FILE NAME: Cape Asbestos (CAPE)

DATE: 1976

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DOCUMENT DESCRIPTION: Annual Report - Anglo American Corp. of South Africa Ltd. [Legal - Tibbs Case Exhibit 21]

Consolidated balance sheet December 31 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

			1975	
	R000's	R000's	R000's	R000's
Capital				
Authorised:				
140 000 000 ordinary shares of 10 cents each	14 000		14 000	
1 241 250 six per cent cumulative preference shares of R 1 each	1 241		1 241	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
	20 000		20 000	
Issued: (note 2)				
131 725 300 ordinary shares of 10 cents each, fully paid	13 172		13 167	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
		17 931		17 926
Share premium (note 3)	202		84 148	
Non-distributable reserve (note 4)	89 214		5 518	
	89 416		89 666	
Less: Excess of written-down cost of shares in subsidiary companies over book value of net assets at the dates of acquisition	8 380		8 381	
		81 036		81 285
Distributable reserves				
General reserve (note 5)	346 959		323 549	
Currency reserve (note 5)	4 169		4 537	
Unappropriated profit	15 976		16 884	
		367 104		344 970
		466 071		444 181
Loan capital (note 6)		60 038		60 128
		526 109		504 309
Outside shareholders' interests in subsidiary companies (note 7)		63 008		63 564
Loans				
Associated companies and others		287 050		399 250
Creditors				
Preferred stock dividend No. 95 and ordinary dividend No. 81	33 074		33 061	
Taxation	4 809		5 416	
Sundry	16 124		24 997	
		54 007		63 474
		930 174		1 030 597
Represented by:				
Investments				
At cost, less amounts written off and provision (note 7)				
Listed – market value R934 221 000 (1975: R997 842 000)	411 009		353 857	
Unlisted – directors' valuation R168 059 000 (1975: R235 246 000)	114 679		164 968	
		525 688		518 825
Property, mineral rights and equipment (note 9)		11 453		12 042
Loans				
Associated companies and others, less provision		291 858		256 564
Debtors and cash				
Debtors	33 194		38 630	
Cash on deposit, at call and short notice and on hand	67 981		204 536	
		101 175		243 166
		930 174		1 030 597

For notes see pages 54 to 56

Consolidated income statement for the year 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

			1975	
	R000's	R000's	R000's	R000's
Investment income				
Listed	67 020		66 860	
Unlisted	20 161		14 334	
		87 181		81 194
Income from interest, fees and other sources after deducting administration expenses (note 12)		49 736		63 964
Surplus on realisation of investments		2 001		85
		138 918		145 243
Deduct:				
Interest paid:				
Loan capital	2 946		2 808	
Loans by associated companies and others	22 906		30 347	
	25 852		33 155	
Expenditure on office, research and transport equipment	1 886		3 094	
Contributions to staff pension funds	2 768		2 777	
Costs of prospecting	9 497		7 260	
Provision against investments	2 300		4 400	
Provision against loans	2 750		2 500	
		45 053		53 186
Group profit before taxation		93 865		92 057
Provision for taxation (note 13)		4 647		4 350
Group profit after taxation		89 218		87 707
Deduct:				
Outside shareholders' interests in profits of subsidiary companies		2 940		2 993
Group profit before extraordinary item attributable to Anglo American Corporation of South Africa Limited		86 278		84 714
Net (loss) gain arising from currency fluctuations	(33)		507	
Transfer from (to) currency reserve	33	—	(507)	—
		86 278		84 714
Dividends				
On preferred stock:				
No. 94 of three per cent, declared June 4 1976	143		143	
No. 95 of three per cent, declared December 2 1976	143		143	
On ordinary shares:				
No. 80 (interim) of 8 cents per share, declared September 23 1976	10 534		10 531	
No. 81 (final) of 25 cents per share, declared February 21 1977	32 931		32 918	
		43 751		43 735
Retained profit before extraordinary item		42 527		40 979
Extraordinary item				
Provision against investment in Zaïre (see directors' report)		20 000		—
Retained profit after extraordinary item		22 527		40 979
Unappropriated profit, December 31 1975	16 884		13 524	
Adjustment thereto arising from changes in currency exchange rates	66		1 861	
		16 950		15 385
		39 477		56 364
Transfer to reserves:				
Non-distributable reserve	22		(3)	
General reserve	23 479		39 483	
		23 501		39 480
Unappropriated profit, December 31 1976		15 976		16 884

For notes see pages 54 to 56

Balance sheet December 31 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

			1975	
Capital	R000's	R000's	R000's	R000's
Authorised:				
140 000 000 ordinary shares of 10 cents each	14 000		14 000	
1 241 250 six per cent cumulative preference shares of R1 each	1 241		1 241	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
	20 000		20 000	
Issued: (note 2)				
131 725 300 ordinary shares of 10 cents each, fully paid	13 172		13 167	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
		17 931		17 926
Share premium (note 3)		202		84 148
Non-distributable reserve (note 4)		84 148		—
Distributable reserves				
General reserve (note 5)	207 500		207 500	
Unappropriated profit	430		421	
		207 930		207 921
		310 211		309 995
Loan capital (note 6)		60 038		60 128
		370 249		370 123
Loans				
Subsidiary companies	21 833		11 400	
Associated companies and others	272 686		385 112	
		294 519		396 512
Creditors				
Preferred stock dividend No. 95 and ordinary dividend No. 81	33 074		33 061	
Taxation	357		689	
Sundry	12 081		20 679	
		45 512		54 429
		710 280		821 064
Represented by:				
Investment in subsidiary companies				
Unlisted shares at cost, less amounts written off and provision	89 232		94 026	
Loans	158 593		170 827	
		247 825		264 853
Other investments				
At cost, less amounts written off and provision				
Listed – market value R479 464 000 (1975: R560 641 000)	112 612		111 459	
Unlisted – directors' valuation R39 530 000 (1975: R39 498 000)	11 956		14 890	
		124 568		126 349
Loans				
Associated companies and others, less provision		263 165		226 438
Debtors and cash				
Debtors	21 010		26 455	
Cash on deposit, at call and short notice and on hand	53 712		176 969	
		74 722		203 424
Office, research and transport equipment (note 1(b))		—		—
		710 280		821 064

For notes see pages 54 to 56

Income statement for the year 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

			1975	
	R000's	R000's	R000's	R000's
Investment income				
Listed	40 563		40 577	
Unlisted	3 013		2 270	
		43 576		42 847
Income from subsidiaries (note 10)		25 729		25 842
Income from interest, fees and other sources after deducting administration expenses (note 12)		41 178		52 195
Surplus on realisation of investments		758		—
		111 241		120 884
Deduct:				
Interest paid:				
Loan capital	2 946		2 808	
Loans by associated companies and others	22 504		29 520	
	25 450		32 328	
Expenditure on office, research and transport equipment	1 667		3 057	
Contributions to staff pension funds	2 487		2 458	
Costs of prospecting	8 891		6 912	
Loss on realisation of investments	—		1 532	
Provision against investments	3 381		4 213	
Provision against loans	3 104		2 500	
		44 980		53 000
Profit before taxation		66 261		67 884
Provision for taxation (note 13)		2 501		2 490
Profit after taxation, before extraordinary item		63 760		65 394
Dividends:				
On preferred stock:				
No. 94 of three per cent, declared June 4 1976	143		143	
No. 95 of three per cent, declared December 2 1976	143		143	
On ordinary shares:				
No. 80 (interim) of 8 cents per share, declared September 23 1976	10 534		10 531	
No. 81 (final) of 25 cents per share, declared February 21 1977	32 931		32 918	
		43 751		43 735
Retained profit before extraordinary item		20 009		21 659
Extraordinary item				
Provision against investment in Zaïre (see directors' report)		20 000		—
Retained profit after extraordinary item		9		21 659
Unappropriated profit, December 31 1975		421		262
		430		21 921
Transfer to general reserve		—		21 500
Unappropriated profit, December 31 1976		430		421

For notes see pages 54 to 56.

Notice to members

ANNUAL GENERAL MEETING

Notice is hereby given that the sixtieth annual general meeting of members of Anglo American Corporation of South Africa Limited will be held at 44 Main Street, Johannesburg, on Wednesday, May 18 1977, at 11h00, for the following business:

1 To receive and consider the annual financial statements in respect of the year ended December 31 1976.
2 To elect directors in accordance with the provisions of the Corporation's articles of assocation.
3 To consider, and if deemed fit, to pass, with or without modification, the following resolution as an ordinary resolution, namely:

'That the directors be and they are hereby authorised:

(i) To allot and issue, after providing for the allotment and issue of the ordinary shares in terms of the share incentive scheme, 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 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.'

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

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, 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

April 25 1977

Registered Office
44 Main Street, Johannesburg

Cover: Graphic patterns carved out of a rock face by the Wirth tunnel borer at the Group's Free State Geduld gold mine (see also page 21)

ANGLO AMERICAN
CORPORATION
OF SOUTH AFRICA
LIMITED

Incorporated in the Republic of South Africa
Company Registration No. T.5109

60th Annual Report · 1976

Containing the annual financial statements in respect of the financial year ended December 31 1976

Aandeelhouers wat 'n Afrikaanse vertaling van hierdie verslag verlang, word versoek om met die oordragsekretarisse in verbinding te tree

Introduction

The Corporation, its relationship to the Group and to its major associates

Anglo American Corporation is the head of an international group of mining, industrial and investment companies whose overall size is estimated at approximately R4 900 million. The Group structure is outlined in the chart, which shows the significant shareholding relationships between the Corporation and the principal finance and investment companies of the Group, and between the Anglo American Group and its two major associates, De Beers Consolidated Mines and Charter Consolidated. The figures printed outside each circle show the percentage interest in that company held by another Group company: for example, Anglo American Corporation holds 17 per cent of Rand Selection Corporation, which in turn has nine per cent of Anglo American and 13 per cent of Minerals and Resources Corporation.

The business of Anglo American Corporation is to invest in companies which it administers and develops and also in companies which it does not administer. In mining, the Corporation and its associates have important interests in the production of gold and uranium, diamonds, copper and nickel, coal, platinum, tin, potash, asbestos, iron ore, lead, zinc, manganese and wolfram. The Corporation's industrial interests range from steel-making and heavy engineering to construction, motor vehicles, paper and textiles, chemicals, drilling tools, refractories and foodstuffs. The principal commercial interests are property development, banking, insurance, freight and travel, and computer services in southern Africa.

The Corporation's investments are held mainly through the specialised companies identified in the chart, such as Anglo American Gold Investment Company, Anglo American Investment Trust for the diamond mining and marketing investments, and Anglo American Industrial Corporation. The coal mining interests in the Transvaal are consolidated in Anglo American Coal Corporation, formerly The Vereeniging Estates. Rand Selection, with which Anglo American has been closely associated since its formation in 1917, holds a diversified spread of investments similar to those of the Corporation itself, and in addition has significant insurance interests. The Bermuda-based Minerals and Resources Corporation (Minorco) participates in the Group's international mining business, while on a geographical basis there are Anglo American Corporation of Canada (Amcan), Anglo American Corporation Rhodesia, Zambia Copper Investments, Australian Anglo American and Anglo American Corporation do Brasil. The valuations given in the chart are calculated as at December 31 1976.

The term 'group' has a wider meaning in the South African mining industry than its statutory definition of a parent company and its subsidiaries, and throughout this report it is used in its wider sense. The mining finance houses in South Africa have traditionally operated 'the group system', whereby the parent house not only administers companies that are not necessarily subsidiaries, but provides them with a full range of administrative and technical services and is able, by virtue of its financial strength and standing, to assist them in finding capital for expansion and development. De Beers and Charter, though not members of the Group, do draw upon the Corporation's technical services.

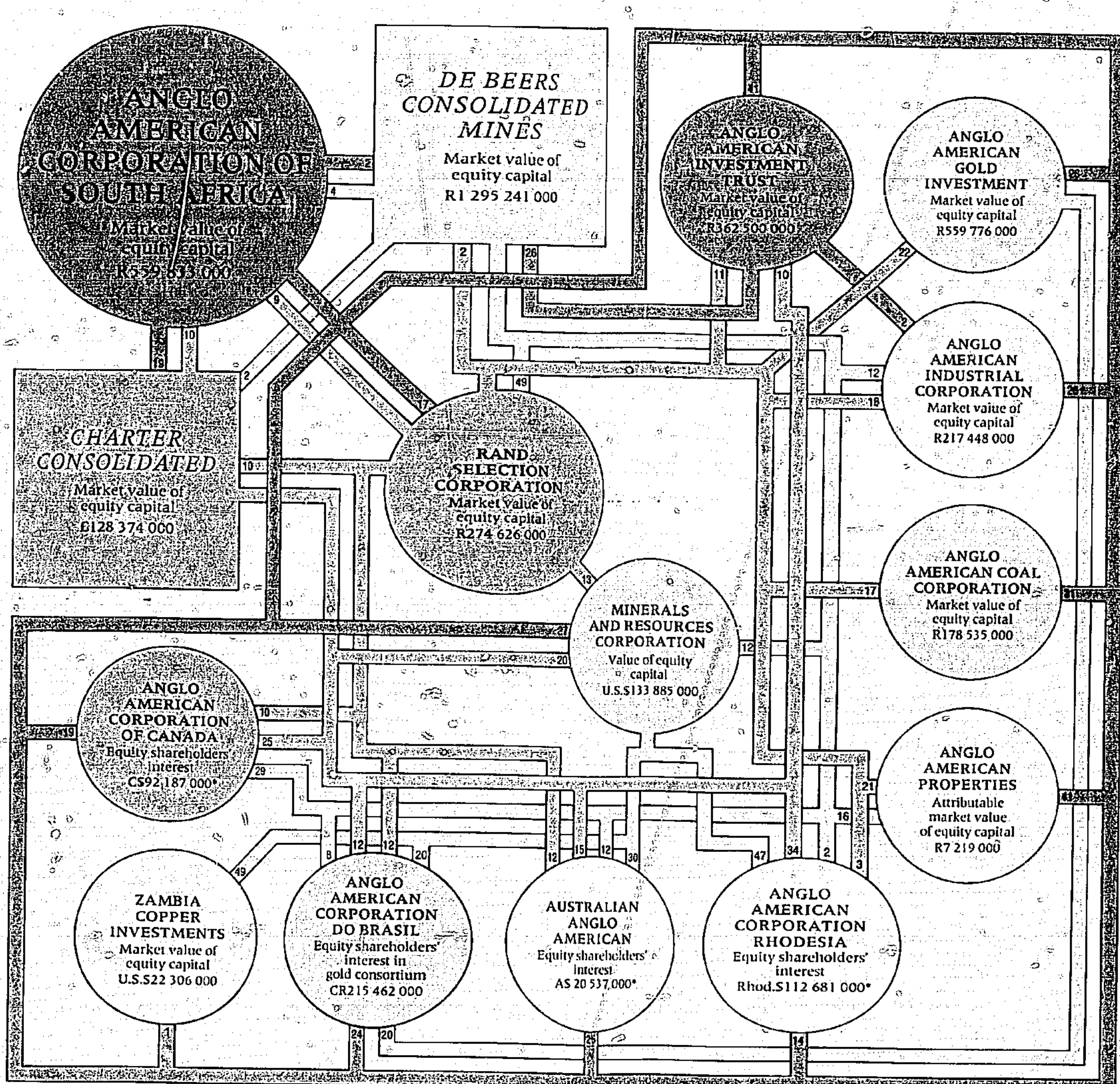
The Corporation has had only two Chairmen, the founder, Sir Ernest Oppenheimer, from 1917 to 1957, and the present Chairman, his son, Mr Harry Oppenheimer. This has brought a continuity of policy to the activities of the Corporation, whose aims are to earn profits for its shareholders, but to do so in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

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

The Corporation's original capital in 1917 was £1 million, which was raised from British, American and South African sources – hence the title 'Anglo American Corporation of South Africa'. The present capital and reserves exceed R466 million, and the Corporation's investments at the end of 1976 were valued at R1 102 million.

To illustrate the scale of its mining operations, in 1976 the Group was responsible for over 39 per cent of South Africa's gold output, equivalent to about 29 per cent of world production (excluding Communist countries), for 33 per cent of South Africa's coal and 37 per cent of its uranium. The copper mines in which the Group is interested accounted for over 15 per cent of world production in 1975.

With nearly 16 000 registered ordinary shareholders and nearly 38 000 bearer certificates in issue, the ownership of Anglo American Corporation is widely spread. The majority of the share capital is held in South Africa with most of the balance held in the United Kingdom and other European countries.



*Underlying net asset value of shareholders' interest

The year in brief

Consolidated net profit of Anglo American Corporation increased by R1,56 million or 1,8 per cent to R86,28 million which after deduction of preferred dividends is equivalent to 65,3 cents an ordinary share, allowing an ordinary dividend of 33 cents a share, unchanged from 1975. If the Corporation's share of the undistributed profits from its investments were taken into account after adjusting for crossholdings, total earnings would be approximately 132 cents a share compared with 130 cents in 1975. A provision of R20 million was made as an extraordinary item against the investment made in the Société Minière de Tenke-Fungurume (SMTF) project in Zaïre.

INVESTMENTS

Reflecting the recessionary conditions and the decline in market prices the value of the Corporation's listed investments was R934 million at the year end. 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 opposite. The overall estimated value of the interests of the Corporation and its finance companies was reduced to about R3 300 million at the end of 1976, while the overall size of the Anglo American Corporation Group was approximately R4 900 million. The Corporation and its associated finance companies had interests estimated at about R1 500 million in the mining, industrial, financial and property companies that the Corporation administers. The total estimated value of these companies was about R3 100 million. In addition, the interests of the Corporation and its finance companies in companies administered outside the Group, such as De Beers, Charter Consolidated and Engelhard Minerals & Chemicals were valued at more than R1 800 million.

INVESTMENT COMPANIES

The principal administered investment companies include Rand Selection Corporation, Anglo American Gold Investment Company (Amgold), Anglo American Industrial Corporation (Amic), Anglo American Investment Trust (Anamint), Minerals and Resources Corporation (Minorco) and Anglo American Coal Corporation (Amcoal).

Rand Selection's net income for the year ended September 30 1976 fell from R48,1 million to R37,6 million, reflecting reduced dividends from gold mining and investment interests. In addition a provision of R10 million as an extraordinary item was made against the investment in SMTF. The general investment portfolio was valued at R642,4 million compared with R795,4 million the previous year.

Amgold's investment income was affected by the decline in the gold price and net profit fell from R74,7 million to R45,4 million. The dividend was reduced to 180 cents a share.

Amic had an active year, consolidating its participation in the paper and timber industry through Mondi Paper and Bruynzeel Plywoods and expanding its interest in the motor industry through the merger of Illings and Chrysler into the new Sigma Motor Corporation. Amic did well to increase its earnings to R42,9 million in difficult economic conditions.

	Value of investments* Percentage		Income from investments Percentage	
By prime source	1976	1975	1976	1975
Gold	33	41	33	46
Diamonds	15	13	20	15
Copper	3	4	2	4
Coal	7	4	5	2
Platinum	3	2	2	1
Other mining	6	5	3	3
Industrial	19	17	19	18
Finance	10	11	15	10
Property	2	2	1	1
Oil and gas	2	1	—	—
	100	100	100	100
Geographical				
South Africa	75	77	78	78
South West Africa	4	4	5	7
Rest of Africa, south of the equator	6	6	7	6
United Kingdom and Europe	5	4	5	3
North America	7	6	4	5
Australia	1	1	—	—
Rest of world	2	2	1	1
	100	100	100	100

*Excluding interests attributable to outside shareholders in subsidiary companies.

The equity earnings of Anamint for the 12 months ended March 31 1977 are estimated at R43,8 million compared with R49,7 million in 1976, reflecting the improved earnings of De Beers Consolidated Mines.

Depressed copper prices affected the earnings of Inspiration Consolidated Copper and Zambia Copper Investments, and as a result Minorco returned a lower taxed profit of US$6,94 million for the year ended June 30 1976. A provision of $26 million was made against the investment in Trend International in early 1977 reflecting the write-off of the excess cost of the investment over the underlying equity in net assets of US$63,6 million.

Amcoal had an extremely successful year with equity earnings increasing by 172 per cent to R40,5 million. Dividends totalling 40 cents a share were declared for the year ended December 31 1976.

GOLD AND URANIUM

Despite a five per cent increase in tonnage milled during the year the decline in recovered grade at most mines caused Group gold production to fall from 285 147 kilograms to 278 355 kilograms in 1976. The 14 per cent increase in unit working costs and the lower average price received for gold, equivalent to about $121 an ounce, combined to reduce the working profit of the Group's mines by 34 per cent to R383 million. Taxation and State's share of profits absorbed R158 million.

Construction is progressing on schedule of major new gold projects

FEATURES OF THE CONSOLIDATED FINANCIAL STATEMENTS	1976 R000's	1975 R000's	1974 R000's
Issued ordinary capital and reserves	461 312	439 422	388 834
Listed investments			
Book value	411 009	353 857	293 978
Market value	934 221	907 842	1 057 818
Unlisted investments			
Book value	114 679	164 968	155 732
Directors' valuation	168 059	235 246	218 785
Investment income	87 181	81 194	73 298
Equity earnings	85 992	84 428	75 460
per share	65,3 cents	64,1 cents	57,4 cents
Dividends on ordinary shares	43 465	43 449	38 100
per share	33 cents	33 cents	29 cents
Number of issued ordinary shares	131 725 300	131 672 300	131 387 300

including the Elandsrand mine, East Rand Gold and Uranium Company, and the metallurgical complex being undertaken by the Orange Free State mines.

Production of uranium from Group-administered mines increased to 1 153 tons from 1 073 in 1975. Profits attributable to uranium improved by 139 per cent to R13,4 million.

DIAMONDS

De Beers Consolidated Mines experienced an extremely successful year. Sales by the Central Selling Organisation improved by 70 per cent to R1 352 million which assisted De Beers to increase its net equity earnings by 40 per cent to R308,52 million equivalent to 85,2 cents a deferred share. A total dividend of 35 cents a share was paid (1975: 28 cents). Total mine output decreased from the 1975 level by 237 000 carats to 10,5 million.

COAL

Assisted by export sales and by improved domestic selling prices operating profits from Group collieries rose to R49,1 million from R21,4 million in 1975. In its first full year of operation, Amcoal increased its earnings from R14,9 million to R40,5 million. Work has commenced on the establishment of a new mine Kleinkopje which has an estimated cost to completion of R109 million in 1976 money terms.

OTHER MINING

Depressed copper prices during the year impaired earnings from the Group's copper interests. The London Metal Exchange price averaged £778,8 a ton for the year and stood at £795,5 at the year end.

Nchanga Consolidated Copper Mines and Roan Consolidated Mines in Zambia faced continuing transport difficulties because of the closed Benguela railway to Lobito and additional problems arising from shortages of skilled expatriates and plant spares. Devaluation of the kwacha by 20 per cent in July, however, enabled the industry to operate at a profit once more.

Hudson Bay Mining and Smelting reported reduced net earnings of C$2,82 million before extraordinary items. While the earnings include diminished contributions from Hudson Bay's metal interests the reduction is due in large part to the loss after extraordinary items for the year in Francana Oil & Gas arising from the write down of its investment in Trend International. In March 1977 the Saskatchewan government agreed in principle to buy Hudson Bay's potash assets for C$144 million in cash.

Although the SMTF project in Zaïre has been suspended, the partners continue to have confidence in the long-term viability of this venture, and the feasibility of a smaller scale operation is currently under consideration.

INDUSTRY AND COMMERCE

Highveld Steel and Vanadium again increased production and profits, despite recessionary conditions in both the local and world steel markets. Pre-tax profits for the year ended June 30 1976 were R28 million compared with R20,2 million the previous year. During the year Highveld acquired the Group's 65 per cent interest in Transalloys, a ferro-alloy producer at Witbank. The Boart group, in a difficult year, achieved an increase in earnings from R15,2 to R16,2 million, while the Scaw Metals group increased equity earnings by R1,65 million to R14,5 million.

LTA Limited's taxed profit for the year ended March 31 1976 amounted to R5,5 million compared with R3,9 million for the nine months to March 31 1975. Mondi Paper Company acquired the Group's interest in SA Board Mills during the year and reported equity earnings of R11,5 million.

The Sigma Motor Corporation, with assets of approximately R100 million, was formed as a result of the merger of Illings and Chrysler South Africa. The Group holds slightly more than 75 per cent of the equity with Chrysler holding the balance.

Directorate

CHAIRMAN
H. F. Oppenheimer*

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

DIRECTORS
W. G. Boustred*
Dr Z. J. de Beer*
J. N. Clarke (British)
D. A. Etheredge, O.B.E. (British)*
G. C. Fletcher, M.C.*
H. R. Fraser (British)*
C. J. L. Griffith*
E. P. Gush*
M. B. Hofmeyr*
G. Langton*
D. G. Nicholson (British)*
N. F. Oppenheimer
Sir Philip Oppenheimer (British)
B. W. Pain (British)
G. W. H. Relly*
Sir Albert Robinson (British)
S. Spiro, M.C.*
L. G. Stopford Sackville (British)
J. Ogilvie Thompson*
G. H. Waddell, M.P.*
W. D. Wilson
*Executive directors

ALTERNATE DIRECTORS
Dr M. G. M. Atmore
G. A. Carey-Smith (British)
H. K. Davies
Dr. H. B. Dyer
W. J. Hefer
D. B. Hoffe
J. A. Holmes (British)
F. J. A. Howard
J. D. Johnson (British)
A. Johnstone
M. W. King
O. P. Koevort
P. J. R. Leyden (British)
D. E. MacIver
J. L. P. Mackenzie
A. B. McKerron
C. D. M. Melville
M. C. O'Dowd
M. W. Stephenson (British)
V. I. Webber (British)
A. Wilson

Group 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
G. C. Fletcher
G. Langton
D. G. Nicholson
M. C. O'Dowd

CHIEF PERSONNEL CONSULTANT
E. N. Cathrine

ECONOMIC CONSULTANT
A. B. Dickman

MANAGING SECRETARY
J. T. Goldfinch

PUBLIC RELATIONS CONSULTANT
B. R. Mortimer

Administration and Manpower Office
DIRECTOR
Dr Z. J. de Beer

MEDICAL CONSULTANT
Dr J. L. C. Whitcombe

SENIOR PERSONNEL CONSULTANT
J. F. Drysdale

PERSONNEL CONSULTANTS
C. W. H. du Toit
T. G. Mann
N. D. Morgan
F. J. Worth

GROUP COMPUTER CONSULTANT
M. Cowley

Finance Office
DIRECTOR
J. N. Clarke

MANAGERS
J. M. P. Desmidt
A. Johnstone
M. W. King

CHIEF ACCOUNTANT
G. C. Leeman

International Co-ordination Office
MANAGER
J. D. Taylor

Technical Office
DIRECTOR
G. Langton

DEPUTY TECHNICAL DIRECTORS
Dr M. G. M. Atmore
J. A. Holmes
J. D. Johnson
D. E. MacIver
J. L. P. Mackenzie
M. W. Stephenson

CONSULTING ARCHITECT
D. R. Yetton

CONSULTING CIVIL ENGINEER
D. W. Standish-White

CONSULTING ELECTRICAL ENGINEER
H. M. Brown

CONSULTING GEOLOGIST
Dr F. W. D. Cornwall

MINING VALUATION CONSULTANT
H. M. MacLeod

HEAD OF TECHNICAL SERVICES
J. Dyer

RESEARCH MANAGER
G. S. James

OPERATING DIVISIONS

Boart International
CHAIRMAN
G. C. Fletcher

MANAGING DIRECTOR
H. K. Davies

Coal
CHAIRMAN
W. G. Boustred

MANAGING DIRECTOR
T. A. J. Braithwaite

DEPUTY MANAGING DIRECTOR
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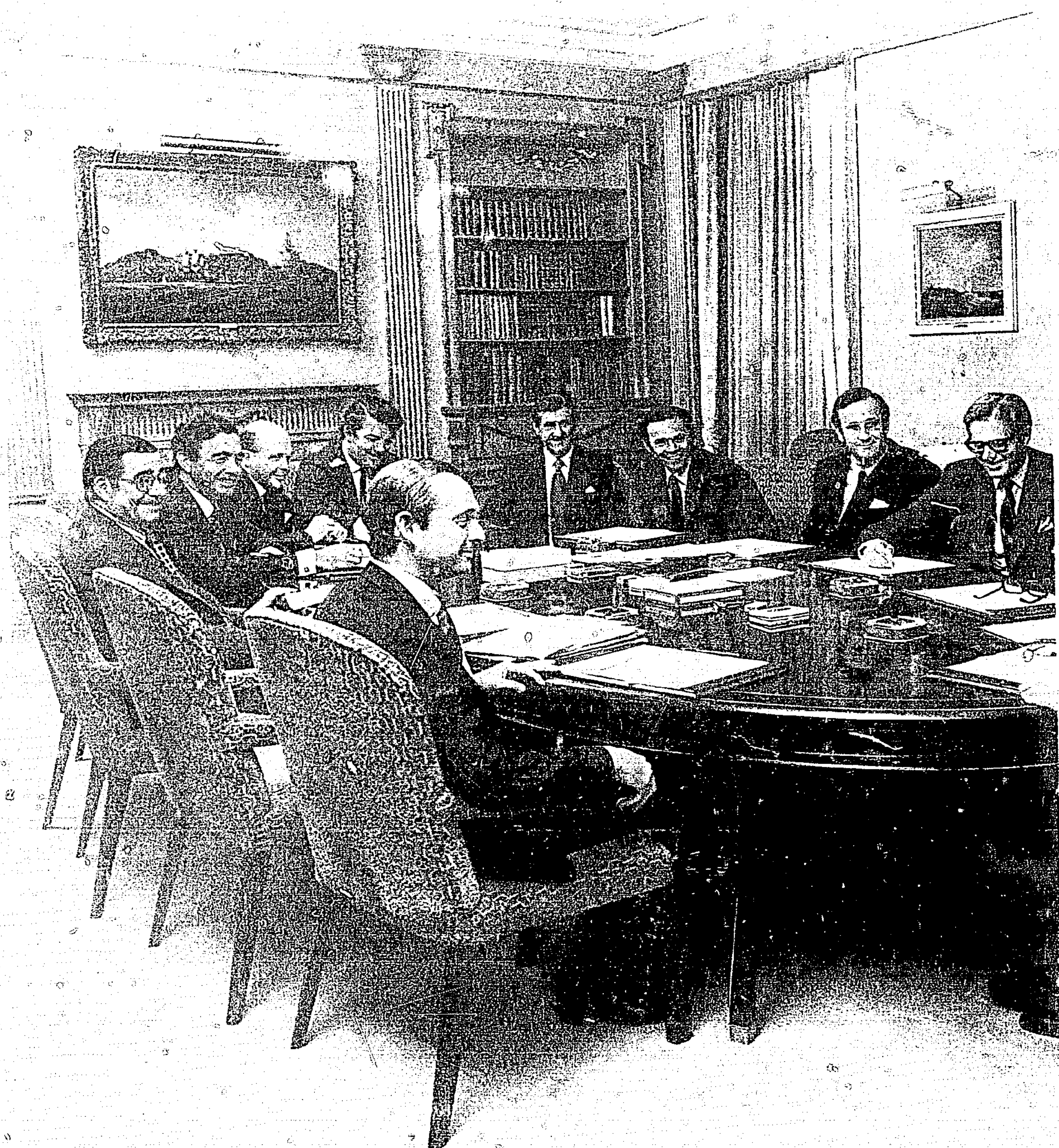
Directors' review



An executive committee meeting at 44 Main Street with Mr H F Oppenheimer (far right) in the Chair. With Mr Oppenheimer are (anti-clockwise) Mr G W H Relly, Mr J Ogilvie Thompson, Mr E P Gush, Mr C [illegible] L Griffith, Mr W G Boustred, Mr G H Waddell, Mr D G Nicholson, Dr Z J de Beer, Mr D A Etheredge and Mr R M Crawford, secretary to the committee

Finance and investment

Profits rise by 1,8 per cent to R86 million

The past year was one of considerable difficulty for the South African economy. The decline in the price of gold coupled with continuing inflationary pressures led to restrictive monetary and fiscal policies. Furthermore, the June political disturbances and subsequent continuing social unrest had an increasingly adverse effect on the capital account of the balance of payments. As a result, real domestic spending first levelled off and then declined progressively during the year with severe implications for business activity, production and profits on nearly all fronts. In these circumstances the Corporation, which derives the bulk of its income from South African sources, must be regarded as having had a satisfactory year.

Consolidated net profit attributable to the Corporation for the year ended December 31 1976 increased by 1,8 per cent to R86 278 000 or 65,5 cents a share, compared with R84 714 000 or 64,2 cents in 1975. Ordinary dividends were maintained at 33 cents a share. Investment income for the year rose by 7,3 per cent to R87 181 000 while net income from fees, interest and other sources, after deducting administration expenses and interest paid, fell by R5 708 000 to R19 230 000. The surplus on realisation of investments increased to R2 001 000 compared with R85 000 in 1975. Prospecting costs rose from R7 260 000 to R9 497 000. The provision for taxation increased by R297 000 to R4 647 000 while the interests of outside shareholders in the profits of subsidiaries fell by R53 000 to R2 940 000. The net loss arising from changes in exchange rates of R33 000 was covered by a transfer from currency reserve.

The listed investments of the Corporation and its subsidiaries had at December 31 a market value of R934,2 million, exceeding the book value by R523,2 million. The directors' valuation of unlisted investments at the year end was R168,1 million, 46,5 per cent greater than the book value of R114,7 million.

The estimated value of the mining, finance, industrial and property companies administered by Anglo American Corporation was approximately R3 100 million at December 31 1976. Of that total, the interests of the Corporation and its associated finance companies – listed in the accompanying table – accounted for about R1 500 million, while interests in companies administered outside the Group were valued at R1 800 million. This brings the overall value of the interests of the Corporation and its associated finance companies to about R3 300 million compared with R3 400 million at December 31 1975.

The accounts contain, as an extraordinary item, a provision of R20 million against investments made in the Société Minière de Tenke-Fungurume (SMTF) project in Zaïre. A decision to suspend work on this venture was taken by the partners in the light of the generally disturbed political conditions in central Africa and the economic situation in Zaïre. These factors, together with the low copper price, precluded the completion of satisfactory financing arrangements. The viability of an operation on a smaller scale than the previous 130 000

Highveld Steel and Vanadium Corporation recently commissioned the seventh pre-reduction kiln built as part of the R72 million expansion plan announced in November 1974. The eighth kiln is presently under construction and will be in production by mid-1977

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

	Financial year ended	Net asset value based on consolidated balance sheet		Consolidated profit (loss) after tax and outside interests		Equity earnings per ordinary share		Dividends per ordinary share	
		1976	1975	1976	1975	1976	1975	1976	1975
		R million	R million	R million	R million	cents	cents	cents	cents
Anglo American Corporation	December 31	1 037,3†	1 142,1†	86,3	84,7	65,3	64,1	33,0	33,0
Anglo American Coal Corporation	December 31	153,0†	122,1†	40,5	14,9Ω	172,5	63,3	40,0	28,8Ω
Anglo American Corporation of Canada**	December 31	C$93,4*	C$87,1*	C$(1,7)	C$8,2	—	(C)82,4	(C)40,0	(C)40,0
Anglo American Corporation Rhodesia	June 30	R$78,9*	R$73,5*	R$4,4	R$4,4	(R)31,1	(R)30,9	(R)7,0	—
Anglo American Gold Investment	December 31	632,7†	796,6†	45,4	74,7	206,7	340,2	180,0	260,0
Anglo American Industrial CorporationΦ...	December 31	294,3*	271,3*	42,9	40,9	160,0	154,6	65,0	63,0
Anglo American Investment Trust	March 31	—‡	361,6†	44,1Ψ	50,0§	438,3Ψ	496,5§	410,0	305,0§
Minerals and Resources Corporation	June 30	US$487,5*	US$409,0*	US$6,9	US$10,4	—	(US)14,3	(US)2,0	(US)14,0
Rand Selection Corporation	September 30	638,1†	781,2†	40,0	48,5	89,1	114,5¶	65,0	75,0
Zambia Copper Investments	June 30	US$270,2*	US$277,4*	US$(0,3)	US$15,9	—	(US)12,9	—	(US)4,0

Notes:
*Listed investments at market value and unlisted at book value.
†Listed investments at market value and unlisted investments at directors' valuation.
**Excludes equity accounting for effectively controlled companies.
§As the company changed its year end to March 31 as from 1976, the results are for a fifteen-month period.
ΨThese results are the estimates for the year ended March 31 1977 which were published on March 10 1977.
ΩAdjusted to reflect subdivision of R2 stock units into shares of 50c each.
¶Adjusted to reflect that profits from new subsidiary companies were received for only a portion of the year.
‡The balance sheet at March 31 1977 is not available at the date of this report.
ΦAs per provisional annual financial statement dated March 17 1977.

tons a year scheme is currently under consideration, and although world conditions remain unfavourable for financing such a major project, the Corporation and its partners continue to have confidence in the long-term viability of SMTF.

