31		R millions	R millions	R millions	cents	R millions	cents	cents	cents	R millions
1969	129 820 400	261,8	283,1 ³	818,1 ³	605	36,2	27,9	52	16	20,8
1970	129 820 400	279,7	307,3 ³	688,6 ³	503	38,7	29,8	49	16	20,8
1971	129 820 400	300,8	434,9	927,4	574	41,0	31,5	55	17	22,1
1972	129 858 200	322,7	449,9	1 262,1	811	45,4	34,9	64	19	24,7
1973	129 889 300	353,7	468,6	1 231,3	841	58,0	44,6	94	24	31,2
1974	131 387 300	397,2	449,7	1 276,6	923	75,5	57,4	116	29	38,1
1975	131 672 300	447,8	518,8	1 233,1	864	84,4	64,1	130	33	43,4
1976	131 725 300	469,7	525,7	1 102,3	784	86,0	65,3	132	33	43,5
March 31										
1978	222 964 532 ⁴	858,3 ⁴	835,6 ⁵	2 269,0 ⁵	905	195,0 ^{6 7}	89,9 ^{6 7}	178 ^{6 7}	45,25 ^{7 8}	99,1
1979	223 978 377	955,2	878,9	3 385,9	1 357	202,0	90,2	184	46	103,0

1 1969 to 1973: Includes unlisted investments at book value and outside shareholders' interest in surplus of market value of listed investments over book value.

2 1974 to 1979: Includes unlisted investments at directors' valuation and outside shareholders' interest in surplus of market value and directors' valuation over book value.

3 The equity earnings of the Group and its share of the undistributed earnings of companies in which the Group or its associates in aggregate directly or indirectly held 20 per cent or more of the equity.

4 Excluding investment in subsidiary companies not consolidated.

5 Includes shares issued in respect of the acquisition of RSC and rights issue to RSC shareholders.

6 Not comparable with previous years owing to the merger of Rand Selection Corporation Limited and the inclusion of other companies which, by virtue of the merger, became subsidiaries of Anglo American Corporation.

7 Based on 217 068 082 shares effectively in issue during the 15 months.

8 15-month period January 1 1977 to March 31 1978.

9 Includes a special interim of 8,25 cents.

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Interests of the Group

The Anglo American Corporation Group (AAC) has direct and indirect interests in a wide range of financial, mining, industrial, prospecting, insurance and other companies. In many cases, additional interests are held by finance and investment companies administered by or associated with but not themselves members of the AAC Group. Unless otherwise stated, all monetary amounts are expressed in South African currency.

ADMINISTERED BY AAC

Principal finance and investment companies

Anglo American Coal Corporation Limited (Amcoal)

AAC equity interest - 48.56 per cent

AAC's major investment in coal is represented by its interest in Amcoal, which is one of the largest coal mining groups in the world, having a substantial investment in the South African coal industry through its 12 collieries which mine coal marketed on both the domestic and export markets. Amcoal also owns property, mineral and coal rights in the Transvaal, Natal and Orange Free State and participates in the coal prospecting programme of AAC through a wholly-owned subsidiary, Amcoal Exploration and Finance Ltd.

In addition Amcoal holds a 51 per cent interest in Vereeniging Refractories Ltd, a major producer of refractories and allied products in South Africa.

Year ended December 31 1978

	1978 R000's	1977 R000's
Issued capital	720	860
23 491 438 50c shares	11 746	11 746
Total shareholders' funds	201 737	165 591
Long- and medium-term loans	66 119	59 317
Fixed, mining and non-township assets	331 725	259 195
Investments		
Listed - book value	720	860
- market value	1 613	1 463
Unlisted - book value	253	3 911
- directors' valuation	4 005	4 391
Equity earnings	52 728	47 295
per share	224.5c	201.3c
Dividends paid	16 914	14 095
per share	72c	60c

Details of Amcoal's principal operating interests appear on page 61 of this report.

Anglo American Corporation Rhodesia Limited (Amrho)

AAC equity interest - 16.60 per cent

Amrho, in conjunction with certain associated companies, holds the Zimbabwe Rhodesian interests of AAC and the Minorco and Charter groups and has a widely diversified portfolio which includes major investments in coal, nickel and copper mining, iron, steel, ferro-chrome and allied engineering industries, citrus, sugar, general agriculture, forestry and timber processing, cement, flour milling, rolling stock hire, property, merchant banking and finance. In addition, Amrho has a substantial participation in the Corporation's prospecting programme in Zimbabwe Rhodesia.

Year ended June 30 1978

	1978 ZRS000's	1977 ZRS000's
Issued capital	28 355	28 355
28 354 608 S1 shares	63 417	61 550
Total shareholders' funds		
Investments		
Listed - book value	19 385	19 567
- market value	23 212	26 425
Unlisted - book value	29 629	31 772
Equity earnings	3 286	4 537
per share	11.6c	16.0c
Dividends paid	1 418	1 418
per share	5c	5c

Major listed investments of Amrho at June 30 1978 were:

	Percentage interest
Bindu Nickel Corp. Ltd (formerly Rhodesian Nickel Corp. Ltd)	36.4
Hippo Valley Estates Ltd	39.8
National Foods Holdings Ltd	8.4
RAL Holdings Ltd	24.9
Shangani Mining Corp. Ltd	12.7
Wankie Colliery Co. Ltd	32.3

Details of the operations of certain of these companies appear on page 62 of this report.

Anglo American Gold Investment Company Limited (Amgold)

AAC equity interest - 47.83 per cent

Amgold is an investment company with major shareholdings in South African gold and uranium mining companies and interests in gold mining and exploration in Australia and Brazil. The financial year end was changed to the last day of February following changes in dividend declaration dates by certain gold mining companies in which Amgold has major investments.

	14 months ended February 28 1979 R000's	Year ended December 31 1977 R000's
Issued capital	21 952	21 952
21 952 012 R1 ordinary shares		
*25 000 000 10c preference shares	2 500	—
Total shareholders' funds	208 628	168 661
Ordinary shareholders' funds	183 628	168 661
Investments		
Listed - book value	206 580	184 731
- market value	1 055 077	750 811
Unlisted - book value	340	340
- directors' valuation	7 518	5 289
Loans	4 351	4 955
Equity earnings	69 744	41 507
per share	318c	189c
Ordinary dividends	54 880	36 221
per share	250c	165c

*Earning a dividend at the rate of 10.5 per cent a year on the issue price of R1 a share.

The principal investments of Amgold and its subsidiary company, Orange Free State Investment Trust Ltd, at February 28 1979 were:

	Percentage interest
Blyvooruitsicht GM Co Ltd	6.8
Buffelsfontein GM Co Ltd	20.2
Deelkraal GM Co Ltd	8.7
East Driefontein GM Co Ltd	11.1
East Rand Gold and Uranium Co Ltd	20.0
Elandsrand GM Co Ltd	23.0
Free State Geduld Mines Ltd	20.2
Free State Saaippan GM Co Ltd	19.2
Gold Fields of South Africa Ltd	10.8
Hartbeestfontein GM Co Ltd	15.5
Kloof GM Co Ltd	8.0
President Brand GM Co Ltd	20.0
President Steyn GM Co Ltd	20.6
St. Helena GM Ltd	18.5
Southvaal Holdings Ltd	13.3
The Afrikaander Lease Ltd	15.3
Vaal Reef's Exploration and Mining Co Ltd	16.3
Welkom GM Co Ltd	18.8
West Driefontein GM Co Ltd	14.2
Western Deep Levels Ltd	13.2
Western Holdings Ltd	20.9

Details of the operations of certain of these companies appear in the sections on gold mining companies.

Anglo American Industrial Corporation Limited (Amic)

AAC equity interest - 46.20 per cent

Amic, formed in 1953 to consolidate the industrial holdings of AAC and associates, has operating subsidiaries in the fields of mining tools, equipment and contracting services; iron, steel and engineering; forestry, saw milling and timber and maize processing. Amic also holds a large portfolio of investments in undertakings complementary to those of its subsidiaries and in industries involved in paper and packaging; freight and travel; chemicals; construction; food and produce; motors and transport; and textiles.

Details of the operations of Amic's principal subsidiaries and certain of its investments may be found in the sections on industrial companies.

Year ended December 31 1978

	1978 R000's	1977 R000's
Issued capital		
26 861 947 R1 shares	26 862	26 862
Total shareholders' funds	338 979	299 096
Long- and medium-term loans	37 171	16 547
Investments		
Listed - book value	47 442	50 324
- market value	88 295	65 152
Unlisted - book value	30 310	47 082
- directors' valuation	39 729	52 545
Equity earnings	52 409	37 991
per share	195.1c	141.4c
Dividends paid	2 400c	70c

Excludes assets, liabilities and earnings of certain foreign subsidiaries not consolidated.

*Excludes non-trading items.

The principal investments of the Amic group at December 31 1978 were:

	Percentage interest
Building and allied industries	
LTA Ltd	37.3
Freight and travel	
Freight Services Holdings Ltd (directly and through Redbury Holdings Ltd)	40.3
Iron, steel, engineering and related industries	
Consolidated Metallurgical Industries Ltd	10.0
Highveld Steel and Vanadium Corp. Ltd	8.1
International Pipe and Steel Investments S.A. (Pty) Ltd	5.3
'C' shares	12.5
Mainstraat Beleggings (1965) Bpk	3.8
Stewarts & Lloyds of South Africa Ltd	15.7
Vereeniging Refractories Ltd	15.7
Zinchem and Industrial Mineral Resources (Pty) Ltd	15.7
Industrial finance	
Barlow Rand Ltd	26.4
De Beers Industrial Corp. Ltd	33.3
Timber and paper	
Cardium Holdings Ltd	25.0
Property	
Isipingo Property Investments Ltd	6.3
Food and produce	
The Tongaat Group Ltd	37.4
Textiles	
Industex (Pty) Ltd	2.9
Romatex Ltd	38.0
Motor and transport	
McCarthy Group Ltd	12.1
Sigma Motor Corp. (Pty) Ltd	38.0

Anglo American Investment Trust Limited (Anamint)

AAC equity interest - 52.16 per cent

Anamint is an investment company whose principal holding, a 26.4 per cent investment in De Beers' deferred shares, generates more than 75 per cent of its investment income. Information on De Beers appears on pages 65 and 66. Anamint also holds shares in certain diamond trading companies.

Year ended March 31 1979

	1979 R000's	1978 R000's
Issued capital		
10 000 000 50c ordinary shares	5 000	5 000
2 500 000 R2 6% cum. pref. shares	5 000	5 000
Total shareholders' funds	67 533	63 228
Ordinary shareholders' funds	62 533	58 228
Investments		
Listed - book value	46 411	46 411
- market value	805 112	520 123
Unlisted - book value	11 656	11 656
- directors' valuation	105 249	92 343
Equity earnings	79 305	64 334
per share	793c	643c
Ordinary dividends	75 000	60 000
per share	750c	600c

Anglo American Properties Limited (Amaprop)

AAC equity interest - 48.99 per cent

Amaprop is a property finance company with a diversified spread of investments both as to type and geographical location. It has interests in city-centre office and shopping complexes, hotels, medical suites, parking garages and residential and holiday apartment blocks. In addition it has land holdings and township developments in the Transvaal, Natal and the Cape Province.

Year ended March 31 1979

	1979 R000's	1978 R000's
Issued capital		
20 813 258 50c ordinary shares	10 406	10 406
10 668 000 50c deferred ordinary shares	5 334	5 334
31 417 483 50c 7% cum. conv. red. pref. shares	15 709	15 711
Total shareholders' funds	33 478	38 224
Ordinary shareholders' funds	17 769	22 513
Long-term loans	48 273	47 126
Fixed assets	83 454	87 678
Township properties and debtors	1 569	1 809
Loss attributable to ordinary shareholders	4 746	655
Accumulated loss	10 477	5 716

Details of Amaprop's principal operating interests may be found on page 62 of this report.

New Central Witwatersrand Areas Limited (NCW)

AAC equity interest - 25.01 per cent

NCW is an investment company, its main interests being in mining finance and mining companies.

	14 months ended August 31 1978 R000's	Year ended June 30 1977 R000's
Issued capital		
1 766 395 50c shares	883	883
Total shareholders' funds	1 686	1 678
Investments		
Listed - at cost	1 693	1 693
- market value	7 055	4 506
Equity earnings per share	395	295
Dividends paid per share	22.4c	16.7c
	389	291
	22.0c	16.5c

Gold and uranium

Orange Free State

Free State Geduld Mines Limited

AAC equity interest - 2.17 per cent

Year ended September 30 1978

	1978	1977
Issued capital		
10 440 000 50c shares	R5 220 000	R5 220 000
Area mined - centares	642 000	669 000
Tons milled	3 370 000	3 436 000
Yield - grams/ton	12.78	12.89
Cost per centare mined	R139.09	R109.66
Cost per ton milled	R26.50	R21.35
Working profit	R142 523 000	R92 314 000
Joint Metallurgical Scheme attributable profit	R20 000	R280 000
Taxation and State's share of profit	R68 229 000	R29 447 000
Dividends paid per share	R32 886 000	R24 000 000
	315c	240c

Planned production for the year ending September 30 1979: Tonnage 3 200 000; Grade 11.9 grams a ton. Planned capital expenditure: R50 000 000.

Free State Saaiplaas Gold Mining Company Limited

AAC equity interest - 16.18 per cent

Subsidiary of President Brand Gold Mining Co. Ltd

Orange Free State mines



Year ended September 30 1978

	1978	1977
Issued capital		
28 100 000 R1 shares	R28 100 000	R28 100 000
Area mined - centares	242 000	237 000
Tons milled	1 240 000	1 234 000
Yield - grams/ton	3.55	3.83
Cost per centare mined	R112.97	R99.09
Cost per ton milled	R22.05	R19.03
Working loss - gold	R3 175 000	R5 365 000
Uranium profit		R4 716 000
Joint Metallurgical Scheme attributable profit	R14 140 000	R2 173 000

Planned production for the year ending September 30 1979: Tonnage 1 200 000; Grade 3.6 grams a ton. In addition it was estimated that the company would continue to treat 45 000 tons of ore a month from President Brand, on a cost plus service charge basis, until the end of April 1979. Planned capital expenditure: R41 000 000.

President Brand Gold Mining Company Limited

AAC equity interest - 11.10 per cent

Year ended September 30 1978

	1978	1977
Issued capital		
14 040 000 50c stock units	R7 020 000	R7 020 000
Area mined - centares	621 000	581 000
Tons milled	3 145 000	3 093 000
Yield - grams/ton	9.53	10.56
Cost per centare mined	R127.35	R117.77
Cost per ton milled	R25.14	R22.12
Working profit	R82 949 000	R54 064 000

	1978	1977
Joint Metallurgical Scheme attributable profit	R6 317 000	R192 000
Taxation and State's share of profit	R34 440 000	R6 759 000
Dividends paid per unit of stock	R21 060 000	R18 252 000
	150c	130c

*Includes 463 400 (1977: 499 500) tons treated on the company's behalf, on a cost plus service charge basis, by Free State Saaiplaas Gold Mining Co. Ltd

Planned production for the year ending September 30 1979: Tonnage 3 100 000 (which includes 315 000 tons to be treated by Free State Saaiplaas); Grade 9.5 grams a ton. Planned capital expenditure: R12 000 000. In addition, an amount of R48 500 000 is to be spent on the Joint Metallurgical Scheme.

President Steyn Gold Mining Company Limited

AAC equity interest - 15.98 per cent

Year ended September 30 1978

	1978	1977
Issued capital		
14 566 400 50c shares	R7 283 000	R7 283 000
Area mined - centares	704 000	634 000
Tons milled	3 256 000	3 100 000
Yield - grams/ton	7.87	8.65
Cost per centare mined	R121.23	R115.47
Cost per ton milled	R26.21	R23.86
Working profit	R52 865 000	R26 277 000
Joint Metallurgical Scheme attributable profit	R224 000	R621 000
Taxation and State's share of profit	R17 371 000	R7 000
Dividends paid per share	R11 653 000	R2 657 000
	80c	20c

Planned production for the year ending September 30 1979: Tonnage 3 400 000; Grade 9.0 grams a ton. Planned capital expenditure: R19 000 000.

The above results relate to the company and its wholly-owned subsidiary, Video Gold Mining Co. Ltd.

Welkom Gold Mining Company Limited

AAC equity interest - 10.95 per cent

Year ended September 30 1978

	1978	1977
Issued capital		
12 250 000 50c shares	R6 125 000	R6 125 000
Area mined - centares	900 000	513 000
Tons milled	2 184 000	2 183 000
Yield - grams/ton	6.09	6.36
Cost per centare mined	R102.91	R86.02
Cost per ton milled	R23.56	R20.21
Working profit	R20 328 000	R7 777 000
Joint Metallurgical Scheme attributable loss	R2 000	-
Taxation and State's share of profit	R9 632 000	R933 000
Dividends paid per share	R7 962 000	R4 288 000
	65c	35c

Planned production for the year ending September 30 1979: Tonnage 2 100 000; Grade 6.0 grams a ton. Planned capital expenditure: R5 250 000.

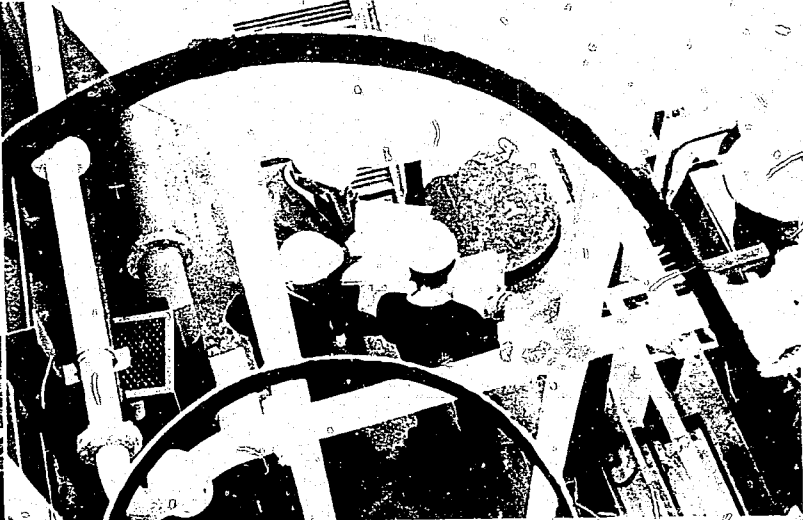
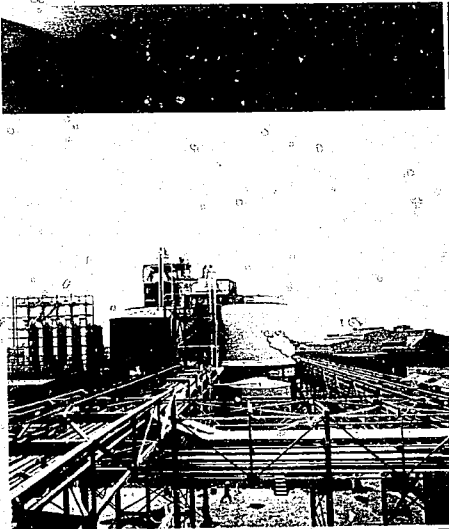
Western Holdings Limited

AAC equity interest - 6.40 per cent

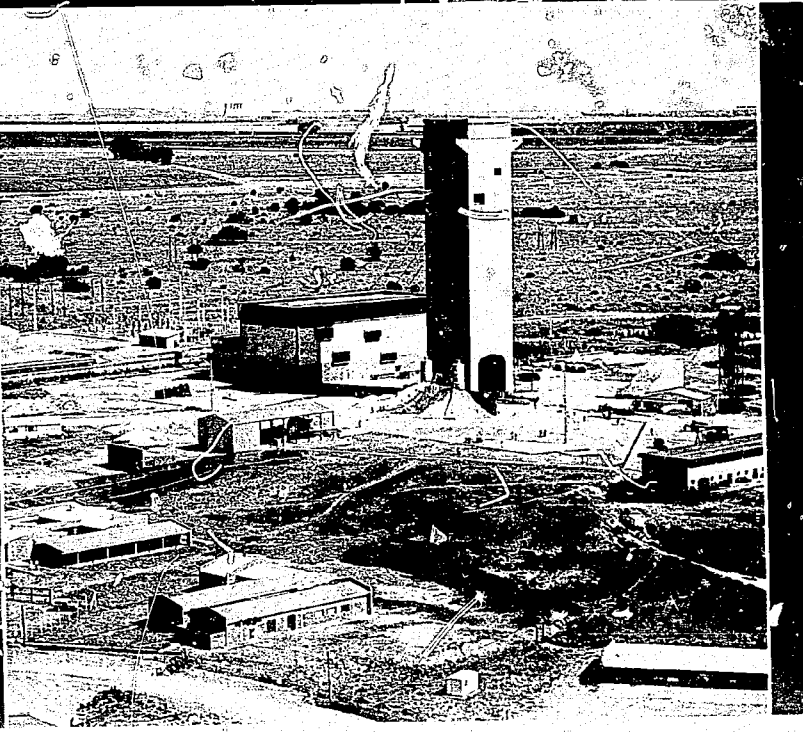
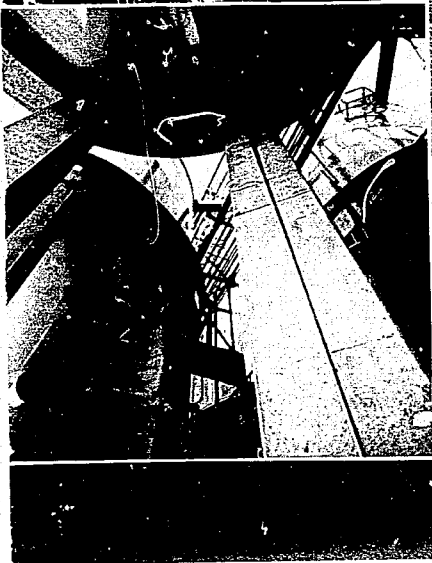
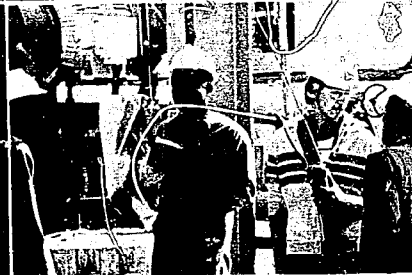
Year ended September 30 1978

	1978	1977
Issued capital		
7 498 376 50c shares	R3 748 000	R3 748 000
Area mined - centares	656 000	689 000
Tons milled	3 113 000	3 083 000
Yield - grams/ton	10.64	11.77
Cost per centare mined	R107.07	R88.62
Cost per ton milled	R22.56	R19.74
Working profit	R107 851 000	R74 389 000
Joint Metallurgical Scheme attributable loss (profit)	R1 215 000	(R534 000)
Taxation and State's share of profit	R68 990 000	R48 215 000
Dividends paid per share	R31 110 000	R20 940 000
	415c	280c

Planned production for the year ending September 30 1979: Tonnage 3 200 000; Grade 10.2 grams a ton. Planned capital expenditure: R11 000 000.



Vaal Reefs is South Africa's principal uranium producer, accounting in 1978 for a quarter of the national output - a proportion that will increase now that the South plant development is on stream. The South plant, near the new No 9 shaft, has been built, trial run and commissioned in 21 months. By 1982 Vaal Reefs' three uranium plants will be treating 750 000 tons of milled slime a month and producing 1 700 tons of uranium oxide a year.



AAC administered Orange Free State mines' Joint Metallurgical Scheme

The six mines administered by AAC in the Orange Free State, Free State Geduld, Free State Sasolplaas, President Brand, President Steyn, Welkom and Western Holdings, participate in a major metallurgical scheme for the recovery of uranium, gold and sulphuric acid from current and deposited slimes.

Year ended September 30 1978

	1978	1977
Pyrite flotation plants slimes treated - tons	16 660 000	4 767 000
Uranium plant slimes treated - tons	2 522 000	913 000
concentrate treated - tons	319 000	54 000
uranium oxide produced - kg	595 968	206 845
Acid plant acid produced - tons	275 727	137 668
Gold plant calcine treated - tons	218 318	31 522
gold produced - kg	1 270	114
Profit	R19 484 000	R3 800 000

Royalty received
Profit after taxation
Dividends paid
per share

	1978	1977
R000's		
Royalty received	28 233	8 462
Profit after taxation	16 714	5 184
Dividends paid	14 820	5 460
per share	57c	21c

The Afrikaner Lease Limited

AAC equity interest - 44.55 per cent

The company owns certain freehold and mineral rights over uranium-bearing areas in the Klerksdorp district of the Transvaal and has leased its main block of mineral rights to Vaal Reefs Exploration and Mining Co. Ltd. Vaal Reefs is establishing a new mine in the area and will pay the company an annual royalty based on revenue.