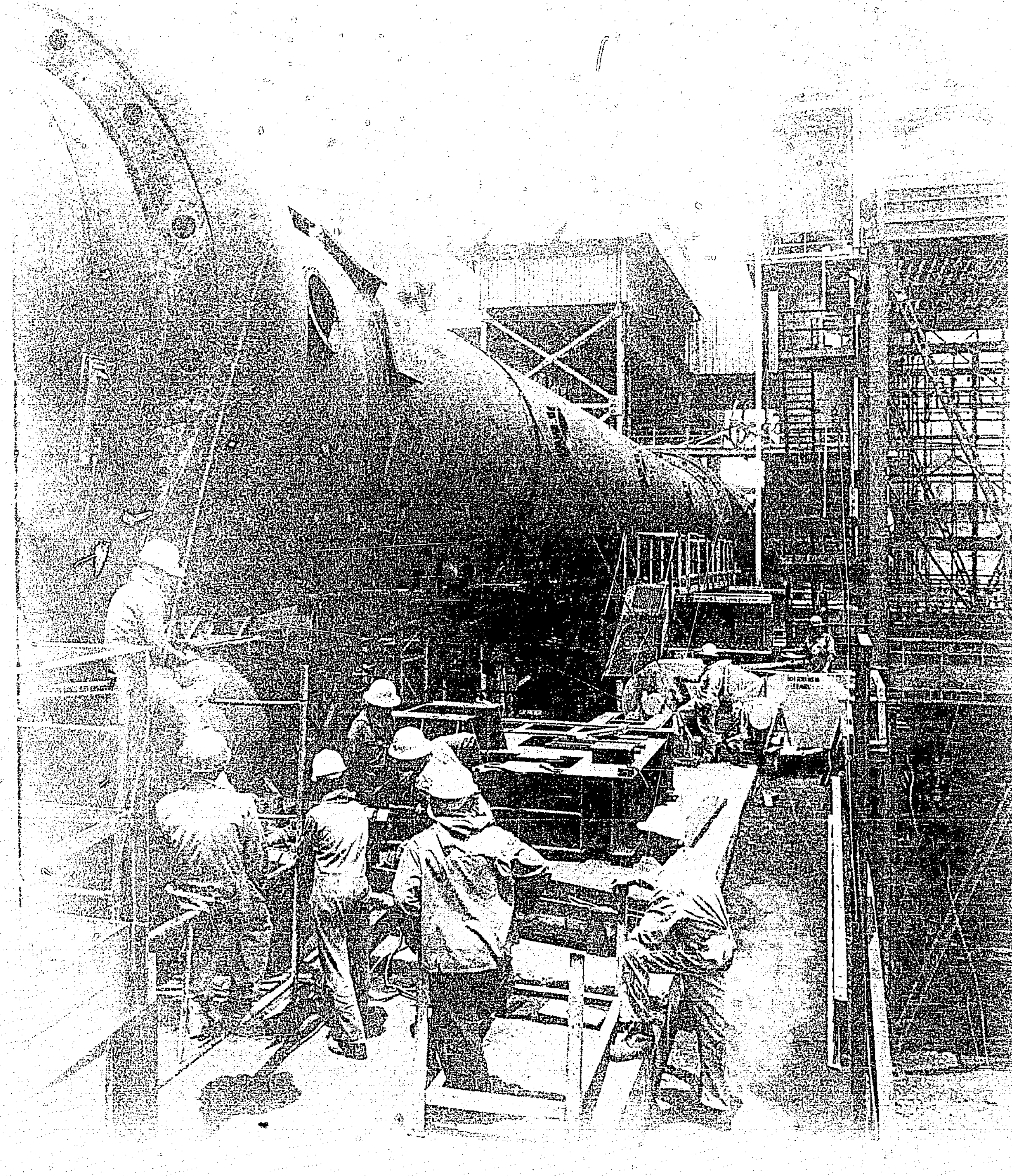
Rand Selection Corporation Limited has interests in gold, diamonds, copper and other base metals, coal, platinum, industry, insurance and property. Consolidated net earnings for the year ended September 30 1976 decreased to R37,64 million from R48,1 million earned during the previous financial year. Earnings for the year amounted to 89,1 cents a share on the marginally increased share capital compared with a previous 114,5 cents. Rand Selection has an effective interest of just under six per cent in the SMTF project and a provision of R10 million has been made as an extraordinary item in the income statement.

A major part of Rand Selection's income arises by way of dividends received from financial and industrial companies which do not distribute their earnings in full to their shareholders. If Rand Selection's attributable share of these undistributed profits were to be taken into account, its earnings, after adjustment for cross-holdings, would amount to 206 cents a share compared with 235 cents last year. The value of Rand Selection's general investment portfolio, taking listed investments at market value and unlisted investments at directors' valuation, amounted to R642,4 million at September 30 1976 compared with R795,4 million at the same date the previous year.

Anglo American Gold Investment Company Limited (Amgold) earned net profits of R45,4 million in 1976, R29,3 million less than the previous year. The decline in the gold price from the high levels of 1975 caused investment income to decline by 36,9 per cent to R46,9 million. Mineral rights and prospecting expenditures increased from 1975 levels. Dividends distributed for 1976 were 180 cents a share compared with 260 cents last year while the market value of listed investments decreased by 20,9 per cent to R612,8 million.

In order to bring its dividend payments in line with those of De Beers Consolidated Mines Limited, Anglo American Investment Trust Limited (Anamint), an investment company with a 26,36 per cent shareholding in De Beers and investments in various unquoted diamond trading companies, changed its year end to March 31. Equity earnings for the 15-month period ended March 31 1976 were R49,65 million compared with R29,44 million for the 12 months ended December 31 1974. Estimated earnings for the year ended March 31 1977 are R43,8 million. Anamint's distribution pattern was not affected by the change in year end and the dividends distributed for the year ended March 31 1977 were 410 cents a share compared with 305 cents in 1976. As at March 31 1976 the book value of Anamint's investments was R53,4 million compared with market and directors' valuations of R358,9 million.

The consolidated net profit of Anglo American Industrial



Corporation Limited (Amic) for the year ended December 31 1976, was R42,9 million (1975: R40,9 million). Dividends distributed for the year increased by 3,2 per cent to 65 cents a share from 63 cents in 1975. Amic's 1976 earnings are, however, not strictly comparable with those of 1975 as a result of the changes which took place in the Amic group within the course of the year.

Amic exchanged its 100 per cent holding in South African Board Mills Limited with Mondi Paper Company Limited (Mondi), in return for 6,5 million new shares in Mondi, thereby increasing its effective interest in Mondi from 25,68 per cent to 39,79 per cent. In addition, Amic acquired the outstanding minority interests in Bruynzeel Plywoods Limited on November 18. Moreover, Amic's directors decided that Aero Marine Freight Services Holdings Limited, now renamed Freight Services Holdings Limited, should no longer be consolidated as a subsidiary of Amic and the Corporation's 1976 results therefore do not include attributable earnings from this source.

On November 2, Amic substantially increased the scope of its interest in the motor industry when Illings (Proprietary) Limited, in which Amic held a 49,50 per cent interest, merged with Chrysler South Africa (Proprietary) Limited to form the Sigma Motor Corporation (Proprietary) Limited in which Amic holds 38,05 per cent.

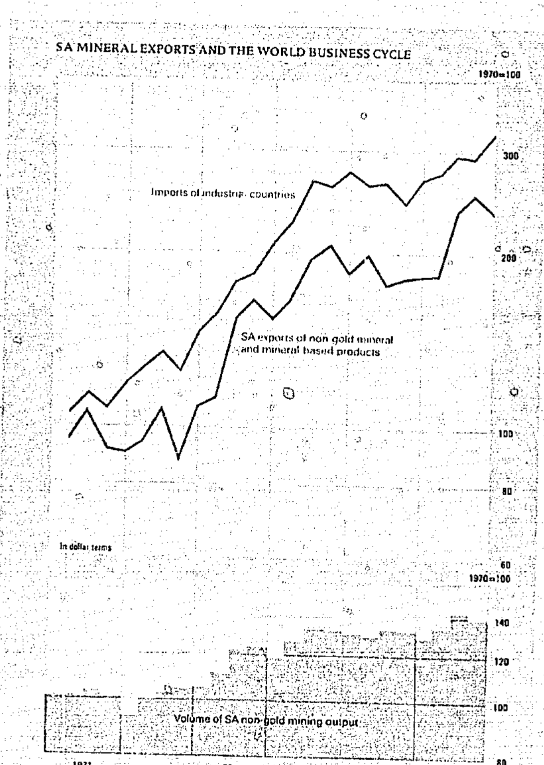
Anglo American Corporation, through the creation of Anglo American Coal Corporation Limited (Amcoal) on January 5 1976, has consolidated a substantial part of its investment in the South African coal industry. Amcoal has a number of wholly-owned subsidiary companies which mine and market coal on both the domestic and export markets. It also has a controlling interest in the Vereeniging Refractories Limited group, a major producer of refractories and allied products in South Africa, and in addition owns property, mineral and coal rights in the districts of Vereeniging in the Transvaal and Heilbron in the Orange Free State.

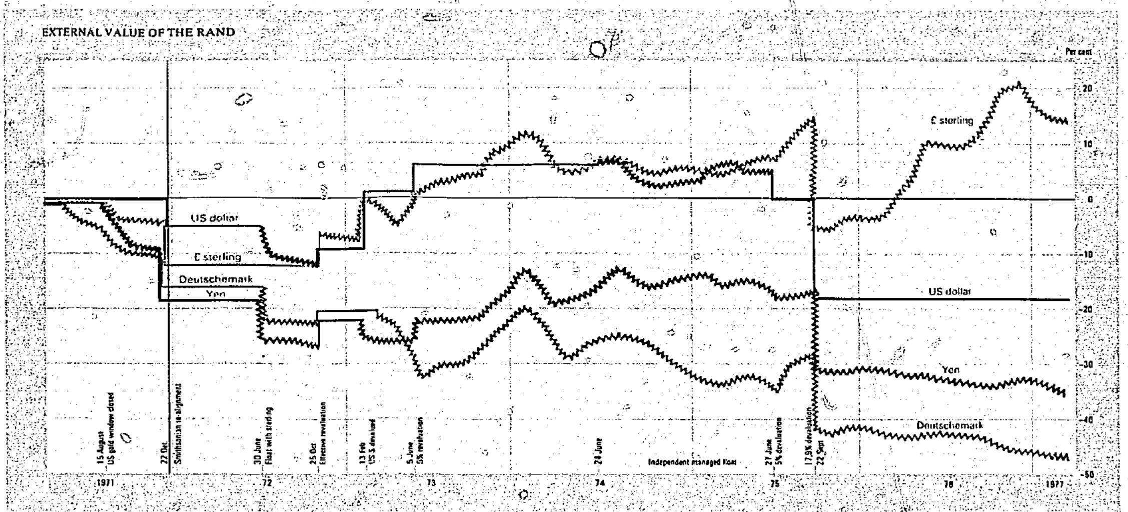
Amcoal's equity earnings for the year ended December 31 1976 increased by 172 per cent to R40,5 million reflecting the benefit of increased sales, satisfactory exports and improved domestic selling prices. In April 1976, exports of metallurgical and steam coal began on a major scale from South African Coal Estates through the new coal export terminal at Richards Bay. In October, following the completion of a major capital programme at Coronation Collieries' Bank colliery, Amcoal's coal export activities were again substantially enlarged.

Amcoal declared dividends totalling 40 cents a share for the year ended December 31 1976, compared with the 38 cents forecast in the merger document.

The equity earnings of Charter Consolidated Limited, the Corporation's United Kingdom-based mining finance associate, increased by £3,04 million to £20,24 million in the year to March 31 1976 owing mainly to the improved performance of Cape Industries Limited and the Elastic Rail Spike and Heatrae/Sadia groups. The income statement takes account of a number of special items including profits on realisation of investments of £6,93 million reflecting some element of the sale of 10 million Rio Tinto Zinc Corporation shares. Extraordinary items include taxation relief on the previous years' losses relating to the investment in Somima of £7,33 million and a provision of £14,6 million against the cost of investment in SMTF. The market or directors' valuation of investments at March 31 1976 dropped 15,9 per cent to £255,6 million. In the six months to September 30 1976 Charter's equity earnings rose marginally to £9,84 million compared with £9,81 million for the same period last year.

Apart from a record performance by Engelhard Minerals & Chemicals Corporation (EMC), Minerals and Resources Corporation Limited (Minorco), the Bermuda-based investment house, had a relatively poor financial year because of depressed copper markets and disappointing earnings from oil. Taxed profit for the year ended June 30 1976 fell 33,4 per cent to US$6,94 million primarily as a result of a reduction of $3,71 million in investment and interest income. A





dividend of two cents an ordinary share was distributed while dividends totalling 18,4 cents a share, which absorbed the income received from EMC, were paid on the 'A' ordinary shares. The distinction between the two classes of shares fell away on October 16 1976 and henceforth all shareholders will participate in dividend income from EMC.

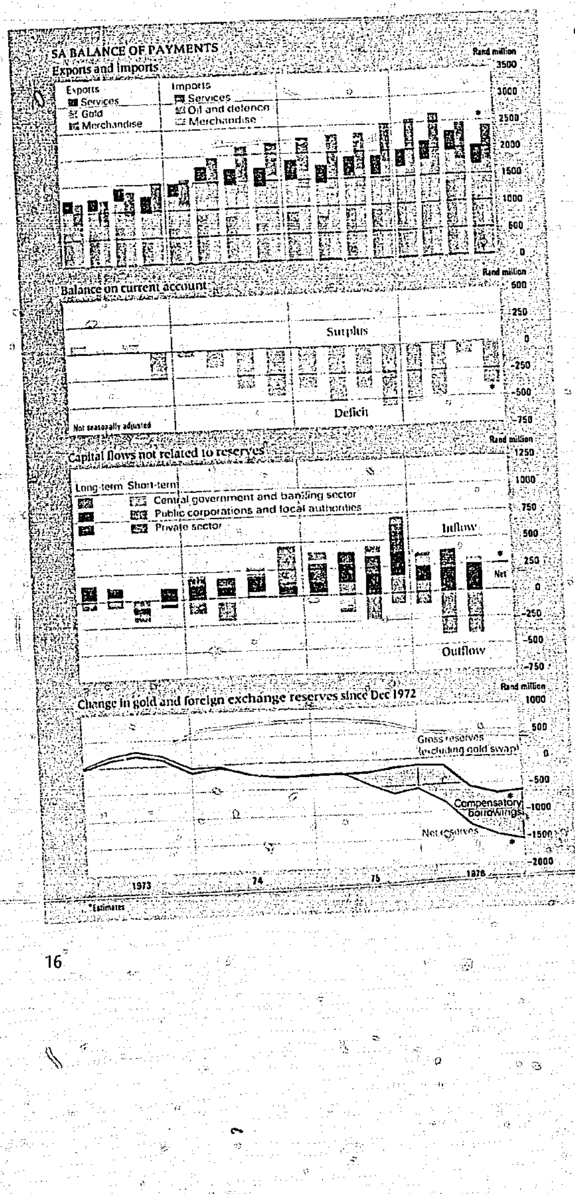
Minorco has a 49,9 per cent interest in Zambia Copper Investments Limited (ZCI). This company received negligible income during the year from its principal investments Nchanga Consolidated Copper Mines Limited, Roan Consolidated Mines Limited and Botswana RST Limited, and consequently ZCI made a loss of US$331 000 in the year to June 30 1976. In May 1976 Minorco increased its participation in Inspiration Consolidated Copper Company (ICC), a United States-based primary producer, from 12 to 15 per cent. In 1975 ICC made a loss of US$3,91 million and despite a shortlived recovery which allowed a dividend payment in July the company made a net loss in the last quarter of 1976. However a minor improvement in metal prices will restore this promising investment to profitability. Minorco has a 43 per cent interest in Trend International Limited (Trend) which is engaged, inter alia, in a joint oil venture in Indonesia. Production rates of more than 90 000 barrels a day have been achieved from significant reserves. As a result of the amendments to the oil production agreements with Pertamina, the Indonesian state-owned oil agency, and production problems encountered by Trend, Minorco made a provision of $26 million against the investment in Trend reflecting the write-off of the excess cost of its investment over the underlying equity in net assets of $63,6 million.

Minorco's major source of income, EMC, has continued to perform extremely well in spite of stagnant world trading conditions. Earnings for the year to December 31 1976 rose by US $10,1 million to a record $124,87 million, while the quarterly dividend was increased from 25 to 30 cents a share.

Anglo American Corporation of Canada Limited (Amcan) reported a consolidated net loss before extraordinary items of C$5,38 million or 54 cents a share and a loss after extraordinary items of $14,17 million or 143 cents a share for the year ended December 31 1976, as compared with a net income of $5,7 million or 57 cents a share in 1975. Dividends were maintained at 40 cents a share.

These consolidated results include Amcan's share of earnings and losses, which are accounted for on an equity basis, of companies in which Amcan has a substantial interest. This decline in earnings was largely a result of the effects of the extraordinary losses for the year of Francana Oil & Gas Ltd. (Francana), in which Amcan has a 28 per cent interest, as well as the loss on the sale of shares of Whitehorse Copper Mines Limited and a provision against the investment in Lytton Minerals Limited. These losses were partially offset by gains on the sale of Amcan's investment in Agnew Lake Mines Limited and Consumer's Oil Limited. Francana recorded a loss of $16,99 million after an extraordinary charge of $19,68 million resulting from the reassessment of the estimated recoverable Indonesian oil reserves of

Trend International Limited in which Francana has a 57 per cent interest. The decline in earnings also reflects the loss incurred by Hudson Bay Mining and Smelting Co. Limited (Hudbay) in which Amcan has a substantial interest. Hudbay reported a net loss after extraordinary items of $8,3 million or 83 cents a share for 1976, compared with earnings of $14.77 million or 149 cents a share for 1975, reflecting the effects of the extraordinary losses in Francana in which Hudbay has a 55 per cent interest, together with the adverse effects of weak metal and fertiliser markets, increased costs and prevailing high levels of taxation, particularly in relation to potash operations. Total dividends received from Hudbay for the year were 80 cents a share compared with $1,40 for 1975. Amcan's net asset value, using the market value of listed investments, increased to $92 million at the end of 1976, compared with $87 million at the end of 1975.



Anglo American Corporation do Brasil Limitada (Ambras) has continued to develop its operations in Brazil. The group of gold mines owned by Mineração Morro Velho S.A., in which Ambras has a 49 per cent interest, had a difficult year as a result of the low grades of ore recovered and high inflation in Brazil. Anglo American Corporation provides technical assistance to these mines and it is hoped that improvements will be achieved in due course. Ambras also has a substantial interest in Unigeo Geologia e Mineração S.A. which has been conducting extensive exploration work in Brazil, the most interesting aspect being the drilling of auriferous conglomerates at Jacobina in Bahia. Results to date indicate significant medium grade reserves of gold ore and investigative work is continuing.

Further details of the principal finance and investment companies in which the Group holds a significant interest are given on pages 67 to 72.

Gold and uranium

Strong manufacturing and industrial demand

Gold moved successfully through a very difficult period in 1976, which was a year of contrasts after the pattern of declining prices in 1975. At one stage, with the uncertainty created by the International Monetary Fund (IMF) sales, it looked as though confidence in the metal would be seriously shaken. But once it became clear that IMF sales were not disrupting the market unduly and that industrial demand was strong, the price recovered well and after a period of stability in the $130–$140 range has moved up again to $153. Though there is still uncertainty as to how much of the restitution gold from the IMF may come on the open market it is unlikely to be in amounts large enough to upset it, and with the stro..g industrial demand continuing into 1977 the price should move up slowly over the period.

On January 1 1976 the price on the free market opened at $140,35, the highest it was to be for the entire year. Pressure on the price was increased by the agreement formalised at Kingston that one-sixth of the IMF's stock of gold would be sold over four years to create a trust fund for developing countries. At the same time the IMF agreed that a further one-sixth of its stocks should be returned to members.

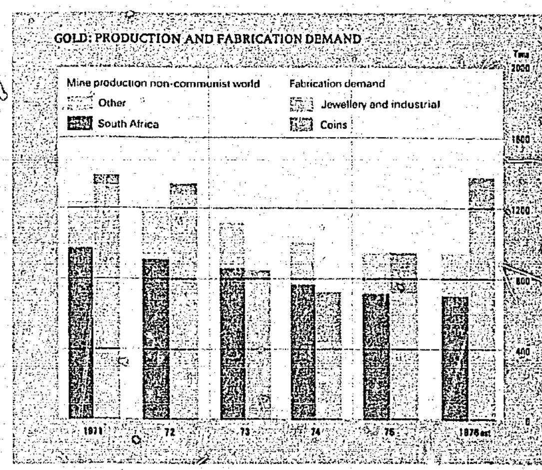
The threat of these actions hanging over the market caused the price to drift down, particularly as it was not until May 6 that details of the first auction were announced, by which time the price had gone down to $126,90. The auction took place on June 2, with 780 000 ounces being sold at an average price of $126,98, and the market price continued to drift reaching its lowest point on August 31 when it was fixed at $103,05. This was closely followed by the third IMF auction where 780 000 ounces were sold at an average price of $109,40. While this price was considerably lower than that received at the two preceding auctions, it was already becoming clear that the market had over-reacted, and that, notwithstanding these regular IMF sales, demand was very strong. It was of interest that at the third auction, bids were received for 3 662 400 ounces of gold compared with just over two million for the second.

The remaining two auctions of 1976 fared better, the fourth realising an average price of $117,71 and the fifth an average of $137,89 and it appeared that the anxiety caused by these sales had diminished. The first auction of 1977 took place on January 26 when 780 000 ounces were sold at an average price of $133,26, approximately one dollar above the ruling market price. The IMF announced in December that further sales would take place monthly, starting in March, and that this would result in 525 000 ounces being offered at each auction, compared with the previous sales of 780 000 ounces approximately every six weeks. This should make it even easier for IMF gold to be smoothly absorbed by the market.

What became apparent only during the second half of 1976 was that the manufacturing and industrial demand for gold was very strong, continuing the trend established in 1975. The demand, in fact, was such that it exceeded the supply of mined gold from the western world. This increased demand has been largely in the manufacture of jewellery. When the gold price moved above the $150 level in 1975, sale of bullion for jewellery manufacture dropped significantly, but since the price falls of 1975 and 1976 demand has picked up strongly once more. Demand in Europe alone was estimated as being 65 per cent higher in 1976 compared with 1975, while consumption in the United States also increased. At the same time sales to the Middle East and Far East, particularly in Turkey, Thailand and Indonesia were running at record levels. These factors became apparent to the market towards the end of 1976, resulting in the relatively rapid price recovery that took place during the September-December period.

During 1976 South Africa sold its total production from all sources of 713 tons, together with a further three tons from official reserves. As in past years, the second largest seller was Russia, while for the first time the IMF became a major source selling 121 tons. Sales of Krugerrand for the year fell dramatically, by 37 per cent compared with 1975, caused by the London market becoming closed to foreign coins and by a general fall-off in the investment demand for gold. During the year Intergold started a selling campaign for Krugerrand in the United States, and while it is too early to assess results this could be a large market in the future.

The Honourable the Minister of Finance announced in February 1977 that once the second amendment to the articles of the IMF, which includes the abolition of the official gold price, had been ratified, the South African Reserve Bank would revalue its gold holdings at a market related price. At the same time, the authorities



would introduce a system of paying gold mining companies the full market price for newly-mined gold on delivery to the Reserve Bank. The Minister also made it clear that the total profit arising from the revaluation of the country's gold reserves would be for the account of the Reserve Bank and would not be passed on to mining companies. The ratification of the amendment to the IMF articles is expected to take place in mid-1977. The new arrangement will serve not only to improve the cash flow of the mines by expediting payment for gold, but will also provide the authorities with greater flexibility in their marketing policy.

THE SOUTH AFRICAN GOLD MINING INDUSTRY

The industry produced 709 112 kilograms of gold in 1976, which was 1 042 kilograms, or 0,15 per cent, more than in 1975. Although average recovery grade fell marginally from 9,42 grams to 9,21 grams a ton, production improved because tonnage milled increased by 1,83 million tons to 76,24 million tons. The average selling price of gold in 1976 fell from the 1975 high of R3 656 a kilogram to R3 367 a kilogram, equivalent to approximately $121 an ounce (1975: $155) at the weighted applicable exchange rates, and working revenue declined by 7,73 per cent to R2 365 million. Unit costs increased on average by R2,54 or 15,2 per cent, to R19,25 per ton milled, a material improvement on the 27,07 per cent rise in unit costs recorded in 1975. This would seem to indicate that inflation in South Africa, which continues at unacceptably high levels, is being brought slowly under control, while the industry, through the Chamber of Mines, continued to support fully the voluntary anti-inflation programme agreed to between the government and the private sector. Working profits fell

Tailings reclamation at Free State Saaiplaas. The material is broken down by high pressure water jets and the slurry pumped to the metallurgical plants at President Brand for the recovery of gold, uranium and sulphur

by R422,39 million, or 32 per cent, to R897,53 million. Taxation and State's share of profits for the year will absorb an estimated R396,37 million of working profit, or 44,16 per cent, compared with 47,64 per cent in 1975.

The tax structure of the gold mining industry is based on formulae linked to profitability. This system recognises the importance of maintaining and encouraging the confidence of investors, especially those based overseas and on whom the industry relies traditionally for a substantial part of its capital requirements. It is most unfortunate, therefore, that the government should have chosen at a time of great difficulty for the industry to increase the rate of tax payable through higher surcharges and loan levies. The effect of these changes is that richer mines now may contribute as much as 74 per cent of their profits to the fiscus. It is believed that the upper limit of equitable taxation levels has been exceeded by these increases, and that the imposition of any further taxes will erode seriously the already low levels of investor confidence.

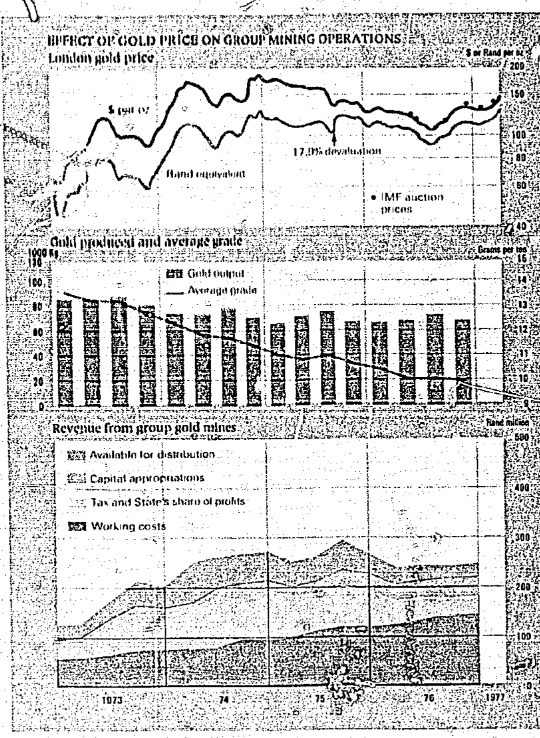
During the last quarter of 1976 production at some mines was affected by labour shortages. However, in January 1977 a higher than normal seasonal flow of labour to the mines occurred and all mines are now at full strength.

LABOUR

It was reported last year that the industry had reached agreement with the Mine Workers' Union (MWU) to introduce a five-day working week depending upon the satisfactory conclusion of talks with other employee organisations. In the event, the engineering unions withdrew from the negotiations and the MWU was advised that the status quo would prevail. The union reacted by declaring a dispute and though a conciliation board was appointed it was not possible to reach agreement. Strike action was then threatened and after further negotiations the Chamber of Mines agreed to introduce an 11-shift fortnight as from April 1 1977, subject to the findings of a commission of inquiry appointed by the Minister of Mines, the Honourable S. P. Botha. It is expected that the commission will deliver an interim report on its findings shortly. In these circumstances it would be inappropriate to discuss the issues involved. The potential losses of production could, however, be very serious.

In contrast to the unsettled conditions which continue to prevail in southern Africa, the mining industry on the whole has enjoyed a period of comparative labour peace. Far from being complacent about this, the Anglo American Corporation Group and its mining companies have recently embarked on a comprehensive exercise in which labour relations and work practices are being studied from all aspects, in order to identify areas where change is practicable in the foreseeable future. Although the Group has been aware for a long time of the deficiencies of the migratory labour system, it has recently obtained a fresh and revealing insight into the problems, as seen from the perspective of the black migrant workers themselves. The information was provided by two surveys, one undertaken by an outside organisation and one by its own staff. The fundamental issue of men being separated from their families for prolonged periods can only be fully resolved by creating a permanent labour force. Even if this were legally possible, the cost of building sufficient married accommodation to house all black married men employed by the mines is quite beyond the financial resources of an industry in which the production units have finite lives. Nevertheless, the problem is not being neglected. In addition to family houses which the Group's mines have already constructed, certain companies have applied to the authorities to extend their existing black married quarters to accommodate black employees occupying key positions. The housing of these skilled employees is vital to the companies' future mechanisation programmes, because there is a growing shortage of operators capable of handling the more sophisticated equipment currently being purchased by the companies concerned. In addition a number of other measures are being undertaken to alleviate the effects of the migratory system on Group employees.

In accordance with the principles of the anti-inflation manifesto



The 77 metre-long Wirth tunnel borer at Free State Geduld – a high-speed labour-saving machine which eliminates drilling and blasting in tunnelling. The borer is designed to bore a 3,4 metre diameter tunnel in the hard quartzites of the Free State and Transvaal at advance rates of up to 1,5 metres an hour

agreed in 1975 by the government, the private sector and the trade union movement, wage increases in 1976 for white employees were limited to 9,7 per cent. This was less than the increase in the cost of living, and the co-operation of the various employee organisations and the acceptance by the employees concerned should be commended. Wage increases and fringe benefit improvements, involving leave privileges and inducements to return to the same mine, were awarded to black employees in June. The package represented an increase of about 19 per cent in overall black labour costs. The minimum cash wage, for an underground novice, is currently 250 cents a shift or R65 a month compared with 220 cents a shift in June 1975. Average earnings of the underground black employees at Group mines are now in the region of 400 cents a shift or R104 a month, in addition to which food, accommodation, medical care and recreational facilities continue to be provided free of charge.

During the year contracting companies involved in the construction of various important projects encountered difficulties in recruiting skilled labour in job categories filled by whites. The mining companies themselves were, generally, only slightly below strength but their situation was aggravated by the increased demands of military training and service and, in the circumstances in which South Africa finds itself, this must be expected to continue. The mining industry, more so than any other, is chained by the restrictive practices of statutory job reservation and closed shop agreements of the past with the white labour unions. Their effect is to preclude black South Africans from developing and utilising greater skills. Indeed the policy not only perpetuates the frustrations of black people; it will also restrict the growth of the economy and erode even further international investor confidence. It becomes increasingly apparent that a profound change of heart and attitude on the part of white South Africans is essential.

The gold mining industry continues to expend considerable effort and large capital budgets on the application of new technologies to its underground operations. Change and adaptation have become urgent requirements as mines increase in depth and as heat and pressure problems intensify. Mechanisation is essential if the adverse environmental conditions associated with depth are to be overcome. Until they are, it will become progressively more difficult to attract and hold the high quality black and white manpower on which the industry will come increasingly to rely.

THE GROUP'S MINES

Gold production by the 11 mines administered by Anglo American Corporation declined by 6 792 kilograms, or 2,38 per cent, to 278 355 kilograms. Lower recovery grades were recorded at all mines except Freddies Consolidated Mines Limited and East Daggafontein Mines Limited, which showed marginal increases. Although the Group's milled tonnage rose by 5,04 per cent, or 1 300 500 tons, to 27 128 000 tons, there was a further inflation of unit costs, which rose by R2,50 or 13,93 per cent, to R20,45 a ton milled. As a result of both lower production and the lower average selling price of R3 369 a kilogram, or about $121 an ounce (1975: $156), working revenue fell by 10,4 per cent to R937,74 million. This, coupled with the increase in costs, reduced the working profit of the Group's mines by R200,21 million, or 34,33 per cent, to R382,91 million. Taxation and State's share of profits absorbed R158,08 million, which was R148,87 million less than in 1975 and equivalent to 41,28 per cent of working profit. Capital expenditure on mining assets by these producing mines amounted to R173,61 million, compared with R116,31 million in 1975. Of the 1976 total, R51,59 million was incurred on the new metallurgical complex being undertaken by the Group's Orange Free State mines to which reference is made later in this report. Dividends paid totalled R118,73 million compared with R199,90 million in 1975.

While the apparent decline in the inflationary trend is encouraging, account also must be taken of the lower gold prices during the year and the resulting reduction in profit margins. Consequently, all capital projects have been re-examined critically and those that are not vital to production maintenance have been deferred. In addition, still greater emphasis is being given to efforts to contain operating cost increases.

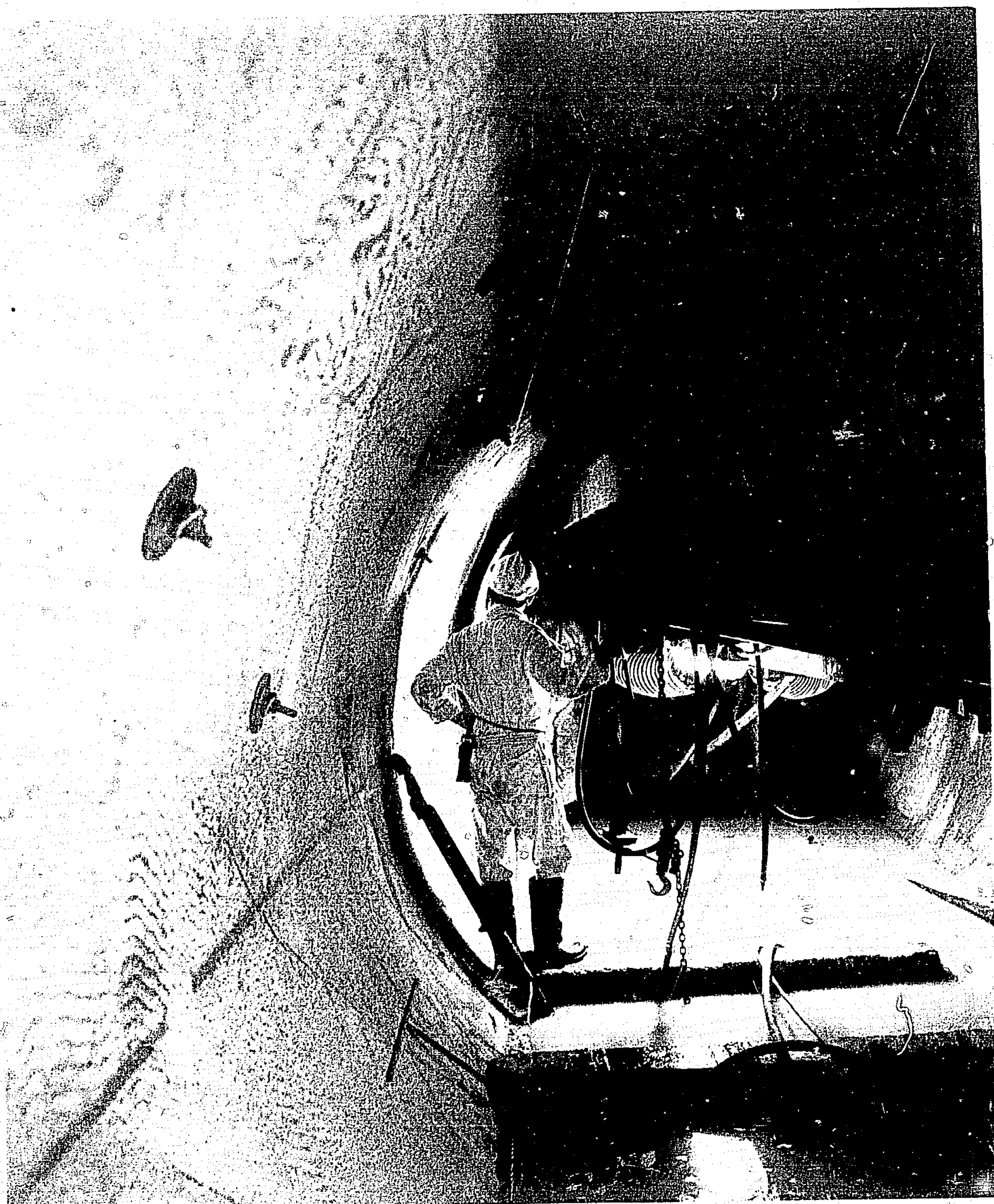
Group ore reserves are currently estimated at 57,49 million tons at a pay limit based on a gold price of R3 100 a kilogram. This compares with 63,59 million tons in 1975. To illustrate the sensitivity of the reserves to price, calculations have been made on other bases, taking the same working costs: at a gold price of R3 500 a kilogram the reserves would amount to 63,84 million tons, and at a price of R4 000 a kilogram they would increase to 69,22 million tons.