Vaal Reefs Exploration and Mining Company Limited

AAC equity interest - 9.76 per cent

Year ended December 31 1978

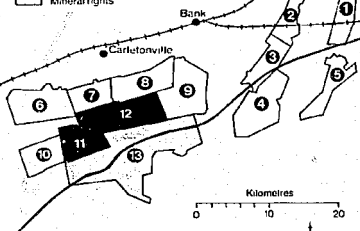
	1978	1977
Issued capital		
19 000 000 50c shares	R9 500 000	R9 500 000
Area mined - centares	1 609 000	1 576 000
Gold: tons milled	7 822 000	7 165 000
yield - grams/ton	8.52	8.95
Uranium: tons treated	4 823 000	4 786 000
yield - kilograms/ton	0.22	0.21
Cost per centare mined	R139.43	R121.61
Cost per ton milled	R28.68	R26.75
Working profit		
gold	R146 822 000	R74 079 000
uranium oxide and sulphuric acid	R50 567 000	R17 018 000
Royalty payment to Southvaal Holdings Ltd	R28 233 000	R8 462 000
Taxation and State's share of profit	R37 137 000	R14 254 000
Dividends paid	R53 200 000	R21 850 000
per share	280c	115c

Planned production for the year ending December 31 1979:
Gold: Tonnage milled 7 600 000; Grade 8.8 grams a ton.
Uranium: Tonnage treated 7 000 000; Grade 0.20 kilograms a ton.
Planned capital expenditure: R96 000 000, which includes R58 000 000 to be spent on the South Sea area and R16 000 000 on financing the capital requirements of the proposed mine of Vaal Reefs on the area leased by it from The Afrikaner Lease Ltd.

Far West Rand mines

Administered by the Corporation

Producing mines
Mineral rights



1. Randfontein Estates
2. Venerspoort
3. Libanon
4. Kloof
5. Western Areas
6. Doornfontein
7. Blyvooruitzicht
8. West Driefontein
9. East Driefontein
10. Deelkraal
11. Blandsrand
12. Western Deep Levels
13. Western Ultra Deep Levels

Western Deep Levels Limited

AAC equity interest - 28.70 per cent

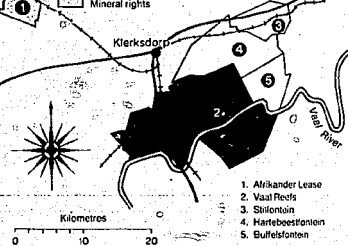
Year ended December 31 1978

	1978	1977
Issued capital		
25 000 000 R2 shares	R50 000 000	R50 000 000
Area mined - centares	730 000	621 000
Gold: tons milled	3 223 000	2 977 000
yield - grams/ton	14.17	14.61
Uranium: tons treated	874 000	747 000
yield - kilograms/ton	0.21	0.22
Cost per centare mined	R144.25	R141.31
Cost per ton milled	R32.67	R29.48
Working profit		
gold	R145 590 000	R88 930 000
uranium	R2 341 000	R3 249 000

Klerksdorp area mines

Administered by the Corporation

Producing mines
Mineral rights



1. Afrikaner Lease
2. Vaal Reefs
3. Shilfontein
4. Hartbeestfontein
5. Buffelsfontein

Far West Rand and Klerksdorp

Elandsrand Gold Mining Company Limited

AAC equity interest - 49.64 per cent

The company was incorporated in 1974 and has established a gold mine in the Oberholzer and Potchefstroom districts of the Transvaal. The mine produced its first bar of gold in December 1978.

Year ended December 31 1978

	1978	1977
Issued capital		
75 484 238 20c shares	15 097	10 065
Share premium	69 694	—
Capital reserve	110 233	110 233
Mining assets	172 388	98 645

In June 1978 the company raised R76 742 000 by means of a rights issue to members of 25 161 413 shares of 20 cents each at R3.05 a share.

Planned production for the year ending December 31 1979:
Tonnage milled 1 000 000; Grade 6.00 grams a ton. Planned capital expenditure: R70 000 000.

Southvaal Holdings Limited

AAC equity interest - 9.65 per cent

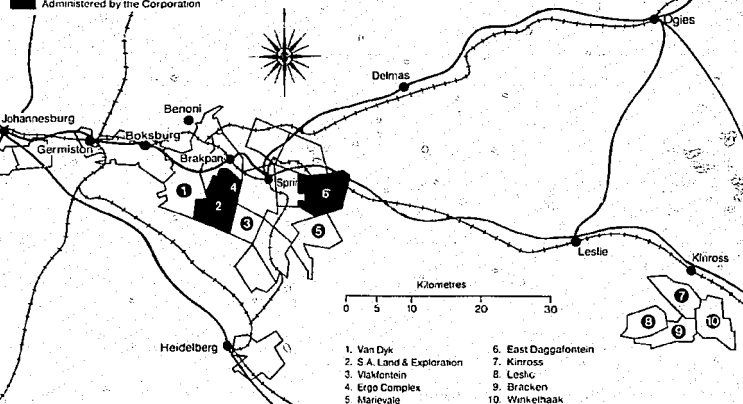
Southvaal's income is derived from royalties receivable from Vaal Reefs Exploration and Mining Co. Ltd in respect of that company's mining operations south of the Vaal river, and from interest on loans.

Year ended December 31 1978

	1978	1977
Issued capital		
26 000 000 50c shares	13 000	13 000
Distributable reserves	1 953	50

East Rand and Evander mines

Administered by the Corporation



1. Van Dyk
2. S.A. Land & Exploration
3. Vlakfontein
4. Ergo Complex
5. Maricvale
6. East Daggalfontein
7. Klerks
8. Lesku
9. Bracken
10. Winkelhaak

	1978	1977
Taxation and State's share of profit	R75 492 000	R45 054 000
Dividends paid per share	R36 875 000 147.5c	R20 625 000 82.5c

Planned production for the year ending December 31 1978:
Gold: Tonnage milled 3 150 000; Grade 14.3 grams a ton.
Uranium: Tonnage treated 876 000; Grade 0.21 kilograms a ton. Planned capital expenditure: R77 000 000.

East Rand

East Daggafontein Mines Limited

AAC equity interest - 13.31 per cent

Year ended December 31 1978

Underground operations by the company were terminated in November 1975 and subsequent activities have been confined to clean-up operations and the salvage and sale of plant and equipment.

The company continues to receive modest revenue arising from agreements allowing third parties to undertake certain mining operations.

East Rand Gold and Uranium Company Limited (Ergo)

AAC equity interest - 36.60 per cent

Ergo operates a treatment plant in the Springs area for the purpose of recovering gold, uranium, sulphuric acid and oleum from old mining slimes dams on the East Rand. Production began in February 1978 with the recovery of uranium. Sulphuric acid production started in March and gold production in April 1978.

Year ended March 31 1979

	1979
Issued capital	R20 000 000
40 000 000 50c shares	
Slimes treated - tons	16 251 000
Uranium oxide produced - kg	157 858
Sulphuric acid produced - tons	313 118
Oleum produced - tons	17 251
Gold produced - kg	3 744
Operating profit	R18 049 000
Dividend paid per share	R10 000 000 25c

Production targets for the year ending March 31 1980 have been set at 5 500 kilograms of gold, 200 tons of uranium oxide and 450 000 tons of sulphuric acid and oleum.

The South African Land & Exploration Company Limited

AAC equity interest - 18.95 per cent

Year ended December 31 1978

	1978	1977
Issued capital	R2 310 000	R2 310 000
6 600 000 35c shares		
Tons milled from dumps	965 000	897 000
Yield - grams/ton	1.28	1.82
Operating profit	R2 077 000	R860 000
Net sundry income	R807 000	R761 000
Taxation	R1 166 000	R197 000
Dividend paid per share	R1 650 000 25c	—

The company continued treating waste rock and crushing plant slimes from various locations on the East Rand.

Expenditure for the year on the prospecting programme amounted to R299 000.

Coal

Anglo American Coal Corporation Limited (Amcoal)

AAC equity interest - 48.56 per cent

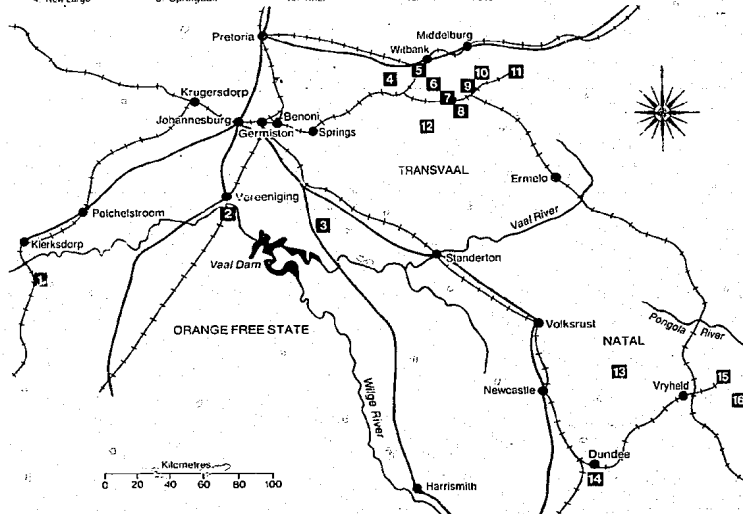
Financial details of the Amcoal group are given on page 57.

The principal interests of the group are as follows (all 100 per cent owned unless otherwise stated):

Collieries	Landau
Arnot	Navigation
Bank	New Largo
Blesbok	

Coal mines administered by the Corporation

- | | | | |
|----------------|----------------|------------|----------------------|
| 1. Verfontein | 5. Navigation | 9. Blesbok | 13. Balgray |
| 2. Cornelia | 6. Landau | 10. Bank | 14. Indumeni |
| 3. Springfield | 7. Kleinokopje | 11. Arnot | 15. Vryheid Colliery |
| 4. New Largo | 8. Springbok | 12. Kriel | 16. Natal Anthracite |



Collieries
Cornelia
Kleinokopje
Kriel

Industrial
Vereeniging Refractories Ltd (51 per cent held)
Vitro Clay Pipes Ltd (50 per cent held)

Group coal and coke sales comprise the following:

	1978	1977
Tons	Tons	Tons
000's	000's	000's
Power generation	17 046	15 608
Escam		
Trade	4 857	4 439
Export	2 655	3 214
Domestic		
Metallurgical	1 404	1 593
Iscor	320	343
Other	439	505
Coke	26 721	25 702

Natal Anthracite Colliery Limited

AAC equity interest - 41.10 per cent

The company operates a colliery near Vryheid, Natal, which produces high-grade low phosphorus anthracite. A wholly-owned subsidiary, Balgray Collieries (Pty) Ltd operates a colliery at Utrecht, Natal, producing high carbon anthracite.

	Year ended December 31 1978	18 months ended December 31 1977
Issued capital	R2 000 000	R2 000 000
4 000 000 50c stock units		
Group coal sales - tons	978 000	1 488 000
Consolidated profit after taxation	R4 581 000	R7 513 000
Dividends paid per stock unit	R1 880 000 47c	R2 880 000 67c

Vierfontein Colliery Limited

AAC equity interest - 7.64 per cent

The company operates a colliery in the Viljoenskroon district of the Orange Free State and produces bituminous coal for sale under contract to the Electricity Supply Commission's Vierfontein power station.

	Year ended December 31 1978	18 months ended December 31 1977
Issued capital	R2 000 000	R2 000 000
4 000 000 50c shares		
Coal sales - tons	1 466 000	1 946 000
Profit after taxation	R374 000	R560 000
Dividends paid per share	R340 000 8.5c	R480 000 12.0c

Zuignin Natal Collieries Limited

AAC equity interest - 48.13 per cent

The company owns the entire issued share capital of Indumeni Coal Mines Ltd, which operates a colliery near Dundee, Natal. Indumeni produces coking coal for supply to Iscor.

	Year ended December 31 1978	18 months ended December 31 1977
Issued capital	R700 000	R700 000
1 400 000 50c shares		
Coking coal sales - tons	386 000	552 000
Consolidated profit after taxation	R547 000	R677 000
Dividends paid per share	R448 000 32c	R560 000 40c

*Sales by the wholly-owned subsidiary company, Indumeni Coal Mines Ltd.

Other mining

Bindura Nickel Corporation Limited

AAC equity interest - 35.45 per cent

Bindura, formerly Rhodesian Nickel Corp. Ltd, owns the entire issued share capitals of Trojan Nickel Mine Ltd and Madziva Mines Ltd, whose three nickel mines are situated in the Bindura, Filabusi and Shamva districts of Zimbabwe Rhodesia. The company's other wholly-owned subsidiary, Bindura Smelting and Refining Co. Ltd, is situated next to Trojan Nickel Mine at Bindura, and produces refined nickel from nickel concentrates received from the company's mines and also from Shangani Mining Corp. Ltd. Copper is also produced as a by-product of the refining process.

	9 months ended	Year ended
	December 31	March 31
	1978	1978
	ZRS000's	ZRS000's
Issued capital	12 000	12 000
Unsecured loans	17 700	17 929
Equity earnings	1 716	2 275
per share	7.2c	9.5c
Dividend paid	720	720
per share	3c	3c

Middelplaats Manganese Limited

AAC equity interest - 50.00 per cent

The company is establishing a mine in the Sishen area of the northern Cape manganese belt. Prospect drilling on the property indicated reserves of manganese ore in excess of 52 million tons at a grade of approximately 38 per cent manganese and four per cent iron.