The only disturbances among black labour last year occurred in June 1976 at President Brand Gold Mining Company Limited and Western Holdings Limited and arose from an apparent misunderstanding concerning wage increases announced in May. Fortunately, no serious injuries resulted.

Reference was made last year to a new metallurgical complex being developed by the Group's Orange Free State mines. The project will enable uranium, sulphuric acid and additional gold to be produced from the residue of current mining and treatment operations and from the large reserves of reclaimed slimes. The complex is centred on President Brand where the existing uranium plant, built originally in 1971, has been rehabilitated and extended to give it a rated capacity of 210 000 tons a month. In addition, a sulphuric acid plant to produce 360 000 tons of acid a year has been constructed at the mine, as have a pyrite flotation plant and an extension to the gold treatment plant. Advantage has been taken also of geographical proximity to surface materials and pyrite flotation plants have been built by Free State Geduld Mines Limited and President Steyn Gold Mining Company Limited. The combined treatment capacity of these three flotation plants is 1 490 000 tons a month.

The capital cost of the project is estimated at R88 million and has been partly financed by an interest-free consumer loan. The financial arrangements entered into by the participating companies are such as to ensure the establishment of a project which will yield significant long-term benefits in a manner which does not disturb their dividend flow.

At President Steyn the new run-of-mine mill and other extensions to the gold plant were delayed by late deliveries of equipment and



erection problems. The mill was commissioned in December 1976 and there will be a phased increase of production until rated capacity is achieved during mid-1977. Shortages of electric power delayed the introduction of new ventilation fans and refrigeration plants underground and combined to delay the planned increase in production which was affected also by problems associated with the fire in the No. 4 shaft workings in August 1975. These difficulties have been overcome and gold production is expected to increase steadily during 1977. A revised agreement was approved by the boards of President Steyn and Sentrust Beperk providing for a new company, Video Gold Mining Company Limited, a wholly-owned subsidiary of President Steyn, to mine the farm Video. The agreement provides also that Sentrust will receive shares in President Steyn and gives Sentrust the right to exploit the unmined area of Video if, by the end of 1979, it can prove the viability of a new mine incorporating an adjacent farm. These arrangements await the approval of the Department of Mines.

The generally depressed gold prices during 1976 and further increases in working costs resulted in changes being introduced to Welkom Gold Mining Company Limited's overall mining policy. Normal underground development work in new areas has been reduced considerably and activities are being concentrated instead on pillar mining operations in previously worked zones where grades are better. Limited development work will continue, however, in selected areas. Already there is evidence that cost increases are being minimised by the new policy.

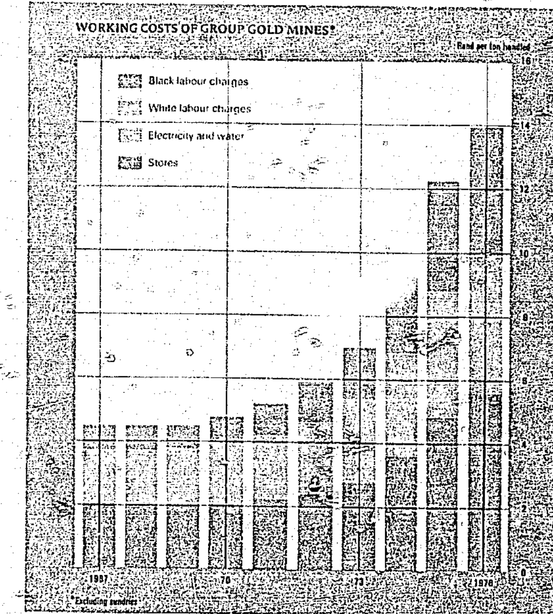
At Free State Saaiplaas Gold Mining Company Limited, the major development programme centres around the new No. 3 shaft. The main sinking operations began in October 1975 and by the end of 1976 the shaft depth had reached 1 208 metres below collar. A number of factors have contributed to this relatively slow progress, particularly the exceptionally hard ground which has been encountered. Alternative ore reserves are being made available so as to obviate possible future production delays from the areas to be served by the new shaft.

Despite the late commissioning of a new waste washing plant the tonnage milled by President Brand increased during 1976. An underground fire in September affected an extensive area in the south-western region of the No. 4 shaft workings but was sealed off successfully and no significant production losses resulted.

Proposals to amalgamate the lease areas of Free State Geduld and Freddies have been submitted to the government whose sanction is awaited. Meanwhile, it has become urgent to proceed with the sinking of Free State Geduld's new No. 5 shaft to ensure that current production levels are maintained in the future by mining the northern portion of the mining lease. The position selected for the shaft also ensures access to the southern sectors of Freddies' lease area, so guaranteeing the optimum use of the shaft system. Work began in late 1976 and construction of the concrete headgear is well advanced.

At Western Holdings mining and production operations have continued normally.

Extensions to the gold plants of Vaal Reefs Exploration and Mining



Company Limited have raised the treatment capacity of the entire complex to 600 000 tons a month. In the Vaal Reefs South division preparatory work for the new No. 2 shaft will begin in mid-1977 and shaft sinking is planned to start in mid-1978. Following negotiation of a sales contract through Nuclear Fuels Corporation of South Africa (Proprietary) Limited, which includes a consumer loan, Vaal Reefs is more than doubling its uranium treatment capacity, from 335 000 tons to 720 000 tons a month, by the construction of a 210 000 tons a month uranium plant at the South division and by extensions to the two existing plants in the North division. The total estimated capital cost is R60 million in 1976 money terms and the potential annual output of uranium oxide for the complex will be raised by about 700 tons to 1 860 tons a year from the second half of 1980. The expansion will allow Vaal Reefs to treat not only current mine production for uranium, but also about 120 000 tons a month of reclaimed slimes from Vaal Reefs' existing dams during the remaining life of the mine. Meanwhile Vaal Reefs' present size has demanded that its management structure be reorganised to include senior technical consultants who are being seconded from Anglo American Corporation to Vaal Reefs. This will afford the mine a greater degree of autonomy in its operations.

Production at Western Deep Levels Limited was adversely affected both by a severe shortage of black labour at the beginning and at the end of 1976 and by an underground fire at No. 3 shaft which resulted in one of the mine's highest grade longwalls being out of production for four months. Construction of the new and improved hostel complex, which will house about 5 400 men, is complete and will be fully occupied by the middle of 1977. The company has received permission from the authorities to erect, in conjunction with Elandsrand Gold Mining Company Limited, a new village for senior black married employees. It is planned to construct the first 82 houses in 1977.

The establishment of the new mine Elandsrand is making good progress and at the end of December 1976 the men/material shaft had been sunk to a depth of 1 609 metres and the rock/ventilation shaft to a depth of 1 292 metres. Underground development work is being done by Western Deep Levels for Elandsrand's account and as a result of this and the decision to accelerate work, production is expected to begin in early 1980 instead of the previous forecast of early 1981. Capital expenditure, net of interest earned on shareholders' funds, was R53,2 million to the end of 1976 while the estimated gross capital expenditure in 1975 money terms to bring the mine to production is R138,3 million. A rights issue to raise a further R60 million to finance continuing capital requirements was made in February 1977.

Both of the Group's gold mines on the East Rand ceased underground mining after nearly 40 years of operations. Mining at The South African Land & Exploration Company Limited ceased at the end of December 1976 in line with earlier announcements indicating that, as a result of a drastic cut in development in order to minimise working losses, the quantity of mineable ore was limited. An assessment showed that mining should not continue beyond the end of the year, notwithstanding State assistance. However, the mine is continuing to recover gold from a nearby waste rock dump but it is not possible to forecast how long this operation can continue profitably. Meanwhile, the new prospecting programme to the south and south-west of the mine workings was started towards the end of the year, and two boreholes are presently being drilled.

East Daggafontein continued to operate at a loss during the year, despite State assistance, and it was finally decided that it would be in the best interests of shareholders to stop underground mining. The last blast was on November 20 and operations are now being devoted to final gold clean-up and salvage of plant and equipment.

At East Rand Gold and Uranium Company Limited (Ergo) the major project to recover gold and uranium and to produce sulphuric acid from old slimes dams on the East Rand, contracts have been awarded for the construction of plants, the installation of pipelines and major civil works. Work on site is on schedule and the commissioning of the plant is planned for early 1978. Full production involving the treatment of about 1,5 million tons of slime a month should be achieved by mid-1978. It is estimated that annual production will initially be 7 000 kilograms of gold, 200 tons of uranium and 460 000 tons of sulphuric acid for sale to other consumers.

URANIUM

Uranium prices continued to climb in 1976, although more moderately than in 1974 and 1975. Recent prices indicate that the market has established a viable trading range, following the fundamental adjustment in relative values occasioned by the 1973 oil crisis. The improving balance between supply and demand, the lower than anticipated increase in oil prices and the weakening of the united front formerly presented by the Organisation of Petroleum Exporting Countries (OPEC) all favour more stable uranium prices.

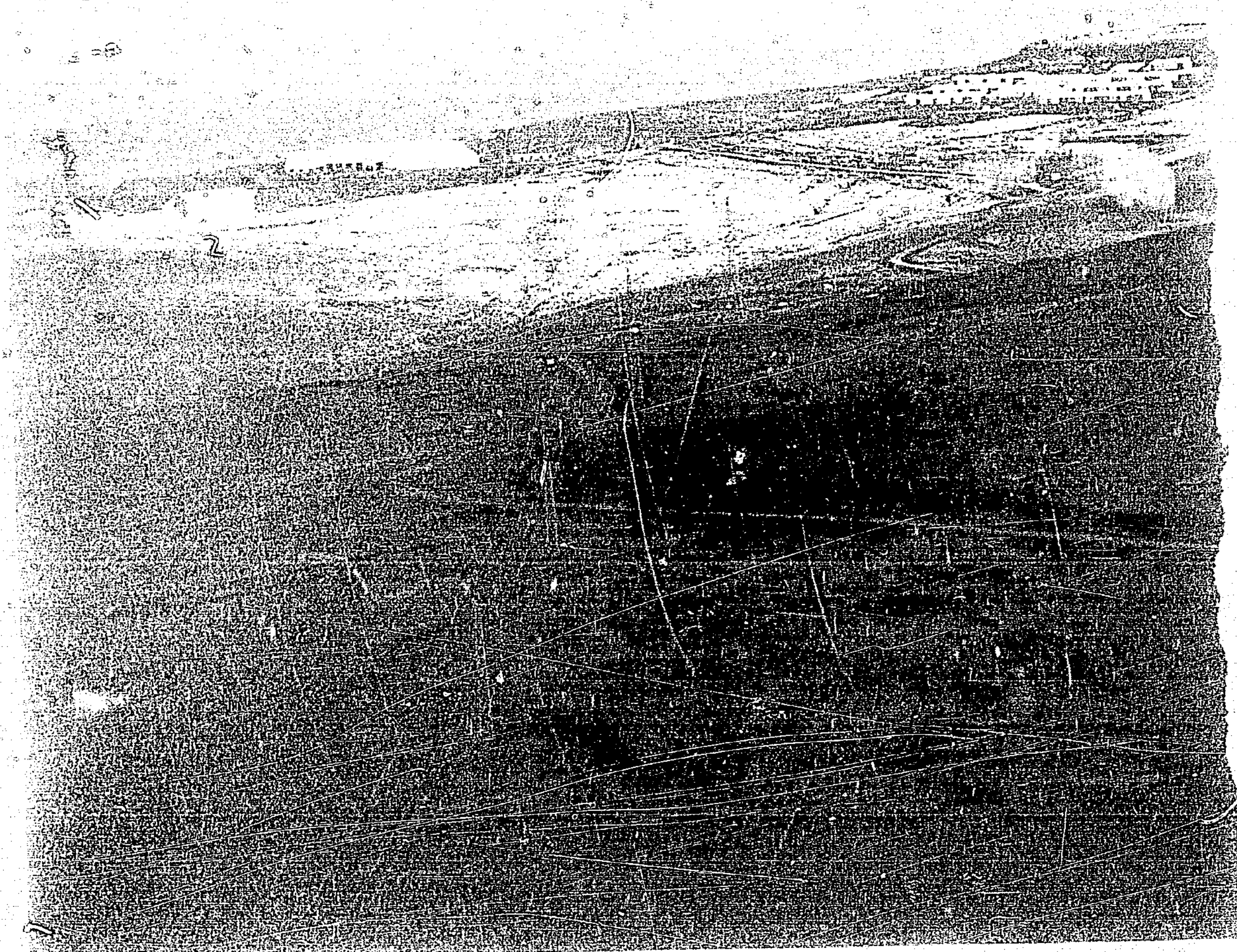
The five-fold increase in prices over the last three years has offered a worthwhile incentive for the expansion of supplies. In response to this, there has been a world-wide drive to discover and develop economically viable uranium deposits, and this is continuing. The Anglo American Group gold mines, which over the years have stockpiled quantities of uranium-bearing slimes, are particularly well placed to increase production to meet the enhanced demand. Reference has already been made to the joint metallurgical scheme involving the Group's Orange Free State mines. The uranium plant at President Brand, preparations for the treatment of East Rand slimes dams by Ergo and the expansion of the uranium production capacity of Vaal Reefs, referred to earlier, are all examples of an ability to expand production at relatively short notice. Another development during the year was The Afrikander Lease Limited's raising of R3,26 million by way of a rights issue. Some R2,3 million of this amount will be used to finance a detailed study into the feasibility of establishing a viable uranium mine with the results expected in the second half of 1977 when it should be possible to decide whether or not to go ahead with a mine.

Production of uranium by Vaal Reefs and Western Deep Levels, the Group's existing uranium producers, increased again in 1976, from 1 073 to 1 153 tons notwithstanding a two ton drop in Western Deep Levels' production. Profits rose significantly because of higher sales volumes and improved prices, increasing by 138,72 per cent from R5,6 million to R13,4 million.

SAFETY

Intensified efforts to reduce and control injuries continued during 1976, and while the reportable accident rate per thousand employees in service per annum fell by 1,34 to 45,05 the fatality rate remained virtually static. The Group Chairman's Safety Shield was won by Freddies for the fourth time. The Chamber of Mines Shield for one million fatality-free work shifts was won by Vaal Reefs North for the fourth time and East Daggafontein was runner-up in the major competition for the C S McLean Shield. In 1976 the Group safety campaign was further strengthened by the introduction of loss control management, which is a broad-based technique for the assessment and control of operational risks.

The detailed operating results of mines administered by Anglo American Corporation and those in which the Group holds a significant interest are given on pages 73 to 76.



De Beers Letseng-la-Terai mine, 3 050 metres above sea level in Lesotho's Maluti mountains where winter temperatures frequently fall to −12°C and below. Despite the arduous conditions involved in opening a mine in this remote area, the full pre-production mining programme has been completed and, by the end of 1976, 500 000 tons of ore had been mined and stockpiled for plant feed

Diamonds

Sales set a new record

The Central Selling Organisation's 1976 sales of rough gem and industrial diamonds set a new record of R1 352 million, which is 70 per cent higher than the 1975 sales of R793 million. In dollar terms the increase was a lower, but still impressive, 46 per cent rise from $1 066 million to $1 555 million. Two price increases came into force during the year: a three per cent increase in January 1976 and a 5,75 per cent increase in September. The record sales are all the more remarkable in view of the slow recovery from recession by the major industrial economies, and derive essentially from a vigorous demand for small diamonds, notably in the US market. Current indications are that this demand will persist. Sales of larger diamonds of better quality also picked up although by comparison demand remained rather sluggish. Retailers throughout the world reported considerably improved turnovers compared with 1975 and sales were especially buoyant at Christmas, particularly in America. In response to the continuing firm market CSO gem sales prices were increased by a further 15 per cent on average in March this year.

Sales of industrial diamonds also set a new record. Natural industrial diamond sales were very good, but even more notable, in view of energetic competition, were the greatly increased sales of De Beers' synthetic diamonds of all types.

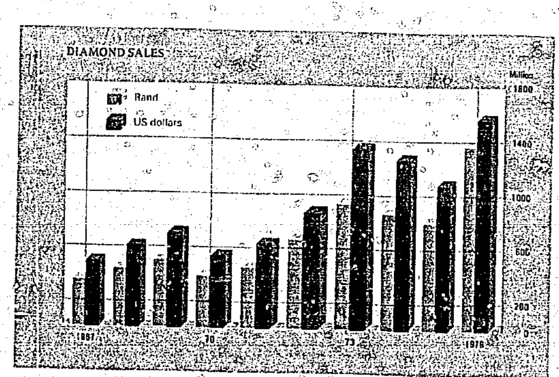
In line with higher diamond sales, the consolidated net profit after tax attributable to De Beers Consolidated Mines Limited increased from R220 million to R308,5 million in 1976, equivalent to 85,2 cents a deferred share after allowing for dividends on the preference capital. The net diamond account rose by 108 per cent to R451,5 million because of a combination of larger sales and price increases, the effect of the devaluation of the rand on a full year's sales, and the consolidation of the results of The Diamond Purchasing and Trading Company (Pty) Limited which, following a reorganisation of the diamond trading companies, became a subsidiary. The net effect of other income and expenditures was much the same as in 1975. The consolidated profit before tax increased by R233,7 million to R519,9 million. Tax and government's share of profits, however, rose very sharply from R60 million to R182,9 million, owing largely to the higher profits but also in part to the fact that in 1975 the introduction of a pay-as-you-earn system of tax collection in South West Africa had given the De Beers group a non-recurring benefit of R29,6 million. The total dividend on the deferred shares rose by seven cents to 35 cents a share. The value, at cost, of diamond stocks fell from R304,4 to R227,5 million, and net current assets increased from R187,6 to R344 million.

The mines of the De Beers group in South Africa, South West Africa and Botswana produced a total of 10 523 267 carats in 1976. This is some 237 000 carats less than 1975's production of 10 760 118 carats. The decrease arises chiefly out of a fall in production of 200 000 carats at the Premier mine and of 90 000 carats at the Finsch mine, both of which are low quality producers. At both mines the fall was caused by a drop in grade, and at Premier this was exacerbated by a reduction in the tonnage throughput owing to heavy rains.

The recovery grade also fell at Consolidated Diamond Mines (CDM). Although more ground was treated this was not sufficient to

	Tons treated		Carats recovered		Carats per 100 tons		Cost per ton	
	1976	1975	1976	1975	1976	1975	1976 R	1975 R
De Beers mine	800 634	930 180	121 522	136 755	15,18	14,70	3,844	3,207
Dutoitspan mine	1 068 671	1 249 058	153 399	181 524	14,35	14,53	3,666	3,134
Bultfontein mine	717 109	571 747	216 141	185 040	30,14	32,36	3,453	3,012
Wesselton mine	1 948 268	1 764 375	560 261	507 056	28,76	28,74	3,728	3,424
Kimberley total	4 534 682	4 515 360	1 051 323	1 010 375	23,18	22,38	3,690	3,247
Finsch mine	3 454 951	3 185 147	2 202 778	2 291 151	63,76	71,93	2,158	1,790
Koffiefontein mine	3 656 315	3 675 744	354 044	335 827	9,68	9,14	2,630	2,177
Namaqualand mines	3 857 654	3 549 811	1 026 905	941 511	26,62	26,52	3,529	3,159
Consolidated Diamond Mines	12 879 152	12 248 682	1 693 994	1 747 739	13,15	14,27	4,459	3,151
Premier mine	6 574 895	6 827 197	1 833 278	2 036 270	27,88	29,82	2,359	1,938
Orapa mine	3 428 985	3 048 020	2 360 945	2 397 245	68,85	78,65	2,476	2,270
Total carats recovered			10 523 267	10 760 118				

The joint coal loading facility at Amcoal's Landau colliery where unit trains of more than one kilometre in length, carrying loads in excess of 4 000 tons for export, start their uninterrupted 565 kilometre journey to the new Richards Bay harbour on the Natal north coast



compensate for the fall, which was in accordance with the mining plan, and as a result production at 1 693 994 carats was some 54 000 carats less than the previous year.

The shortfall in production at Premier, Finsch and CDM was in some measure offset by increased production in the Namaqualand mines. The introduction of a third daily shift at the Dreyers Pan plant was responsible for part of the increase and the other major reason was improved plant throughput at the Annex Kleinzee No. 3 plant.

In the Western Block mines at CDM, which are below mean sea level, operations advanced 197 metres out to sea from the high water mark. This is a gain of almost 50 metres in the year, and is a result of continuing refinements made to the dewatering systems, which improved the stability of the retaining wall which holds back the sea. The No. 3 plant at CDM was commissioned in December and should reach its target treatment rate by August 1977. Other areas of technical progress in the De Beers group were continuing mechanisation and automation in the mines of the Kimberley division, the commissioning of the No. 2 main rock shaft at Koffiefontein, and the solution of problems in the heavy media section of the Premier plant caused by variations in the properties of the ore.

The development of new mines was a particular feature of the year. Construction work at the new Letseng mine, in which the government of Lesotho has a 25 per cent interest, fell behind schedule, chiefly because of harsh weather experienced at the site at 3 000 metres in the Maluti mountains of Lesotho. However, testing various sections of the plant commenced at the end of the year and processing of ore on a trial basis started late in January 1977. The new Letlhakane mine in Botswana, which is close to the Orapa mine and which is also owned by De Beers Botswana Mining Company (Pty) Limited, in which the government of Botswana has a 50 per cent interest, was commissioned in November. It is expected that full throughput will be achieved by April of this year, with the initial rate of production approximately 320 000 carats a year. The mine is very much smaller than the Orapa mine but the average quality of diamonds is higher. Work has also started on expanding the productive capacity of the Orapa mine from the current rate of 2,4 million carats a year to 4,5 million carats. The expansion should be commissioned at the end of 1978. The establishment of the Letlhakane mine and the expansion of Orapa are together expected to cost about R49 million, which is being financed by De Beers.

During 1976 the decision was taken, in response to market demand for small gem diamonds, to re-open the Koingnaas mine which lies some 70 kilometres south of Kleinzee. Preliminary work was well in hand at the year end and production at a rate of 45 000 carats a month, at an average size of 0,25 carats per stone, is due to start in the second half of 1978.

Industrial relations in the De Beers mines were marked by the extension of black works committees which are facilitating better communications between management and employees. The policy in the Kimberley mines of reducing migratory labour in favour of local labour was continued. As part of the same policy, the housing project of 250 houses for black employees was opened in November and is providing workers with significantly improved living conditions. Following successful negotiations with the Mine Workers' Union a five-day working week was introduced on the Kimberley mines in December and an 11-day fortnight on the Premier mine, with the proviso that a five-day week will become effective there as well within two years.

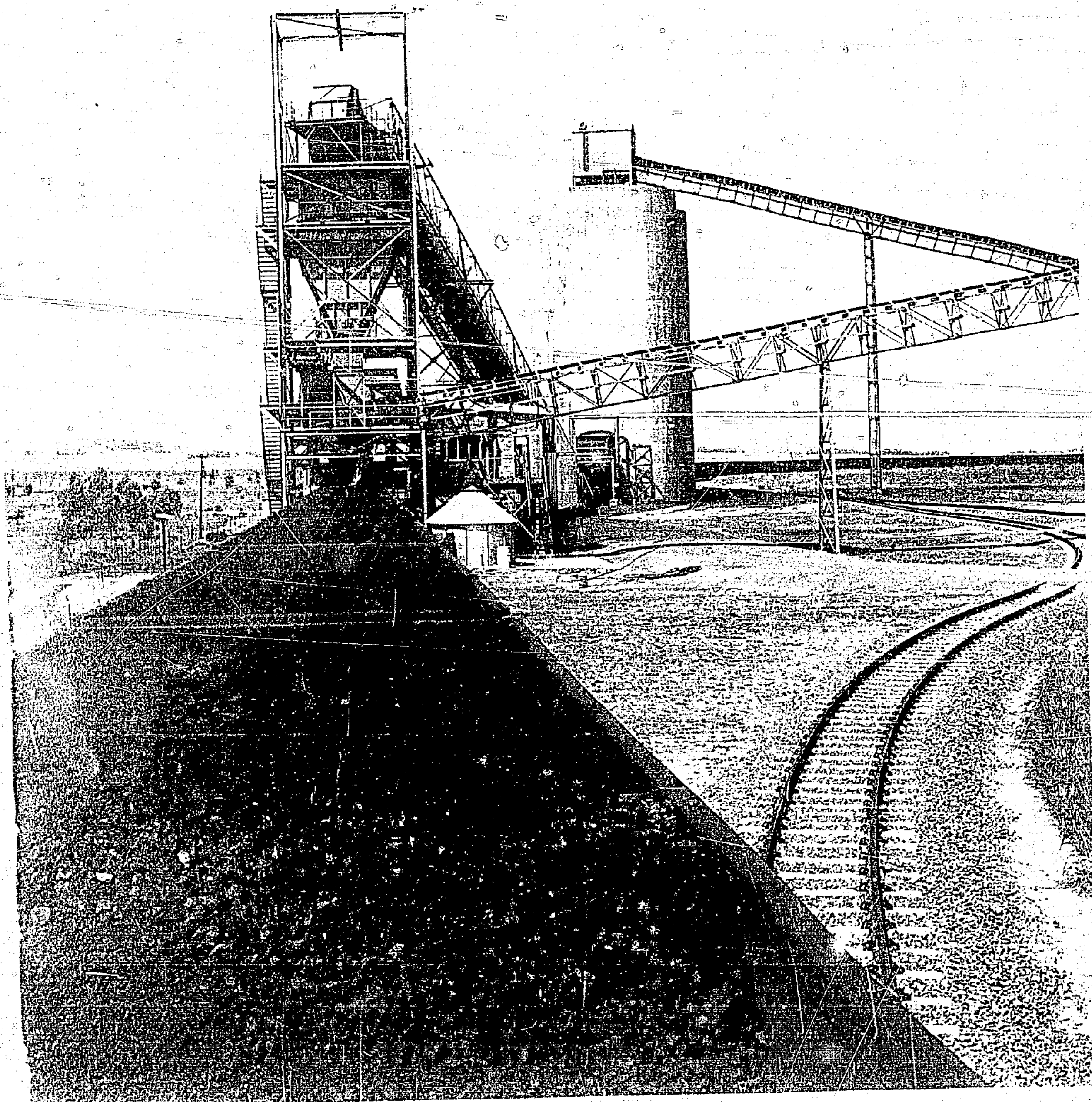
The Diamond Research Laboratory pursued its research into reducing operating costs and improving still further efficiencies on group mines. In particular new and better techniques were developed for final diamond recovery. Extensive work was also carried out at the Premier mine with a view especially to improving the performance of the dump retreatment plant, and also regarding problems of mining below the gabbro sill. During 1976 major diamond synthesis projects culminated in the commercial launching of two new products, namely CDA (Carbide Diamond Abrasive) and Syndite. CDA is a specially synthesised grit for the grinding of tungsten carbide. Syndite consists of an intergrown mass of very fine diamond particles in a metal matrix and is ideally suited for use in cutting tools, dressers, wire drawing dies and rotary drill bits.

Further details of companies in the De Beers group are given on pages 76 and 77.

Coal

Continued difficult world conditions expected

The South African coal mining industry continued to expand strongly throughout 1976 in spite of certain underlying weaknesses in the market. Productive capacity was progressively expanded to cater for



new export activities through the port of Richards Bay at a planned initial rate of 12 million tons a year; for the two major public utilities, Escom and Iscor; and for the growing general needs of the local market. The industry remained fully extended throughout the year.

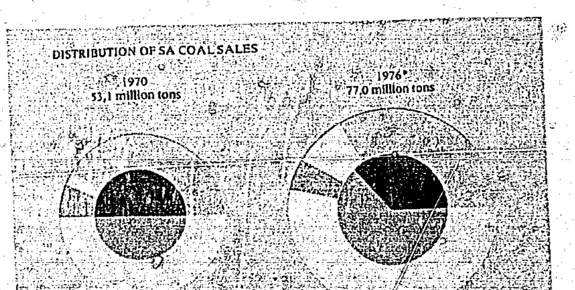
The world market for coal, strongly influenced by continuing international recession, weakened further during 1976. Fortunately this did not impede the start of the planned build-up of South African exports through Richards Bay on a major scale. South African coal exports have been planned principally on long-term contracts with major consumers and at competitive prices and already enjoy an international reputation for reliable supply. However, world coal stocks are currently at very high levels and the continuing absence of any strong economic recovery among major trading nations indicates that market conditions will continue to be difficult.

Total sales by the South African industry increased by 11,6 per cent to 77,0 million tons from 69,0 million tons achieved in 1975, while total sales by Anglo American Coal Corporation Limited (Amcoal) and other South African collieries administered by Anglo American Corporation rose by 11,7 per cent to 25,7 million tons, representing 33 per cent of national output. Amcoal's contribution to total Group output was 23,2 million tons. Assisted by export sales and by improved domestic selling prices, total operating profits before tax of Group collieries rose very satisfactorily to R49,1 million from R21,4 million in 1975. It is, however, noteworthy that the average revenue of the coal sold in 1976, including export coal, was slightly less than R7 a ton, an extremely low figure by international standards and ample evidence of the low price levels for coal in South Africa. In spite of continuing inflationary conditions, increases in operating costs were less severe, being contained at 24 per cent compared with 38 per cent in the previous year.

Encouraging headway was made by Amcoal in its first full year of expanded operations. Firstly, a major expansion has been planned in the form of the new Kleinkopje mine which is to be established at an estimated cost, in 1976 money terms, of R109 million, and with an output at full production of 4,3 million sales tons of coal, of which two million tons will be for export. Secondly, Amcoal has raised medium- and long-term loans on a major scale and, lastly, it recorded a significant increase in earnings per share. Amcoal's taxed earnings in fact rose from R14,9 million (63,3 cents a share) in 1975 to R40,5 million (172,5 cents a share) in 1976. Net expenditure on mining assets rose as planned from R30 million in 1975 to R43 million in 1976 and in view of future capital commitments, including the proposed new mine, a conservative dividend policy will be followed for some time to come.

The successful commissioning, early in the year, of the new low ash plant at Landau colliery and again, in September, of a similar plant at Bank colliery, contributed significantly to Amcoal's results in its first year.

Among the companies responsible for coal supplies to Escom, Arnot colliery worked at full capacity to supply a total of 6,3 million tons from its combined opencast and underground operations. Kriel colliery, designed ultimately to supply 8,5 million tons annually to



Escom's 3 000 MW Kriel station, supplied only modest tonnages during 1976 in the first commissioning phase of the new station. The first four million tons annually will be drawn from the Kriel underground mine. The balance will be from opencast mining, which will be served by two 56 cubic metre capacity draglines due to be commissioned during 1978.

Springbok colliery and Landau colliery were both expanded to provide in total an extra 1,7 million tons a year to meet the increasing general needs of the local market. These expansions were commissioned with commendable speed in September and November respectively and followed government's favourable response in mid-year to the South African coal industry's request for a price structure that would enable much needed domestic expansion to be undertaken.

The Natal operating collieries, Natal Anthracite Colliery Limited and Zululand Natal Collieries Limited, reported improved earnings of R2,26 million and R431 000 respectively.

Group collieries responsible for the supply of metallurgical coal to Iscor continued to be affected by shortages of handloading labour. Proposals to mechanise partly certain of these collieries and for the necessary financing have been under discussion with Iscor for some time.

The tonnage of coal sold by Wankie Colliery Company Limited increased to 2,5 million tons in the year to August 31 1976, from 2,08 million tons in the preceding year. Coke sales fell by 27,2 per cent to 211 000 tons. The profit after tax rose by RS713 000 to $2,79 million. Dividends equivalent to 7,5 cents a share were paid, compared with 6,5 cents in 1975. A new agreement with government for the supply and pricing of coal and coke was concluded during the year. The agreement provides for a pre-tax profit entitlement on Rhodesian sales equivalent to 12,5 per cent on the capital employed. Should the company become liable to pay income tax the return will be increased by the amount of the tax-paid subject to a maximum of 15 per cent. In addition, the company will be entitled to additional benefits in respect of profits on exports. Any excess earned will be used to reduce local coal and coke prices in the following year.

Further details of mines administered within the Group and those in which the Group holds a significant interest are given on pages 77 and 78.

Other mining

Higher copper prices uncertain

The London Metal Exchange (LME) copper price increased from less than £600 a ton to about £900 during the first half of 1976 in anticipation that developing industrial recovery would increase copper consumption by more than 20 per cent over 1975 levels. However, when the expected major industrial recovery failed to materialise stocks of copper continued to increase and prices again declined throughout the second half of the year to finish with the US producer price at 65,63 cents a pound and the LME price at £795,50 a ton, equivalent to 61,3 US cents a pound. The price received by most producers was affected by the further depreciation in the value of sterling against the dollar and other major currencies. The price of zinc has been subject to the same constraints as have influenced copper and at the year end the LME price was £388,0 a ton compared with £341,50 at the end of 1975.

The prospect for higher copper prices in 1977 is uncertain. Several meetings of the International Council of Copper Exporting Countries (CIPEC) were able to produce neither tangible solutions nor concerted action towards a stable world pricing system which would be fair and reasonable to producers and consumers. Much depends on an improvement in world economic activity and the lead provided by America under the new Carter administration.

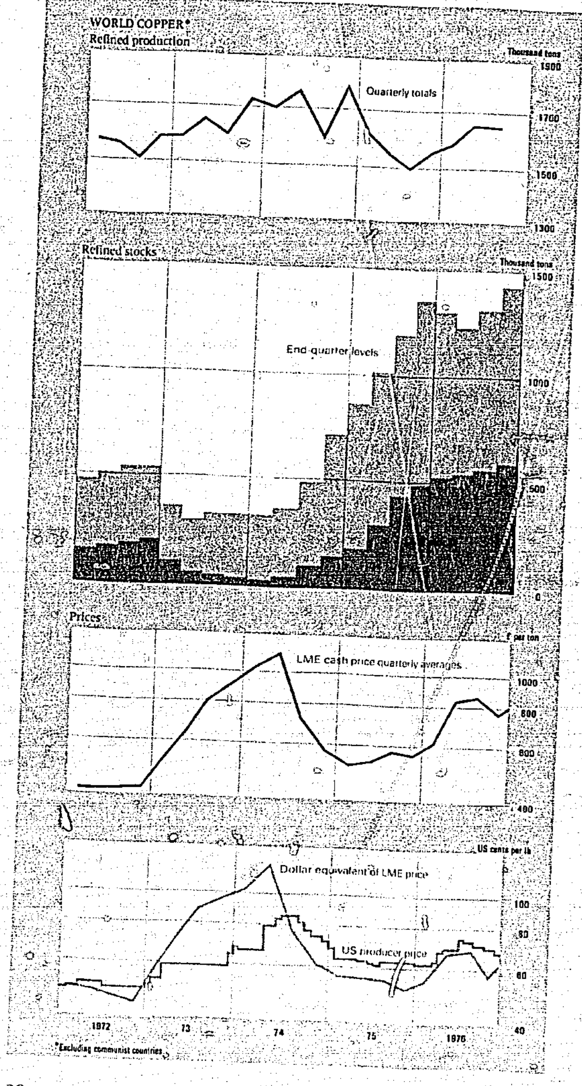
The main problems concerning the Group's Zambian investments have in general remained unchanged. The Benguela Railway to Lobito in Angola remained closed and the mining industry again had to depend on road exports to Dar-es-Salaam and the newly opened Zambia-Tanzania railway. The latter's contribution has, however, been limited, mainly because of shortages of rolling stock and locomotive power. The shortages of skilled expatriates and plant spares, and liquidity problems arising from the low copper prices continued through 1976. In July the government introduced a 20 per cent devaluation of the kwacha which enabled the industry to operate at a profit once more, although the gain from devaluation was partly eroded by the need to provide for devaluation losses on the substantial net foreign loan liabilities of the major companies. At existing price levels, the improved liquidity of the industry will be absorbed in financing capital expenditure and in meeting payment commitments on the major loans to which the companies had to resort during the long period of low prices.

At Nchanga Consolidated Copper Mines Limited 421 226 tons of finished copper were produced compared with 379 592 tons in 1975. Overburden stripping at the Mindola open pit of Rokana Division was stopped during the year but the extraction of exposed ore continues. Production at Bwana Mkubwa, Chingola, Konkola and at Broken Hill was satisfactory.

Roan Consolidated Mines Limited's production for the year was 289 960 tons of finished copper compared with 269 571 tons in 1975. Improved results were achieved at Chibuluma, Chambishi and Kalengwa. Production was lower at Mufulira, despite good progress with the rehabilitation of the east section of the mine, and at Luanshya, although results were satisfactory for the Baluba section. Several projects are in hand which will improve the performance of the mines.

In South Africa, Union Platinum Mining Company Limited changed its name to Rustenburg Platinum Holdings Limited and in a rationalisation effected during 1976 Rustenburg Platinum Mines Limited and Potgietersrust Platinums Limited became wholly-owned subsidiaries of Rustenburg Platinum Holdings. On a comparable basis Rustenburg Holdings' consolidated taxed earnings for the year ended August 31 1976 were R36,9 million as compared with R47,2 million the previous year. In spite of the weakness in the industrial demand for platinum during 1976, gross revenue from sales by Rustenburg Platinum Mines was eight per cent higher than the year before. This was aided by the September 1975 rand devaluation and platinum price increases by Rustenburg to $180 an ounce in July 1976 although this was reduced to $162 on November 1. Meanwhile, economic uncertainties in the western world make it increasingly difficult to forecast platinum demand.

Hudson Bay Mining and Smelting Co. Limited (Hudbay) reported consolidated net earnings before extraordinary items of C$2,82 million or 28 cents a share and a loss after extraordinary items of $8,3 million or 83 cents a share for the year ended December 31 1976, compared with earnings of $14,77 million or 149 cents a share in 1975. These consolidated results include Hudbay's share of earnings or losses, which are accounted for on an equity basis, of companies in which it has a substantial interest. Dividends paid in 1976 amounted to 80 cents a share compared with $1,40 a share in 1975. This decline in earnings was due in large part to the extraordinary loss for the year of Francana Oil & Gas Ltd. (Francana), in which Hudbay has a 55 per cent interest. Francana recorded net earnings before extraordinary items of $2,7 million or 0,34 cents a share, and a loss after extraordinary items of $16,99 million or 2,2 cents a share, for the year ended December 31 1976, compared with earnings of $10,13 million or 1,3 cents a share for 1975. This decline in earnings before extraordinary items was largely attributable to the special payment which Francana's 57 per cent-owned subsidiary, Trend International Limited, was obliged to make to the Indonesian government under the



terms of a revised production sharing agreement between Trend and the Indonesian state-owned oil agency, Pertamina. The extraordinary charge reflects a reduction in the book cost of the Indonesian investment arising from the aforementioned re-evaluation of Trend's share of the recoverable oil reserves in Indonesia.

Continuing weak markets for metals and fertilisers, together with increased costs and prevailing high levels of taxation, also contributed to the decline in Hudbay's earnings. Contributions to Hudbay's earnings before corporate costs for the year were 22 per cent from base metals, 23 per cent from oil and gas, and 55 per cent from fertilisers and chemicals. Improvements to the company's base metal operations in the Flin Flon-Snow Lake area continued during 1976 and it is hoped that the prevailing shortage of skilled labour will be alleviated in view of the successful signing in November 1976 of a new three-year collective bargaining agreement.

Terra Chemicals International Inc. (Terra), in which Hudbay has a 51 per cent interest, had earnings for 1976 of US$11,99 million or 203 cents a share compared with US$18,56 million or 325 cents a share for 1975. This decline in earnings was attributable to weaker fertiliser prices in the United States during 1976. Construction of a 1 000 tons-a-day ammonia plant at Woodward, Oklahoma, in which Terra is a 25 per cent partner, is progressing satisfactorily and should increase Terra's ammonia production by approximately 50 per cent. The plant is expected to be in production in late 1977. Terra's equity investment in this project, which is being financed largely by a construction loan, is $7,8 million. Terra has also borrowed $17,5 million through a private placement in order to finance its share of the capital requirements for upgrading product from the Woodward plant and for general corporate purposes in its continuing expansion plans.

Hudbay's diversification programme continued, the company increasing its interest in Canadian Merrill Ltd. to 49 per cent and disposing of its 38,5 per cent interest in Western Decalta Petroleum Limited for an after-tax gain of C$3 million, thereby further rationalising its oil and gas division. Hudbay's interest in Inspiration Consolidated Copper Company was increased to 22,5 per cent.

On March 7 1977 Hudbay consented, subject to detailed agreement, to transfer in about mid-April its Saskatchewan potash assets, excluding marketing and certain current assets, to the province-owned Potash Corporation of Saskatchewan, for $144 million in cash.

The company's interest in the La Verde copper deposit in Mexico, held 48 per cent by Lytton Minerals Limited, in which the company has a 33,9 per cent interest, is currently being reviewed to include the effects of the recent devaluation of the peso. In view of the delays and uncertainties surrounding this project, Hudbay has made a provision against its investment in Lytton and this has been included in the extraordinary charge against earnings for 1976.

Net earnings of Inspiration Consolidated Copper Company for the year ended December 31 1976 were $126 000 compared with a $3,91 million loss the previous year. Dividends for the year amounted to 50 cents a share (1975: $1,50). Deliveries of copper rose to 90,6 million pounds, from 87,4 million pounds in 1975. This was substantially below the company's capabilities and reflects the fact that most of the operations remained on a five-day week basis throughout the year because of depressed market conditions. Recent improvements in both the US producer price and the LME price for copper give reason to expect better results in 1977.

The equity earnings of The Messina (Transvaal) Development Company Limited for the year ended September 30 1976 increased by 93 per cent to R13,9 million from R7,2 million the previous year, largely because of a significant increase in the rand price of copper and continued growth in the group's industrial interests. Pre-tax profits earned by the mining interests rose by 72 per cent to R17,4 million while profit from industrial interests before interest and tax rose from R14,2 million to R19,1 million. The overall increase in earnings enabled the holding company to raise its dividend from 35 to 45 cents a share for 1976.

Production at the copper-nickel mine at Selebi-Pikwe in Botswana, in which the Anglo American Corporation Group has a significant interest through Botswana RST Limited, responded well to the continuing technical efforts made during 1976. In August 3 783 tons of matte were produced, indicating that the plant has the ability to produce above rated capacity, while output for the last six months of the financial year averaged 81 per cent of capacity. Progress continues to be made in the financial restructuring of Bamangwato Concessions Limited, operator of the project, and proposals made by the company's principal shareholders are presently being considered by the Botswana government and the principal project lenders.

The consolidated net profit of Rhodesian Nickel Corporation Limited for the year ended March 31 1976 was R$1,97 million compared with R$2,34 million the previous year, with dividends amounting to five cents a share, absorbing R$1,2 million, compared with seven cents in 1975. The profit for the six months to September 30 1976 was R$1,84 million or R$818 000 higher than in 1975. The extensions to the Bindura smelter were completed by the end of 1975, but as the refinery extensions were not operational until May 1976 there was a build-up of nickel inventory which affected the year's profit. During 1976 nickel concentrates were delivered to Bindura, not only from Trojan and Madziwa mines but also from the new Shangani and Epoch mines, with output of finished nickel improving with operational experience at the smelter and refinery complex.

In the United Kingdom, difficult mining conditions continue to be experienced at the Cleveland potash mine, the major deep-level project in Yorkshire, which is jointly owned by Charter Consolidated Limited and its associates and Imperial Chemical Industries Limited. Although underground development and geological work has generally confirmed the extent and grade of ore reserves as originally calculated from borehole information, irregularities of the potash seam, with marked undulations and variations in thickness, have prevented a rapid build-up of ore production. However, steps have been taken to provide a greater flexibility in mining and treatment methods. Meanwhile, the price of potash has remained firm.

Beralt Tin and Wolfram Limited reported a pre-tax profit of £1,01 million for the first half of 1976. During the previous year the pre-tax profit amounted to £1,43 million compared with the record £3,07 million in 1974 when exceptional profits were made, largely because of improved prices of wolfram concentrates and sales from stockpiling.

Swaziland Iron Ore Development Company Limited continued to supply medium-grade ore to certain Japanese steel mills. Operating problems were experienced on both the railway and at the loading facility at Maputo with the result that the contract to supply two million dry long tons a year was not met. Nonetheless, the company operated at a profit and a dividend was declared for the first time in several years. At present ore is being stockpiled ahead of the plant and mining operations will cease early in 1978. Given favourable rail and port conditions, all operations should cease during 1979.

Despite adverse trading conditions Zinchem and Industrial Mineral Resources (Proprietary) Limited (Zimro), a leader in the mining and processing of industrial base minerals and the production of zinc chemicals, achieved a satisfactory profits increase during the year to December 31 1976. Its major subsidiaries, G & W Industrial and Chemical Supplies (Proprietary) Limited and Zinchem (Proprietary) Limited, continued to contribute towards the rapid growth of the group. Profit for the year from Hudson Mining Company (Proprietary) Limited was considerably less than anticipated because of yield and grade problems experienced at the company's andalusite mine in the eastern Transvaal. However, these problems have been recently overcome and it is expected that this company will make an important contribution towards Zimro's profit growth in the coming year and contribute to a further increase in export sales.

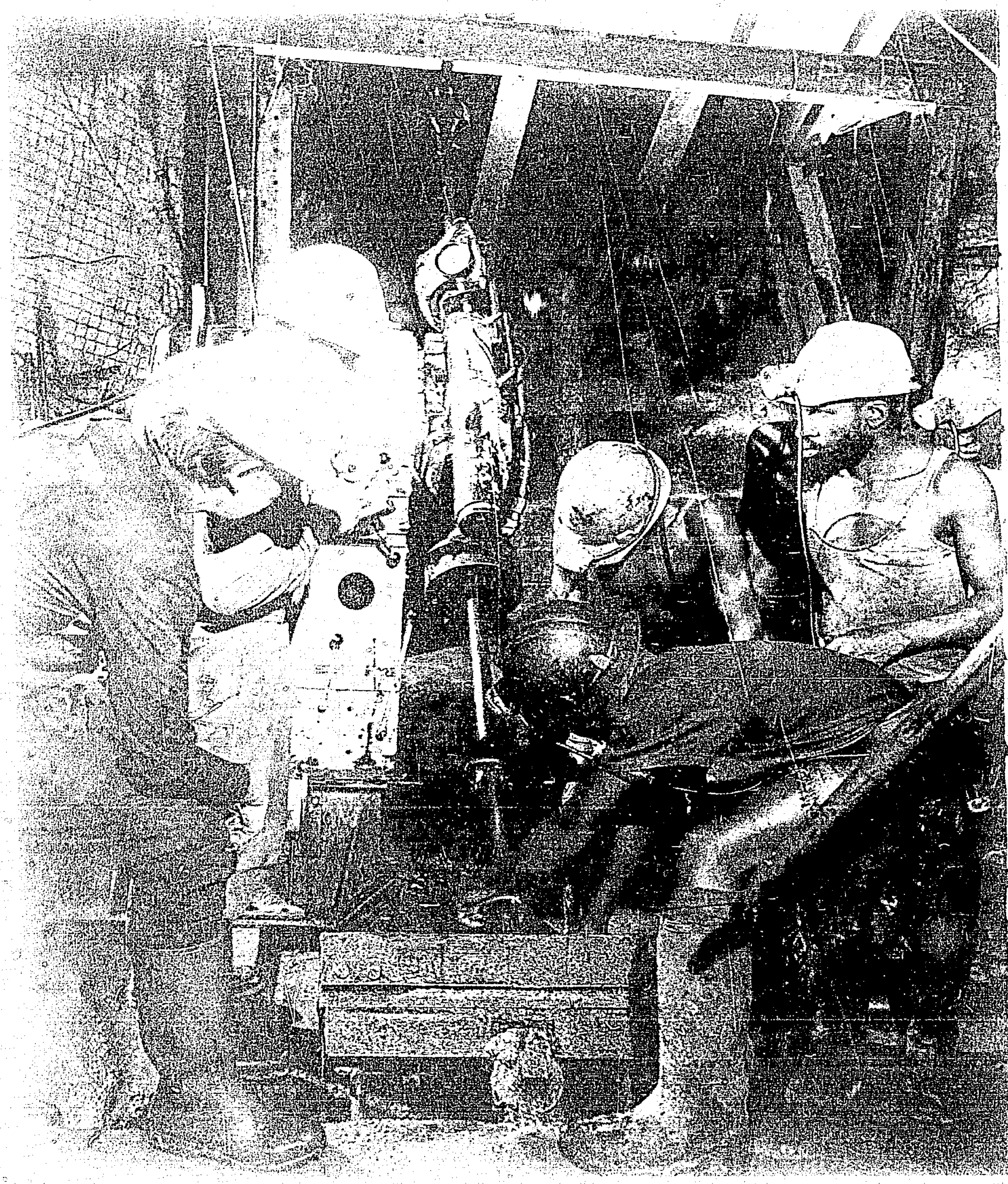
Further details of mines administered within the Anglo American Corporation Group and those in which the Group holds a significant interest are given on pages 78 to 82.

Industry and commerce

Profit margins under pressure

The levelling off, and the subsequent decline, in real domestic spending during the year had progressively severe implications for business activity, production and profits. The decline in sales volume was particularly marked in the distributive sector, not only in durable consumer goods – notably cars, furniture and appliances – but also in wholesale sales of investment goods generally, reflected in a significant decline in machinery imports from mid-year, as well as in commercial vehicles sales. These trends, along with the associated decline in building and construction, led inevitably to a drop in manufacturing output in the second half of the year, a further build-up of excessive productive capacity and mounting unemployment.

In general, the steel and engineering industries experienced a reduction in output, with those sectors catering for the building and motor industries suffering greater difficulties than those with less specialised markets or those involved in mining and exports, where



Boart Drilling has pioneered techniques in long inclined boreholes and has established two world drilling records, one at Western Deep Levels gold mine, where this rig is working, and one at the Boulby mine of Cleveland Potash Limited in Yorkshire. The holes are drilled from a point underground and are designed for further exploration of the ore body below present mine workings

demand was still expanding. Production levels fell, in some cases sharply, in furniture, electrical machinery and appliances, motor vehicles and transport equipment, and metal and non-metallic mineral products. Exceptions to the overall trend were the production of paper and paper products.

The reduction in manufacturing volumes, accompanied by only a marginal decline in employment and a still growing total wage bill, has had serious adverse effects in an environment of growing pressure on profit margins. These trends account for the subsequent increase in unemployment and also for the marked deterioration in the average profit performance of industrial firms generally.

The total investment of the Corporation and its associated finance companies in industry and commerce had an estimated value of approximately R847 million at December 31 1976 compared with about R754 million the previous year. These investments cover a wide range of activities including iron, steel alloys, chemicals and explosives, civil engineering and construction, drilling tools, 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.

The Group's industrial investments in South Africa are held mainly by Amic, but Anglo American Corporation itself and Rand Selection Corporation also have direct interests in South Africa and elsewhere. Through De Beers Industrial Corporation Limited (Debincor) Amic has a substantial interest in AECI Limited, while Mainstraat Beleggings (1965) (Eiendoms) Beperk holds the joint interest of the Anglo American Corporation Group and the Federale Mynbou/General Mining group in steel and heavy engineering. The Group has other important interests in industry through Anglo American Corporation Rhodesia Limited and Zamanglo Industrial Corporation Limited and through its significant holding in Barlow Rand Limited.

IRON, STEEL AND ENGINEERING

Highveld Steel and Vanadium Corporation Limited again improved on its previous performance, achieving both increased production and income. Consolidated profit for the year to June 30 1976, before provision for taxation, rose to R28,04 million from R20,18 million in the previous year. Provision for deferred taxation was R12,13 million compared with R8,34 million in 1974/75. The results for the half-year to December 31 1976, before provision for taxation, showed an unaudited consolidated profit of R17,22 million compared with R14,04 million in the corresponding period of the previous year. The taxation provision for the 1976 half-year was R6,96 million, against R5,79 million in 1975. In July 1976 Highveld acquired from companies in the Anglo American Corporation, Rand Selection and De Beers Consolidated Mines groups, their 65 per cent interest in Transalloys (Proprietary) Limited, a ferro-alloy producer at Witbank, which is now a subsidiary of Highveld. Transalloys is a major supplier of Highveld's requirements of ferro-alloy and an exporter of manganese alloys, sold in the same markets as Highveld's vanadium products. The basis of acquisition was the issue of 100 Highveld shares for every 225 Transalloys shares acquired. For the six months ended June 30 1976, the new financial year end, Transalloys made an after-tax profit of R1,86 million, which is at the same annual rate as the profit for 1975. Worldwide, the demand for steel showed some improvement in the early part of 1976, but by the end of the year a further downturn had occurred. Yet Highveld maintained a satisfactory level of exports amounting to R53,6 million for the year, while the plant ran at capacity.

On world markets for steel there are no indications of a recovery and it is unlikely that there will be any significant change before the second half of 1977. Local demand for steel continues at a low level and there is little expectation of any improvement in domestic consumption. The market for vanadium remained reasonably firm but the demand in the first quarter of 1977 is lower. The Vantra division output has been reduced and this should correct the imbalance in the months ahead. The sales of manganese ferro-alloys showed some improvement but in line with the reduced steel market there was a fall-off at the year end, calling for a reduction in Transalloys' output. Highveld's sixth iron furnace was commissioned in October and the opportunity was taken to carry out major overhauls and uprating on the original four furnaces. The seventh kiln, commissioned at the end of December, will allow six-furnace operations in 1977. The Highveld flat-product expansion and the fifth smelter at Transalloys have progressed according to plan and all the additional equipment should be commissioned during the next 12 months. It is expected that profit levels reported for the review period will be maintained in the second half of the financial year ending June 30 1977.

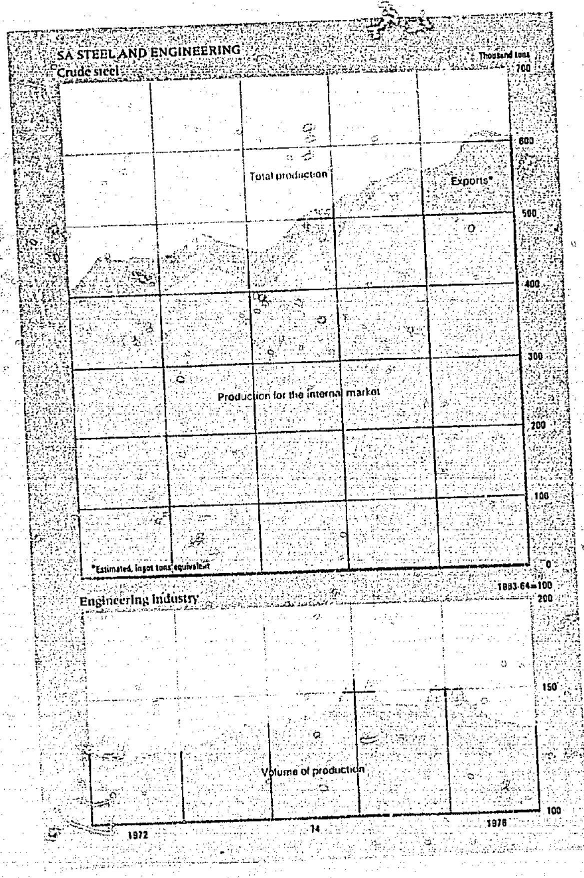
Boart International Limited (Boart), a wholly-owned subsidiary of Amic had a more difficult year than in 1975, but in the light of adverse world economic factors and depressed mining and prospecting activity, the Boart group achieved extremely satisfactory results. The tungsten carbide division, especially, performed well and more than compensated for the fall in profitability suffered by the diamond drilling division, particularly the Longyear subgroup. Boart's consolidated profits for the year ended December 31 1976 amounted to R16,19 million compared with R15,21 million in 1975. This is a new record despite rising costs and tight market conditions eroding profit margins in a number of group companies. The difficult trading conditions experienced in 1976 are expected to persist throughout 1977 although there is hope of a limited recovery in the diamond drilling industry. Both divisions forecast increased demand for their services and the profit trend should be maintained in 1977. During the year Boart purchased all outstanding minority shareholdings in the Longyear Company and Mindrill Limited, the Australian mining company. In August 1976, Portadrill Inc., a major American manufacturer of rotary blasthole, exploration and waterwell drilling equipment, became a wholly-owned subsidiary.

Scaw Metals Limited, a wholly-owned subsidiary of Amic, had another satisfactory year, notwithstanding the difficult conditions which prevailed. Group equity earnings rose by R1,65 million to R14,52 million. Despite severe cutbacks in orders during the second

The R12 million Customs House under construction on Cape Town's foreshore by LTA Construction (Cape) in association with Dura Construction

half of the year, the large order book built up earlier in the year enabled the iron and steel foundries to maintain a high level of activity. Although there was an appreciable decline in the business of the rolled products division, the successful operation of the new melt shop made a substantial contribution towards containing costs.

The profits of Scaw's subsidiaries, Flather Bright Steels (Proprietary) Limited and Scaw Limited, Zambia, were lower as a result of a fall-off in demand and rising costs, and in the case of the latter company, also because of the devaluation of the kwacha by 20 per cent in July 1976.



The order books of the foundry and grinding media division at the end of December were reasonable, but the domestic market for rolled products remains difficult, with the outlook for 1977 uncertain because of depressed conditions in the construction industry. Substantial tonnages of rolled steel have been exported and the company will remain active in this market, although prices are low because of active competition and the growing protectionism of some of the larger steel consuming countries. Present indications are that it may not be possible to maintain the same profit level for the current year.

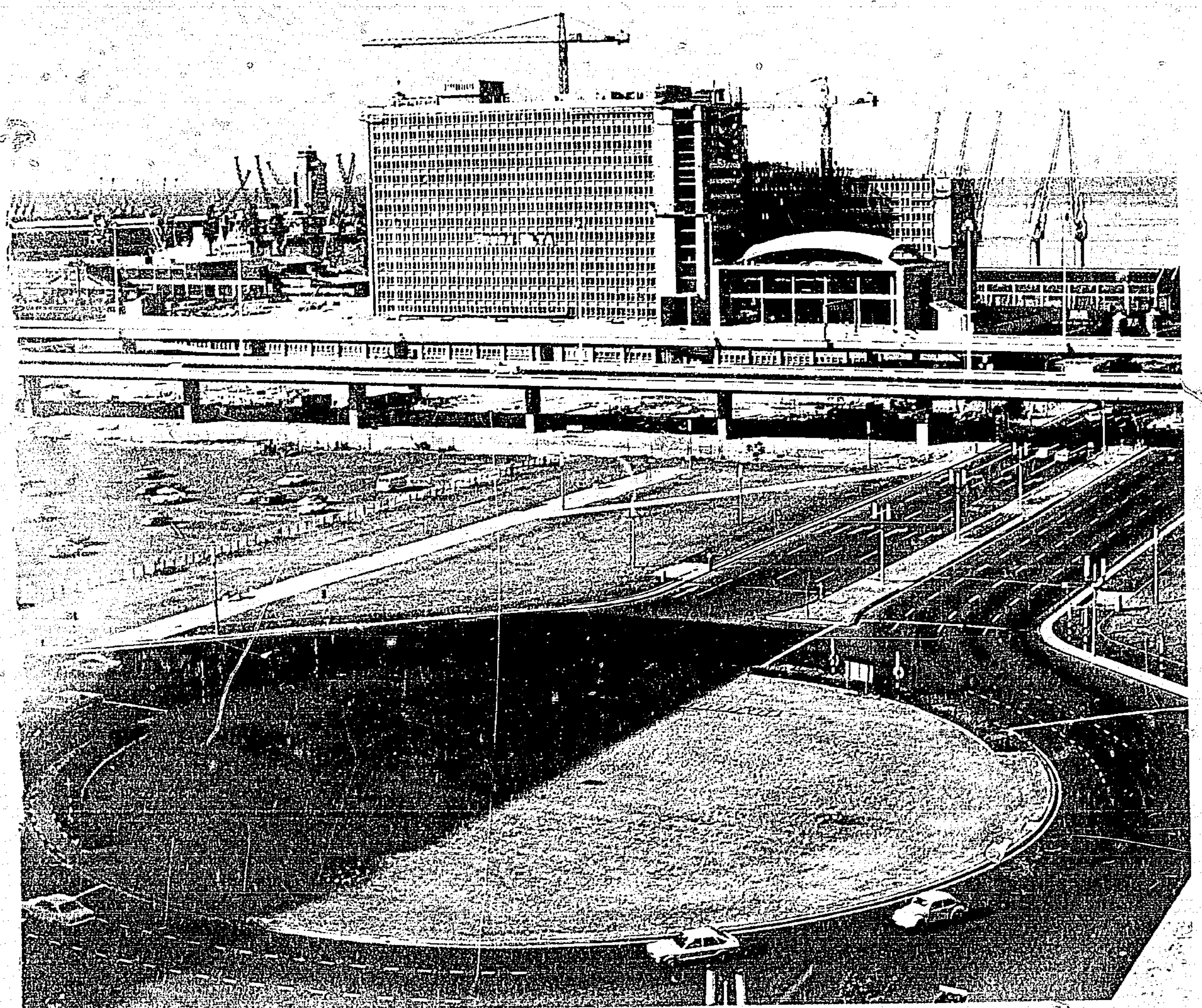
International Pipe and Steel Investments South Africa (Proprietary) Limited (IPSA), in which the Group has a 15 per cent interest, increased its consolidated profit after tax by 4,5 per cent to R11,74 million for the year to September 30 1976. IPSA's two subsidiaries are Stewarts & Lloyds of South Africa Limited and Dorman Long Vanderbijl Corporation Limited, with after-tax profits decreasing by 15,7 per cent to R10,89 million and increasing by 34,9 per cent to R13,11 million, respectively.

The principal business of Union Carriage and Wagon Company (Proprietary) Limited is the building of electric locomotives and passenger coaches for the South African Railways and, to a lesser extent, of locomotives for industry. Towards the end of the year to June 30 1976 the company had to agree to a slow-down in deliveries to the SAR as a result of which production and profits will show very little growth during the current year. On the other hand the company, in the most important export business it has ever secured, has started to execute an order for locomotives to Taiwan.

Vereeniging Refractories Limited, a subsidiary of Anglo American Coal Corporation Limited, reported group equity earnings of R3,27 million compared with R3,82 million for the previous year, a decline of 14,4 per cent, mainly attributable to depressed economic conditions. Despite the downward trend the results for the second half of the year showed an improvement over those for the first half; the increase in refractories prices in July together with better sales from several of the company's plants, were responsible for the improvement. Sales of chromite from Marico Mineral Company (Proprietary) Limited's new plant in the western Transvaal also contributed to the improved second half results. Delivery pressure on the Transvaal plants of Coverland Roof Tiles (Proprietary) Limited resulted in high wastage and profits not being commensurate with satisfactory sales levels. Lower sales from plants in other areas together with the restrictions of the anti-inflation manifesto also contributed to reduced profits. The clay pipe division had a disappointing year and showed a sharp decline in the second half, owing to the pipe market being over-supplied.

CIVIL AND ENGINEERING CONSTRUCTION

LTA Limited's (LTA) taxed profit for the year ended March 31 1976 amounted to R5,5 million before writing off goodwill less non-recurrent profits of R300 000; this compares with R3,9 million for the nine months to March 31 1975 and represents an increase of 7,5 per cent on a comparable basis. During the year all but 52 000 of the 10,5

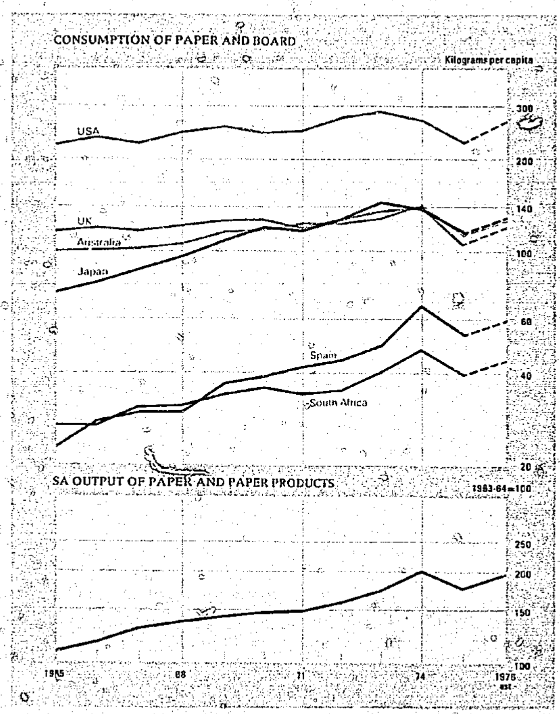


Mondi's new No 3 paper machine – a R42 million project – was successfully commissioned during December 1976, a record 15 months from inception. The machine, able to produce grades from newsprint to fine printing paper, at manufacturing speeds of up to 1 000 metres a minute, will boost Mondi's production by 100 000 tons to 260 000 tons a year. Its entire 1977 production has been sold for export and will earn about US $30 million in foreign exchange

million preference shares were converted into ordinary shares and, after payment of the preference dividend for the calendar quarter during which the preference shares were in issue, equity earnings amounted to R5,0 million or 40 cents a share. Earnings for 1975, annualised and put on a comparable basis assuming prior conversion of the preference shares, were 36 cents a share. The dividends distributed for the year ended March 31 1976 were 18,5 cents a share. The operations of the LTA group are carried out through four divisions comprising construction which embraces Building and Civil Engineering, Industrialised Building Systems, Steeledale reinforcing and subcontracting, and LTA Engineering Projects, newly-formed to control multi-discipline contracts. All divisions performed satisfactorily during 1976. The civil engineering work at the Cabora Bassa Dam in Moçambique continued to be satisfactory but the electro-mechanical section of the overall consortium encountered teething troubles in the control systems. Despite these problems, which financially could only have a minimal effect on LTA, considerable quantities of power are daily being transmitted to South Africa, while uninterrupted commercial transmission will be achieved early in 1977. The Orco Consortium, in which LTA has a 30 per cent interest, completed the Plateau Section of the Orange-Fish Tunnel and negotiations for compensation for additional costs have been successful. The value of uncompleted work on hand at the beginning of the year was R224 million, and while the order book was still reasonable at the year end, recessionary conditions in the industry in general could lead to a fall in turnover in 1977.

TIMBER AND ALLIED INTERESTS

The Group increased its interest in the issued ordinary capital of Mondi Paper Company Limited (Mondi), which operates a paper mill at Merebank in Durban, from 80,7 per cent to 83,9 per cent as a result of the acquisition by Mondi of the Group's interest in South African Board Mills Limited. Consolidated equity earnings for 1976 were R11,5 million which are not strictly comparable with the R8,4 million earned in 1975. The new high-speed paper machine came into production in November 1976 and Mondi now operates a groundwood mill, three high-speed paper machines and a paper finishing facility. The market for sawn timber and mining timber was extremely weak, with the sawmills of Acme Timber Industries Limited and Peak Timbers Limited, both subsidiaries of SA Forest Investments Limited (SAFI), operating on average at 60 per cent of capacity. During the year SAFI increased its shareholding in MV Houtprodukte (Eiendoms) Beperk from 50 per cent to 100 per cent. This company manufactures glue-laminated timber products and it is expected that its full integration into the SAFI group will contribute to increased profitability. Taxed profits for the SAFI group for the year were R2,29 million compared with R2,84 million for 1975. The Natal Tanning Extract Company Limited purchased a further 1 000 hectares of forest land, and acquired on long lease another 4 200 hectares of similar land. Bruynzeel Plywoods Limited became a wholly-owned subsidiary of Amic under a scheme of arrangement sanctioned on November 16 1976. The continued deterioration in the timber



products market and the effect upon the company's sales was marginally offset by the improvement in the board products market during the first half of 1976. Yet despite these circumstances, earnings for 1976 improved to R1 421 000 from R764 000 in 1975.

MOTOR AND TRANSPORT

New motor vehicle sales in 1976 were 17,4 per cent lower than the previous year, resulting in losses among many motor industry concerns and reflecting depressed economic conditions. New passenger car sales, in particular, were badly affected with volume falling 19,2 per cent, to 185 132 units. With rapid inflation in fuel costs and an expected short-term continuation of recessionary conditions it is unlikely that there will be a significant improvement in 1977.

During the year, Sigma Motor Corporation (Proprietary) Limited

Anglo American and Chrysler Corporation announced in November last year the formation of a R100 million motor group – Sigma Motor Corporation. The Anglo American Group has a 75 per cent holding in Sigma which manufactures a comprehensive model range with particular strength in the increasingly popular light to medium sizes

(Sigma) was formed as the result of a merger between Chrysler South Africa (Proprietary) Limited (Chrysler) and Illings (Proprietary) Limited (Illings), whereby Chrysler acquired the entire issued ordinary capital of Illings in exchange for an issue of new Chrysler shares. Total assets of Sigma are valued at approximately R100 million, with the Group holding slightly more than 75 per cent of the equity and Chrysler holding the balance.

Sigma will be able to source models from North and South America, Europe, Japan and Australia. Initially the company will market the Mazda Capella series, the Mazda Luce, Chrysler Valiant and Mitsubishi Colt in addition to a wide variety of light commercial vehicles, while a number of new models will also be introduced during 1977. The company will also operate an earth moving and industrial machinery division handling Komatsu, Hitachi and Amiese products, and another division will market Mack and Fuso heavy trucks.

Consolidated earnings for McCarthy Group Limited for the year ended June 30 1976 totalled R3,8 million compared with R3,7 million the previous year. The McCarthy group new vehicle unit sales for the year represented 12,8 per cent of the Republic's new passenger and commercial vehicle market. Unit sales decreased by 2,6 per cent compared with the 17 per cent decline in the total market. While McCarthy group turnover increased by 18,9 per cent to R292 million, earnings failed to match this growth. This was because of increased operating expenses and reduced profit margins as a result of the response by the South African motor industry to the government's anti-inflation manifesto, as well as to the extremely competitive state of the vehicle market. Trading conditions have continued to deteriorate and, during the six months to December 1976, the total dealer market dropped by 29 per cent compared with the equivalent period in 1975. The result has been that McCarthy Group net profit has fallen to R892 000 from R2 620 000. However, the McCarthy Group has recently made several franchise changes and is now restructured to take advantage of any upturn in the economy.

Following the merger in which a majority of the issued share capital of both Freight Services Holdings Limited and Aero Marine Investments Limited, as well as the entire issued share capital of Manica Holdings (Proprietary) Limited, was acquired by Aero Marine Freight Services Holdings Limited with effect from July 1 1975, schemes of arrangement with minority shareholders were entered into and sanctioned by the Supreme Court on October 12 1976, resulting in the aforementioned companies becoming wholly-owned subsidiaries of the new holding company with retrospective effect from July 1 1975. In addition, Aero Marine Freight Services Holdings Limited increased its authorised share capital to 3 500 000 ordinary shares of one cent each which were then converted into shares of no par value and changed its name to Freight Services Holdings Limited with effect from October 18 1976. The activities of the new group include clearing and forwarding, buying and confirming, ships agency and the servicing of ships, a comprehensive travel service and many ancillary services related to the movement of goods and people on a national and international scale.

CHEMICALS AND EXPLOSIVES

AECI Limited achieved an increase in sales of R72,7 million in 1976, or 19 per cent, to R456,4 million while equity earnings rose by 11 per cent to R32,4 million. The volume of sales, which was significantly higher than in 1975, was higher in all business sectors other than agriculture but profit margins were lower, partly as a result of the anti-inflation manifesto, partly because of difficult trading conditions in the building and motor industries and partly because of problems experienced at the Modderfontein nitrogen complex. During the year a R80 million rights issue was successfully completed to provide funds for the Sasolburg Coalplex joint venture with Sentrachem Limited. Work on this project is proceeding on schedule and indications are that the plants will be commissioned during the latter part of 1977.