The equipping and commissioning of the main shaft is almost complete and the incline service ramp and underground development has reached an advanced stage of completion. The plant has been commissioned and manganese ore is being produced on a limited scale. The construction of housing for employees has been completed. The deposit will be mined by underground mechanical methods. The estimated capital cost of the project is R47 million.

Shangani Mining Corporation Limited

AAC equity interest - 12.50 per cent

The company operates a nickel mine at Shangani, about 100 kilometres north-east of Bulawayo in Zimbabwe Rhodesia. During the year ended June 30 1978 825 000 tons of ore were mined. Ore is refined by Bindura Smelting and Refining Co. Ltd.

Industry and commerce

Anglo American Industrial Corporation Limited (Amic)

AAC equity interest - 46.20 per cent

Financial details of Amic may be found on page 57 of this report. Operating subsidiaries at December 31 1978 (all wholly-owned unless otherwise stated):

1. Scaw Metals Ltd

The Scaw Metals works is situated at Union Junction, near Germiston, Transvaal. Taxed profit of the Scaw group for the year ended December 31 1978, at R18 million, was 17.6 per cent higher than in the previous year. Scaw's three major fields of operation are ferrous and non-ferrous castings, including railroad components such as rolling stock wheels and bogie castings, rolled steel products in the merchant bar range and grinding media for the mining and cement industries.

2. Bort International Ltd

Bort, through its subsidiary and associate companies operating in 27 countries, is engaged in the manufacture and marketing of rotary and percussion drilling machinery, equipment and tools, specialist diamond grinding equipment and tungsten carbide engineering tools, steel castings, underground mine supports and coal mining equipment. Profits for 1978 amounted to R17.7 million compared with R16.2 million in 1977.

3. Mondi Paper Co. Ltd (53.92 per cent interest)

Mondi operates a paper mill at Merebank, Durban, with a capacity of 260 000 tons a year, comprising a groundwood mill, three high speed paper machines and a paper finishing department. Profits for 1978, at R11.4 million, were 12 per cent higher than in 1977. It is planned to install a fourth high speed

paper machine and supporting pulping plant to become operative in the last quarter of 1980. A subsidiary, South African Board Mills Ltd, manufactures paperboard in plants in the Transvaal, Natal and the Cape and has interests in waste paper processing, timber plantations and felt-based paper production. Mondi recently acquired Saff (see 6 below) from Amic in exchange for further shares, which had the effect of increasing Amic's holding in Mondi to 62.65 per cent. At March 31 1978 AAC itself had an equity interest of 29.77 per cent in Mondi.

4. Bruynzeel Plywoods Ltd (Bruply)

The Bruply group of companies manufactures a wide range of timber-based products including structural and industrial timber, laminated timber beams, fencing, transmission poles, doors, veneers, plywoods and particle boards.

5. African Products (Pty) Ltd

The company produces starches, cornflour, dextrins, glucose and other maize-based products for both the local and export markets. In addition to its production activities, the company holds a 50 per cent interest in O.K.K. Foods Ltd and an 18.9 per cent interest in Soetvelde Farms Ltd.

6. S.A. Forest Investments Ltd (Safil)

The Safil group is the largest integrated forestry and sawmilling operation in southern Africa, owning and leasing a total afforested area of 44 000 hectares in the Republic of South Africa and 25 000 hectares in Swaziland. Safil continues to manage the plantations of Eastern Transvaal Timber Co. (Pty) Ltd, which owns 15 000 hectares of land in the Carolina, Waterval Boven and Barberton districts of the Transvaal.

Important investments of Amic not referred to under other headings in this report are:

1. Freight Services Holdings Ltd

The group operates in South Africa, Europe, the United Kingdom, the United States of America and Australia. Its activities include clearing, forwarding, buying, confirming, stevedoring, ships agency and the servicing of ships and a comprehensive travel service. In addition, the group has a controlling interest in S.A. Container Depots (Pty) Ltd, which has the only customs franchise for container handling in South Africa.

2. Industex (Pty) Ltd

The company manufactures industrial textiles for the tyre, rubber and other industries and spins cotton and synthetic yarns. A wholly-owned subsidiary, Union Cotton Mills (Pty) Ltd operates a yarn dyeing and weaving plant which manufactures a wide range of towelling products and bedspreads.

3. The Union Steel Corporation (of S.A.) Ltd (USCO)

USCO operates steel works at Vereeniging and produces rolled, drawn, forged and cast steel products, copper and aluminium conductors and wire. Subsidiary companies manufacture agricultural discs, aluminium electrical transmission cables and conductors.

Cardium Holdings Limited

AAC equity interest - 50.00 per cent

Cardium Holdings holds 83 per cent of the capital of The Natal Tanning Extract Co. Ltd which owns or leases 72 000 hectares of forest land in the south-eastern Transvaal and Natal which is planted mainly to wattle and pine with smaller areas under gum, poplar, sugar, case and phormium. The principal operation is the production of tanning extract from wattle bark and three factories are operated for this purpose. In addition, Natal Tanning produced in 1978 approximately 340 000 tons of timber, 51 000 tons of wattle bark and 167 000 tons of sugar cane.

Net earnings of Natal Tanning for the year ended December 31 1978 were R2.87 million compared with R1.87 million for the previous year.

Computer Sciences (Proprietary) Limited

AAC equity interest - 21.49 per cent

The company offers a wide range of computer services through two bureaux. A systems development and support service is also provided. The company's computer hardware division provides services through products which include Datapoint, Data 100, TTT Courier, Univac V series, Texas Instruments and Comten.

Mainstraat Beleggings (1965) Bepex

AAC equity interest - 30.00 per cent

Mainstraat was formed by AAC, Amic, De Beers and the Federale Mynbou/General Mining groups for the purpose of investing principally in the fields of engineering and heavy

industry. The company has interests in Highveld Steel and Vanadium Corp. Ltd, Hall Longmore and Co. (Pty) Ltd, International Pipe and Steel Investments S.A. (Pty) Ltd, Stewarts & Lloyds of S.A. Ltd, Union Carriage and Wagon Co. (Pty) Ltd and Unionmod Buildings (Pty) Ltd.

Property

Anglo American Properties Limited (Amaprop)

AAC equity interest - 48.99 per cent

Financial details of Amaprop may be found on page 58 of this report. The company's major property interests in completed property developments and townships are as follows:

	Percentage interest
Anchor House, Johannesburg	100
Brickhill Road Parade, Durban	100
Cabrera Beach, Umhlanga Rocks	100
Carlton Centre, Johannesburg	30
Devonshire Hotel and Devonshire House, Johannesburg	100
Durban Bay House, Durban	54
Edura, Johannesburg	100
Finsbury township, Randfontein	100
La Lucia township, Natal	100
Prospecton Industrial Township, Durban	50
Marina da Gama, Muizenberg	50
Muckleneuk-Lanterns and Welgelegen, Pretoria	100
Provincial House and Durdac Centre, Durban	51
Transvaal House, Pretoria	100
Umhlanga Beach Mews, Umhlanga Rocks	100
320 West Street, Durban	100

Carlton Centre Limited

AAC equity interest - 49.99 per cent

The company owns the Carlton Centre in the central business district of Johannesburg. The Centre is one of the largest commercial building developments in the world and comprises a 50 storey office tower, the 30 storey international-class Carlton Hotel, two department stores, approximately 170 retail shops and restaurants, an ice rink and covered parking facilities for 2 000 cars. The Carlton Hotel, in which the company has an 89 per cent interest, is managed by Western International Hotels of Seattle.

Year ended June 30 1978

	1978 R000's	1977 R000's
Issued capital	14 190	14 190
29 360 410 50c ordinary shares	24 674	22 228
Total shareholders' funds	39 146	43 317
Secured long-term loans	13 013	13 228
Unsecured loans	6 187	6 000
Operating profit	1 389	878
Equity earnings	4.9c	3.1c
per share		
Surplus arising from purchase and cancellation of debentures	957	74
Accumulated loss	3 681	6 127

Sorec Limited

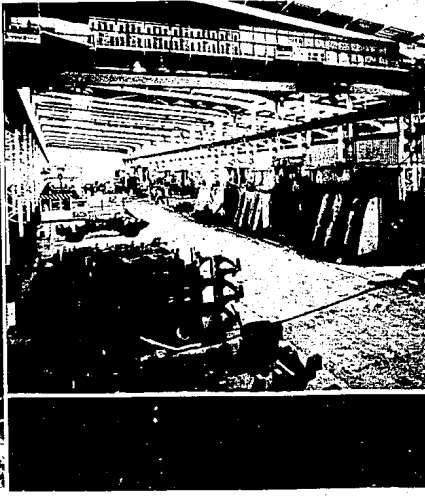
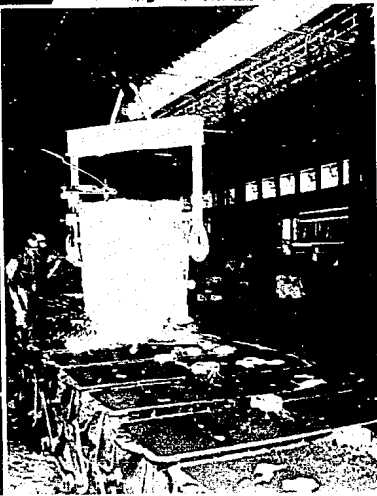
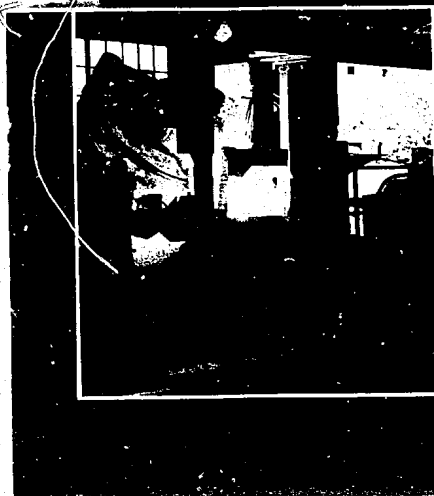
AAC equity interest - 57.00 per cent

Sorec is a property investment company with interests mainly in prime shop and office developments and suburban shopping complexes in South Africa.

	Year ended	18 months ended
	March 31	March 31
	1979	1978
	R000's	R000's
Issued capital	22 497	21 939
22 497 255 R1 ordinary shares		
558 560 R1 ordinary deferred		
D' shares	—	558
Total shareholders' funds	63 350	62 436
Loans	60 649	60 824
Fixed assets	92 589	92 221
Investments and loans in unlisted companies	49 088	48 887
Equity earnings	914	1 187
per share	4.1c	5.4c



The activities of Scaw Metals cover three major fields: ferrous castings including railroad components such as rolling stock wheels and bogie castings; rolled steel products; and grinding media for the mining and cement industries. Scaw also operates a light steel foundry producing principally stainless and heat resisting steel castings up to 50 kilograms. Recently a coiled bar manufacturing unit, designed by Scaw, was commissioned which uses controlled cooling to ensure ideal metallurgical properties and to minimise the formation of scale.



Sorec's major interests in completed buildings are as follows:

	Percentage interest
African Eagle Life Centre, Cape Town	100
African Eagle Life Centre, Krugersdorp	100
African Eagle Life Centre, Port Elizabeth	100
African Eagle Life Centre, Pretoria	30
Braamfontein Centre, Johannesburg	100
Checkers Store, Benoni	100
Civic Hill/Total House, Johannesburg	30
Civic Towers/1.C.L. House, Johannesburg	51
Coca-Cola factory, Durban	100
Damelin Centre, Johannesburg	15
Field North, Johannesburg	100
Gardens Centre, Cape Town	100
Highpoint Hillbrow, Johannesburg	50
Highrise, Johannesburg	51
His Majesty's, Johannesburg	70
Killarney Mall, Johannesburg	28
Life Centre, Johannesburg	26
Lloyds Building, Johannesburg	70
Opera Plaza, Pretoria	20
Sandton City, Sandton	70
Sanso Centre, Cape Town	25
Shell House, Cape Town	51
Sunpark, Pretoria	100
Westbank House, Johannesburg	15
111 Commissioner Street, Johannesburg	

Insurance

Anglo American Insurance Holdings Limited (AAIH)

AAC equity interest - 100.00 per cent

The company's main asset is its 75.00 per cent interest in African Eagle Life Assurance Society Limited, which is one of the largest life assurance groups in South Africa offering a comprehensive, flexible range of investment-linked life assurance plans. African Eagle Life is also a leading underwriter in the group pensions market. Operations of the group extend throughout South Africa, Zimbabwe Rhodesia and South West Africa/Namibia and include the marketing of industrial life business in the more densely populated areas. Subsidiary life companies are Guarantee Life Assurance Co. Ltd and Southampton Assurance Co. Ltd. Guarantee Life concentrates on providing sophisticated services in the field of life assurance exclusively through brokers. It offers a wide range of life assurance products including those linked to property, equity, fixed interest, cash and managed portfolios. Southampton markets a full range of life and pensions products in Rhodesia. A wholly-owned subsidiary, African Eagle Property Holdings Ltd, deals in property investment and development. AAIH also has an interest of 47 per cent in Sorec Limited, information on which appears above.