The companies in the Chemical Holdings Limited group manufacture and market a range of industrial chemicals covering a wide field of applications. In the year to June 30 1976 turnover rose by 22,1 per cent, to R22,5 million, and taxed profits for the first time exceeded R1 million, while dividends increased marginally to 5,5 cents a share.

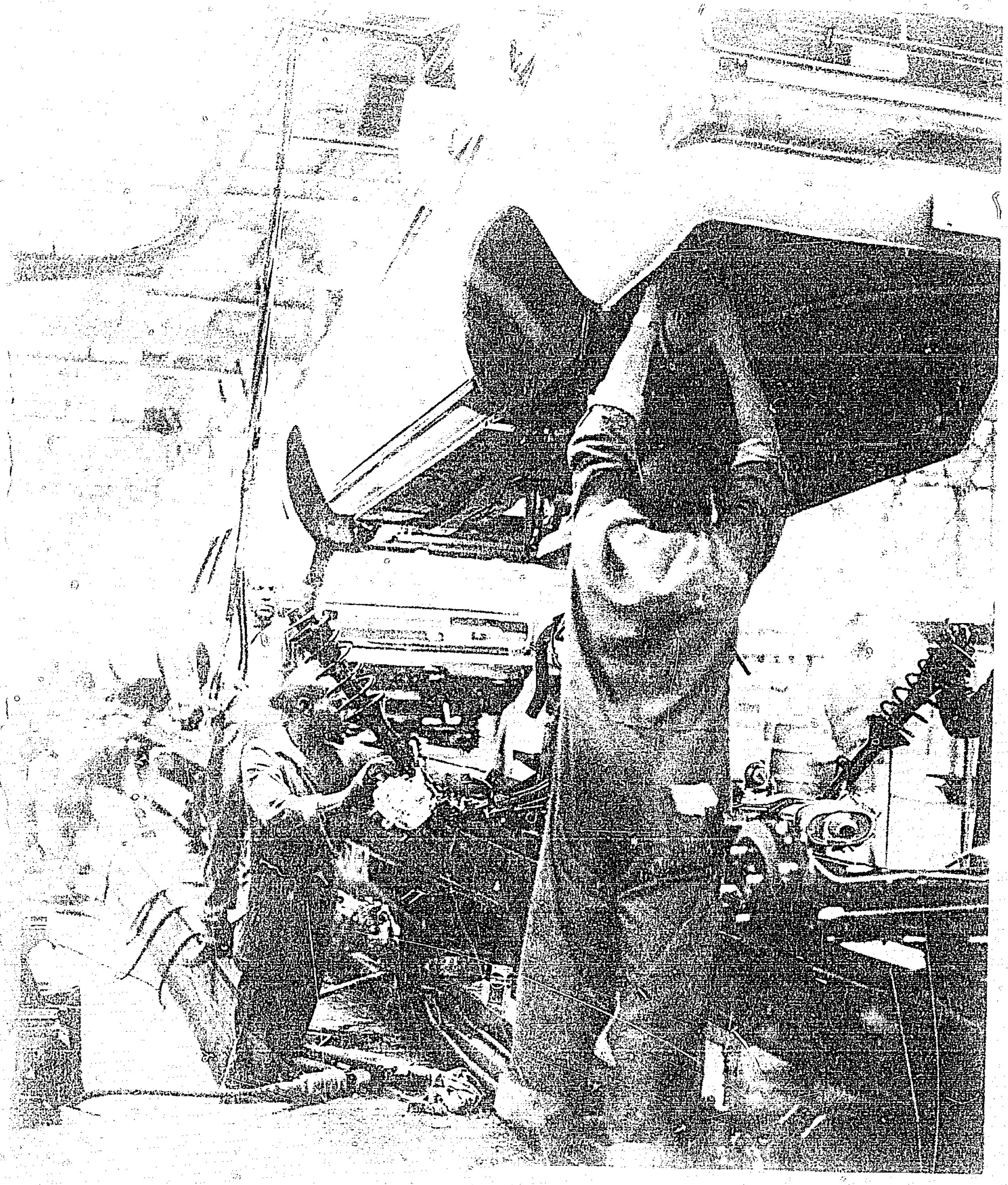
FOOD

For the second successive year the South African maize crop, the country's most important agricultural product, was lower than the previous year. In 1976 it amounted to 7,4 million tons, being 1,74 million tons less than in 1975 and 3,7 million tons less than the record 1974 crop, with the result that only about 1,6 million tons will be available for export during the 12 months to April 1977, earning an expected foreign exchange of R170 million as against R304 million the previous year. The diminished crop was once again caused by excessive rainfall after an initial good start to the season.

Soetvelde Farms Limited was particularly badly affected as maize continued to be its biggest source of revenue and consolidated tax profit dropped to R136 000 from the previous R417 000, despite marked improvement in the contribution from the piggeries and the cattle section. During the year the company was licensed to build the first private artificial insemination facility in South Africa.

RFF Limited recorded higher profits because of a more buoyant market for canned fruits in the European Economic Community. Stock levels at the September 30 year end were very satisfactory, but the new season may prove to be more difficult. Fortunately, the export markets for pure fruit juice concentrates continue to strengthen and should benefit the company. As planned, the company's new winery came into operation during the 1976 season and the first of its estate wines, under the name Boschendal, have come on to the market.

Net equity earnings of The Tongaat Group Limited for the year ended March 31 1976 were R8,32 million or 51,1 cents a share compared with R6,36 million and 39,1 cents in 1975. The improved results reflect increased earnings in the sugar and the building materials divisions and a return to profitability in the textiles division as well as increased investment income. Estimated earnings for the six months ended September 30 1976 were further improved at R4,76 million compared with R3,95 million for the same period in 1975.



Against a backdrop of Table Mountain – Anglo American's 25-storey Shell House, in the heart of Cape Town's central business district

Excellent rains benefited the sugar division and a record crop is expected for the year.

African Products Limited produces starches, glucose, syrup and other maize derivatives at Germiston and Meyerton in the Transvaal and at Bellville in the Cape. In the year to September 30 1976 the company earned a taxed profit of R2,6 million, which was 7,2 per cent higher than the record achieved the previous year, while dividends were raised by two cents to 36 cents a share.

OKK Foods Limited, which conducts an extensive meat and dairy products business, had a highly successful year in 1976 both in the Republic and in Swaziland, where an EEC export quota has been secured. This arrangement made it appropriate to arrange an increase in the Swaziland government's participation in the undertaking. The final dividend has not yet been declared but will reflect the company's improved profitability.

In Moçambique the two cashew processing companies administered by the Group, Mocita S.A.R.L. and its subsidiary Antenes S.A.R.L., have survived the exceptional difficulties of 1974 and 1975. While production, yields and quality are still far below the levels to which these factories were accustomed before April 1974, the companies reverted to profitable operations by mid-1976.

SUNDRY

Industex (Proprietary) Limited improved its group turnover and trading results satisfactorily during the year ended June 30 1976. Demand for tyre cord and other industrial fabrics increased and the wholly-owned subsidiary, Union Cotton Mills (Proprietary) Limited, experienced a considerable improvement in trading conditions and consequently earned a fair profit after several disappointing years.

Computer Sciences Sigma (Proprietary) Limited, a supplier of computer services and equipment to the South African data processing market, improved its performance considerably during 1976. The task of restructuring the organisation was successfully completed during the second half of the year and the company is now well equipped to participate in its increasingly competitive market sectors.

Further details of the principal industrial and commercial companies within the Anglo American Corporation Group and those in which the Group holds a significant interest are given on pages 82 to 88.

Property

Amaprop results improve

The Group's property interests include central city shop and office complexes, suburban shopping centres, residential, commercial and industrial township land. The investments are held mainly through Anglo American Properties Limited (Amaprop), the property owning subsidiaries of the African Eagle Life Assurance Society Limited, including Sorec Limited, Anglo American Coal Corporation Limited, Rand Selection Corporation Limited, through the latter's own subsidiaries, including South African Townships Mining and Finance Corporation Limited, and through Kenilworth Centre (Proprietary) Limited, Marina da Gama Limited and Carlton Centre Limited.

Amaprop's results continued to improve. In the 13-month period ended March 31 1976 the company's attributable loss amounted to R769 000 compared with the R1,16 million loss for the year ended February 28 1975. The consolidated loss for the six months ended September 30 1976 amounted to R368 000 (1975: R832 000) and while it appears the company will again incur a loss in the financial year to March 1977 it is expected that it will be substantially lower. In addition to its interests in city centre developments Amaprop has in the Durban area major investments in Cabana Beach, a luxury hotel, and in Prospecton Industrial Township. While there was a steady demand during 1976 for land at Prospecton (in which the Group has a 75 per cent interest), future sales of land will largely depend on further expansion of South Africa's economy.

Sorec's after-tax profit for the 15-month period to September 30 1976 amounted to R2,03 million compared to R2,06 million earned in the financial year ended June 30 1975. Dividends totalling 6,5 cents a share were declared during the 15-month period while dividends for the previous financial year totalled 7,5 cents. These results reflect the general trend affecting central city developments; a surplus of rentable accommodation, increased operating costs and historically high interest rates payable on the funds necessary for the completion of the company's development programme. Despite the difficulties facing the property industry, particularly over surplus accommodation, Sorec's portfolio of completed buildings remains well let while buildings nearing completion have been satisfactorily pre-let, although in both cases rental levels are not yet satisfactory.

The Group has a 90 per cent interest in Carlton Centre Limited which owns and operates the Carlton Centre, the main components of which are a 50-storey office tower, the 30-storey Carlton Hotel, a major shopping centre, covered parking for 2 000 cars and an ice rink of international standard. In the financial year to June 30 1976, the Carlton Centre earned a maiden after-tax profit of R809 000 compared with a R237 000 loss incurred the previous year.

Kenilworth Centre, wholly-owned within the Group, is the regional shopping centre complex occupying 8,9 hectares in Cape Town's southern suburbs. During the year under review all efforts centred on increasing the centre's patronage. To this end the centre has been strengthened with improved lighting and a generally improved shopping environment.

The contract for the construction of Eastlake township around Sandvlei, part of the Marina da Gama project, was completed during 1976. Sales at Marina da Gama, the Group's residential marina at Muizenberg, Cape Town, have been minimal and are likely to improve only when the demand for residential land improves in the area.

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 page 88.

Exploration geologists examine mineralised samples in a trench at the Group's uranium prospect near Meob Bay, north of Luderitz

Exploration and research

More emphasis on search for uranium

The Group continued its search for economic deposits of base metals, gold, uranium, coal, oil and other minerals in many parts of the world. Southern Africa continues to be the main area of operations though it is pleasing to note the progress being made in other countries.

Exploration work in southern Africa has put increased emphasis on the search for uranium. In the Karoo the Group is conducting a continuing investigation in conjunction with Empresa Naçional del Uranio S.A. (Enusa), the Spanish nuclear fuel company, and in the Swakopmund area exploration is under way in association with Minatome and Aquitaine SWA. Investigations were also made of a number of secondary deposits in the northern and north-western Cape and further work is planned to determine whether they are economically significant. Investigative work on the uranium potential of two areas in the Luderitz region of South West Africa also commenced during the year.

There have been significant developments in the field of base metals. A feasibility study of the Middelplaats manganese property in the north-western Cape indicated that this deposit was economically viable and a decision was made during the year to develop it at an estimated cost of R47 million. Exploratory drilling for manganese in the Kuruman region nearby has also located mineralisation. However its economic significance has not yet been established.

Other base metal exploration initiated previously in the northern and western Cape, the Transvaal and South West Africa continued during the year and drilling was undertaken on a number of targets. In the eastern Transvaal an appraisal indicated that the low grade copper-nickel occurrence held under option by Kaffrarian Metal Holdings (Proprietary) Limited, a joint exploration company with International Nickel S.A. (Proprietary) Limited, was not economical for the time being. However the option to purchase the mineral rights has been exercised.

In addition to exploration by the gold mining companies within mining lease areas, drilling continued on low grade properties adjacent to existing lease areas. These programmes will continue this year. In the Erfdeel-Dankbaarheid area, adjoining Free State Saaiplaas Gold Mining Company Limited, it is anticipated that sufficient data will be available by the end of the year to enable a feasibility study to be undertaken. Gold and uranium values have been obtained from boreholes in the area south of the Orange Free State goldfields and in the area south of the Vaal River adjacent to the Vaal Reefs mine, but considerable drilling remains to be done before the potential of these areas can be properly assessed. Some encouragement has been obtained from a third hole south of Western Areas Gold Mining Company Limited but the area of interest under option is limited. Efforts to develop new gold exploration targets continue with several projects under investigation, all of which are at an early stage.

Coal exploration has taken place primarily in the eastern Transvaal where a strong position is held in several major coal fields delineated in earlier programmes. During the year progress was made in further consolidating and extending the Group's holding as planned. Exploratory drilling for further reserves in these fields continues.

The offshore hole south of the Orange River, drilled for hydrocarbons by a consortium of which the Group was a member, was completed yielding negative results. No further exploration is contemplated by the consortium in the area during the current year.

In Rhodesia, the search for base metals continued, particularly for nickel, copper and zinc, despite the limitations imposed by the security situation. Drilling for nickel in the midlands has proved a relatively low grade small nickel deposit, while drilling continues on the Tynan claims north-east of Salisbury. The search for copper and zinc has been intensified, with encouraging preliminary results. The drilling programme started in 1975 for lead and zinc in the Urungwe area was completed and no economic mineralisation noted.

The Group continued its exploration activities in Tasmania, Papua New Guinea, New Zealand, Fiji and the Australian mainland. In Australia, particular emphasis has been placed on exploration in the Kimberleys, in the north of Western Australia, where apparent economic grades of nickel and copper have been located. A drilling programme will establish the extent of the deposit.

At Namosi in Fiji, where Australian Anglo American Limited had a joint venture with Amax Inc., a third partner, Preussag A.G., has been introduced. Drilling on this promising porphyry copper deposit has been suspended until the arrival of new equipment in early 1977. In other areas of Fiji, Australia and New Zealand various prospects including both gold and base metals have been selected for drilling in 1977.

In Brazil exploration for gold and base metals is through Unigeo Geologia e Mineração S.A. (Unigeo), in which the Group and associated companies, through Ambras, hold a 40 per cent interest, with the balance held by Industria e Comercio de Minerios S.A. (Icomi), a leading Brazilian mining company. Diamond drilling, supported by adit development, was accelerated on the auriferous conglomerates at Jacobina in the State of Bahia. Continuity and the grade of the conglomerates are more variable than first anticipated and although several million tons of recoverable reserves have been defined, further exploratory work is required before the long-term viability of a mining operation can be assessed. A number of potentially interesting base metal targets have been located in other parts of Brazil and follow-up investigations are in progress. At Morro Velho mine, in which Ambras holds a 49 per cent interest, surface prospecting has been expanded to examine gold occurrences within the mine's large concession.

Charter Consolidated Limited continued its base metal exploration programmes in Spain and Ireland. In the UK fifth round of North Sea exploration licences, a group of companies in which Charter is a participant has been awarded a provisional licence covering two adjacent blocks in the Moray Firth area.

Joint exploration in Canada between Anglo American Corporation of Canada Limited and Hudson Bay Exploration and Development

Company Limited continued in the Yukon Territory, Ontario and Quebec for base metals, and at certain properties in Saskatchewan and Manitoba for uranium. No significant discoveries were made. An occurrence of lead, zinc, silver mineralisation in the Yukon was further explored by drilling in 1976 but, although several ore-grade intersections were made, insufficient size potential was indicated. The search by Anglo American Corporation of Canada Exploration Limited for placer gold occurrences in the Yukon gave enough encouragement to continue drilling from river ice in 1977.

In Indonesia continuing exploration by Trend Exploration Limited resulted in the discovery of the new Cendarawasih oil pool, now in production. A second oil discovery of some significance has been shelved because of technical problems. In the United States, Trend has participated in two exploratory oil discoveries and is also pursuing other foreign exploration prospects in Paraguay, Guatemala and the North Sea.

In Canada, Francana Oil & Gas Ltd. and Canadian Merrill Ltd. both participated in active drilling programmes resulting in discoveries which increased the individual companies' proven reserves.

RESEARCH

During the year work for the Group's gold mines was substantial, including Ergo on the East Rand and the Orange Free State slimes recovery project at President Brand. An important discovery is that activated charcoal has proved to be extremely effective in preventing soluble gold losses. Work on uranium is taking on even more prominence. Significant differences in the nature of uranium mineralisation of reef ores in eastern and western Transvaal localities have been detected and substantial increases in recovery can now be achieved as a result of recognising these differences and adopting appropriate metallurgical techniques. The industry-sponsored pressure leach pilot plant located at Western Deep Levels Limited is being commissioned and could produce significant improvements in uranium extraction. Many other aspects are also under investigation.

In the base metal field studies have been done on gossans enabling those overlying sulphide ore deposits to be distinguished from those on barren ground by means of laboratory tests. Major assistance has also been given to the Group's Rhodesian associates and testwork has been done on samples from as far afield as Australia, New Zealand and Brazil. A new process for the production of refractory grade magnesium oxide using sulphur dioxide has been investigated and it has proved possible to produce a material of super grade. Among a number of developments which have been patented are a highly economic solar heater and a specialised gravity separation device of much improved performance.

More early warning fire detection systems developed by the Anglo American Electronics Laboratory have been installed in gold mines. Moreover, a system has also been made available to the Chamber of Mines and overseas mining organisations for evaluation. Telemetering for monitoring and control is also finding widespread use with the laboratory designing and supplying automatic underground water reticulation, maximum demand monitoring and control, refrigeration plant monitoring, underground power reticulation monitoring and underground environmental monitoring. This important development is aimed at determining the concentration of gases, dust and smoke set free by underground blasting operations. Intrinsically safe electronically controlled switchgear has been developed and is in widespread use in the coal mines of the Corporation. An electronic system has been developed to replace the lock bell signalling system between onsetter, banksman, and hoist driver in underground mines and should reduce or eliminate accidents caused by misunderstanding. The electronics training school for mine electricians which formerly was part of the electronics laboratory, has been integrated into the larger Anglo American training system and has been moved to Vaal Reefs.

In joint ventures to exploit metal winning technology a number of pilot plant tests are in progress at clients' operations to evaluate cost effectiveness under actual plant conditions.

Mechanisation of all aspects of gold mining has become an urgent requirement if the industry is to cope with the problems of depth, labour supply and poor productivity in future. Together with the Chamber of Mines and on its own, the Group is committing increasing efforts and large capital budgets to the application of improved technologies to its underground operations.

Raise boring techniques have been significantly improved during the year and the use of borers is widespread on Group mines. The boring concept has been extended to other forms of development and a tunnel borer, designed for hardrock conditions, was recently commissioned in the Orange Free State. The economic feasibility of waste stowing in mined-out stopes has been confirmed, while test work has commenced on the placing of mill tailings in stopes. Successful waste and tailings fill will have many advantages including improved stope support, reduced fire hazards and reduced material handling.

The Chamber of Mines has initiated several projects directed at mechanised stoping systems, including steel conveyors integrated with hydraulic drill rigs and walking prop supported barricades. Successful implementation of this technology would dramatically increase stope advance and labour productivity.

Within the Coal Division, testing is continuing on the underground disposal of power station ash. The programme is aimed at the possible use of ash to allow further extraction of coal in thicker seams, including those previously mined, as well as at environmental improvement. Continuous miners were commissioned during the year and are operating very satisfactorily. In coal processing major emphasis was placed during 1976 on beneficiation of fine coal at both the Anglo American Research Laboratories and the Fuel Research Institute with encouraging results.

Further details of the principal prospecting companies administered within the Anglo American Corporation Group are given on page 90.

March 25 1977

Annual financial statements

for the year ended December 31 1976

The annual financial statements which appear on pages 47 to 63 were approved by the board of directors on March 25 1977 and are signed on its behalf.

Directors:
H. F. Oppenheimer
Keith Acutt

J. T. Goldfinch, *Managing Secretary*
G. C. Leeman, *Chief Accountant*

Auditors' report

To the members,
Anglo American Corporation of South Africa Limited

We have examined the annual financial statements and the group annual financial statements set out on pages 47 to 63. The audits of certain subsidiary companies have been carried out by other firms.

In our opinion the statements fairly present, in the manner required by the Companies Act, 1973, as amended, the financial position of the Corporation and of the Group at December 31 1976, and the results of their operations for the year then ended.

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

Johannesburg
March 25 1977

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 subsidiaries, for the year ended December 31 1976.

CONSOLIDATED FINANCIAL STATEMENTS

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

CAPITAL

The authorised capital remained unchanged during the year at R20 000 000 in 140 000 000 ordinary shares of 10 cents each, 1 241 250 six per cent cumulative preference shares of R1 each and R4 758 750 six per cent cumulative preferred stock.

The issued capital at January 1 1976 was R17 925 980 and consisted of:

131 672 300 ordinary shares of 10 cents each, fully paid
and
R4 758 750 six per cent cumulative preferred stock.

During the year, 53 000 ordinary shares were issued at ruling market prices in terms of the share incentive scheme to senior employees including directors holding salaried employment. At December 31 1976 there remained a balance of 502 000 shares available for issue in terms of the share incentive scheme. A further 54 800 options to ordinary shares, held by senior members of staff, lapsed during 1976, leaving a balance of 509 800 options outstanding at the year end.

As at December 31 1976 the issued capital was R17 931 280 and consisted of:

131 725 300 ordinary shares of 10 cents each, fully paid
and
R4 758 750 six per cent cumulative preferred stock.

No shares have been issued and no options have been exercised or have lapsed since the year end.

Of the ordinary shares which are unissued at the date of this report, specific authority has been granted to the directors to allot and issue up to 1 011 800 shares in respect of the share option and share incentive schemes, and the balance of unissued ordinary shares is 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 only remains valid until the next annual general meeting, that is May 18 1977, and members will be asked to consider an ordinary resolution at that meeting placing under the control of the directors the remaining unissued ordinary shares not required for the purposes of the staff share option scheme or the share incentive scheme, or for the allotment in substitution for shares in Rand Selection Corporation Limited arising on conversion of bonds mentioned below.

PROPOSED MERGER WITH RAND SELECTION CORPORATION LIMITED (Rand Selection)

Shareholders were informed in a Press announcement dated January 19 1977 that negotiations were taking place with a view to the merger of the Corporation with Rand Selection, to be effective from January 1 1977. A further announcement, on February 22 1977, advised that agreement in principle had been reached on the merger proposals on the basis of the issue of 200 ordinary shares in the Corporation for every 100 shares in Rand Selection, subject to there being no major changes in market conditions. A prerequisite of the merger was that Rand Selection would make a rights issue to raise approximately R80 million to strengthen its financial position. The proceeds of the issue would be used to repay Rand Selection's short-term borrowings from the Corporation which fluctuate from time to time and were about R40 million during February 1977, to cover the redemption of its R30 million cumulative redeemable preference shares and to provide for its envisaged commitments.

Rand Selecton has consequently decided that subject to the approval of its shareholders to the necessary increase in its capital, it will make a rights offer to its ordinary shareholders registered on April 1 1977 and to holders of its bearer warrants. The offer will open on April 15 1977 and close on May 6 1977.

The rights offer is so arranged that in the event of the merger being successfully completed, the Corporation intends to make an offer to subscribers for Rand Selection shares, in terms of which they will receive fully-paid ordinary shares in the Corporation in respect of their subscriptions in the ratio of the merger terms. If the merger does not become effective subscribers will be allotted fully-paid ordinary shares in Rand Selection.

The merger provides for Rand Selection to become a wholly-owned subsidiary of the Corporation by the cancellation of the Rand Selection ordinary shares held by shareholders other than the Corporation and its subsidiaries, and for the issue of ordinary shares of the Corporation to such shareholders in the abovementioned ratio.

In the event of the merger becoming effective both the Corporation and Rand Selection and their subsidiaries, including those companies which become subsidiaries as a result of the merger where applicable, will change their financial year ends to March 31. The Corporation's next accounting period will end on March 31 1978.

Subject to the merger taking effect, the new ordinary shares to be issued by the Corporation in terms of the merger, but excluding the shares to be issued to the subscribers to the Rand Selection rights offer, will qualify for a special dividend of 8,25 cents an ordinary share expected to be declared by the Corporation to its shareholders registered on May 6 1977. Thereafter the Corporation proposes to declare an interim dividend in November each year and a final dividend in May each year.

On the basis that dividends are maintained at the current level of 33 cents an ordinary share per annum shareholders will receive in addition to the special dividend referred to above of 8,25 cents a share, interim and final dividends in respect of the financial period ending on March 31 1978 totalling 33 cents a share and in order to reduce the disparity between the interim and final dividends, it is proposed to pay an interim dividend of 12 cents a share and a final dividend of 21 cents a share. These interim and final dividends and all future dividends will be payable on all new ordinary shares issued both in terms of the merger and the proposed offer by the Corporation to the Rand Selection rights offer subscribers. The directors expect that subject to no unforeseen circumstances arising it will be possible to maintain dividends at not less than the above annual rate of 33 cents an ordinary share on the increased capital.

Proposals will be placed before the holders of bonds representing the Rand Selection US$30 million 6½ per cent convertible loan 1986 whereby, if the merger proposals are implemented, the conversion rights attaching thereto will be varied so that such bonds will be convertible into shares of the Corporation instead of Rand Selection.

It is proposed that the authorised ordinary share capital of the Corporation be increased by the creation of an additional 100 million shares. This will provide sufficient shares to enable the Corporation to implement the merger proposals, to make the offer to subscribers to the Rand Selection rights offer, to meet the maximum number of shares required for conversions of Rand Selection convertible bonds, to meet the requirements of the staff share option and incentive schemes and leave approximately 13 680 000 shares available for other purposes.

The documents relating to the merger and the necessary increase of capital of the Corporation are expected to be posted on or about March 29 1977 and general meetings of members of Rand Selection and the Corporation at which the requisite resolutions to give effect to the proposals will be submitted, will be held on April 25 1977.

SHARE PREMIUM

At a general meeting of members held on May 21 1976, it was resolved to eliminate the share premium account of the Corporation, amounting at that date to R84 148 177, and to transfer that amount to Non-distributable Reserve. Since that date, the 53 000 incentive scheme shares mentioned above have been issued, as a result of which the share premium account now stands at R202 000 after the deduction of share issue expenses of R1 000.

US$100 MILLION MULTICURRENCY TERM CREDIT FACILITY

The Corporation has been granted a US$100 million multicurrency term credit facility for a period of five years from August 2 1976. No drawings have been made against this facility as at March 25 1977.

INVESTMENTS

During the year the book value of the investments held by the Corporation and its subsidiaries increased by R6 863 000 to R525 688 000. Listed investments increased by R57 152 000 while unlisted investments decreased by R50 289 000 mainly because the Group's unlisted holding of Minerals and Resources Corporation Limited "A" ordinary shares became listed after their change into ordinary shares and various unlisted colliery interests were changed into listed Anglo American Coal Corporation Limited shares. The market value of listed investments at December 31 1976 was R934 221 000 and exceeded the book value by R523 212 000, compared with an excess of R643 985 000 at the end of 1975. The unlisted investments were valued at 46,5 per cent above the book value of R114 674 000 compared with a valuation last year which was 42,6 per cent above the then book value.

CURRENCY RESERVE

Net exchange surpluses, arising principally from exchange rate fluctuations, have been transferred to a currency reserve which stood at R4 537 000 at December 31 1975. At the end of 1976 R33 000 was transferred from the currency reserve to cover a net deficit arising this year from changes in currency exchange rates. The reserve declined by a further R335 000 due to the adjustment of the opening balance to the rates of exchange ruling at the year end, and stood at R4 169 000 at December 31 1976.

EXTRAORDINARY ITEM – PROVISION AGAINST INVESTMENT IN ZAIRE

As announced in the Press on January 23 1976, the directors of Société Minière de Tenke-Fungurume (SMTF) advised that work at the SMTF project had been suspended. The decision to suspend was taken principally in the light of the generally disturbed political conditions in central and southern Africa, and the economic situation in Zaire. These factors together with the low copper price precluded the completion of satisfactory financing arrangements. The Corporation has an effective interest of 11,544 per cent in the project. Your directors have therefore considered it prudent to make a provision of R20 million against the Corporation's investment of R26 894 000 in SMTF as an extraordinary item in the income statement. SMTF is currently considering the technical feasibility and methods of financing a project smaller than the previous 130 000 tons a year scheme but it will be some time before definite conclusions can be reached.

SUBSIDIARY COMPANIES

Details of subsidiary companies in which the Corporation has a direct or indirect interest are given on pages 58 and 59 while particulars of special resolutions passed during the year by these companies appear on page 91 of this report.

PROFITS AND APPROPRIATIONS

The group profit after taxation for the year under review was R89 218 000 (1975: R87 707 000) and was dealt with as follows:

	1976 R000's	1975 R000's
Profit after taxation	89 218	87 707
Deduct: Outside shareholders' interests	2 940	2 993
	86 278	84 714
Net (loss) gain arising from currency fluctuations	(33)	507
Transfer from (to) currency reserve	33	(507)
	—	—
	86 278	84 714

	1976 R000's	1975 R000's
Brought forward	86 278	84 714
Deduct: Preferred stock dividends Nos. 94 and 95	286	286
Group equity earnings, before extraordinary item, attributable to Anglo American Corporation	85 992	84 428
Deduct: Ordinary dividends		
No. 80 of 8 cents a share	10 534	10 531
No. 81 of 25 cents a share	32 931	32 918
Total ordinary dividend of 33 cents a share (1975: 33 cents a share)	43 465	43 449
Retained profit before extraordinary item	42 527	40 979
Deduct: Extraordinary item – provision against investment in Zaïre	20 000	—
Retained profit after extraordinary item	22 527	40 979
Add: Unappropriated profit – December 31 1975	16 884	13 524
Adjustment thereto arising from changes in currency exchange rates	66	1 861
	16 950	15 385
	39 477	56 364
Deduct: Transfers to reserves	23 501	39 480
Unappropriated profit – December 31 1976	15 976	16 884

DIVIDENDS

An interim dividend of eight cents a share was declared on September 23 1976 and a final dividend of 25 cents a share was declared on February 21 1977, making a total for the year ended December 31 1976 of 33 cents a share. This distribution equals that made last year. Dividends of three per cent were declared on the six per cent preferred stock on June 4 and December 2 1976.

FINANCIAL STATISTICS

The financial statistics for the ten years 1967 to 1976 appear on page 64.

DIRECTORATE

The following are details of changes which occurred in the composition of the board of directors from January 1 1976 to the date of this report:

Appointments	Resignations/Withdrawals
A. Wilson (Alt. to G. Langton) February 27 1976	N. K. Kinkead-Weekes February 26 1976
B. W. Pain June 1 1976	A. Wilson (Alt. to N. K. Kinkead-Weekes) February 26 1976
L. G. Stopford Sackville June 1 1976	B. W. Pain (Alt. to G. W. H. Relly) May 31 1976
J. L. P. Mackenzie (Alt. to Dr Z. J. de Beer) July 1 1976	A. W. D. Darvall (Alt. to Dr Z. J. de Beer) June 30 1976
J. N. Clarke December 8 1976	F. S. Berning December 31 1976
M. W. King (Alt. to B. W. Pain) December 8 1976	A. Johnstone (Alt. to F. S. Berning) December 31 1976
V. I. Webber (Alt. to J. N. Clarke) December 8 1976	S. B. Kossuth (Alt. to Sir Albert Robinson) December 31 1976
A. Johnstone (Alt. to L. G. Stopford Sackville) January 1 1977	

Messrs B. W. Pain, L. G. Stopford Sackville and J. N. Clarke, who were appointed directors during the year, retire at the forthcoming annual general meeting in terms of the Corporation's Articles of Association. In addition, Dr Z. J. de Beer and Messrs E. P. Gush, D. G. Nicholson, N. F. Oppenheimer and S. Spiro retire by rotation. The retiring directors are all eligible for re-election.

Details of the beneficial and non-beneficial interests of the directors in the issued ordinary share capital of the Corporation at December 31 1976, appearing in the register of the interests of the directors in the shares of the Corporation, appear on page 91 of this report.

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

GENERAL

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

Consolidated balance sheet December 31 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

			1975	
	R000's	R000's	R000's	R000's
Capital				
Authorised:				
140 000 000 ordinary shares of 10 cents each	14 000		14 000	
1 241 250 six per cent cumulative preference shares of R1 each	1 241		1 241	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
	20 000		20 000	
Issued: (note 2)				
131 725 300 ordinary shares of 10 cents each, fully paid	13 172		13 167	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
		17 931		17 926
Share premium (note 3)	202		84 148	
Non-distributable reserve (note 4)	89 214		5 518	
	89 416		89 666	
Less: Excess of written-down cost of shares in subsidiary companies over book value of net assets at the dates of acquisition	8 380		8 381	
		81 036		81 285
Distributable reserves				
General reserve (note 5)	346 959		323 549	
Currency reserve (note 5)	4 169		4 537	
Unappropriated profit	15 976		16 884	
		367 104		344 970
		466 071		444 181
Loan capital (note 6)		60 038		60 128
		526 109		504 309
Outside shareholders' interests in subsidiary companies (note 7)		63 008		63 564
Loans				
Associated companies and others		287 050		399 250
Creditors				
Preferred stock dividend No. 95 and ordinary dividend No. 81	33 074		33 061	
Taxation	4 809		5 416	
Sundry	16 124		24 997	
		54 007		63 474
		930 174		1 030 597
Represented by:				
Investments				
At cost, less amounts written off and provision (note 7)				
Listed – market value R934 221 000 (1975: R997 842 000)	411 009		353 857	
Unlisted – directors' valuation R168 059 000 (1975: R235 246 000)	114 679		164 968	
		525 688		518 825
Property, mineral rights and equipment (note 9)		11 453		12 042
Loans				
Associated companies and others, less provision		291 858		256 564
Debtors and cash				
Debtors	33 194		38 630	
Cash on deposit, at call and short notice and on hand	67 981		204 536	
		101 175		243 166
		930 174		1 030 597

For notes see pages 54 to 56

Consolidated income statement for the year 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED AND SUBSIDIARY COMPANIES

			1975	
	R000's	R000's	R000's	R000's
Investment income				
Listed	67 020		66 860	
Unlisted	20 161		14 334	
		87 181		81 194
Income from interest, fees and other sources after deducting administration expenses (note 12)		49 736		6[illegible] 964
Surplus on realisation of investments		2 001		85
		138 918		145 243
Deduct:				
Interest paid:				
Loan capital	2 946		2 808	
Loans by associated companies and others	22 906		30 347	
	25 852		33 155	
Expenditure on office, research and transport equipment	1 886		3 094	
Contributions to staff pension funds	2 768		2 777	
Costs of prospecting	9 497		7 260	
Provision against investments	2 300		4 400	
Provision against loans	2 750		2 500	
		45 053		53 186
Group profit before taxation		93 865		92 057
Provision for taxation (note 13)		4 647		4 350
Group profit after taxation		89 218		87 707
Deduct:				
Outside shareholders' interests in profits of subsidiary companies		2 940		2 993
Group profit before extraordinary item attributable to Anglo American Corporation of South Africa Limited		86 278		84 714
Net (loss) gain arising from currency fluctuations	(33)		507	
Transfer from (to) currency reserve	33	—	(507)	—
		86 278		84 714
Dividends:				
On preferred stock:				
No. 94 of three per cent declared June 4 1976	143		143	
No. 95 of three per cent declared December 2 1976	143		143	
On ordinary shares:				
No. 80 (interim) of 8 cents per share declared September 23 1976	10 534		10 531	
No. 81 (final) of 25 cents per share declared February 21 1977	32 931		32 918	
		43 751		43 735
Retained profit before extraordinary item		42 527		40 979
Extraordinary item				
Provision against investment in Zaïre (see directors' report)		20 000		—
Retained profit after extraordinary item		22 527		40 979
Unappropriated profit, December 31 1975	16 884		13 524	
Adjustment thereto arising from changes in currency exchange rates	66		1 861	
		16 950		15 385
		39 477		56 364
Transfer to reserves:				
Non-distributable reserve	22		(3)	
General reserve	23 479		39 483	
		23 501		39 480
Unappropriated profit, December 31 1976		15 976		16 884

For notes see pages 54 to 56

Balance sheet December 31 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

			1975	
Capital	R000's	R000's	R000's	R000's
Authorised:				
140 000 000 ordinary shares of 10 cents each	14 000		14 000	
1 241 250 six per cent cumulative preference shares of R1 each	1 241		1 241	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
	20 000		20 000	
Issued: (note 2)				
131 725 300 ordinary shares of 10 cents each, fully paid	13 172		13 167	
R4 758 750 six per cent cumulative preferred stock	4 759		4 759	
		17 931		17 926
Share premium (note 3)		202		84 148
Non-distributable reserve (note 4)		84 148		—
Distributable reserves				
General reserve (note 5)	207 500		207 500	
Unappropriated profit	430		421	
		207 930		207 921
		310 211		309 995
Loan capital (note 6)		60 038		60 128
		370 249		370 123
Loans				
Subsidiary companies	21 833		11 400	
Associated companies and others	272 686		385 112	
		294 519		396 512
Creditors				
Preferred stock dividend No. 95 and ordinary dividend No. 81	33 074		33 061	
Taxation	357		689	
Sundry	12 081		20 679	
		45 512		54 429
		710 280		821 064
Represented by:				
Investment in subsidiary companies				
Unlisted shares at cost, less amounts written off and provision	89 232		94 026	
Loans	158 593		170 827	
		247 825		264 853
Other investments				
At cost, less amounts written off and provision				
Listed – market value R479 464 000 (1975: R560 641 000)	112 612		111 459	
Unlisted – directors' valuation R39 530 000 (1975: R39 498 000)	11 956		14 890	
		124 568		126 349
Loans				
Associated companies and others, less provision		263 165		226 438
Debtors and cash				
Debtors	21 010		26 455	
Cash on deposit, at call and short notice and on hand	53 712		176 969	
		74 722		203 424
Office, research and transport equipment (note 1(b))		—		—
		710 280		821 064

For notes see pages 54 to 56

Income statement for the year 1976

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

			1975	
	R000's	R000's	R000's	R000's
Investment income				
Listed	40 563		40 577	
Unlisted	3 013		2 270	
Income from subsidiaries (note 10)		43 576		42 847
Income from interest, fees and other sources after deducting administration expenses (note 12)		25 729		25 842
		41 178		52 195
Surplus on realisation of investments		758		—
		111 241		120 884
Deduct:				
Interest paid:				
Loan capital	2 946		2 808	
Loans by associated companies and others	22 504		29 520	
Expenditure on office, research and transport equipment	25 450		32 328	
Contributions to staff pension funds	1 667		3 057	
Costs of prospecting	2 487		2 458	
Loss on realisation of investments	8 891		6 912	
Provision against investments			1 532	
Provision against loans	3 381		4 213	
	3 104		2 500	
Profit before taxation		44 980		53 000
Provision for taxation (note 13)		66 261		67 884
		2 501		2 490
Profit after taxation, before extraordinary item		63 760		65 394
Dividends:				
On preferred stock:				
No. 94 of three per cent, declared June 4 1976	143		143	
No. 95 of three per cent, declared December 2 1976	143		143	
On ordinary shares:				
No. 80 (interim) of 8 cents per share, declared September 23 1976	10 534		10 531	
No. 81 (final) of 25 cents per share, declared February 21 1977	32 931		32 918	
Retained profit before extraordinary item		43 751		43 735
		20 009		21 659
Extraordinary item				
Provision against investment in Zaïre (see directors' report)		20 000		—
Retained profit after extraordinary item		9		21 659
Unappropriated profit, December 31 1975		421		262
Transfer to general reserve		430		21 921
		—		21 500
Unappropriated profit, December 31 1976		430		421

For notes see pages 54 to 56

Notes on the financial statements

1 Accounting policies

(a) The listed and unlisted investments of the group are predominantly income earning long-term holdings. Where, in the opinion of the directors, a permanent diminution in the value of investments, flowing from normal circumstances, has occurred, provision for such diminution is charged against current profits.