NOT ADMINISTERED BY AAC

Principal finance and investment companies

Anglo American Corporation do Brasil Limitada (Ambras)

Ambras, which was formed in 1973, is owned by AAC and the Charter, De Beers and Minorco groups. The company has investments in gold, base metals, banking and the food industry and is so structured that investing groups may participate in different proportions in its various spheres of activity. AAC holds 36 per cent in Ambras' gold investments, and a 45 per cent interest in investments in base metals, banking and the food industry.

The principal investment in the gold sector is a 49 per cent interest in Mineração Morro Valto. This company has operated a group of small gold mines in the State of Minas Gerais since 1830. The company had a successful year and paid increased dividends equivalent to approximately R55.7 million in respect of the year to January 31, 1979. The other investment in the gold sector, the Jacobina prospect in the State of Bahia, is held through Unigeco Geologia e Mineração, in which Ambras' interest is currently approximately 50 per cent. A decision as to whether a mine can be brought into production is expected during the year.

In the base metals sector arrangements were completed for the financing of the Codemin ferro-nickel project in which Ambras holds a 35 per cent interest. Construction has commenced with a view to commissioning the mine and plant during the first half of 1982 to produce about 5 000 tons a year of nickel contained in ferro nickel, with an estimated life of mine in excess of 30 years, and a capital cost of approximately US\$100 million.

During the year Ambras acquired a majority stake in Iracema, a company involved in the processing of cashew nuts. A four per cent participation in the Banco Bazano Simonsen de Investimento was acquired.

Anglo American Corporation of Canada Limited (Amcan)

AAC equity interest - 40.69 per cent

Amcan was formed in 1966 to consolidate the major part of the Canadian assets of AAC and the De Beers and Charter groups. These include both direct and indirect investments in copper, zinc, gold, silver, cadmium, fertilisers, agricultural chemicals, crude oil and natural gas production and prospecting operations.

Year ended December 31 1978

	1978 C\$000's	1977 C\$000's
Issued capital stock		
9 929 545 no par value shares	101 085	101 085
Total shareholders' funds	155 161	153 445
Investments		
Listed - equity value	156 803	143 255
- market value	111 509	82 896
Unlisted - book value	2 220	2 387
- equity value	2 013	2 807
Earnings before extraordinary items	3 506	3 913
per share	35.3c	39.4c
Earnings after extraordinary items	3 725	23 771
Dividends paid	1 565	4 319
per share	20.0c	43.5c

The principal investments of Amcan at December 31 1978 were:

	Direct and indirect percentage interest
Ambay Services Ltd	50.0
Francana Oil & Gas Ltd	28.3
Hudson Bay Mining and Smelting Co., Ltd	41.2
Lytton Minerals Ltd	33.9
Tomblin Mines Ltd	50.7
Whitehorse Copper Mines Ltd - joint venture	33.3

Details of Amcan's principal operating interest, Hudson Bay Mining and Smelting Co., Ltd appear on page 67 of this report.

Australian Anglo American Limited

AAC equity interest - 42.78 per cent

Issued capital AS18 000 000 in 50c shares.

The company was formed to investigate the establishment of mining activities in Australia and neighbouring regions, which

it is now doing primarily through its exploration effort. Active programmes are being conducted throughout Australia, in Fiji and in New Zealand.

Barlow Rand Limited

AAC equity interest - 8.35 per cent

A South African industrial and mining finance and investment company which heads a group comprising a large number of subsidiary and administered associate companies operating throughout southern Africa, the United Kingdom and the continent of Europe.

The principal interests and activities of the group include primary and secondary manufacturing, mining and exploration, property, investment, and the distribution and merchandising of a diverse range of products to all sectors in the various economies it serves.

Year ended September 30 1978

	1978 R000's	1977 R000's
Issued capital		
103 141 069 10c ordinary shares, fully paid	10 314	10 238
4 272 500 10c ordinary shares, one cent paid	43	43
12 191 834 10c preferred ordinary shares, fully paid	1 219	—
375 500 R2 5c cum. pref. shares	750	750
Total shareholders' funds	498 178	414 546
Ordinary shareholders' funds	497 428	413 796
Long term liabilities and deferred taxation	308 148	227 791
Book value of fixed assets	603 011	457 429
Excess of market value of listed investments and of directors' valuation of unlisted investments		
over book value	69 490	60 692
Equity earnings	95 045	77 100
per share	88.6c	75.7c
Ordinary dividends paid	30 941	26 543
per share	30.0c	26.0c

Charter Consolidated Limited

AAC equity interest - 35.58 per cent

Charter is a United Kingdom mining finance company operating internationally with interests in gold, diamonds, copper, tin and wolfram, platinum, potash and other minerals and important industrial interests. These include a majority holding in Cape Industries Ltd and wholly-owned subsidiaries Elastic Rail Spike Co. Ltd, Heatrac-Sadia Holdings Ltd, and M.K. Refrigeration Ltd.

Based on the market value of listed investments and the directors' valuation of unlisted investments, the net asset value at March 31 1978 amounted to £287 604 000. The following is an indication of the geographical location of its assets and revenue, taking into account its direct interests and also, where possible, its major indirect interests.

	Assets £000's	Percentage of assets	Percentage of revenue
United Kingdom	98 899	27.0	32.8
Rest of Europe	30 928	8.4	8.0
North and South America	55 043	15.0	9.7
South Africa	136 904	37.3	37.9
Zambia	7 348	2.0	1.5
Rest of Africa	5 665	1.6	2.4
South-east Asia	15 079	4.1	5.7
Australia	16 858	4.6	2.0
	366 735	100.0	100.0

Year ended March 31 1978

	1978 £000's
Issued capital	
104 837 397 shares of 25p each, fully paid, and 266 500 shares of 25p each, 1p paid up	26 212
Share premium and reserves	181 150
Long-term indebtedness and deferred taxation	58 064
Estimates	
listed - at cost	133 943
- market value	210 478
unlisted - at cost	46 673
directors' valuation	52 380
Equity earnings	25 435
Dividends paid	8 703

Equity earnings for the half year to September 30 1978 totalled R14 460 000 and an unchanged interim dividend of 3,025p a share was declared, which absorbed R3 172 000.

At March 31 1978, Charter's principal direct and indirect investments were as follows:

	Percentage held
Anglo American Corp. do Brasil Ltda - gold	12.0
Anglo American Corp. of Canada Ltd	24.8
Anglo American Corp. of S.A. Ltd	5.9
Anglo American Investment Trust Ltd	10.0
Australian Anglo American Ltd	15.0
Beralit Tin and Wolfram Ltd	48.2
Botswana RST Ltd	4.5
Cape Industries Ltd	66.9
Cleveland Potash Ltd	37.5
Malaysia Mining Corp. Berhad	28.6
Minerals and Resources Corp. Ltd	20.0
Rustenburg Platinum Holdings Ltd	4.2
Selection Trust Ltd	25.8
Union Corp. Ltd	9.5

De Beers Consolidated Mines Limited

AAC equity interest - 30.37 per cent

The 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. Details of the operations of the De Beers group may be found on page 66 of this report.

Year ended December 31 1978

	1978 R000's	1977 R000's
Issued capital		
800 000 R5 40% cum. pref. shares (excluding subsidiary company holding)	3 978	3 978
2 866 929 R1 8% cum. second pref. shares	2 867	2 867
359 789 042 5c deferred shares	17 989	17 989
Total shareholders' funds	1 917 450	1 426 779
(Deferred shareholders' funds)	(1 910 605)	(1 419 934)
Long-term liabilities	70 950	40 886
Minority interests	75 351	72 070
	2 063 651	1 539 735
Diamond mining and trading assets	225 584	170 527
Diamonds on hand		
mining companies	35 446	38 962
other companies	220 184	161 763
Investments		
Listed - book value	417 717	395 489
- (market value)	(817 489)	(612 446)
Unlisted - book value	76 596	77 540
- (directors' valuation)	(186 558)	(130 101)
Long-term loans	69 046	72 425
Net current assets	888 957	502 200
Other	130 121	100 803
	2 063 651	1 539 735
Diamond account	956 399	734 765
Interest and dividend income	234 123	169 079
Other	29 360	22 537
	1 219 872	926 381
Less:		
Prospecting, interest and other charges	62 507	48 351
Amounts written off investments less surplus on realisation of investments	899	6 313
Consolidated profit before tax	1 156 466	871 717
Taxation and State's share of profits under mining leases	405 887	298 137
Consolidated profit after tax	750 579	573 520
Minority interests	9 339	10 174
Profit attributable to De Beers	741 240	563 346
per deferred share	206c	156c
Deferred dividends	233 863	188 869
per deferred share	65.0c	52.5c

Note: In 1978 a change in the basis of accounting was made to the extent that capital expenditure for the purpose of

maintaining an existing mining facility or capacity is now charged against the diamond account, and diamond export duty, which hitherto was deducted from the diamond account, is now treated as part of the tax charge. To facilitate comparison, the 1977 consolidated financial statements have been restated.

General Mining and Finance Corporation Limited

AAC equity interest - 9.57 per cent

General Mining is a mining finance company, which through its own holdings and those of Union Corp. Ltd, in which it has a majority interest, has substantial interests in companies producing gold and uranium, platinum, chrome ore, ferrochrome, asbestos, coal and base metals. Interests are also held in a wide range of heavy engineering, industrial and shipping companies and property companies.

Year ended December 31 1978

	1978 R000's	1977 R000's
Issued capital		
250 000 R2 6% cum. pref. shares	500	500
41 470 000 40c ordinary shares - fully paid	16 588	16 456
530 000 40c ordinary shares - partly paid	11	9
Total shareholders' funds	853 701	768 023
Investments	294 462	257 317
Listed - book value	273 471	241 357
- market value	647 438	445 123
Unlisted - book value	32 209	50 916
- directors' valuation	60 178	138 981
Equity earnings per share	63 361	43 266
Ordinary dividends per share	151c	104c
	24 827	18 496
	60c	45c

Johannesburg Consolidated Investment Company Limited (JCI)

AAC equity interest - 40.81 per cent

JCI is a mining finance company with substantial investments in gold, platinum, diamonds, coal, copper and other minerals, and in mining finance, industrial, property and financial investment companies.

Year ended June 30 1978

	1978 R000's	1977 R000's
Issued capital		
7 106 800 R2 ordinary shares	14 211	14 211
34 500 000 10c fixed rate red. cum. pref. shares		
yielding 11.25c per share per annum	3 450	—
5 500 000 10c variable rate red. cum. pref. shares yielding initially 10.75c per share per annum		
Total shareholders' funds	210 073	184 411
Investments	170 073	184 411
Long-term loans and deferred taxation	68 698	86 232
Investments		
Listed - book value	141 096	147 462
- market value	276 912	225 357
Unlisted - book value	27 806	30 886
- directors' valuation	67 544	60 454
Equity earnings per share	42 237	27 030
Dividends paid per share	594.4c	380.4c
	12 080	12 080
	170c	170c

*Before extraordinary item - provision against investment in former subsidiary R44 -42 000 (1977: R12 000 000).

At June 30 1978, the principal investments of JCI were as follows:

	Percentage interest
Gold	
Elsburg GM Co. Ltd	25.4
The Randfontein Estates GM Co., Witwatersrand, Ltd	24.1
Western Areas GM Co. Ltd	6.5
Platinum	
Rustenburg Platinum Holdings Ltd	27.5
Diamonds	
De Beers Consolidated Mines Ltd	0.9

	Percentage interest
Other mining	
Consolidated Murchison Ltd (antimony)	25.0
The Natal Cambrian Collieries Ltd	100.0
Oxihase Mining Co. (Pty) Ltd (copper)	49.0
Palabora Mining Co. Ltd (copper)	4.5
Shangani Mining Corp. Ltd (nickel)	49.0
Tavistock Collieries Ltd	50.0

Industry

	Percentage interest
Argus Printing and Publishing Co. Ltd	17.9
Consolidated Metallurgical Industries Ltd	50.0
Johnson Matthey & Co. Ltd	22.7
Lennox Holdings Ltd	89.0
Steelbrite Ltd	64.2
The South African Breweries Ltd	18.7
Toyota S.A. Ltd	15.0

Property

	Percentage interest
Downtown Real Estate Corp. Ltd	28.0
J.H. Isaacs & Co. Ltd	49.0
Main Place Holdings Ltd	61.0
Rilpark Investments (Pty) Ltd	67.0

Minerals and Resources Corporation Limited (Minorco)

AAC equity interest - 39.99 per cent

Minorco is a finance and investment company, domiciled in Bermuda, with substantial investments in international commodity trading, industry, copper mining, base metals and oil exploration and production.