(b) No depreciation of land, buildings and fixed improvements is provided.
Office, research and transport equipment is written off in the year of acquisition.

(c) Assets and liabilities in foreign currencies are expressed at the approximate rates of exchange ruling at the year end.

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

(e) Due to the nature of the group's activities the directors are of the opinion that to publish a figure for turnover would be meaningless.

2 Share capital

The unissued capital comprises 8 274 700 ordinary shares of 10 cents each and 1 241 250 six per cent cumulative preference shares of R1 each.

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

(a) Share option scheme – 1 500 000 shares were placed at the disposal of directors but, when the scheme was discontinued during 1974, options had not been granted in respect of 786 000 shares, which were transferred to the share incentive scheme at that stage. Options were granted for 10 years or until two years after retirement, whichever is the earlier.
Options granted in terms of the scheme are as follows:

	Balance at 31.12.75	Lapsed during year	Exercised during year	Balance at 31.12.76
Granted on August 27 1969 at 650 cents a share	244 800	38 300	—	206 500
Granted on January 19 1972 at 537 cents a share	163 800	6 000	—	157 800
Granted on August 1 1973 at 700 cents a share	156 000	10 500	—	145 500

(b) Share incentive scheme – 1 500 000 shares were placed at the disposal of directors and 786 000 were transferred from the share option scheme. At December 31 1975 555 000 shares were available for issue under the scheme. Of these shares 53 000 were issued during the year leaving a balance of 502 000 shares available under the scheme. At December 31 1976 R9 630 000 (1975: R9 534 000) had been advanced to the Trustees of the share incentive scheme.

The remaining 7 262 900 unissued ordinary shares are under the unrestricted control of the directors until the forthcoming annual general meeting.

3 Share premium

The change in the share premium during the year arises as follows:

Balance at December 31 1975	R84 148 000
Premium on 53 000 shares issued in terms of the share incentive scheme less share issue expenses	202 000
	84 350 000
Less:	
Premium transferred to the non-distributable reserve in terms of resolution of members dated May 21 1976	84 148 000
	R202 000

4 Non-distributable reserve

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

	Group	Corporation
Balance at December 31 1975	R5 518 000	—
Adjustments thereto arising from changes in currency exchange rates	(474 000)	—
Transfer from share premium – see note 3	84 148 000	R84 148 000
Profit on sale of investments by subsidiary	22 000	—
	R89 214 000	R84 148 000

5 Distributable reserves

General reserve:

The increase in the general reserve arises as follows:

	Group	Corporation
Balance at December 31 1975	R323 549 000	R207 500 000
Adjustment thereto arising from changes in currency exchange rates	(69 000)	—
Appropriated this year	23 479 000	—
	R346 959 000	R207 500 000

Currency reserve:

The decrease in the currency reserve arises as follows:

	Group
Balance at December 31 1975	R4 537 000
Adjustment thereto arising from changes in currency exchange rates	(335 000)
Transfer to income statement	(33 000)
	R4 169 000

6 Loan capital

Loan capital comprises the following:

Loans of:	Rand equivalents 1976	1975
(a) Swiss francs 50 000 000	R8 556 000	R8 556 000
(b) US$9 113 000	7 925 000	8 015 000
(c) US$50 000 000	43 478 000	43 478 000
(d) R79 000	79 000	79 000
	R60 038 000	R60 128 000

Associated companies sub-participate in loan (c) to the equivalent of R20 016 000 (1975: R20 016 000).

Details of the individual loans are as follows:

(a) The loan of Swiss francs 50 000 000 bears interest at the rate of 5,75 per cent per annum and is repayable by 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 2,5 per cent reducing by 0,5 per cent per annum in the years 1977 to 1981 and thereafter at par. The servicing and repayment of the loan is covered by forward exchange contracts with the South African Reserve Bank.

(b) The loan of US$9 113 000 bears interest at the rate of 6,96 per cent per annum and is repayable between 1978 and 1982 subject to minor repayments of US$104 000 each year to 1977. The Corporation may, in certain circumstances, make repayment earlier.

(c) The loan of US$50 000 000 bears interest at the rate of 7,5 per cent per annum and is repayable at par in instalments of $1 500 000 on March 1 in each of the years 1977 to 1981 inclusive, $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.

(d) 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 or redeemed in accordance with the note conditions.

7 Outside shareholders' interests

The interests of the outside shareholders in subsidiary companies amounted to R63 008 000 at December 31 1976 (1975: R63 564 000). This does not take into account their interest in the excess of the market value and directors' valuation of listed and unlisted investments respectively over book values at December 31 1976 which amounted to R5 342 000 (1975: R16 375 000).

8 Contingent liabilities and commitments

(a) There are contingent liabilities in respect of:

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

(ii) Guarantees with De Beers Consolidated Mines Limited in respect of the servicing and repayment of foreign loans to Highveld Steel and Vanadium Corporation Limited of Deutschemarks 100 000 000 and US$20 000 000. The servicing and repayment of the loans are covered by forward exchange contracts with the South African Reserve Bank.

(iii) Completion undertakings to lenders to Bamangwato Concessions Limited and the Republic of Botswana in respect of a portion (amounting to the equivalent of R45 461 000 (1975: R43 349 000) at current exchange rates) of loans in various currencies whereby the Corporation with another undertakes to arrange or procure 37,5 per cent of any finance, additional to that already arranged, which may be required to complete the Selebi-Pikwe mine. A 64 per cent interest in the undertakings has been laid off to associated companies. The undertakings continue until certain requirements of the lenders as to completion of the project have been met.

Guarantees with another in respect of certain of the loans referred to in the preceding paragraph, to the extent of the equivalent of R11 516 000 (1975: R11 082 000) (at current exchange rates) of which R7 381 000 (1975: R7 102 000) has been laid off to associates.

Guarantees, with another, of amounts advanced to Bamangwato Concessions Limited under a revolving credit agreement amounting to R7 145 000, of which R4 579 000 has been laid off to associates.

(iv) Other guarantees given by the Corporation totalling R62 500 000 (1975: R87 905 000) and by subsidiary companies totalling R5 532 000 (1975: R4 985 000) for the fulfilment of other contractual obligations. Counter-guarantees have been obtained for R41 884 000 (1975: R58 310 000).

The guarantees given by the Corporation include:

A guarantee in respect of a loan advanced to gold mining companies for an amount of R34 080 000 (1975: R34 080 000). The Corporation's obligation has been fully counter-guaranteed.

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

9 Property, mineral rights and equipment

The amount of R11 453 000 shown in the consolidated balance sheet under this heading comprises the following:

	1976	1975
Fixed assets – land, buildings and fixed improvements at cost, or net book value January 1 1953	R9 318 000	R9 922 000
Mineral rights, at cost less amounts written off	2 135 000	2 120 000
Office, research and transport equipment – written off	—	—
	R11 453 000	R12 042 000

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

10 Income from subsidiaries

Income from subsidiaries comprises the following:

	1976	1975
Dividends	R24 281 000	R24 868 000
Fees	1 448 000	974 000
	R25 729 000	R25 842 000

11 Directors' remuneration

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

	1976	1975
Directors' fees	R94 000	R78 000
Other emoluments	1 252 000	1 340 000
	R1 346 000	R1 418 000
Pensions of past directors for services in a managerial capacity	R87 000	R47 000

12

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

	Group		Corporation	
	1976	1975	1976	1975
Administration fees	R1 521 000	R1 721 000	R1 012 000	R1 151 000
Audit fees	R144 000	R159 000	R100 000	R93 000

13 Provision for taxation

Provision for taxation has been made as follows:

	Group		Corporation	
	1976	1975	1976	1975
South African	R2 002 000	R2 324 000	R1 412 000	R1 787 000
Foreign	2 768 000	2 078 000	1 100 000	714 000
	4 770 000	4 402 000	2 512 000	2 501 000
Net adjustment in respect of previous year	(123 000)	(52 000)	(11 000)	(11 000)
	R4 647 000	R4 350 000	R2 501 000	R2 490 000

Source and application of funds statement for the year 1976

	Group 1976 R000's	Group 1975 R000's	Corporation 1976 R000's	Corporation 1975 R000's
Source of funds:				
Profit before taxation and outside shareholders' interest	93 865	92 057	66 261	67 884
Add:				
Provision against investments and loans, less net adjustments arising from changes in currency exchange rates	4 205	15 104	6 484	6 713
	98 070	107 161	72 745	74 597
Proceeds from shares issued	207	1 405	207	1 405
Increase in outside shareholders' interest in subsidiary companies	—	3 470		
Loans from associated companies and others	—	6 512	—	11 554
(Decrease) increase in creditors (net)	(9 467)	6 169	(8 917)	5 394
Decrease in debtors and cash (net)	141 991	15 459	128 702	9 392
	132 524	21 628	119 785	14 786
Property, mineral rights and equipment – net decrease	589	—	—	—
Investment in subsidiary companies:				
Decrease in cost of shares			4 941	—
Net decrease in loans			22 667	—
			27 608	
	231 390	140 176	220 345	102 342
Application of funds:				
Investment in subsidiary companies:				
Increase in cost of shares			—	1 351
Net increase in loans			—	20 345
				21 696
Cost of investments acquired, *less* cost of investments sold	9 162	69 651	1 746	23 140
Property, mineral rights and equipment – net increase	—	238	—	—
Loans to associated companies and others	58 044	22 130	59 831	11 209
Loans from associated companies and others	112 200	—	112 426	—
Repayment of loan capital	90	72	90	72
Taxation	4 647	4 350	2 501	2 490
Dividends	43 751	43 735	43 751	43 735
Decrease in outside shareholders' interest in subsidiary companies	3 496	—		
	231 390	140 176	220 345	102 342

Subsidiaries in which the Corporation has a direct or indirect interest

	Issued share capital		Interest in share capital				Book value of holding company			
			Direct		Indirect		Shares		Loans	
	1976	1975	1976 %	1975 %	1976 %	1975 %	1976 R000's	1975 R000's	1976 R000's	1975 R000's
Incorporated in South Africa	R000's	R000's								
Finance and investment										
African and European Investment Company Limited – ordinary	4 180	4 180	80	80	20	20	20 935	20 935	—	3 156
– preference	3 500	3 500	—	—	—	—	—	—	—	—
African Loans and Investments Limited – ordinary	1	1	100	100	—	—	1	1	1 205	1 511
– preference	2	2	—	—	—	—	—	—	—	—
Angloswazi Investments Limited	16	16	100	100	—	—	15	4 320	—	—
Anseld Holdings (Proprietary) Limited	3 000	3 000	65	65	—	—	9 668	9 668	—	—
Egret Investments Limited	3	3	58	58	—	—	11 334	11 334	—	—
L. S. Properties (Proprietary) Limited	129	129	—	—	45	45	—	—	—	—
Marjoram Holdings Limited	2	2	—	—	100	100	—	—	124 965	115 885
Millibar Investments Limited – ordinary	•	•	100	100	—	—	•	•	—	—
– preference	29	41	100	100	—	—	1 258	1 747	—	—
The New Era Consolidated Limited	550	550	100	100	—	—	3 045	3 045	—	—
Oriole Investments Limited	1	1	—	—	100	100	—	—	2 018	2 373
Rhochar Holdings Limited	27	26	17	17	44	44	5 505	5 505	226	246
South African Mines Selection Limited	5 000	5 000	100	100	—	—	8 646	8 646	—	3 998
Thaton Limited	3	3	—	—	100	100	—	—	15 849	19 163
Computer services										
Anmercosa Computer Services Limited	•	•	—	—	100	100	—	—	46	—
Property owning										
Anmercosa Land and Estates Limited	3 460	3 460	100	100	—	—	4 255	4 255	13 974	15 234
Exchange Buildings (Proprietary) Limited	124	124	—	—	100	100	—	—	—	—
Mbulwa Estate (Proprietary) Limited	8	8	—	—	75	75	—	—	9	—
Middelplaats Manganese Limited	—	•	—	—	—	63	—	—	—	160
Westander Properties (Proprietary) Limited	•	•	—	—	100	100	—	—	—	—
Zaaiwater (Proprietary) Limited	200	200	—	—	100	100	—	—	—	—
Prospecting										
Anglo American Base Metal Holdings S.W.A. (Proprietary) Limited	58	52	—	—	51	51	—	—	—	—
Anglo American Prospecting Company Limited	224	1 243	—	—	63	63	—	—	—	—
Anglo American Prospecting Company (South) Limited	13	664	—	—	63	63	—	—	—	—
Anterra Minerals (Proprietary) Limited	8	8	—	—	60	60	—	—	—	—
Taybard Investments Limited	1	1	2	2	49	49	—	—	—	—
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	—	—	—	—
New Rhodesia Investments Limited	5 000	5 000	100	100	—	—	20 760	20 760	—	—
Financial services										
Anglo American Corporation Services Limited	20	20	—	—	100	100	—	—	—	—
Anglo American (Rhodesian Services) Limited	37	37	—	—	100	100	—	—	—	—
Incorporated in Luxembourg	US$000's	US$000's								
Finance and investment										
Anglux Limited	3 319	3 319	100	100	—	—	2 679	2 679	107	696
Axalux Holdings Limited	1 631	1 631	100	100	—	—	711	711	—	—
Orlop Investments Limited	9 223	9 223	—	—	100	100	—	—	—	—
Patent holding	FF000's	FF000's								
Hilux Holding S.A.	1 000	1 000	—	—	100	100	—	—	—	—
Nilux Holding S.A.	100	100	100	100	—	—	14	14	—	—
Incorporated in Liberia	US$000's	US$000's								
Finance and investment										
Anmines Limited	1	1	—	—	100	100	—	—	—	—
Anglo European Holdings Limited	15	15	—	—	45	45	—	—	—	—
Midway Investment Limited – voting shares	1	1	—	—	100	100	—	—	—	8 195
– non-voting shares	100	100	—	—	—	—	—	—	—	—

	Issued share capital		Interest in share capital				Book value of holding company			
			Direct		Indirect		Shares		Loans	
	1976	1975	1976 %	1975 %	1976 %	1975 %	1976 R000's	1975 R000's	1976 R000's	1975 R000's
Incorporated in Zambia	K000's	K000's								
Financial services										
Anglo American Corporation (Central Africa) Limited	2 500	2 500	—	—	100	100	—	—	—	—
Finance and investment										
Anglo American Northern Properties Limited	8	8	—	—	100	100	—	—	—	—
Incorporated in Australia	A$000's	A$000's								
Finance and investment										
Angborne Investments Australia Proprietary Limited	1	1	—	—	100	100	—	—	—	—
Managerial services										
Australian Anglo American Services Limited	563	563	—	—	100	100	—	—	136	108
Incorporated in Bermuda	BD$000's	BD$000's								
Finance and investment										
Anglo American Investment Trust (Bermuda) Limited	37	37	—	—	100	100	—	—	11	53
Marland Company Limited	—	24	—	—	—	100	—	—	—	—
Incorporated in the United Kingdom	£000's	£000's								
Finance and investment										
Luxam Limited	5	5	—	—	100	100	—	—	—	—
Lydenburg Holdings Limited	5	5	100	100	—	—	326	326	—	—
Incorporated in Canada	C$000's	C$000's								
Finance and investment										
Anseld (Canada) Limited – common	19 493	19 493	—	—	62	62	—	—	—	—
– preference	—	297	—	—	—	62	—	—	—	—
Cello Securities Limited	1	1	—	—	62	62	—	—	—	—
Incorporated in Switzerland	SF000's	SF000's								
Finance and investment										
Barque Holding A.G.	50	50	100	100	—	—	8	8	—	—
Managerial services										
Anglo American Corporation Management and Services A.G.	100	100	—	—	100	100	—	—	—	—
Incorporated in Lesotho	R000's	R000's								
Managerial services										
Anglo American Lesotho Services Company (Proprietary) Limited	*	—	—	—	100	—	—	—	—	—
Incorporated in Botswana	P000's	P000's								
Managerial services										
Anglo American Corporation Botswana (Services) (Proprietary) Limited	*	*	100	100	—	—	*	*	33	—
Other							72	72	14	49
							89 232	94 026	158 593	170 827

*Nominal amount

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

	1976 R000's	1975 R000's
Profits	48 092	45 028
Losses	56	93

Schedule of investments at December 31 1976

Listed	Group: Units held 1976	Group: Units held 1975	Group: Percentage of market value 1976	Group: Percentage of market value 1975	Corporation: Units held 1976	Corporation: Units held 1975	Corporation: Percentage of market value 1976	Corporation: Percentage of market value 1975
Mining finance and investment			37,52	39,91			37,96	43,01
Anglo American Gold Investment Company Limited	5 666 445	5 666 445	15,47	19,02	5 174 997	5 174 997	27,52	30,92
Botswana R.S.T. Limited	1 444 114	—	0,12	—	1 444 114	—	0,24	—
Charter Consolidated Limited	32 298 591	32 543 111	10,72	10,83	—	—	—	—
General Mining and Finance Corporation Limited	49 895	55 642	0,13	0,16	3 490	4 397	0,02	0,02
Gold Fields of South Africa Limited	360 822	360 822	0,79	0,96	59 199	59 199	0,25	0,28
Johannesburg Consolidated Investment Company Limited	216 989	—	0,58	—	—	—	—	—
Metals and Minerals Investment Corporation Limited	300 000	300 000	0,06	0,05	—	—	—	—
Minerals and Resources Corporation Limited	21 610 706	7 557 020	4,47	2,02	5 145 974	5 145 974	2,90	2,48
Rand Selection Corporation Limited	7 250 324	7 241 782	5,04	6,68	5 181 957	5 672 053	7,03	9,31
U.C. Investments Limited	484 582	534 433	0,14	0,19	—	—	—	—
Gold mining			16,39	20,49			15,55	17,28
1. Witwatersrand and East Rand			0,73	0,93			0,26	0,30
Bracken Mines Limited	239 380	239 380	0,04	0,06	—	—	—	—
East Daggafontein Mines Limited	236 992	236 992	0,01	0,01	—	—	—	—
Grootvlei Proprietary Mines Limited	90 000	90 000	0,01	0,01	90 000	90 000	0,02	0,03
Kinross Mines Limited	202 879	202 879	0,09	0,12	161 478	161 478	0,14	0,17
Leslie Gold Mines Limited	32 786	264 267	—	0,02	—	—	—	—
The South African Land & Exploration Company Limited	797 132	311 587	0,06	0,08	649 112	237 577	0,10	0,10
Winkelhaak Mines Limited	614 573	614 573	0,52	0,63	—	—	—	—
2. West Rand			11,22	14,60			13,86	15,57
Buffelsfontein Gold Mining Company Limited	114 926	114 926	0,14	0,17	10 033	10 033	0,02	0,03
Deelkraal Gold Mining Company Limited	812 078	306 698	0,12	0,07	235 226	50 319	0,07	0,02
Doornfontein Gold Mining Company Limited	—	48 662	—	0,04	—	—	—	—
East Driefontein Gold Mining Company Limited	2 389 720	2 827 030	2,53	3,28	2 339 372	2 452 900	4,78	5,03
Elandsrand Gold Mining Company Limited	7 487 343	7 487 343	2,12	2,51	6 465 293	6 465 293	3,57	3,86
Elsburg Gold Mining Company Limited	1 651 987	1 651 987	0,25	0,38	—	—	—	—
Hartebeestfontein Gold Mining Company Limited	22 333	22 333	0,04	0,05	7 366	7 366	0,02	0,03
Kloof Gold Mining Company Limited	33 805	264 068	0,02	0,21	33 805	187 733	0,05	0,27
Libanon Gold Mining Company Limited	—	101 150	—	0,09	—	—	—	—
Southvaal Holdings Limited	1 565 246	1 565 246	1,04	1,37	637 931	637 931	0,78	0,93
Vaal Reefs Exploration and Mining Company Limited	438 045	438 045	0,80	1,03	191 815	191 815	0,68	0,81
Western Areas Gold Mining Company Limited	784 537	784 537	0,19	0,29	—	—	—	—
Western Deep Levels Limited	2 794 563	2 794 613	3,80	4,92	1 467 663	1 467 663	3,83	4,58
Zandpan Gold Mining Company Limited	548 797	548 797	0,17	0,19	19 967	10 967	0,01	0,01
3. Orange Free State			4,44	4,96			1,43	1,41
Free State Geduld Mines Limited	74 431	74 431	0,14	0,18	—	—	—	—
Free State Saaiplaas Gold Mining Company Limited	2 978 200	2 978 200	0,44	0,40	—	—	—	—
Loraine Gold Mines Limited	180 333	180 333	0,02	0,04	25 600	25 600	0,01	0,01
President Brand Gold Mining Company Limited	1 081 423	1 081 423	1,90	2,14	—	—	—	—
President Steyn Gold Mining Company Limited	826 620	826 620	1,00	1,20	—	—	—	—
Welkom Gold Mining Company Limited	650 518	650 518	0,21	0,21	—	—	—	—
Western Holdings Limited	285 170	285 170	0,73	0,79	284 370	284 370	1,42	1,40
Diamonds			19,20	18,22			33,92	29,32
Anglo American Investment Trust Limited	4 137 234	4 137 234	16,01	15,12	3 703 516	3 703 516	28,00	24,11
De Beers Consolidated Mines Limited	8 342 072	8 526 234	3,19	3,10	7 889 350	8 044 672	5,92	5,21
Copper and other mining			2,22	2,26			0,83	0,53
The Afrikander Lease Limited	1 265 074	950 180	0,42	0,30	1 265 074	950 180	0,83	0,53
The Messina (Transvaal) Development Company Limited	1 093 726	1 068 571	0,30	0,38	—	—	—	—
Rhodesian Nickel Corporation Limited	6 838 858	7 163 258	1,05	1,15	—	—	—	—
Shangani Mining Corporation Limited	3 429 612	1 908 512	0,33	0,24	—	—	—	—
Tanganyika Concessions Limited	448 114	448 114	0,11	0,12	—	—	—	—
The South West Africa Company Limited	—	29 395	—	0,01	—	—	—	—
Tronoh Mines Limited	—	342 857	—	0,04	—	—	—	—
Zambia Copper Investments Limited	388 031	388 031	0,01	0,02	—	—	—	—
Platinum			2,95	1,72			1,78	0,94
Rustenburg Platinum Holdings Limited	16 001 980	9 574 105	2,95	1,63	4 974 305	3 054 928	1,78	0,93
Waterval (Rustenburg) Platinum Mining Company Limited	—	541 934	—	0,09	—	13 667	—	0,01

	Group				Corporation			
	Units held		Percentage of market value		Units held		Percentage of market value	
	1976	1975	1976	1975	1976	1975	1976	1975
Coal			7,59	3,01			0,37	0,26
Amalgamated Collieries of South Africa Limited	—	178 464	—	0,10	—	—	—	—
Anglo American Coal Corporation Limited	7 325 041	509 771	5,96	1,29	231 736	57 934	0,37	0,26
The Coronation Collieries Limited	—	331 906	—	0,14	—	—	—	—
Natal Ammonium Collieries (1946) Limited	10 800	10 800	0,01	0,01	—	—	—	—
Natal Anthracite Colliery Limited	1 427 305	1 164 564	0,72	0,32	—	—	—	—
Natal Coal Exploration Company Limited	1 491 301	1 491 301	0,04	0,03	—	—	—	—
South African Coal Estates (Witbank) Limited	—	326 389	—	0,56	—	—	—	—
Trans-Natal Coal Corporation Limited	660 972	858 889	0,15	0,12	—	—	—	—
Vierfontein Colliery Limited	305 604	305 604	0,02	0,02	—	—	—	—
Vryheid Coronation Limited	2 020 912	2 020 912	0,52	0,31	—	—	—	—
Witbank Colliery Limited – shares	30 000	30 000	0,03	0,02	—	—	—	—
– 13,5% 1979/82 convertible debentures	R3 000	R3 000	0,01	0,01	—	—	—	—
Zuinguin Natal Collieries Limited	457 583	457 583	0,1[illegible]	0,08	—	—	—	—
General finance			0,48	0,55			0,81	0,84
First Union General Investment Trust Limited	6 918 774	6 918 774	0,42	0,47	6 918 774	6 918 774	0,81	0,84
New Central Witwatersrand Areas Limited	391 733	391 733	0,06	0,08	—	—	—	—
Industrial and commercial			10,86	10,38			8,29	7,43
AECI Limited	944 187	609 153	0,20	0,12	944 187	609 153	0,40	0,22
Anglo American Industrial Corporation Limited	5 994 580	5 994 580	5,20	4,90	1 529 385	1 529 385	2,58	2,22
Barlow Rand Limited	3 287 156	3 305 425	1,05	1,08	2 544 277	2 481 875	1,58	1,44
Chemical Holdings Limited – ordinary	827 212	827 212	0,13	0,13	107 918	107 918	0,03	0,03
– unsecured convertible notes	R581 728	R581 728	0,06	0,06	R126 238	R126 238	0,03	0,03
Cullinan Holdings Limited	2 100 002	2 100 002	0,27	0,24	—	—	—	—
Gallo (Africa) Limited	299 145	299 145	0,03	0,05	299 145	299 145	0,06	0,09
Highveld Steel and Vanadium Corporation Limited	12 529 231	10 614 397	2,01	1,70	6 578 713	6 610 763	2,06	1,89
Huletts Corporation Limited	1 008 450	998 450	0,19	0,28	—	—	—	—
Johnson Matthey and Company Limited	550 667	550 667	0,24	0,32	550 667	550 667	0,47	0,56
L.T.A. Limited	2 653 081	2 653 081	0,40	0,44	2 653 081	2 653 081	0,78	0,78
McCarthy Group Limited	2 105 757	2 105 757	0,12	0,18	728 721	728 721	0,08	0,11
Northern Lime Company Limited	—	50 000	—	0,03	—	50 000	—	0,06
Romatex Limited	84 500	84 500	0,01	0,01	—	—	—	—
The South African Breweries Limited	135 000	135 000	0,01	0,01	—	—	—	—
Stewarts & Lloyds of South Africa Limited	626 683	626 683	0,10	0,10	—	—	—	—
Television and Electrical Holdings Limited	182 225	232 225	0,02	0,05	—	—	—	—
Tiger Oats and National Milling Company Limited	128 840	1 000	0,11	—	127 840	—	0,22	—
The Tongaat Group Limited	2 557 050	2 557 050	0,68	0,64	—	—	—	—
The Union Steel Corporation (of South Africa) Limited	355 494	355 494	0,02	0,02	—	—	—	—
Vereeniging Refractories Limited	43 200	43 200	0,01	0,02	—	—	—	—
Property			0,91	1,34			0,12	0,13
Anglo American Properties Limited – ordinary	7 549 751	7 763 751	0,22	0,27	2 094 727	2 094 727	0,12	0,13
– preference	16 384 664	16 384 664	0,67	0,71	—	—	—	—
Sorec Limited	314 590	4 005 000	0,02	0,36	—	—	—	—
Banking			1,79	2,03			0,32	0,24
Barclays National Bank Limited	2 674 755	2 674 755	0,80	0,83	—	—	—	—
Nedbank and Syfrets – U.A.L. Holdings Limited	2 935 764	4 077 542	0,57	0,84	—	—	—	—
Rhodesian Acceptances Holdings Limited	680 000	725 000	0,25	0,23	—	—	—	—
Standard Bank Investment Corporation Limited	620 439	453 549	0,17	0,13	620 439	453 549	0,32	0,24
Sundry			0,09	0,09			0,05	0,02
City of Johannesburg – 6,5% 1977 stock	R187 500	R187 500	0,01	0,01	R187 500	R187 500	0,02	0,02
Rand Mines Limited – loan stock	R407 817	R407 817	0,03	0,03	—	—	—	—
Rhodesia – 6% 1978/81 stock	£100 403	£100 403	0,01	0,01	—	—	—	—
Other minor holdings	—	—	0,04	0,04	—	—	0,03	—
			100,00	100,00			100,00	100,00
Total market value			R000's 934 221	R000's 997 842			R000's 479 464	R000's 560 641

	Group				Corporation			
	Units held		Percentage of directors' valuation		Units held		Percentage of directors' valuation	
	1976	1975	1976	1975	1976	1975	1976	1975
Unlisted								
Mining finance and investment			40,02	49,65			19,10	23,02
Anglo American Corporation of Canada Limited	3 051 290	3 051 290			—	—		
Anglo American Corporation Rhodesia Limited	3 830 922	1 915 461			—	—		
Australian Anglo American Limited	8 800 000	8 800 000			—	—		
Falcon Investments Limited	3 947 656	3 947 656			—	—		
Hollardstraat-ses Beleggings (Eiendoms) Beperk	632 671	632 671			50 000	50 000		
Johannesburg Consolidated Investment Company Limited – preference	5 000 000	7 500 000			—	—		
Minerals and Resources Corporation Limited – 'A' ordinary	—	14 053 686			—	—		
Osprey Investments Limited	4 040 175	4 040 175			—	—		
Overseas and Rhodesian Investment Company Limited	500 000	500 000			—	—		
Peregrine Investments Limited	4 040 175	4 040 175			—	—		
Swan Investments Limited	12 693	12 693			—	—		
Sward Investments Limited	315	315			315	315		
Western Ultra Deep Levels Limited	744 500	744 500			657 800	657 800		
Copper and other mining			3,56	2,18			6,00	5,63
Bidor Malayan Tin Sendirian Berhad	—	1 059 900			—	—		
Cleveland Potash Limited	555 555	555 555			555 555	555 555		
Messina Rhodesia Investments Limited	305 722	305 722			—	—		
Rhodesian Alloys Limited	1 511 111	215 873			—	—		
Swaziland Iron Ore Development Company Limited	1 176 287	1 176 287			—	—		
Coal			0,75	9,07			—	—
Anglo Power Collieries (Proprietary) Limited	—	27 430 190			—	—		
Blesbok Colliery Limited	—	147 000			—	—		
Blinkpan Koolmyne Beperk	700 000	700 000			—	—		
Natal Coal Syndicate (Proprietary) Limited	50 000	50 000			—	—		
New Largo Colliery Limited	—	1 356 900			—	—		
Transvaal Coal Corporation Limited	—	125 000			—	—		
General finance			14,50	11,17			28,46	31,06
Achem Investments Limited	150	150			150	150		
Astron Investments (Proprietary) Limited	69 500	69 500			69 500	69 500		
Coriander Holdings Limited	496	496			496	496		
Courser Holdings Limited	1 000	1 000			—	—		
Electro Chemical Industries Limited	2 000	2 000			2 000	2 000		
Engelhard Enterprises of Southern Africa (Proprietary) Limited	83	83			—	—		
Epoch Investments Limited	250 000	250 000			227 500	227 500		
Euranglo (Proprietary) Limited	400 000	400 000			217 553	217 553		
Management and Technical Services Limited	100	100			—	—		
Mean Investments Limited	13 500	13 500			—	—		
Nave Investments (Proprietary) Limited	125	125			125	125		
Pamella Trawlers (Proprietary) Limited	85 000	85 000			—	—		
Park Holdings Limited	41 435	41 435			—	—		
Pleach Investments Limited	300	300			300	300		
Zinc Products Limited	41 525	41 525			41 525	41 525		
Industrial and commercial			28,86	20,45			24,22	22,29
Anmersales A.G.	40	40			—	—		
Bentworth Trust (Europa) N.V.	1 333	1 333			1 333	1 333		
Cardium Holdings (Proprietary) Limited	3 386	3 386			—	—		
J. L. Clark and Company Limited	76 187	76 187			76 187	76 187		
Clay Products Limited	61 500	61 500			—	—		
Consolidated Metallurgical Industries Limited	1 190 476	357 143			—	—		
Consolidated Share Registrars Limited	19 370	19 370			19 370	19 370		
Conway Johnson Limited	65 600	65 600			—	—		
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			—	—		

	Group Units held 1976	Group Units held 1975	Group Percentage of directors' valuation 1976	Group Percentage of directors' valuation 1975	Corporation Units held 1976	Corporation Units held 1975	Corporation Percentage of directors' valuation 1976	Corporation Percentage of directors' valuation 1975
Eastern Transvaal Timber Company (Proprietary) Limited	7 750	7 750			—	—		
Hall Longmore and Company (Proprietary) Limited	98	98			—	—		
Illings (Proprietary) Limited – ordinary	—	3 901 732			—	942 771		
– preference	16 819	22 426			12 279	16 372		
International Pipe and Steel Investments South Africa (Proprietary) Limited	2 694 746	2 694 746			820 156	820 156		
Kiln Products Limited	99 562	99 562			99 562	99 562		
McCarthy-Main Holdings Limited	1 000	1 000			730	730		
Mainstraat Beleggings (1965) (Eiendoms) Beperk	365 000	365 000			365 000	365 000		
Middelburg Steel and Alloys (Proprietary) Limited	721 636	455 462			—	—		
Mimbula Fitula Holdings Limited	1 125 000	750 000			—	—		
Mondi Paper Company Limited – ordinary	8 959 958	8 348 975			610 983	—		
– preference	10 000 000	10 000 000			—	—		
R.F.F. Limited – ordinary	470 170	470 170			—	—		
– preference	670 162	670 162			—	—		
Shaft Sinkers (Proprietary) Limited	2 683 500	2 683 500			—	—		
Sigma Motor Corporation (Proprietary) Limited	4 546 907	—			1 038 859	—		
Soetvelde Farms Limited	1 157 000	1 157 000			—	—		
Transalloys (Proprietary) Limited	—	4 457 141			—	—		
Union Carriage and Wagon Company (Proprietary) Limited	303 192	303 192			111 192	111 192		
Zinchem and Industrial Mineral Resources (Proprietary) Limited	299 590	299 590			60 785	60 785		
Property			7,81	4,85			5,80	1,34
Amaprop McCarthy Investments Limited	196	196			196	196		
Anglo American (O.F.S.) Housing Company Limited	637 500	637 500			615 131	615 131		
Anglo American Properties Limited – deferred	5 386 839	5 386 839			2 865 992	2 865 992		
Carlton Centre Limited	9 545 840	9 545 840			—	—		
Creative Homes Limited	—	857 859			—	831 799		
Creative Holdings Limited	—	702			—	—		
Denmont Investments (Proprietary) Limited	—	3 693			—	3 693		
Kenilworth Centre (Proprietary) Limited	1 553	1 553			1 553	1 553		
Main Place Holdings Limited	368	368			368	368		
Marina da Gama Limited	3 675	3 675			—	—		
Banking			3,26	1,77			13,79	13,13
Aspella Investments Limited	350	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		
Industrial Finance Corporation of South Africa Limited	437 502	437 502			425 000	425 000		
National Finance Corporation of South Africa Limited	480 000	480 000			480 000	480 000		
The Discount House of South Africa Limited – ordinary	217 500	217 500			217 500	217 500		
– preference	108 750	133 750			108 750	133 750		
Sundry			1,24	0,86			2,63	3,53
Anglo-Transvaal Consolidated Investment Company Limited – 7% 1967/76 stock	—	R95 000			—	R95 000		
Ansa Petroleum Beperk	1 201	1 201			—	—		
Edesa Société Anonyme Holdings A.G.	800	800			800	800		
Lucas Block Minerals Limited	100	100			100	100		
Other minor holdings	—	—			—	—		
			100,00	100,00			100,00	100,00
			R000's	R000's			R000's	R000's
Total directors' valuation			168 059	235 246			39 530	39 498

Statistics from the consolidated financial statements for the ten years to 1976

	Number of issued ordinary shares†	Issued ordinary capital and reserves	Investments		Equity earnings after taxation	Equity earnings per share†	Dividend per ordinary share†	Total ordinary dividend
			Book value	Market value*				
		R000's	R000's	R000's	R000's	cents	cents	R000's
1967	129 820 400	222 260	212 835	616 177	30 540	23,5	13	16 824
1968	129 820 400	237 050	262 299	956 355	32 728	25,2	14	18 175
1969	129 820 400	253 362	283 117§	818 138§	36 224	27,9	16	20 771
1970	129 820 400	271 283	307 335§	688 610§	38 692	29,8	16	20 771
1971	129 820 400	292 344	434 881	927 378	40 970	31,5	17	22 069
1972	129 858 200	314 204	449 946	1 262 094	45 379	34,9	19	24 674
1973	129 889 300	345 349	468 583	1 231 359	57 954	44,6	24	31 176
1974	131 387 300	388 834	449 710	1 276 603	75 460	57,4	29	38 100
1975	131 672 300	439 422	518 825	1 233 088	84 428	64,1	33	43 449
1976	131 725 300	461 312	525 688	1 102 280	85 992	65,3	33	43 465

*1967 to 1973: Includes unlisted investments at book value and outside shareholders' interest in surplus of market value of listed investments over book value.