Year ended June 30 1978

	1978 US\$000's	1977 US\$000's
Issued capital		
73 579 517 BDS\$1.40 ordinary shares	103 011	103 011
8 572 BDS\$1.40 deferred shares	12	12
Total shareholders' funds	328 018	323 710
Investments		
Listed - book value	208 546	228 356
- market value	214 270	313 291
Unlisted - book value	78 702	51 879
Loans, less amounts written off	10 474	10 934
Equity earnings per share	15 145	12 720
Dividends paid per share	8 829	8 829
	12c	12c

At June 30 1978 Minorco's principal investments included holdings in the following companies:

1. Engelhard Minerals & Chemicals Corp. (29.0 per cent interest), the operations of which embrace the marketing of ores, minerals and metals, the mining and processing of non-metallic minerals, and the refining, processing and fabricating of precious metals.
2. Inspiration Consolidated Copper Co. (50.0 per cent interest).
3. Trend International Ltd (43.1 per cent interest).
4. Zambia Copper Investments Ltd (49.98 per cent interest).

Information on the three latter companies appears on page 67 of this report.

Gold and uranium

Far West Rand and Klerksdorp

Buffelsfontein Gold Mining Company Limited

AAC equity interest - 8.79 per cent

Year ended June 30 1978

	1978	1977
Issued capital		
11 000 000 R1 shares	R11 000 000	R11 000 000
Area mined - centares	817 000	815 000
Tons milled	3 145 000	3 199 000
Yield - grams/ton	9.10	9.15
Cost per centare mined	R11 145	R93.85
Cost per ton milled	R28.05	R23.81
Working profit - gold	R39 674 000	R25 151 000
Net profit - uranium, pyrite and acid	R13 020 000	R9 502 000
Taxation and lease payments	R20 436 000	R15 058 000
Dividends paid per share	R18 700 000	R14 300 000
	170c	130c
Planned capital expenditure for the year ending June 30 1979:		
R22 000 000.		

East Driefontein Gold Mining Company Limited

AAC equity interest - 5.15 per cent
Year ended December 31 1978

	1978	1977
Issued capital		
54 510 000 R1 shares	R54 510 000	R54 510 000
Area mined - centares	460 000	407 000
Tons milled	2 313 000	2 096 000
Yield - grams/ton	21.1	23.3
Cost per centare mined	R138.27	R129.15
Cost per ton milled	R27.50	R25.08
Working profit	R202 208 000	R145 914 000
Taxation and State's share of profit	R115 223 000	R83 304 030
Dividends paid per share	R62 687 000 115c	R42 518 000 78c

Planned production for the year ending December 31 1979: Tonnage 2 400 000. Planned capital expenditure: R23 000 000.

Elsburg Gold Mining Company Limited

AAC equity interest - 7.98 per cent
Year ended December 31 1978

	1978 R000's	1977 R000's
Issued capital		
30 203 000 R1 stock units	30 203	30 203
Dividends paid per stock unit	3 926 13.0c	2 552 8.45c

The company owns 48.7 per cent of the equity of Western Areas G. M. Co. Ltd, in which AAC holds 3.56 per cent. The salient features of Western Areas are as follows:

	1978	1977
Issued capital		
40 306 950 R1 stock units	R40 307 000	R40 307 000
Tons milled	4 141 000	3 579 000
Yield - grams/ton	5.6	6.0
Cost per ton milled	R24.28	R21.56
Working profit	R32 466 000	R19 047 000
Taxation	R7 523 000	R1 584 000
Dividends paid per stock unit	R8 061 000 20c	R5 240 000 13c

Zandpan Gold Mining Company Limited

AAC equity interest - 9.08 per cent
Year ended June 30 1978

	1978 R000's	1977 R000's
Issued capital		
13 020 285 R1 shares	13 020	13 020
Dividends paid per share	5 403 41.5c	2 864 22c

The company's main business is the holding of a 19.6 per cent investment in Hartbeestfontein G. M. Co. Ltd, in which AAC holds 7.42 per cent. The salient features of Hartbeestfontein are as follows:

	1978	1977
Issued capital		
11 200 000 R1 shares	R11 200 000	R11 200 000
Area mined - centares	737 000	732 000
Tons milled	2 828 000	2 830 000
Yield - grams/ton	11.1	11.3
Cost per centare mined	R125.01	R100.16
Cost per ton milled	R31.47	R25.91
Working profit		
gold	R68 314 000	R37 735 000
uranium and pyrite	R10 959 000	R4 424 000
Taxation and State's share of profit	R40 151 000	R20 828 000
Dividends declared per share	R28 000 000 250c	R15 120 000 135c

Planned production for the year ending June 30 1978: Tonnage 2 900 000: Grade 10.7 grams a ton. Planned capital expenditure: R16 000 000.

Evander

Winkelhaak Mines Limited
AAC equity interest - 8.20 per cent
Year ended September 30 1978

	1978	1977
Issued capital		
12 000 000 R1 shares	R12 000 000	R12 000 000
Tons milled	2 077 000	2 025 000
Yield - grams/ton	7.60	7.86

	1978	1977
Cost per ton milled	R15.56	R13.13
Working profit	R50 347 000	R32 568 000
Taxation and lease consideration	R33 474 000	R21 782 000
Dividends paid per share	R15 480 000 129c	R10 320 000 86c

Diamonds

De Beers Consolidated Mines Limited

AAC equity interest - 30.37 per cent

Financial details of De Beers may be found on page 65 of this report.
Principal interests at December 31 1978 (all wholly-owned subsidiaries unless otherwise indicated):

1. The Kimberley Division of De Beers operates the De Beers, Dutoitspan, Bultfontein and Wesselsfontein mines at Kimberley, the Finsch mine north-west of Kimberley and the Koffiefontein mine in the Orange Free State. The Division has recently embarked on a scheme to re-treat material from old mine dumps in the Kimberley area. The Namaqualand Division is currently mining alluvial deposits on the farms Annex Kleinsee and Dreyers Pan and from the new Koinings and Langhoogte mines which came into production in August 1978. De Beers also operates the Premier mine at Cullinan in the Transvaal.
2. CDM (Pty) Ltd has open-cast alluvial mining operations along the southern portion of the coast of South West Africa/Namibia.
3. De Beers Lesotho Mining Co. (Pty) Ltd (75 per cent owned) operates the Letseng-la-Terai diamond mine in Lesotho.
4. De Beers Botswana Mining Co. (Pty) Ltd (50 per cent owned) operates the Orapa and Letlhakane mines in Botswana. An important new mine is being developed at Jwaneng in southern Botswana: It is estimated that commercial production will begin in mid-1982.
5. De Beers Industrial Diamond Division (Pty) Ltd is the outlet for the sale of De Beers natural diamond drilling materials and boart and through companies under its management, is a leading manufacturer of synthetic diamond and related hard materials. It is, in addition, the management company

implementing the policy of the industrial diamond division and administers the De Beers Diamond Research Laboratory.

6. The Diamond Corp. (Pty) Ltd and its subsidiaries contract with various producers who are not members of The Diamond Producers Association for the purchase of their production. The Diamond Corp. group has built up large financial resources which facilitates the holding of stocks of diamonds, thereby stabilising the trade.

7. De Beers and its subsidiaries hold 33.11 per cent of the issued ordinary share capital of Anglo American Corporation and also have substantial direct interests in other mining finance and investment companies as well as in gold and uranium, diamond, copper and other base metals, coal, industrial and commercial, banking and property companies.

8. De Beers Industrial Corp. Ltd (Debinco) (60.93 per cent owned) is an industrial finance and investment company whose main asset is a direct and indirect interest of 39.51 per cent in the issued ordinary share capital of AECL Ltd. It also has a direct interest of 9.16 per cent in Mondi Paper Co. Ltd.

De Beers has a total interest, direct and through Debinco, of 27.3 per cent in AECL, which produces mining explosives and accessories, a wide range of plastics, heavy chemicals for industrial and agricultural use, vinyl products, animal feedstuffs and synthetic fibres. In addition, AECL has a 50 per cent interest in Coalplex, a R220 million coal-based complex which produces polyvinyl chloride and a range of chlorochemical products.

Coal

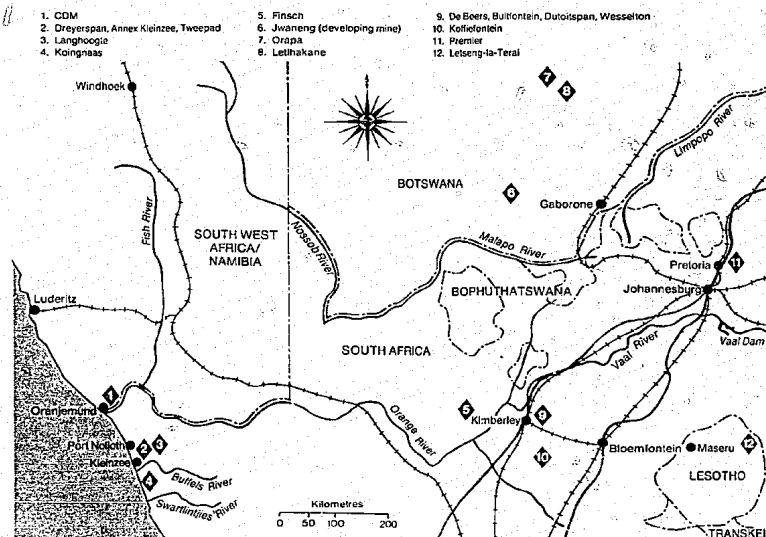
Blinkpan Koolmyne Bepierk

AAC equity interest - 17.50 per cent

This company, which is a subsidiary of Trans-Natal Coal Corp. Ltd, operates two mines in the Middelburg district of the Transvaal: Blinkpan colliery, which supplies coal to Escom's Komati power station, and Haasfontein Colliery, which supplies a portion of the coal export requirements arising from the contract between the TCDA and the Japanese steel mills.

During the year ended June 30 1978, sales of Haasfontein coal contributed 769 050 tons towards total sales of 2 204 462 tons by the company.

Diamond mines of southern Africa



Other mining

Anglo American Corporation of Canada Limited (Amcan)

AAC equity interest - 40.69 per cent

Financial details of Amcan are given on page 61.

Amcan's principal investment is its holding of 41.2 per cent in Hudson Bay Mining and Smelting Co., Ltd (Hudbay), a diversified resource-oriented organisation with Canadian and international operations and investments in the fields of mining and metallurgy, fertilisers and agricultural chemicals, petroleum and industrial products. Hudbay produces copper and zinc from ore mined in the Flin Flon-Snow Lake area of Manitoba, approximately 650 kilometres northwest of Winnipeg.

Production of ore from these mines totalled 1 851 000 tons in 1978 (1977: 1 822 000 tons) and metal production from all sources was as follows:

	1978	1977
Refined copper (pounds)	137 103	135 363
Slab zinc (pounds)	142 521	151 820
Cadmium (pounds)	258	219
Selenium (pounds)	128	135
Gold (ounces)	69	74
Silver (ounces)	1 305	1 322
Lead (pounds)	1 171	915

Hudbay's major interests include:

1. A 61.9 per cent interest in Canadian Merrill Ltd, which is engaged principally in oil and gas exploration and production in Canada and the United States.
2. A 54.9 per cent interest in Francana Oil & Gas Ltd (FOG) which is engaged in the exploration for and the production of crude oil and natural gas in Canada. FOG has a 56.8 per cent interest in Trend International Ltd, which is engaged primarily in the production of crude oil in Indonesia and in the United States and international exploration for oil and gas. In addition, Amcan itself has a 28.3 per cent interest in FOG.
3. A 50 per cent interest in Inspiration Consolidated Copper Co., which is primarily engaged in the production and sale of copper from its Arizona properties.
4. A 50.5 per cent interest in Terra Chemicals International, Inc., which manufactures chemical fertilisers and feed ingredients at Fort Neal, Iowa and distributes these and allied agricultural products in the United States.
5. A 100 per cent interest in Whitehorse Copper Mines Ltd, which produces copper concentrates from a mine at Whitehorse in the Yukon.

Botswana RST Limited

AAC equity interest - 12.05 per cent

Charter, De Beers and ZCI also have interests in this company, which has an interest of 85 per cent in BCL Ltd, a company conducting a nickel and copper mining operation at Solibi Phikwe in the Republic of Botswana. The remaining 15 per cent interest in BCL is held by the Government of Botswana.

Processing problems are being resolved in all sections of BCL's operations, and the production rate of copper-nickel matte reached a monthly average of 3 293 tons during the 12 months to December 31 1978 compared to 2 564 tons a month for the previous year.