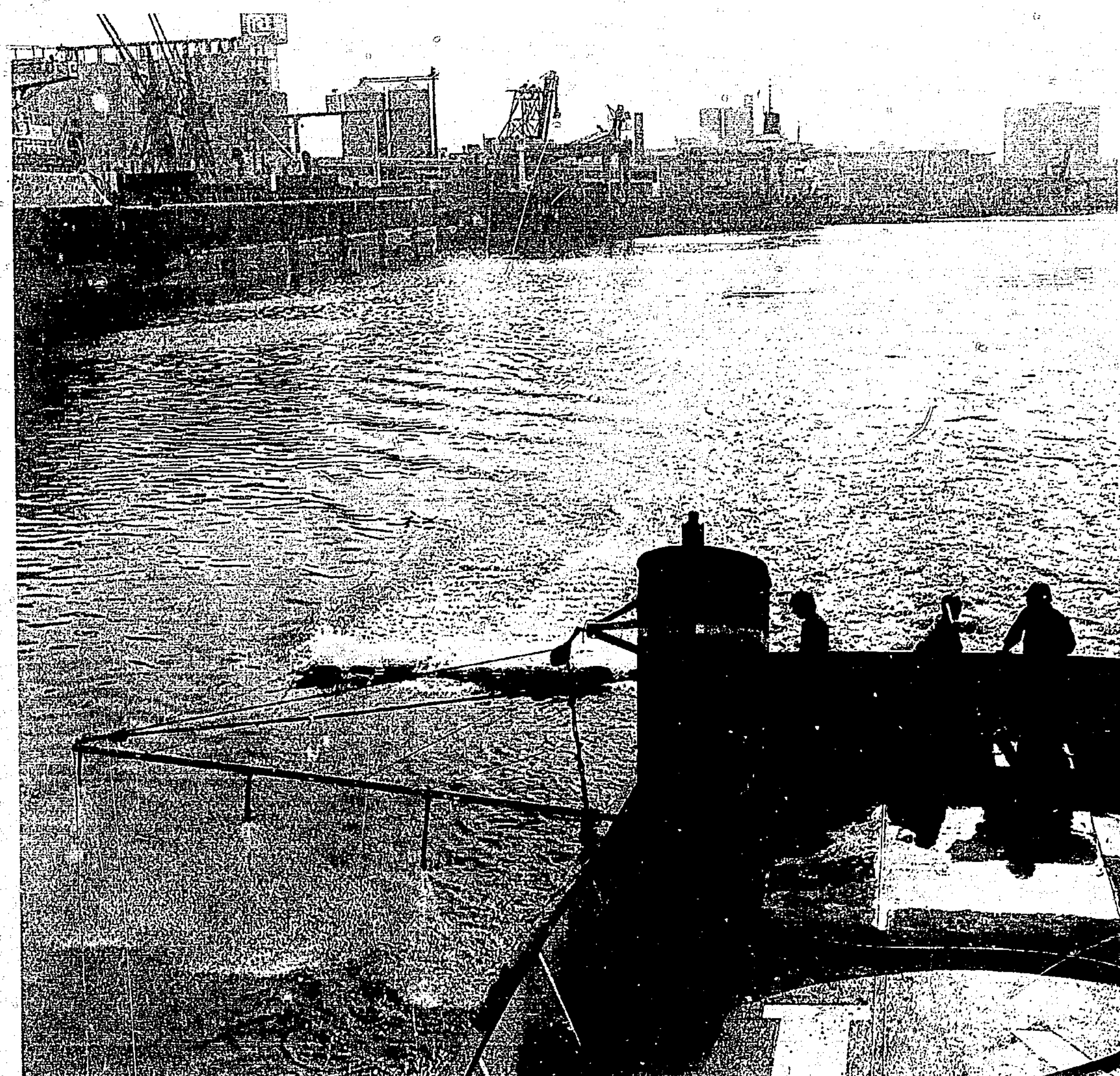
1974 to 1976: Includes unlisted investments at directors' valuation and outside shareholders' interest in surplus of market value and directors' valuation over book value.

†Adjusted for share subdivision on June 13 1969 of R1 shares into 10 cent shares, for purposes of comparison.

§Excluding investment in subsidiary companies not consolidated.

Interests of the Group

The Anglo American Corporation Group has direct and indirect interests in a wide range of financial, mining, industrial, prospecting, insurance and other companies. Particulars of the principal interests of the Group are given in this section, together with brief references to those companies in which the Group holds a significant interest



Principal finance and investment companies

°Indicates those companies in which the Corporation and its subsidiaries have a direct or indirect equity interest of 20 per cent or more and which contribute significantly to investment income

Administered within the Anglo American Corporation Group

Anglo American Coal Corporation Limited (Amcoal)

Reference to the Amcoal merger, which took effect on January 5 1976, was made in the previous annual report. Amcoal is now one of the largest coal mining groups in the world with a substantial investment in the South African coal industry through its 12 subsidiary companies involved in coal mining and related activities.

Amcoal retains its 51 per cent interest in the Vereeniging Refractories Limited group which is a major producer of refractories and allied products in South Africa. The company also owns property, mineral and coal rights in the districts of Vereeniging in the Transvaal and Heilbron in the Orange Free State and participates in the coal prospecting programme of the Anglo American Corporation Group through its wholly-owned subsidiary, V.E. Exploration and Finance Company Limited.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
23 491 438 shares of 50 cents each	11 746	11 746
Reserves	138 846	108 519
Long and medium term loans	46 776	3 584
Fixed, mining and net township assets	180 894	136 860
Investments		
Listed –		
Book value	860	852
Market value	1 488	1 093
Unlisted –		
Book value	4 582	4 732
Directors' valuation	5 138	4 837
Equity earnings	40 513	14 866
Dividends paid	9 396	5 349

Details of Amcoal's principal interests appear on page 77 of this report.

Anglo American Corporation do Brasil Limitada (Ambras)

Ambras was formed in 1973 to hold the Group's interests in Brazil, with the particular purposes of seeking mining investments, prospecting for mineral deposits and providing services to associated companies interested in investing in Brazil.

In 1975, the company acquired a 49 per cent interest in Mineração Morro Velho, which owns a group of producing gold mines in the state of Minas Gerais. Ambras, through its 40 per cent held associate, Unigeo Geologia e Mineração S.A., is continuing with its in-depth investigation of the Jacobina gold prospect in Bahia, while undertaking a widespread prospecting programme throughout Brazil.

Anglo American Corporation and its associates hold an effective 60 per cent interest in Ambras' business other than in gold and diamonds and a 68 per cent interest in its gold business, the remaining interests in these fields being split as to five-eighths Minerals and Resources Corporation Limited and three-eighths Charter Consolidated Limited.

Anglo American Corporation of Canada Limited (Amcan)

Amcan was established in 1966 to consolidate the major part of the Canadian assets of the Anglo American Corporation, De Beers and Charter Consolidated groups. These include both direct and indirect investments in copper, zinc, cadmium, gold, silver, potash, chemical, crude oil and natural gas production and prospecting operations.

Year ended December 31 1976

	1976 $000's	1975 $000's
Issued capital stock		
9 929 545 shares of no par value consisting of 6 319 614 class 'A' shares and 3 609 931 class 'B' shares	101 085	101 085
Total shareholders' equity	133 786	150 788
Investments		
Listed –		
Book value	660	792
Market value	372	745
Equity value	123 386	142 761
Market value	83 276	79 076
Unlisted –		
Book value	1 008	5 84[illegible]
Equity value	1 340	1 307
Loss before extraordinary items (1975 income)	5 379	5 702
Net loss after extraordinary items (1975 income)	14 166	5 702
Dividends paid	3 972	3 972

All amounts are expressed in Canadian currency. Amcan has adopted the equity method of accounting for investments in effectively controlled companies. Under this method Amcan has included in net income its share of the income or losses of such companies.

At December 31 1976 Amcan's principal investments were as follows:

	Direct percentage ownership
Francana Oil & Gas Ltd	28,29
Hudson Bay Mining and Smelting Co. Limited	38,10
Lytton Minerals Limited	33,94
Tombill Mines Limited	50,66
Whitehorse Copper Mines Limited – joint venture	16,67

Anglo American Corporation Rhodesia Limited (Amrho)

Amrho, in conjunction with certain other Rhodesian Group companies, holds the Rhodesian interests of the Anglo American Corporation, Minerals and Resources Corporation Limited and Charter Consolidated Limited groups and has a widely diversified portfolio of Rhodesian-based investments which provides the major part of its income by way of dividends. Its major investments include 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 investment finance. In addition Amrho has a substantial participation in the Corporation's prospecting programme in Rhodesia.

Year ended June 30 1976

	1976 $000's	1975 $000's
Issued capital		
14 177 303 shares of 50 cents each	7 089	7 089
Share premium and reserves	51 555	48 412
Unsecured loans	4 800	—
Investments		
Listed –		
Book value	17 735	15 262
Market value	37 970	33 217
Unlisted, at book value	33 779	32 436
Equity earnings	4 403	4 386
Dividends paid	992	—

All amounts are expresed in Rhodesian currency.

Anglo American Gold Investment Company Limited°

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.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
21 952 012 ordinary shares of R1 each	21 952	21 952
Share premium and reserves	141 422	135 571
Investments		
Listed –		
At cost, less amounts written off	147 581	140 554
Market value	612 839	774 550
Unlisted –		
At cost, less amounts written off	340	508
Directors' valuation	4 455	5 633
Loans	12 836	5 718
Equity earnings	45 375	74 680
Dividends paid	39 514	57 075

The combined shareholdings of Anglo American Gold Investment Company Limited and its subsidiary company, Orange Free State Investment Trust Limited, at December 31 1976 were:

	Shares held	Percentage interest
Gold producing		
Blyvooruitzicht Gold Mining Company Limited	1 700 000	7,08
Buffelsfontein Gold Mining Company Limited	2 218 750	20,17
Deelkraal Gold Mining Company Limited	5 478 690	8,70
Doornfontein Gold Mining Company Limited	751 888	7,65
East Driefontein Gold Mining Company Limited	6 063 509	11,12
Elandsrand Gold Mining Company Limited	4 660 193	20,84
Elsburg Gold Mining Company Limited	1 351 500	4,47
Free State Geduld Mines Limited	2 112 650	21,13
Free State Saaiplaas Gold Mining Company Limited	5 403 667	19,23
Harmony Gold Mining Company Limited	737 000	2,74
Hartebeestfontein Gold Mining Company Limited	1 737 700	15,52
Kinross Mines Limited	102 600	0,57
Kloof Gold Mining Company Limited	2 413 467	7,98
Libanon Gold Mining Company Limited	100 650	1,27
Loraine Gold Mines Limited	2 424 400	15,09
President Brand Gold Mining Company Limited	2 808 000	20,00
President Steyn Gold Mining Company Limited	3 004 500	21,46
St. Helena Gold Mines Limited	1 925 000	20,00
Stilfontein Gold Mining Company Limited	10 000	0,08
Vaal Reefs Exploration and Mining Company Limited	3 106 490	16,35
Venterspost Gold Mining Company Limited	33 500	0,68
Welkom Gold Mining Company Limited	2 337 100	19,08

	Shares held	Percentage interest
West Driefontein Gold Mining Company Limited	2 000 134	14,20
Western Areas Gold Mining Company Limited	1,052 500	2,61
Western Deep Levels Limited	3 309 290	13,24
Western Holdings Limited	1 569 460	20,94
Winkelhaak Mines Limited	27 800	0,23
Zandpan Gold Mining Company Limited	1 718 250	13,20
Financial		
Anglo American Industrial Corporation Limited	39 169	0,16
Ellaton Gold Mining Company Limited	59 000	7,49
Gold Fields of South Africa Limited	1 776 733	10,96
Sentrust Beperk	40 000	0,22
Southvaal Holdings Limited	3 461 202	13,31
Western Ultra Deep Levels Limited	434 400	28,96
Witwatersrand Deep Limited	33 550	2,18
Property		
Carlton Centre Limited		
– ordinary	50 000	0,18
– 8⅛ per cent fully paid first mortgage convertible debentures 1979/96	R1 000 000	—
Prospecting		
Anglo American Corporation do Brasil Limitada	10 745 391	*
Australian Anglo American Searches Limited	92 020	20,00
Boskop Areas (West Wits) Limited	7 200	2,40
East Rand Gold and Uranium Company Limited	200	20,00
Goldridge Gold Mining Company Limited	1 200	12,00
Warbler Investments (Proprietary) Limited	4 000	20,00
Other		
Anglo De Beers Forest Services (Lesotho) Limited	2	28,57
Cape Verde (Proprietary) Limited	10	10,00
City of Welkom local registered stock 1995, 11 per cent	R500 000	—
Jeannette Gold Mines Limited		
– ordinary	1 963 002	25,04
– R1 convertible notes	154 972	25,04
Meadow Investments Limited	20 000	*
Mulga Mines Proprietary Limited	5	20,00
The Afrikander Lease Limited	1 028 298	15,28
The South African Land & Exploration Company Limited	1 058 496	16,04
Unisel Gold Mines Limited	817 600	2,92

**20 per cent participation right in the gold activities of Anglo American Corporation do Brasil Limitada (Ambras) directly through Ambras and indirectly through Meadow Investments Limited.*

Anglo American Industrial Corporation Limited (Amic)

Amic was formed to consolidate the industrial holdings of the Anglo American Corporation Group.

The corporation's subsidiaries operate in the fields of mining tools, equipment and contracting services; iron, steel and engineering; forestry, saw milling and timber 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.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
26 845 447 ordinary shares of R1 each	26 845	26 461
Share premium and reserves	262 050	236 611
Long and medium term loans	17 179	14 862
Investments		
Listed –		
Book value	50 719	47 877
Market value	56 080	56 152
Unlisted –		
Book value	45 892	23 314
Directors' valuation	53 578	33 939
Equity earnings	42 949	40 918
Dividends paid	17 370	16 672

Principal wholly-owned subsidiary companies at December 31 1976:

Boart International Limited
Bruynzeel Plywoods Limited
Orange Free State Land and Estate Company (Proprietary) Limited
S.A. Forest Investments Limited
Scaw Metals Limited

The principal investments of the Amic group at December 31 1976 were:

	Shares held	Percentage of issued share capital
Building and allied industries		
LTA Limited	4 674 716	37,98
M.V. Houtprodukte (Eiendoms) Beperk	120 000	50,00
Freight and travel		
Freight Services Holdings Limited	1 026 265	40,34
Iron, steel, engineering and related industries		
Consolidated Metallurgical Industries Limited	1 250 000	10,00
Hall Longmore and Company (Proprietary) Limited	61	1,79
Highveld Steel and Vanadium Corporation Limited	5 493 050	8,11
International Pipe and Steel Investments S.A. (Proprietary) Limited – 'C' shares	3 757 426	5,33
J. L. Clark and Company Limited	180 001	20,00
Mainstraat Beleggings (1965) (Eiendoms) Beperk	228 125	12,50
Middelburg Steel and Alloys (Proprietary) Limited	590 907	4,17
Stewarts & Lloyds of South Africa Limited	861 649	3,84
Union Carriage and Wagon Company Limited	189 492	1,16
The Union Steel Corporation (of South Africa) Limited	3 800 000	13,10
Vereeniging Refractories Limited	786 000	15,72
Zinchem and Industrial Mineral Resources (Proprietary) Limited	41 762	4,03
Industrial finance		
Barlow Rand Limited	1 177 000	1,16
De Beers Industrial Corporation Limited	3 625 000	26,36
Mining tools, equipment and contracting services		
Longyear Iberica S.A.	925	50,00
Mimbula Fitula Holdings Limited	750 000	18,03
Shaft Sinkers (Proprietary) Limited	300 000	5,00
Smith Boart (Proprietary) Limited	250 000	50,00
Timber and paper		
Cardium Holdings (Proprietary) Limited	3 334	33,34
Mondi Paper Company Limited	15 320 120	39,79
Sappi Limited	610 000	2,10
Property		
Isipingo Property Investments Limited	500	25,00
Terminal Properties (S.A.) (Proprietary) Limited	1 294	40,00
Food and produce		
African Products Limited	323 500	8,80
Dewhurst Fresh Foods Limited	8 000	25,00
O.K.K. Foods Limited	250 000	50,00
Soetvelde Farms Limited	542 000	18,07
The South African Breweries Limited – 7 per cent debentures	70 000	—
The Tongaat Group Limited	1 031 250	6,33
Textiles		
Industex (Proprietary) Limited	1 273 217	37,45
Romatex Limited	751 900	2,87
Motor and transport		
Sigma Motor Corporation (Proprietary) Limited	7 013 330	38,05
McCarthy Group Limited	2 059 940	12,13
McCarthy-Main Holdings Limited	1 500	25,00

The 1976 figures are subject to final audit.

Anglo American Investment Trust Limited°

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

	*Fifteen months ended March 31 1976 R000's	Year ended December 31 1974 R000's
Issued capital		
ordinary shares – 10 000 000 of 50c each	5 000	5 000
six per cent cumulative preference shares – 2 500 000 of R2 each	5 000	5 000
Distributable reserves	46 071	26 917
Investments		
Listed –		
At cost	46 394	44 528
Market value	308 505	251 224
Unlisted –		
At cost	6 960	2 742
Directors' valuation	50 425	40 972
Equity earnings	49 654	29 441
Dividends paid – ordinary	30 500	29 000

**The financial year end of the company has been changed from December 31 to March 31.*

The company's investments at March 31 1976 were as follows:

	Shares held	Percentage interest
Abrasive Grit Sales Limited – 'A' shares	21 600	12,00
Anglo American Industrial Corporation Limited	590 625	2,23

	Shares held	Percentage interest
De Beers Consolidated Mines Limited – deferred shares	94 857 330	26,36
The Diamond Purchasing and Trading Company (Proprietary) Limited	419 411	16,78
The Diamond Trading Company (Proprietary) Limited	500 000	50,00
Industrial Distributors (1946) Limited		
– ordinary shares	330 000	13,20
– five per cent cumulative participating preference shares	150 000	30,00
Industrial Grit Distributors (Shannon) Limited	28 000	15,55

Anglo American Properties Limited (Amaprop)

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.

	*Thirteen months ended March 31 1976 R000's	Year ended February 28 1975 R000's
Issued capital		
ordinary shares – 20 807 283 of 50 cents each	10 403	10 40!
deferred ordinary shares – 10 668 000 of 50 cents each	5 334	5 334
seven per cent cumulative convertible redeemable preference shares – 31 429 433 of 50 cents each	15 715	15 720
Share premium and reserves	12 461	12 456
Long-term loans	53 757	43 881
Fixed assets	65 641	62 060
Investments		
Listed –		
Book value	1 001	1 001
Market value	651	751
Unlisted –		
Book value	11 619	11 852
Directors' valuation	11 537	11 752
Loans	2 917	3 563
Township land, buildings and debtors	14 541	13 673
Loss attributable to ordinary shareholders	769	1 161
Accumulated loss	4 673	3 977

**The year end of the company has been changed to March 31.*

Details of Amaprop's interests may be found on page 88 of this report.

Australian Anglo American Limited

The company was formed in 1971 for the purpose of seeking investment opportunities, particularly in mining, and engaging in the search for mineral deposits. The issued capital is held as to 55 per cent by Anglo American Corporation and its associates, 15 per cent by Charter Consolidated Limited and 30 per cent by Minerals and Resources Corporation Limited. Exploration programmes are being conducted in every Australian state, Papua New Guinea, Fiji and New Zealand.

A subsidiary, Mulga Mines Proprietary Limited, holds an approximate 74 per cent interest in the Blue Spec gold and antimony mine at Nullagine, Western Australia, which has been reopened and came into production in the first half of 1976.

Australian Anglo American administers the following prospecting companies: Australian Anglo American Prospecting Limited, Australian Anglo American Searches Limited and Australian Anglo American Ventures Limited.

Year ended June 30 1976
Issued capital: A$18 000 000 in shares of 50 cents each.

Minerals and Resources Corporation Limited (Minorco)

Minorco, which is domiciled in Bermuda, is a finance and investment company with substantial investments in copper, base metals and oil.

Year ended June 30 1976

	1976 $000's	1975 $000's
Issued capital		
ordinary shares – 31 668 899 of BD$1,40 each	44 336	44 336
'A' ordinary shares – 41 910 618 of BD$1,40 each*	58 675	58 675
deferred shares – 8 572 of BD$1,40 each	12	12
Share premium and reserves	250 847	251 970
Loans	12 206	17 227
Investments		
Listed –		
Book cost	229 555	225 658
Market value	363 203	279 638
Unlisted, less amounts written off	81 876	81 796
Loans, less amounts written off	20 425	15 970
Equity earnings	6 944	10 434
Transfers from reserves (net)	1 595	1 424
Dividends paid	8 350	10 326

Issued capital is expressed in Bermudian currency and all other amounts in United States currency.

**On October 16 1976, the 'A' ordinary shares were converted into ordinary shares.*

The major investments of Minorco and its subsidiaries at June 30 1976 were:

	Percentage interest
Engelhard Minerals & Chemicals Corporation	30,34
Inspiration Consolidated Copper Company	14,96
Trend International Limited	43,15
Zambia Copper Investments Limited	49,98

Rand Selection Corporation Limited

A finance and investment corporation with interests in gold and uranium, diamond, copper and other base metal, coal, platinum, insurance, financial, industrial and property companies.

Year ended September 30 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 42 250 152 of 50 cents each	21 125	20 887
preference shares – 30 000 000 of R1 each	30 000	30 000
Share premium and reserves*	252 583	244 505
Loan capital	110 002	59 143
Investments		
General investments		
Listed –		
Book value	231 232	216 310
Market value	532 583	677 173
Unlisted –		
Book value	76 783	93 255
Directors' valuation	109 798	118 235
Life insurance	499 489	382 416
Property	5 707	5 765
Loans less provision	45 621	36 592
Equity earnings	37 642	48 101
Dividends paid – ordinary	27 463	31 536

**After deducting excess of written down cost of shares in subsidiary companies over book value of net assets at the dates of acquisition.*

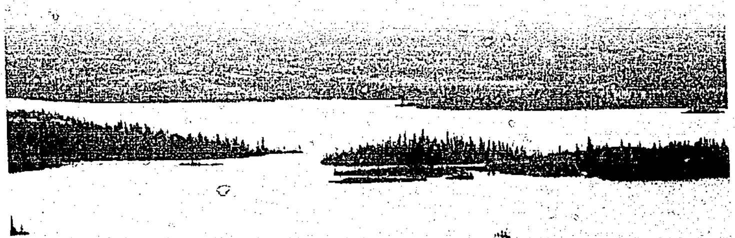
Loan capital at September 30 1976	R000's
6½ per cent convertible loan 1986	14 311
10 per cent unsecured registered debentures 1983/97	30 000
Loans for investment abroad	14 779
	59 090

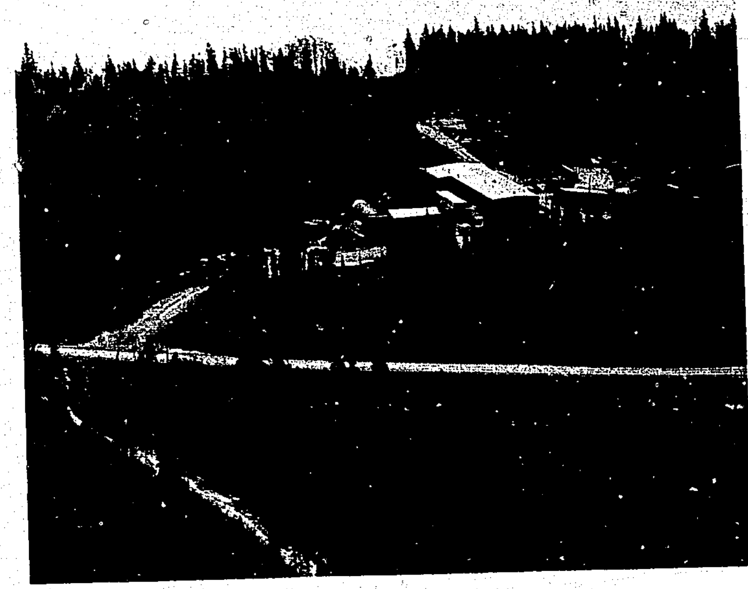
At September 30 1976 the general investments of the corporation and its subsidiaries were spread as follows:

	Value of investment – percentage 1976	1975
By prime source:		
Mining – gold and uranium	43	58
– diamonds	9	7
– copper	3	2
– platinum	4	2
– coal	5	3
– other	5	4
Industrial	21	14
Property	2	3
Financial	8	7
	100	100
Geographical:		
South Africa	85	88
Rest of Africa – south of equator	5	4
Europe	3	3
North America	5	3
Australia	1	1
Rest of world	1	1
	100	100

	Units held	Percentage of market value
LISTED		
Mining finance and investment		36,75
Anglo American Corporation of South Africa Limited	11 249 005	7,81
Anglo American Gold Investment Company Limited	4 832 460	19,05
Botswana R.S.T. Limited	722 057	0,12
General Mining and Finance Corporation Limited	27 674	0,13
Gold Fields of South Africa Limited	178 188	0,48
Johannesburg Consolidated Investment Company Limited	1 812 368	7,11
Metals and Minerals Investment Corporation Limited	1 176 347	0,53
Minerals and Resources Corporation Limited	2 177 752	1,37
U.C. Investments Limited	362 291	0,15
Gold mining		23,61
1. Witwatersrand and East Rand		0,70
Bracken Mines Limited	30 512	0,01
Durban Roodepoort Deep Limited	5 000	0,01
East Daggafontein Mines Limited	259 505	0,01

Hudbay's Centennial mine near Flin Flon, Manitoba, Canada. Development at this copper-zinc mine was started in 1973 a... roduction is scheduled to begin this year. Entrance to the mine is via a decline to an internal shaft leading to the orebody, which is below Lake Athapapuskow. All services are installed underground, including a 600 metre conveyor to move rock from the top of the internal shaft to the ore bin





	Units held	Percentage of market value
Grootvlei Proprietary Mines Limited	300 900	0,06
Kinross Mines Limited	120 389	0,08
Leslie Gold Mines Limited	21 842	—
The South African Land & Exploration Company Limited	183 413	0,05
Vlakfontein Gold Mining Company Limited	10 000	—
Winkelhaak Mines Limited	369 227	0,48
2. West Rand		17,01
Buffelsfontein Gold Mining Company Limited	851 174	1,40
Deelkraal Gold Mining Company Limited	151 459	0,05
East Driefontein Gold Mining Company Limited	70 965	0,11
Elandsrand Gold Mining Company Limited	2 080 630	1,00
Elsburg Gold Mining Company Limited	757 785	0,17
Hartebeestfontein Gold Mining Company Limited	808 151	1,99
Southvaal Holdings Limited	943 477	0,94
Vaal Reefs Exploration and Mining Company Limited	1 416 618	3,79
Western Areas Gold Mining Company Limited	651 829	0,23
Western Deep Levels Limited	3 813 578	7,07
Zandpan Gold Mining Company Limited	633 995	0,26
3. Orange Free State		5,90
Free State Geduld Mines Limited	152 219	0,44
Free State Saaiplaas Gold Mining Company Limited	1 425 493	0,45
Loraine Gold Mines Limited	440 472	0,11
President Brand Gold Mining Company Limited	477 104	1,33
President Steyn Gold Mining Company Limited	1 501 584	2,31
St Helena Gold Mining Company Limited	44 050	0,12
Welkom Gold Mining Company Limited	690 550	0,36
Western Holdings Limited	194 724	0,78
Diamonds		11,20
Anglo American Investment Trust Limited	1 078 878	7,19
De Beers Consolidated Mines Limited	6 053 733	4,01
Copper and other mining		2,87
The Afrikander Lease Limited	1 356 099	0,70
The Messina (Transvaal) Development Company Limited	373 207	0,24
Rhodesian Nickel Corporation Limited	4 354 300	1,46
Shangani Mining Corporation Limited	1 770 921	0,40
Tanganyika Concessions Limited	50 000	0,02
Zambia Copper Investments Limited	608 202	0,05
Platinum		3,23
Lydenburg Platinum Limited	342 000	0,09
Rustenburg Platinum Holdings Limited	8 647 825	3,14
Coal		5,80
Anglo American Coal Corporation Limited	4 079 289	5,21
Apex Mines Limited	84 671	0,24
Natal Anthracite Colliery Limited	216 871	0,18
Natal Coal Exploration Company Limited	200 000	0,01

	Units held	Percentage of market value
Trans-Natal Coal Corporation Limited	13 961	0,01
Vryheid Coronation Limited	157 714	0,06
Zuinguin Natal Collieries Limited	216 292	0,09
General finance		0,38
First Union General Investment Trust Limited – ordinary	3 382 385	0,34
– preference	221 100	0,03
New Central Witwatersrand Areas Limited	31 567	0,01
Industrial and commercial		12,27
Anglo American Industrial Corporation Limited	4 250 753	6,51
Barlow Rand Limited	5 333 264	2,78
Chemical Holdings Limited		
– ordinary	252 493	0,06
– unsecured convertible	188 947	0,04
Gallo (Africa) Limited	149 573	0,03
Highveld Steel and Vanadium Corporation Limited	5 345 796	1,62
Johnson Matthey and Company Limited	275 333	0,23
L.T.A. Limited	1 267 282	0,33
McCarthy Group Limited	1 052 876	0,12
Romatex Limited	340 000	0,07
South African Eagle Insurance Company Limited	152 800	0,05
Stewarts & Lloyds of South Africa Limited	305 679	0,10
Television and Electrical Holdings Limited	121 413	0,03
Tiger Oats and National Milling Company Limited	63 920	0,09
The Tongaat Group Limited	353 958	0,17
The Union Steel Corporation (of South Africa) Limited	250 700	0,02
Vereeniging Refractories Limited	43 200	0,02
Property		0,84
Anglo American Properties Limited		
– ordinary	4 038 699	0,22
– preference	8 229 059	0,62
Banking		2,85
Barclays National Bank Limited	4 070 694	2,14
Rhodesian Acceptances Limited	750 000	0,56
Standard Bank Investment Corporation Limited	310 219	0,15
Sundry		0,20
Rand Mines Limited – loan stock	189 683	0,02
Other minor holdings	—	0,18
		100,00

	Units held	Percentage of directors' valuation
UNLISTED:		
Mining finance and investment		62,96
Anglo American Corporation Botswana Limited	44 444	—
Annersales A.G.	20	—
Anglo American Corporation Rhodesia Limited	437 466	—
Anseld Holdings (Proprietary) Limited	1 050 000	—
Australian Anglo American Limited	6 600 000	—
Cubit Holdings Limited	267	—
Denmont Investments Limited	1 855	—
Falcon Investments Limited	2 066 454	—
Hawk Investments Limited	952 381	—
Hollardstraat-ses Beleggings (Eiendoms) Beperk	347 329	—
Kestrel Investments Limited	952 381	—
L.S. Properties (Proprietary) Limited	14 496	—
Merlin Investments Limited	995 055	—
Osprey Investments Limited	1 992 737	—
Peregrine Investments Limited	1 992 737	—
Rhochar Holdings Limited	840 979	—
Western Ultra Deep Levels Limited	158 900	—
Gold Mining		—
Jeannette Gold Mines Limited	3 879 515	—
Copper and other mining		3,65
Cleveland Potash Limited	277 778	—
Consolidated Metallurgical Industries Limited	41 667	—
Messina Rhodesia Investments Limited	152 861	—
Rhodesian Alloys Limited	107 936	—
Rhodesian Vanadium Corporation Limited	14 250	—
Swaziland Iron Ore Development Company Limited	605 981	—
Tsumeb Corporation Limited	95 000	—
Coal		0,02
Ingagane Colliery (Proprietary) Limited	81 250	—
Natal Coal Syndicate (Proprietary) Limited	25 000	—
Roy Point-Braakfontein Colliery Limited	229	—
General finance		9,96
Achem Investments Limited	50	—
Astron Investments Limited	44 229	—
Cardium Holdings Limited	1 693	—
Consolidated Reserves S.A.	500	—
Coriander Holdings Limited	165	—
Courser Holdings Limited	[illegible]	—
Engelhard Enterprises of Southern Africa (Proprietary) Limited	17	—
Engelhard Hanovia of Southern Africa (Proprietary) Limited	1	—
Electro Chemical Industries Limited	2 000	—
Epoch Investments Limited	150 000	—
Eurangio (Proprietary) Limited	200 000	—
Management and Technical Services Limited	100	—
Mean Investments Limited	6 750	—
Nave Investments (Proprietary) Limited	25	—
Pamelia Trawlers (Proprietary) Limited	76 500	—
Park Holdings Limited	20 718	—
Pleach Investments Limited	300	—
Zinc Products Limited	41 525	—
Industrial and commercial		16,57
Bentworth Trust (Europa) N.V.	1 334	—
J.L. Clark and Company Limited	38 095	—
Computer Sciences Sigma (Proprietary) Limited	1 446 570	—
Conway Johnson Limited	32 800	—
Dewhurst Fresh Foods Limited	15 264	—
Eastern Transvaal Timber Company (Proprietary) Limited	3 875	—
Hall Longmore and Company (Proprietary) Limited	49	—
[illegible]llings (Proprietary) Limited		
– ordinary	2 063 428	—
– preference	8 411	—
International Pipe and Steel Investments South Africa (Proprietary) Limited	1 324 451	—
Kiln Products Limited	1 664 712	—
McCarthy-Main Holdings Limited	500	—
Mainstraat Beleggings (1965) (Eiendoms) Beperk	182 500	—
Middelburg Steel and Alloys (Proprietary) Limited	360 831	—
Mondi Paper Company Limited	4 479 977	—
R.F.F. Limited		
– ordinary	235 084	—
– preference	335 078	—
Shaft Sinkers (Proprietary) Limited	1 194 000	—
Soetvelde Farms Limited	701 000	—
Union Carriage and Wagon Company (Proprietary) Limited	151 584	—
Unionmod Buildings (Proprietary) Limited	30 160	—
Zinchem and Industrial Mineral Resources (Proprietary) Limited	114 598	—
Property		6,67
Amaprop McCarthy Investments Limited	98	—
Anglo American Properties Limited – deferred	2 613 660	—
Carlton Centre Limited	5 873 428	—
Creative Homes Limited	405 352	—
Creative Holdings Limited	351	—
Dennehof Court (Proprietary) Limited	40	—
Main Place Holdings Limited	191	—
Sundry		0,17
Ansa Petroleum Beperk	601	—
Edesa Société Anonyme Holding A.G.	400	—
		100,00

Zambia Copper Investments Limited (ZCI)

ZCI, which is domiciled in Bermuda, is a finance and investment company with substantial investments in copper and base metals.