Year ended December 31 1978

	1978	1977
Issued capital	P000's	P000's
17 972 282 P2 shares	35 959	35 959
Long-term loans	229 704	278 918
Mining assets and other capitalised expenditure	225 710	203 056
Total sales revenue	56 536	56 557
Net loss	24 682	*38 815

Production of copper-nickel matte — tons	39 517	30 772
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*After extraordinary items.

Cleveland Potash Limited

AAC equity interest - 12.50 per cent

The company operates a potash mine and an associated processing plant in the Cleveland area of north-east England. Technical problems at the mine have been largely overcome, although a deterioration in industrial relations during 1978 affected production. A further sum of £20 million was made available to the company during the year to meet operating

deficits and development expenditure required for the build-up of production.

Kiln Products Limited

AAC equity interest - 41.85 per cent

The company, which is administered by Gold Fields of S.A. Ltd, operates a kiln at the Berg Aukas mine near Grootfontein in South West Africa/Namibia. It produces zinc oxides from zinc silicate concentrates and zinc-bearing residues purchased from its wholly-owned subsidiary, The South West Africa Co. Ltd. The zinc oxide production is sold to an associated South African zinc refining company.

Minerals and Resources Corporation Limited (Minorco)

AAC equity interest - 39.99 per cent

Financial details of Minorco are given on page 65.

Minorco has an interest of 49.98 per cent in Zambia Copper Investments Ltd which, in turn, has the following interests in the Zambia copper mining industry:

1. A 39.99 per cent interest in Nchanga Consolidated Copper Mines Ltd which operates a copper mine, a refinery and a centralised services division at Kitwe and copper mines at Chingola and Chililabombwe on the Zambia Copperbelt. A lead and zinc mine is in operation at Kabwe, some 200 kilometres south of the Copperbelt. The Zambia Government holds the remaining 60.1 per cent in Nchanga.
 2. A 12.25 per cent interest in Roan Consolidated Mines Ltd which operates copper mines at Mufulira, Luanshya, Chibuluma and Chambishi on the Zambia Copperbelt, at Kolengwa in the North-Western Province of Zambia and a copper refinery at Ndola. The Zambia Government holds 51 per cent of the company's capital.
- ZCI also has an interest of 11.75 per cent in Botswana RST Limited, information on which appears above.

Rustenburg Platinum Holdings Limited

AAC equity interest - 19.97 per cent

The company holds the entire issued share capital of Rustenburg Platinum Mines Ltd, which operates three major platinum mines in the Transvaal and is the free world's largest primary producer of platinum. The company also owns Atok Platinum Mines (Pty) Ltd. Other platinum group metals, as well as nickel and copper, are important contributors to total revenue.

Year ended August 31 1978

	1978	1977
Issued capital	R000's	R000's
123 440 625 10c ordinary shares	12 344	12 344
1 879 806 10c deferred shares	188	—
Total shareholders' funds	293 903	271 300
Ordinary shareholders' funds	293 712	271 300
Fixed-term loans	27 100	49 400
Mining assets, at cost less recoupments	278 400	271 800
Unlisted investments	9 300	10 400
Equity earnings	25 800	4 600
per share	20.9c	3.7c
Dividends paid ² per share	9 800	3 100
	8.0c	2.5c

Tsumeb Corporation Limited

AAC equity interest - 2.38 per cent

The company is engaged in the mining and treatment of copper and lead in South West Africa/Namibia.

Year ended December 31 1978

	1978	1977
Issued capital	R000's	R000's
4 000 000 50c shares	2 000	2 000
Total shareholders' funds	28 670	29 229
Long-term loan and deferred taxation	20 623	18 628
Inventories and fixed assets	44 323	46 446
Metal sales	75 009	52 945
Net profit	10 641	2 218
Saleable production		
Blister copper - tons	30 867	23 459
Lead - tons	35 357	40 418

Industry and commerce

Chemical Holdings Limited

AAC equity interest - 36.74 per cent

The companies in the Chemical Holdings group manufacture and market an important range of industrial chemical products, and also provide expert service on the uses of the chemicals and their application in particular industrial fields. The products cover a wide range of industrial activity including, inter alia, metal treatment chemicals, water treatment chemicals including dispersants for the control of oil slicks, laundry and dry cleaning chemicals, size for the paper industry, detergents and extreme pressure lubricants.

	9 months ended March 31 1979	Year ended June 30 1978
Issued capital	R000's	R000's
4 195 000 R1 shares	4 195	3 232
Total shareholders' funds	10 265	7 627
Convertible notes, loans and deferred taxation	174	2 159
Equity earnings per share	1 370	1 055
Dividends paid per share	31.1c	32.8c
	336	582
	8c	18c

Consolidated Metallurgical Industries Limited (CMI)

AAC equity interest - 19.23 per cent

CMI, administered by JCI, was formed to produce and market ferro-chrome. The company's R56.5 million plant at Lydenburg in the eastern Transvaal was commissioned in the first half of 1977 and has a designed annual capacity of 120 000 tons of high-carbon ferro-chrome.

Depressed world ferro-chrome markets and the need to introduce certain modifications to the plant resulted in a decision to revert to a single-stream operation with effect from the beginning of May 1978. The modification programme had been planned for completion by June 1978 and by the end of March 1979 a major portion of the modifications had already been completed. The company resumed twin-stream operations with effect from the beginning of May 1979.

Cullinan Holdings Limited

AAC equity interest - 26.37 per cent

Cullinan is engaged in the production of refractories, electrical and industrial porcelain products and building bricks. The activities of various subsidiary companies include the mining and marketing of minerals used mainly in the refractory and other heavy clay and ceramic industries, township and property development and the design and marketing of electrical transmission line systems.

Year ended June 30 1978

	1978	1977
Issued capital	R000's	R000's
8 019 983 50c ordinary shares	4 010	4 010
500 000 R2 5% cum. pref. shares	1 000	1 000
Total shareholders' funds	19 177	18 010
Ordinary shareholders' funds	18 127	16 960
Loans and deferred liabilities	16 126	15 518
Book value of fixed assets	22 823	20 206
Interests in associated companies	90	1 236
Investments and loans	2 050	1 898
Equity earnings per share	2 858	2 323
Ordinary dividends paid per share	35.6c	29.0c
	1 123	1 042
	14c	13c

Gallo (Africa) Limited

AAC equity interest - 9.19 per cent

The company and its associated companies are engaged in the manufacture and distribution of gramophone records and tapes, music publishing and the distribution of consumer electronic products, audio-visual equipment and other related activities.

Year ended June 30 1978

	1978 R000's	1977 R000's
Issued capital		
4 658 800 25c ordinary shares fully paid	1 165	1 165
162 700 25 cent ordinary shares partly paid	17	17
150 000 R2 6% cum. pref. shares	300	300
Total shareholders' funds	6 085	6 714
Ordinary shareholders' funds	5 795	6 414
Long-term loans, deferred taxation and amount due to vendor	3 583	4 600
Fixed assets	4 993	4 377
Unlisted investments		
Book value	2 284	2 280
Directors' valuation	1 546	2 252
Equity earnings	8	*21
per share	0,2c	0,5c
Ordinary dividends paid	94	419
per share	2c	9c

*Excluding net profit of R444 000 on sale of investment.

Highveld Steel and Vanadium Corporation Limited

AAC equity interest - 26,38 per cent

Highveld operates an iron, steel and vanadium complex at Witbank, Transvaal. The full ore requirements of both the steelworks and the Vanta division, which produces vanadium pentoxide, are supplied by Highveld's Mapochs mine. A subsidiary, Transloyds (Pty) Ltd, is a major supplier of Highveld's requirements of ferro-alloys.

Year ended June 30 1978

	1978 R000's	1977 R000's
Issued capital		
67 763 270 R1 shares	67 763	67 721
Total shareholders' funds	105 171	94 963
Long-term loans and accumulated deferred taxation	40 255	49 347
Fixed assets	206 043	191 908
Equity earnings	21 001	20 740
per share	31,0c	30,6c
Dividends paid	10 842	10 158
per share	16c	15c

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

AAC equity interest - 5,70 per cent

IPSA is the holding company for two subsidiaries, Dorbyl Ltd, in which it has a 54 per cent interest, and Stewarts & Lloyds of SA Ltd, in which it has a 52 per cent interest.

Dorbyl, the foremost heavy steel engineering group in South Africa, is involved in all facets of heavy engineering, manufacturing and construction and has diversified interests in shipbuilding, ship repair and the erection and installation of mechanical and electrical equipment.

The Stewarts & Lloyds group, comprising over 30 operating subsidiaries, manufactures and distributes a wide range of commodities required by the mining, agricultural, automotive and industrial markets and by the public sector.

J.L. Clark and Company Limited

AAC equity interest - 12,70 per cent

The company and its subsidiaries are manufacturers and suppliers of a wide range of heating, air-conditioning, refrigeration, solar water heating and industrial equipment and are engaged in the cutting and distribution of paper board to the trade.

LTA Limited

AAC equity interest - 31,29 per cent

The LTA group is one of the largest building and civil engineering construction finance groups in southern Africa. The activities of the companies in which it is interested cover the full building and civil engineering spectrum, from small works to major projects, turnkey projects, involving the complete design, engineering and construction of plant and buildings, and also industrialised buildings, technical design and management, the manufacture of prefabricated buildings and building components, steel reinforcing and structural steel construction.

Year ended March 31 1978

	1978 R000's	1977 R000's
Issued capital		
12 527 840 R1 ordinary shares, fully paid	12 528	12 528
173 500 R1 ordinary shares, five cents paid (Executive Share Incentive Scheme)	9	9
41 572 R1 10% cum. con. red. pref. shares	42	47
Total shareholders' funds	31 962	31 637
Ordinary shareholders' funds	34 920	31 590
Long-term and deferred liabilities	13 925	12 222
Equity earnings	5 761	5 176
per share	45c	41c
Ordinary dividends paid	2 382	2 319
per share	19,0c	18,5c

McCarthy Group Limited

AAC equity interest - 20,42 per cent

The group is the largest retail motor organisation in South Africa and comprises various companies each marketing particular vehicle franchises for specified areas in the Republic. The group, which recently acquired the Volkswagen franchise in Pretoria and a Ford franchise in Johannesburg, also has extensive property interests which, in the main, are leased to certain of its trading and administrative divisions. Various subsidiary companies are involved in the financing of vehicle hire-purchase and leasing transactions and the importation and distribution of motorcycles and industrial engines.

Year ended June 30 1978

	1978 R000's	1977 R000's
Issued capital		
16 887 415 50c ordinary shares	8 494	8 494
150 000 R2 5,5% cum. pref. shares	300	300
Total shareholders' funds	35 004	32 993
Ordinary shareholders' funds	34 704	32 693
Long-term liabilities	8 204	8 321
Equity earnings	3 164	1 550
per share	18,6c	9,1c
Ordinary dividends declared	1 274	1 019
per share	7,5c	6,0c

Middelburg Steel & Alloys (Proprietary) Limited

AAC equity interest - 8,01 per cent

The company, which is part of the Barlow Rand Ltd group, owns the entire issued share capital of Middelburg Chrome Holdings (Pty) Ltd, Middelburg Chrome and its subsidiaries produce and market stainless steel, ferro-chrome and other ferro-alloys. Equity earnings of Middelburg Steel, before tax, for the year ended September 30 1978 were R2,4 million (1977: R13,7 million).

RFF Limited

AAC equity interest - 49,84 per cent

On its extensive estate in the Groot Drakenstein Valley of the western Cape Province, the company grows deciduous fruit for sale on the South African and export markets and for canning in its own factory. It also produces wine and table grapes and pure fruit juice concentrates. Its winery markets a range of estate wines under the name Boschendal. The company has developed a major livestock section consisting of a piggery and a dairy.

Shaft Sinks (Proprietary) Limited

AAC equity interest - 50,00 per cent

Shaft Sinks and its wholly-owned subsidiaries provide an integrated design and construction service to the mining and civil engineering industries for shaft sinking, tunnelling, raising and underground excavations.

Net profits of the group before tax for the year ended March 31 1975 were R3 428 106 compared with R2 831 966 for the nine months ended March 31 1978.

Sigma Motor Corporation (Proprietary) Limited

AAC equity interest - 36,98 per cent

Sigma is held as to 75 per cent by AAC and Amic and the balance by Chrysler Corp. of the United States. The company

manufactures and markets the Mazda, Mitsubishi and Chrysler range of passenger vehicles and a wide variety of Mazda and Chrysler light commercial vehicles. The Equipment and Truck Division marketed Komatsu, Hitachi and Anisei earthmoving and material handling equipment as well as Mitsubishi and Mack trucks. In 1979 these operations will be undertaken by a wholly-owned subsidiary Sigma Power Corp (Pty) Ltd on an agency basis. Early in January 1979 Sigma acquired Peugeot and Citroën SA (Pty) Ltd, now known as Pacea (Pty) Ltd, which adds Peugeot and Citroën to the Sigma range.

Soetvelde Farms Limited

AAC equity interest - 49,90 per cent

The company was formed to consolidate and develop the farming interests of AAC and the De Beers group over large areas of the Transvaal, Orange Free State and northern Cape. Its operations include the growing of maize, wheat, potatoes and other dryland crops and the breeding, raising and fattening of cattle, pigs and sheep. The company also supplies fresh fruit and vegetables, mainly to the mining industry, through its wholly-owned subsidiary Dewhurst Fresh Foods Ltd. Debshan Ranches (Pvt) Ltd, a wholly-owned subsidiary, has an extensive cattle ranching operation near Gwelo, Zimbabwe Rhodesia. Dawn Orchards Ltd, another wholly-owned subsidiary, produces tomatoes, a range of vegetables and tropical fruits under irrigation in the Lowveld of the northern Transvaal.

The Tongoat Group Limited

AAC equity interest - 17,38 per cent

The company is a major producer within the South African sugar industry and is the holding company of a diversified group. Its interests include the production and distribution of building materials, textiles, animal feeds, bakery products, poultry products, mushrooms and electrical and electronic engineering. In addition it has a 26,0 per cent interest in Hulets Corp. Ltd, in which AAC also has a 3,3 per cent interest.

Year ended March 31 1979

	1979 R000's	1978 R000's
Issued capital		
20 935 836 R1 ordinary shares, fully paid	20 936	16 331
282 000 R1 ordinary shares, five cents paid	14	16
1 320 000 R1 6,5 per cent redeemable cumulative preference shares	1 320	1 485
Total shareholders' funds	135 980	122 588
Ordinary shareholders' funds	134 660	121 113
Long-term loans	50 875	41 415
Book value of fixed assets	179 293	133 377
Investments, at valuation		
Associated companies	11 025	11 092
Listed	5 973	6 116
Market value	8 954	6 887
Unlisted	1 586	1 175
Directors' valuation	1 586	1 175
Equity earnings	12 567	10 760
per share	60,7c	52,2c
Ordinary dividends paid	4 895	4 085
per share	23,2c	20,0c

*Adjusted for one-for-four capitalisation issue on January 19 1979.

Property

Main Place Holdings Limited

AAC equity interest - 27,95 per cent

Main Place, administered by JCI, owns a 4,8 hectare site adjacent to the financial district of Johannesburg. The land is being held for future development.

Banking and insurance

Barclays National Bank Limited

AAC equity interest - 12,67 per cent

Barclays provides a comprehensive banking service through approximately 1 000 offices throughout southern Africa. The main function of the group is commercial banking, including

Statutory and other information

international trade finance, foreign exchange dealings, business development and commercial intelligence. These services are supplemented by separate divisions and subsidiaries specialising in merchant banking, hire purchase, leasing, factoring and all aspects of insurance and pension schemes. Barclaycard, associated with VISA, is the largest credit card operation in southern Africa.

Year ended September 30 1978

	1978 R000's	1977 R000's
Issued capital		
53 234 011 R1 ordinary shares	53 234	53 234
Total shareholders' funds	251 997	227 337
Total assets	5 091 867	5 168 974
Total deposits	3 890 330	3 484 729
Advances and other accounts	2 574 346	2 309 234
Equity earnings per share	36 779	33 708
Dividends paid per share	69.1c	83.3c
	15 970	12 244
	30c	23c

C.T. Bowring and Associates Holdings (South Africa) Limited

AAC equity interest - 50.00 per cent

Through various subsidiaries and associated companies, the company conducts insurance broking operations in all fields of insurance in southern Africa.

Year ended December 31 1978

	1978 R000's	1977 R000's
Issued capital		
50 000 R1 ordinary shares	50	50
2 R1 'A' class non-cum. prof. shares	R2	R2
2 R1 'B' class non-cum. prof. shares	R2	R2
Total shareholders' funds	644	541
Equity earnings per share	1 032	1 084
Dividends paid per share	R20.64	R21.68
ordinary	930	980
per share	R18.60	R19.60
preference 'A' per share	137	137
preference 'B' per share	69	69
	89	89
	44	44

The Discount House of South Africa Limited

AAC equity interest - 20.70 per cent

As a registered discount house, the company negotiates call loans from banks, building societies and mining houses for subsequent investment in a range of domestic short-term securities and contributes to making active markets in the securities in which it invests.

Equity earnings for the year ended December 31 1978 were R2.07 million, compared with R1.56 million the previous year.

Special resolutions passed by subsidiary companies

Adoption of new articles of association

Crowned Eagle Holdings Limited
Stoppe Eagle Holdings Limited
Tawny Eagle Holdings Limited

Amendments to articles of association

African and European Investment Company Limited
Anglo American Corporation Botswana (Services) (Proprietary) Limited
Gower Properties (Proprietary) Limited
Sanso Properties (Joubert Street) (Proprietary) Limited
Sanso Properties (Pretoria) Limited
Sanso Properties (Riebeeck Street) (Proprietary) Limited
Voorwaarts (Rendoms) Beperk

Change in capital structure

Anglo Australia S.A.
Anglo Rand Holdings S.A.
Parlined Holdings Limited

Change in directors' remuneration

Anglo American Investment Trust Limited (Ordinary resolution)

Change of name

Anglo Australia S.A.
(from Anglo Holdings S.A.)
Anglo Rand Holdings S.A.
(from Australax S.A.)
CMH Limited
(from Consolidated Mines Holdings (Rhodesia) Limited)
Crowned Eagle Holdings Limited
(from Casa Holdings Limited)
NRI Limited
(from New Rhodesia Investments Limited)
RIL Limited
(from Rhodes Investments Limited)
Southampton Assurance Company Limited
(from The Southampton Assurance Company of Rhodesia Limited)
Southampton Properties (Private) Limited
(from Talas Properties of Rhodesia (Private) Limited)
Southampton Properties (Cinoma) (Private) Limited
(from Talas Properties of Rhodesia (Salisbury) (Private) Limited)
Stoppe Eagle Holdings Limited
(from Rowbridge Investments Limited)
Tawny Eagle Holdings Limited
(from Antigonus (Proprietary) Limited)
Zimro Minerals and Chemicals (Proprietary) Limited
(from G. & W. Industrial and Chemical Supplies (Proprietary) Limited)

Change in number of directors

First Consolidated Lending and Finance Corporation Limited
Greater Services (Proprietary) Limited
Gower Properties (Proprietary) Limited
Litorn Finance (Proprietary) Limited
Sanso Properties (Joubert Street) (Proprietary) Limited
Sanso Properties (Pretoria) Limited
Sanso Properties (Riebeeck Street) (Proprietary) Limited

Conversion from private to public company

Tawny Eagle Holdings Limited

Liquidation

Anglux Limited S.A.
Rand Luxembourg S.A.

Directors' shareholdings

The interests of the present directors and alternate directors in the shares of the Corporation at March 31 1979 appearing in the register of the interests of the directors in the shares of the Corporation are set out below, with a note of changes between that date and June 22 1979. All such changes involved the exercise of share options.

Directors	Beneficial	Non beneficial	Option to acquire At 31.3.79	At 22.6.79
Sir Keith Acutt	—	42 600	—	—
W G Boustred	*30 000	100	9 000	9 000
	1 333	—	—	—
T A J Braithwaite	*15 000	100	6 000	6 000
B E Bullett	*9 000	—	5 000	5 000
G A Carey-Smith	*15 000	—	—	—
	1 000	—	—	—
J N Clarke	*30 000	100	—	—
H K Davies	*15 000	1 000	7 000	1 000
Dr Z J de Beer	*1 400	100	—	—
	2 028	—	—	—
Dr H B Dyer	*15 000	1 000	7 000	1 000
D A Elheredge	*30 000	100	8 000	1 500
Dr E M A F Ferreira	*10 000	—	—	—
G C Fletcher	*30 000	4 500	10 000	10 000
C J L Griffith	*30 000	1 000	9 000	9 000
W J Häfer	*15 000	1 000	6 500	6 500
D B Hoffe	*15 000	100	7 500	7 500
	300	—	—	—
M B Hofmeyr	*30 000	1 000	10 000	10 000
	3 600	—	—	—
J A Holmes	*30 000	100	2 000	2 000
F J A Howard	*15 000	100	—	—
M W King	*15 000	1 000	—	—
	54	—	—	—
O P Koevoet	*15 000	100	5 000	3 000
G Langton	*30 000	100	—	—
P J R Leydon	*15 000	—	3 000	3 000
J L P Mackenzie	*15 000	100	—	—
	500	—	—	—
A B McKerron	*15 000	100	5 000	3 000
Dr L G Murray	*15 000	—	6 000	2 000
	200	—	—	—
D G Nicholson	*30 000	100	7 000	—
M C O'Dowd	*15 000	1 000	4 500	—
H F Oppenheimer	*18 333 268	—	—	—
	(includes 565 350 registered)	—	—	—
N F Oppenheimer	*18 333 268	—	—	—
	(includes 100 registered)	—	—	—
Sir Philip Oppenheimer	3 200	1 000	—	—
	*7 195	—	—	—
	*430	—	—	—
B W Pain	—	100	—	—
T L Pretorius	*13 000	100	2 500	2 500
G W H Reilly	*30 000	1 000	18 000	18 000
Sir Albert Robinson	—	1 000	—	—
M W Stephenson	*6 000	—	9 000	9 000
L G Stopford Sackville	—	100	—	—
J D Taylor	*15 000	—	—	—
J Ogilvie Thompson	*30 000	1 000	14 000	14 000
G H Waddell	*18 333 268	—	—	—
	(includes 1 000 registered)	—	—	—
V J Webber	*15 000	—	5 000	1 000
A Wilson	*15 000	41 060	—	—
W D Wilson	*30 000	10 000	10 000	—
	*2 360	—	—	—

The Corporation is not aware of the extent, if any, of the directors' family interests.

*Shares held under a share incentive scheme

†Indirect

‡Indirect partial

**Sole beneficiary of trust

HEAD OFFICE

44 Main Street, Johannesburg 2001
(PO Box 61587, Marshalltown 2107)
Telex 7167
Telephone 838-8111
Managing Secretary: J T Goldfinch

OFFICES OF GROUP AND ASSOCIATED COMPANIES

Australia

Australian Anglo American Limited
581 Little Collins Street, Melbourne, Victoria 3000
Telex 30728
Telephone 622141
Secretary: J E Clark

Bermuda

Anglo American Investment Trust (Bermuda) Limited
Belvedere Building, Pitts Bay Road, Pembroke
(P.O. Box 650, Hamilton)
Telex 3348 SPECT BA
Telephone 51255
Secretary: D F Ellis

Botswana

Anglo American Corporation Botswana (Services)
(Proprietary) Limited
Botsalano House, The Mall, Gaborone
Telex 2410BD
Telephone 51133
Secretary: A V Waterston

Brazil

Anglo American Corporation do Brasil Limitada
Rua Araujo Porto Alegre, 36-8 Andar
CEP 20.016 - Rio de Janeiro, RJ

Brazil

Telex (021)21723 AACB BR
Telephone 2446355
Secretary: R N Lima

Canada

Anglo American Corporation of Canada Limited
PO Box 28
Toronto-Dominion Centre, Toronto, Ontario M5K 1E8
Telex 6524372
Telephone (416)3622192
Secretary: C K Taylor, QC

France

Charter France S.A.
9 Rue de Vienne, Paris 8e
Telex 280406
Telephone 5225484
Secretary: P J S Reid

Luxembourg

Anglo Rand Holdings S.A.
50 Route D'Esch (BP 459)
Telex 2234
Telephone 443002
Secretary: D P Paton

Portugal

Anglo American Corporation de Portugal S.A.R.L.
244 Avenida Da Liberdade, Lisbon
Telex 18316
Telephone 561126
Secretary: A Viera De Castro

United Kingdom

40 Holborn Viaduct, London EC1P 1AJ, England
Telex 27529
Telephone 3531545
London Secretary: D S Booth

Zambia

Anglo American Corporation (Central Africa) Limited
74 Independence Avenue, Lusaka
Telex ZA 41190
Telephone 53000
Secretary: M E Kiely

Zimbabwe Rhodesia

70 Jameson Avenue Central, Salisbury C.4
Telex 4113
Telephone 704461
Managing Secretary (Zimbabwe Rhodesia): G T Bain

SHARE TRANSFER SECRETARIES

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

Charter Consolidated Limited

PO Box 102
Charter House
Park Street, Ashford
Kent TN24 8EQ, England

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 London Secretary of the Corporation. Changes of address should be notified to the Corporation's transfer secretaries.

FILMED

AUG 1979

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