Year ended June 30 1976

	1976 $000's	1975 $000's
Issued capital		
ordinary shares – 122 559 866 of 24 Bermudian cents each	24 414	29 414
deferred shares – 50 000 of 24 Bermudian cents each	12	12
Share premium and reserves	261 534	261 383
Investments		
Listed –		
At cost	28 334	28 334
Market value	7 528	14 918
Unlisted, at cost	174 448	174 421
Loss (1975 profit)	331	15 850
Dividends paid	—	4 902

Issued capital is expressed in Bermudian currency and all other amounts in United States currency.

The major investments of ZCI and its subsidiaries at June 30 1976 were:

	Percentage interest
Nchanga Consolidated Copper Mines Limited	49,00
Roan Consolidated Mines Limited	12,25
Zamanglo Exploration Limited	58,75
Mwinilunga (1970) Limited	41,83
Kalahari Investments Limited*	39,40

**Through Kalahari, ZCI held an indirect equity interest of 11,75 per cent in Botswana RST Limited (BRST). Following Kalahari's deregistration in March 1977, ZCI's interest in BRST is now held through a wholly-owned subsidiary.*

Administered outside the Anglo American Corporation Group

Charter Consolidated Limited

Charter is a United Kingdom mining finance company operating internationally with interests in gold, diamonds, copper, tin and wolfram, platinum, potash and other minerals. It also has important industrial interests.

Based on the stock exchange value of listed investments and the directors' valuation of unlisted investments, the company had investments to a total value of £255 606 000 at March 31 1976 (1975: £303 863 000). The following is an approximate geographical analysis of those investments which takes into consideration direct interests and where possible major indirect interests in the areas concerned:

	£000's	Percentage	Percentage of investment income
United Kingdom	25 337	9,9	6,3
Rest of Europe	12 478	4,9	14,1
North and South America	46 948	18,4	11,9
South Africa	100 552	39,3	52,6
Zambia	16 959	6,6	2,5
Rest of Africa	22 178	8,7	1,8
South-east Asia	9 507	3,7	3,9
Australia	21 647	8,5	6,9
	255 606	100,0	100,0

Year ended March 31 1976

	1976 £000's	1975 £000's
Issued capital		
104 792 981 shares of 25p each, fully paid, and 326 500 shares of 25p each, 1p paid up	26 202	26 201
Share premium and reserves	185 743	171 349
Long-term indebtedness and deferred taxation	53 553	43 432
Investments		
Listed –		
At cost	138 337	144 639
Market value	192 191	247 617
Unlisted –		
At cost	57 814	54 754
Directors' valuation	63 415	56 246
Equity earnings	20 243	17 206
Dividends paid	7 081	6 507

All amounts are expressed in United Kingdom currency.

At March 31 1976, Charter's principal direct and indirect investments were as follows:

	Percentage held
Anglo American Corporation do Brasil Limitada	11,6
Anglo American Corporation of Canada Limited	24,8
Anglo American Corporation of South Africa Limited	10,0
Anglo American Investment Trust Limited	10,0
Australian Anglo American Limited	15,0
Beralt Tin and Wolfram Limited	46,3
Botswana RST Limited	4,5
Cape Industries Limited	66,3
Cleveland Potash Limited	37,5
Minerals and Resources Corporation Limited	20,0
Rustenburg Platinum Holdings Limited	11,5
Selection Trust Limited	28,8
Société Minière de Tenke-Fungurume	14,0
Tronoh Mines Limited	29,7
Union Corporation Limited	10,0

De Beers Consolidated Mines Limited (De Beers)

The principal activities and interests of De Beers 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 group's operations may be found on pages 76 and 77 of this report.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
40 per cent cumulative preference shares – 800 000 of R5 each (less 4 481 shares held by subsidiary companies)	3 978	3 978
eight per cent cumulative second preference shares – 2 866 929 of R1 each	2 867	2 867
deferred shares – 359 789 042 of five cents each	17 989	17 989
Reserves (and share premium 1975)*	1 067 900	920 826
Long-term liabilities	41 443	42 310
Minority interests	107 300	48 690
	1 241 477	1 036 660
Diamond mining and trading assets	133 824	100 128
Diamonds on hand, at cost		
Mining companies	26 690	29 474
Other companies	200 811	274 963
Investments		
Listed –		
Book value	267 088	225 062
(Market value)	(342 308)	(377 618)
Unlisted –		
Book value	116 993	133 411
(Directors' valuation)	(153 218)	(157 316)
Long-term loans	76 791	40 684
Net current assets	343 995	187 641
Other	75 285	45 297
	1 241 477	1 036 660
Diamond account	451 543	216 795
Interest and dividends on investments	93 624	94 795
Royalties and other revenue	13 833	11 414
Surplus on realisation of investments	3 146	—
	562 146	323 004
Less: Prospecting, interest and other charges	42 230	36 778
Consolidated profit before tax	519 916	286 226
Taxation and government's share of profits under mining leases	182 915	60 065
Consolidated profit after tax	337 001	226 161
Minority interest	28 485	6 084
Profit attributable to De Beers	308 516	220 077
Deferred dividends	125 926	100 507

**After deducting excess of cost of shares in subsidiary companies over book value of net assets at dates of acquisition.*

Principal operating companies in which the Group has a significant interest

Gold and uranium

ORANGE FREE STATE

Administered by Anglo American Corporation

Freddies Consolidated Mines Limited

Year ended September 30 1976

	1976	1975
Issued capital 1 000 shares of R2 each, held in equal proportions by Free State Geduld Mines Limited and Western Holdings Limited	R2 000	R2 000
Tons milled	983 000	778 000
Yield – grams/ton	5,40	5,36
Cost per ton milled	R20,39	R19,15
Working loss (1975 profit)	R2 607 000	R2 163 000

Planned production for the year ending September 30 1977: Tonnage 1 100 000; Grade 7,0 grams per ton. Planned capital expenditure R1 300 000.

Free State Geduld Mines Limited

Year ended September 30 1976

	1976	1975
Issued capital 10 000 000 shares of 50 cents each	R5 000 000	R5 000 000
Tons milled	2 104 000	2 344 000
Yield – grams/ton	16,38	16,68
Cost per ton milled	R19,91	R14,98
Working profit	R73 332 000	R108 925 000
Taxation and State's share of profit	R38 319 000	R71 258 000
Dividends paid	R20 000 000	R33 000 000

The capital of Freddies Consolidated Mines Limited is held in equal proportions by the company and Western Holdings Limited.

Planned production for the year ending September 30 1977: Tonnage 2 500 000; Grade 14,7 grams per ton. Planned capital expenditure R20 000 000, which excludes an amount of R10 000 000 to be spent on the metallurgical complex.

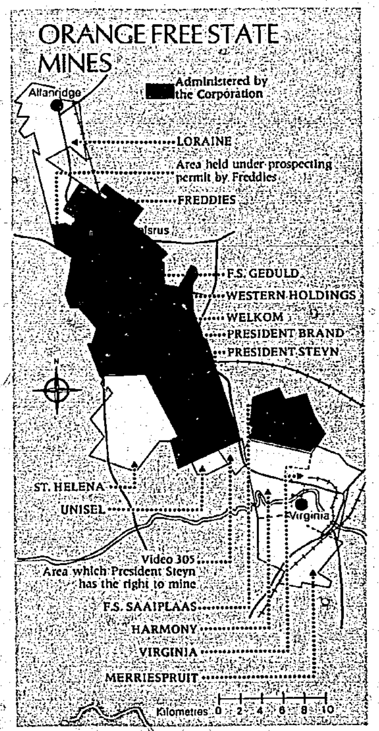
Free State Saaiplaas Gold Mining Company Limited

Subsidiary of President Brand Gold Mining Company Limited.

Year ended September 30 1976

	1976	1975
Issued capital 28 100 000 shares of R1 each	R28 100 000	R28 100 000
Tons milled	1 193 000	1 084 000
Yield – grams/ton	3,26	4,41
Cost per ton milled	R15,71	R13,89
Working loss (1975 profit) – gold	R5 001 000	R3 109 000
Uranium profit	R128 000	R26 000
Dividends paid	—	R1 686 000

Planned production for the year ending September 30 1977: Tonnage 1 200 000; Grade 4,0 grams per ton. In addition the company will treat 45 000 tons of ore a month from President Brand on a toll basis. Planned capital expenditure R8 500 000, which excludes an amount of R300 000 to be spent on the metallurgical complex.



Jeannette Gold Mines Limited

Year ended September 30 1976

Issued capital: R7 839 000 in shares of R1 each.

The company suspended mining operations towards the end of 1955.

In 1973 the directors decided, in the light of the increased price of gold, to proceed with a limited exploratory drilling programme in the western two-thirds of the company's lease area. The drilling programme started in April 1974 and is still in progress. Available borehole results in respect of the current programme are generally poor to average, but some isolated results have proved more encouraging. No general conclusion can be drawn from the results at this stage.

Following a rights offer to members, the company has raised additional funds of R603 000 from the issue in 1976 of 603 000 transferable, unsecured, non-interest-bearing, redeemable and/or convertible notes – 1979, in units of R1 each.

President Brand Gold Mining Company Limited

Year ended September 30 1976

	1976	1975
Issued capital 14 040 000 units of stock of 50 cents each	R7 020 000	R7 020 000
Tons milled*	2 967 000	2 889 000
Yield – grams/ton	12,98	13,87
Cost per ton milled	R19,56	R16,79
Working profit	R70 700 000	R98 110 000
Taxation and State's share of profit	R22 721 000	R53 898 000
Dividends paid	R23 868 000	R35 100 000

**Includes 506 600 (1975: 515 800) tons treated on the company's behalf, on a toll basis, by Free State Saaiplaas Gold Mining Company Limited.*

Planned production for the year ending September 30 1977: Tonnage 3 100 000 (which includes 540 000 tons to be treated by Free State Saaiplaas); Grade 10,5 grams per ton. Planned capital expenditure R9 500 000. In addition, an amount of R29 500 000 is to be spent on the metallurgical complex.

President Steyn Gold Mining Company Limited

Year ended September 30 1976

	1976	1975
Issued capital 14 000 000 shares of 50 cents each	R7 000 000	R7 000 000
Tons milled	2 593 000	2 636 000
Yield – grams/ton	10,52	10,89
Cost per ton milled	R22,21	R18,57
Working profit	R32 965 000	R56 236 000
Taxation and State's share of profit	R523 000	R23 707 000
Dividends paid	R6 300 000	R17 500 000

Planned production for the year ending September 30 1977: Tonnage 3 600 000; Grade 9,2 grams per ton. Planned capital expenditure R20 000 000, which excludes an amount of R10 500 000 to be spent on the metallurgical complex.

Welkom Gold Mining Company Limited

Year ended September 30 1976

	1976	1975
Issued capital 12 250 000 shares of 50 cents each	R6 125 000	R6 125 000
Tons milled	2 101 000	2 096 000
Yield – grams/ton	6,28	6,70
Cost per ton milled	R18,40	R16,30
Working profit	R6 085 000	R18 243 000
Taxation and State's share of profit	R389 000	R8 064 000
Dividends paid	R1 837 000	R6 738 000

Planned production for the year ending September 30 1977: Tonnage 2 100 000; Grade 6,2 grams per ton. Planned capital expenditure R3 000 000, which excludes an amount of R300 000 to be spent on the metallurgical complex.

Western Holdings Limited

Year ended September 30 1976

	1976	1975
Issued capital 7 496 376 shares of 50 cents each	R3 748 000	R3 748 000

	1976	1975
Tons milled	2 974 000	2 943 000
Yield – grams/ton	12,70	14,01
Cost per ton milled	R17,54	R14,95
Working profit	R75 975 000	R106 442 000
Taxation and State's share of profit	R50 228 000	R69 918 000
Dividends paid	R23 239 000	R35 608 000

The capital of Freddies Consolidated Mines Limited is held in equal proportions by the company and Free State Geduld Mines Limited.

Planned production for the year ending September 30 1977: Tonnage 3 100 000; Grade 12,3 grams per ton. Planned capital expenditure R4 800 000, which excludes an amount of R1 200 000 to be spent on the metallurgical complex.

Administered by other mining finance houses

Harmony Gold Mining Company Limited

Year ended June 30 1976

	1976	1975
Issued capital 26 884 650 shares of 50 cents each	R13 442 325	R13 442 325
Tons milled	5 512 000	5 160 000
Yield – grams/ton	5,26	6,01
Cost per ton milled	R15,06	R12,77
Working profit – gold	R19 913 000	R46 085 000
– uranium, pyrite and acid	R14 818 000	R2 451 000
Taxation and State's share of profit	R3 462 000	R13 177 000
Dividends paid	R17 475 000	R20 701 000

The above figures relate to the company and its wholly-owned subsidiaries, Merriespruit (Orange Free State) Gold Mining Company Limited and Virginia Orange Free State Gold Mining Company Limited.

Loraine Gold Mines Limited

Year ended September 30 1976

	1976	1975
Issued capital 16 066 986 shares of R1 each	R16 067 000	R16 067 000
Tons milled	1 123 000	1 117 000
Yield – grams/ton	6,6	7,5
Cost per ton milled	R28,00	R22,72
Working loss (1975 profit)	R6 455 000	R7 262 000
Profit – uranium oxide and pyrite	R147 000	R11 000
Dividends paid	—	R964 000

The company has an assessed loss for taxation purposes estimated at R29 500 000 at September 30 1976.

Planned production for the year ending September 30 1977: Tonnage 1 500 000; Grade 6,6 grams per ton. Planned capital expenditure R3 250 000.

St. Helena Gold Mines Limited

Year ended September 30 1976

	1976	1975
Issued capital 9 625 000 shares of R1 each	R9 625 000	R9 625 000
Tons milled	2 260 000	2 246 000
Yield – grams/ton	11,53	11,30
Cost per ton milled	R13,43	R11,60
Working profit	R59 284 000	R66 789 000
Taxation and State's share of profit	R26 216 000	R39 333 000
Dividends paid	R16 362 000	R24 063 000

In terms of an agreement entered into between St. Helena and Unisel Gold Mines Limited, under which St. Helena will develop and operate a new mine on behalf of Unisel, St. Helena will provide housing for white employees, railway facilities and reduction works capacity to handle the ore from the Unisel mine. The capital cost has been estimated at approximately R9,3 million spread over four years. St. Helena will recover a remuneration based on capital expenditure incurred and on tonnage milled once the new mine comes into production in 1978.

A new reduction works is being constructed at an estimated cost of R23,8 million of which some R6 million is attributable to capacity to meet the requirements of the agreement with Unisel. The programme is scheduled for completion in 1977.

Unisel Gold Mines Limited

Year ended September 30 1976

Issued capital: R23 136 000 in 28 000 000 shares of no par value.

The company was incorporated in 1972 and is to take cession of a mining lease over a portion of the farm Jurgens Hof in the Ventersburg district of the Orange Free State. An agreement has been entered into with St. Helena Gold Mines Limited under which St. Helena will develop and operate the new mine on behalf of Unisel.

At September 30 1976 the shaft had reached a depth of 1 433 metres, 572 metres short of the final depth of 2 005 metres. It is expected that ore should be fed to the mill during the last quarter of 1978, building up to full production in 1979.

FAR WEST RAND AND KLERKSDORP

Administered by Anglo American Corporation

Elandsrand Gold Mining Company Limited

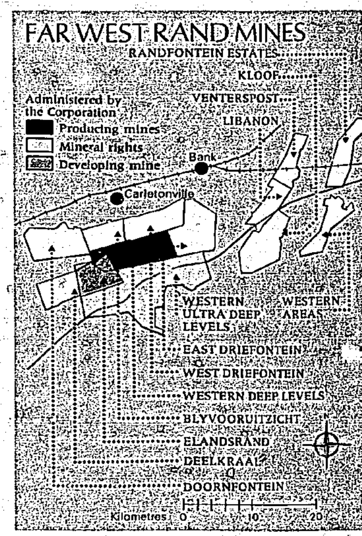
The company was incorporated in 1974 and is establishing a new gold mine in the Oberholzer and Potchefstroom districts, Transvaal. The mining lease covers an area of 2 619 hectares.

By the end of the year under review the men and materials shaft had been sunk to a depth of 1 609 metres whilst the rock and ventilation shaft was 1 292 metres deep. The mine is now expected to come into production by the beginning of 1980, as compared with the previous forecast of early 1981. Net capital expenditure from the inception of the company to the end of 1976 amounted to R53,2 million. Actual net expenditure for 1976 was R28 142 000 and for 1977 is estimated at R41 500 000.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital 22 365 700 shares of 20 cents each	4 473	4 473
Non-distributable reserve (1975 share premium)	56 117	56 117
Mining assets	53 250	25 108

In February 1977 the company made a rights issue to its members of 27 957 125 shares of 20 cents each for cash at



R2,20 a share and it presently has in issue a total of 50 322 825 shares. It will be necessary to raise further funds before 1980.

Southvaal Holdings Limited

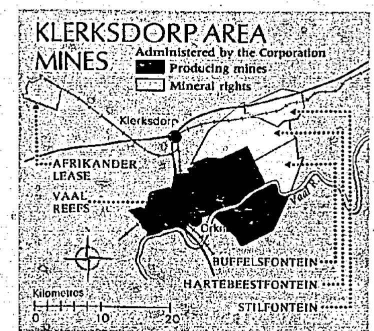
Vaal Reefs Exploration and Mining Company Limited mines an area south of the Vaal River in terms of an arrangement under which Southvaal Holdings Limited is to be paid a royalty equal to 55 per cent of the profit from gold and uranium, before tax, after deducting interest and loan repayments due to Southvaal Holdings and amounts appropriated for capital expenditure by Vaal Reefs within the area.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital 26 000 000 shares of 50 cents each	13 000	13 000
Distributable reserve	335	1 352
Profit after taxation	543	2 723
Dividends paid	1 560	2 080

The Afrikander Lease Limited

The company owns certain freehold rights and mineral rights over uranium-bearing areas in the Klerksdorp district of the Transvaal which could be mined economically in the event of a significant increase in the uranium price. It has been decided to proceed with a detailed feasibility study to determine whether or not a viable uranium mine can be established. The results of this study are expected to be available in the second half of 1977, at which time it should be possible to decide whether or not to go ahead with the mine. In order to



finance the feasibility study and to repay certain unsecured loans, Afrikander Lease raised R3,26 million by way of a rights issue during the second half of 1976.

Vaal Reefs Exploration and Mining Company Limited

Year ended December 31 1976

	1976	1975
Issued capital		
19 000 000 shares of 50 cents each	R9 500 000	R9 500 000
Tons milled	6 572 000	6 022 000
Yield – grams/ton	10,04	10,19
Cost per ton milled	R23,29	R19,96
Working profit		
– gold	R66 241 000	R104 910 000
– uranium and sulphuric acid	R11 745 000	R5 017 000
Royalty payment to Southvaal Holdings Limited	R227 000	R3 950 000
Taxation and State's share of profit	R22 525 000	R42 099 000
Dividends paid	R20 900 000	R33 250 000

Planned production for the year ending December 31 1977: Tonnage 7 000 000; Grade 9,6 grams per ton. Planned capital expenditure R39 000 000.

Western Deep Levels Limited

Year ended December 31 1976

	1976	1975
Issued capital		
25 000 000 shares of R2 each	R50 000 000	R50 000 000
Tons milled	2 941 000	3 095 000
Yield – grams/ton	15,14	15,42
Cost per ton milled	R24,70	R20,73
Working profit		
– gold	R76 366 000	R111 811 000
– uranium	R1 719 000	R661 000
Taxation and State's share of profit	R38 139 000	R58 548 000
Dividends paid	R22 500 000	R36 875 000

Planned production for the year ending December 31 1977: Tonnage 3 080 000; Grade 15,0 grams per ton. Planned capital expenditure R22 000 000.

Administered by other mining finance houses

Blyvooruitzicht Gold Mining Company Limited

Year ended June 30 1976

	1976	1975
Issued capital		
24 000 000 shares of 25 cents each	R6 000 000	R6 000 000
Tons milled	1 945 000	1 908 000
Yield – grams/ton	12,79	14,40
Cost per ton milled	R19,60	R16,71
Working profit – gold	R50 450 000	R67 100 000
Working loss (1975 profit) – uranium	R222 000	R636 000
Taxation and State's share of profit	R24 670 000	R39 608 000
Dividends paid	R18 000 000	R24 000 000

Buffelsfontein Gold Mining Company Limited

Year ended June 30 1976

	1976	1975
Issued capital		
11 000 000 shares of R1 each	R11 000 000	R11 000 000
Tons milled	3 172 000	3 131 000
Yield – grams/ton	9,31	9,50
Cost per ton milled	R21,46	R19,26
Working profit – gold	R36 731 000	R48 156 000
Net profit – uranium, pyrite and acid	R5 482 000	R2 129 000
Taxation and lease payments	R20 804 000	R24 606 000
Dividends paid	R13 750 000	R19 800 000

Deelkraal Gold Mining Company Limited

Year ended December 31 1976

Issued capital: R12 600 000 in 63 000 000 shares of 20 cents each.

The company was incorporated in 1974 and is establishing a gold mine on portions of the farms Deelkraal and Kleinfontein in the mining district of Klerksdorp, Transvaal. The mining lease covers an area totalling approximately 2 366 hectares.

Work on the sinking of two 8,6 metre diameter shafts and the provision of the necessary ancillary services is progressing favourably, with a view to trial milling commencing early in 1980.

East Driefontein Gold Mining Company Limited

Year ended December 31 1976

	1976	1975
Issued capital		
54 510 000 shares of R1 each	R54 510 000	R54 510 000
Tons milled	1 771 000	1 461 000
Yield – grams/ton	20,4	17,5
Cost per ton milled	R21,21	R18,55
Working profit	R82 214 000	R64 408 000
Taxation and State's share of profit	R28 182 000	—
Dividends paid	R40 883 000	R39 944 000

Elsburg Gold Mining Company Limited

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
30 203 000 stock units of R1 each	30 203	30 203
Dividends paid	2 945	10 209

The company owns 48,7 per cent of the equity of Western Areas Gold Mining Company Limited, the operating results of which are as follows:

	1976	1975
Issued capital		
40 306 950 in stock units of R1 each	R40 307 000	R40 307 000
Tons milled	3 585 000	3 447 000
Yield – grams/ton	6,37	6,55
Cost per ton milled	R17,22	R15,56
Working profit	R16 383 000	R30 676 000
Taxation	R2 435 000	R2 026 000
Dividends paid	R6 046 000	R20 960 000

Hartebeestfontein Gold Mining Company Limited

Year ended June 30 1976

	1976	1975
Issued capital		
11 200 000 shares of R1 each	R11 200 000	R11 200 000
Tons milled	2 840 000	2 797 000
Yield – grams/ton	11,4	11,5
Cost per ton milled	R22,03	R18,10
Working profit – gold	R53 938 000	R65 859 000
Taxation and State's share of profit	R31 874 000	R37 673 000
Dividends paid	R21 280 000	R24 080 000

Planned production for the year ending June 30 1977: Tonnage 2 900 000; Grade 11,4 grams per ton. Planned capital expenditure R9 000 000.

Kloof Gold Mining Company Limited

Year ended June 30 1976

	1976	1975
Issued capital		
30 240 000 shares of R1 each	R30 240 000	R30 240 000
Tons milled	1 391 000	1 327 000
Yield – grams/ton	11,2	12,2
Cost per ton milled	R22,70	R19,41
Working profit	R24 259 000	R32 143 000
Taxation and State's share of profit	R5 021 000	R12 693 000
Dividends paid	R14 213 000	R16 632 000

West Driefontein Gold Mining Company Limited

Year ended June 30 1976

	1976	1975
Issued capital		
14 082 160 shares of R1 each	R14 082 000	R14 082 000
Tons milled	2 646 000	2 707 000
Yield – grams/ton	21,5	23,9
Cost per ton milled	R18,81	R15,44
Working profit		
– gold	R152 628 000	R191 143 000
– uranium and acid	587 000	15 000
Taxation and State's share of profit	R92 678 000	R122 868 000
Dividends paid	R47 175 000	R68 299 000

Zandpan Gold Mining Company Limited

The company's main business is the holding of a 19,6 per cent investment in Hartebeestfontein Gold Mining Company Limited, the operating results of which are published earlier in this section.

Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
13 020 285 shares of R1 each	13 020	13 020
Dividends paid	4 069	4 655

EAST RAND AND EVANDER

Administered by Anglo American Corporation

Daggafontein Mines Limited

During 1976, the outstanding affairs of the company were settled, and on December 17 1976 the company was struck off the register by the Registrar of Companies, on the grounds that it had ceased to carry on business and had no assets or liabilities.

East Daggafontein Mines Limited

Year ended December 31 1976

	1976	1975
Issued capital		
3 730 000 shares of R1 each	R3 730 000	R3 730 000
Tons milled	1 208 000	1 010 000
Yield – grams/ton	1,80	1,77
Cost per ton milled	R7,86	R8,55
Working loss	R2 022 000	R1 438 000
State assistance	R1 849 000	R1 376 000

During 1976, the Department of Mines informed the company that with effect from January 1 1977, the mine would cease to be classified as an assisted mine in terms of the Gold Mines Assistance Act, 1968. As the company was continuing to incur losses, all operations at the mine, other than clean-up, were terminated in November 1976.

East Rand Gold and Uranium Company Limited (Ergo)

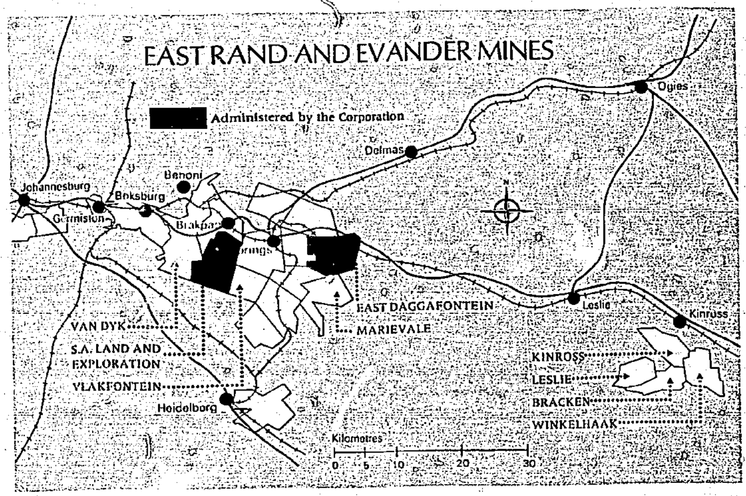
Ergo is establishing a treatment plant in the Springs area for the purpose of recovering gold, uranium and sulphur from slimes dams on the East Rand. It is expected that the plant will come into operation during the first quarter of 1978 and that annual production will initially approximate 7 000 kilograms of gold, 200 tons of uranium oxide and 530 000 tons of sulphuric acid, of which 460 000 tons will be for sale to other consumers and the balance will be used by the company.

Initial capital expenditure allowing for escalation is expected to be about R137 million which includes certain expenditure to be incurred after production has commenced.

The South African Land & Exploration Company Limited

Year ended December 31 1976

	1976	1975
Issued capital		
6 600 000 shares of 35 cents each	R2 310 000	R1 155 000
Tons milled	1 061 000	993 000
Yield - grams/ton	5,02	5,17
Cost per ton milled	R18,03	R17,10
Working loss (1975 profit)	R1 598 000	R1 736 000
State assistance	R2 179 000	—
Dividends paid	R83 000	R990 000



Although the company incurred a working loss, State assistance and net sundry revenue enabled it to record a pre-tax profit of R915 000 for the year. An assessment showed, however, that notwithstanding the continuation of State assistance, mining should not continue beyond the end of the year and the company ceased underground operations in December 1976. Nevertheless the mine is continuing to recover gold from a nearby waste rock dump but it is not possible to forecast how long this operation can continue profitably. Following a successful rights offer to members in October 1976, the company is engaged in an exploration programme to investigate the area to the south and south-west of the present mine workings.

Administered by other mining finance houses

Winkelhaak Mines Limited

Year ended September 30 1976

	1976	1975
Issued capital		
12 000 000 shares of R1 each	R12 000 000	R12 000 000
Tons milled	2 015 000	2 025 000
Yield – grams/ton	7,65	7,30
Cost per ton milled	R11,25	R9,44
Working profit	R30 730 000	R34 779 000
Taxation and lease consideration	R20 544 000	R22 608 000
Dividends paid	R9 120 000	R12 960 000

Diamonds

Administered outside the Anglo American Corporation Group

De Beers Consolidated Mines Limited (De Beers)

Financial details of De Beers may be found on page 72 of this report.

Principal interests at December 31 1976 (all wholly-owned subsidiaries unless otherwise indicated):

1. De Beers Consolidated Mines Limited, Kimberley Division, operates the De Beers, Dutoitspan, Bultfontein and Wesselton mines at Kimberley, the Finsch mine north-west of Kimberley and the Koffiefontein mine in the Orange Free State.

2. De Beers Consolidated Mines Limited, Namaqualand Division, is currently mining alluvial deposits on the farms Annex Kleinzee and Dreyers Pan.

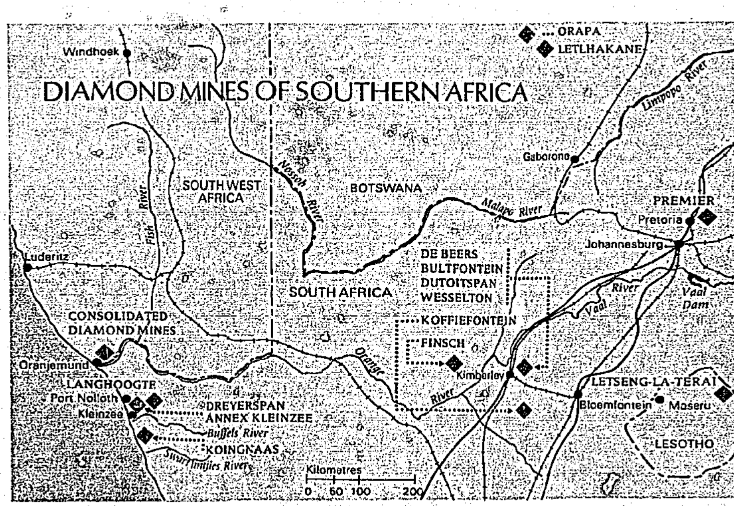
3. The Consolidated Diamond Mines of South West Africa (Proprietary) Limited carries on open-cast alluvial mining operations along the southern portion of the coast of South West Africa, and is a leading producer of gem diamonds.

4. Premier (Transvaal) Diamond Mining Company (Proprietary) Limited operates the Premier mine at Cullinan in the Transvaal.

5. De Beers Lesotho Mining Company (Proprietary) Limited (75 per cent owned) brought the Letseng-la-Terai diamond mine in Lesotho into production in the first quarter of 1977.

6. De Beers Botswana Mining Company (Proprietary) Limited (50 per cent owned) operates the Orapa mine and commissioned the Letlhakane mine in Botswana into production in the last quarter of 1976.

7. De Beers Industrial Diamond Division (Proprietary)



Limited is the outlet for the sale of De Beers drilling and boart and holds the De Beers group's patents relating to industrial diamonds. It is, in addition, the management company implementing the policy of the industrial diamond division and administers the De Beers diamond research laboratory.

8. The Diamond Corporation (Proprietary) Limited contracts with various producers who are not members of The Diamond Producers Association for the purchase of their production. The corporation has built up large financial resources which facilitate the holding of stocks of diamonds, thereby stabilising the trade.

9. De Beers Industrial Corporation Limited (60,93 per cent owned) is an industrial finance and investment company whose main asset is a direct and indirect interest of 39,18 per cent in the issued ordinary share capital of AECI Limited. It also has a direct interest of 9,16 per cent in Mondi Paper Company Limited.

10. Through its 49 per cent interest in Rand Selection Corporation Limited, De Beers has large interests in gold and uranium, diamond, copper and other base metal, coal, platinum, insurance, financial, industrial and property companies.

Coal

Administered within the Anglo American Corporation Group

Anglo American Coal Corporation Limited (Amcoal)

Financial details of the Amcoal group are given on page 67 of this report.

Group coal and coke sales comprise the following:

	1976 Tons	1975 Tons
Escom	14 447 000	12 189 000
Iscor	2 209 000	2 389 000
Transvaal Coal Owners Association (TCOA)	5 889 000	5 057 000
Other	667 000	716 000
	23 212 000	20 351 000

The principal companies in the group are as follows (all wholly-owned subsidiaries unless otherwise indicated):

Coal mining and related activities

Amalgamated Collieries of South Africa Limited
Anglo Power Collieries (Proprietary) Limited
Blesbok Colliery Limited
The Coronation Collieries Limited
New Largo Colliery Limited
South African Coal Estates (Witbank) Limited
Springbok Colliery Limited
Springfield Collieries Limited
Transvaal Coal Corporation Limited
V.E. Exploration and Finance Company Limited
Vryheid Coronation Limited (65 per cent held)
Witbank Coal Holdings Limited

Industrial

Vereeniging Refractories Limited (51 per cent held)

Morupule Colliery (Proprietary) Limited

The company operates a mine near Palapye in Botswana. The bulk of the coal produced is sold to the Botswana Power Corporation.

Year ended December 31 1976

	*1976	1975
Issued capital		
100 shares of P1 each	P100	R100
Coal sales – tons	226 000	69 000
Net profit	P539 000	R198 000

The pula was introduced as the currency of Botswana in August 1976.

Natal Anthracite Colliery Limited

Year ended June 30 1976

	1976	1975
Issued capital		
4 000 000 stock units of 50 cents each	R2 000 000	R2 000 000
Coal sales – tons*	727 000	735 000
Consolidated profit after taxation	R2 258 000	R1 693 000
Dividends paid	R1 080 000	R920 000

**Includes sales by the wholly-owned subsidiary, Balgray Collieries (Proprietary) Limited.*

Natal Coal Exploration Company Limited

With the closure of the mine in October 1968, the company's business is confined to the receipt of royalty income from:

1. The lease of its bituminous coal trade allocation to three other producing collieries in Natal.

2. The lease of its coal reserves in the Mooikrantz area to The Natal Cambrian Collieries Limited. These reserves were expected to be exhausted during 1978, but it may now become possible to mine some low volatile coal which had previously not formed part of the reserves considered to be mineable. Accordingly, it is now probable that Mooikrantz will be mined for a limited further period than originally anticipated.

Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
5 000 000 shares of 50 cents each	2 500	2 500
Net profit	209	66
Dividends paid	200	100

Swaziland Collieries Limited

The company operates a colliery at Mpaka, Swaziland.

Year ended March 31 1976

	1976	1975
Issued capital		
1 264 620 shares of E2 each (1975: 225 500)	E2 529 000	E451 000
Coal sales – tons	119 000	119 000
Net profit (1975 loss)	E80 000	E203 000

All amounts are expressed in Swaziland currency.

Vierfontein Colliery Limited

Year ended June 30 1976

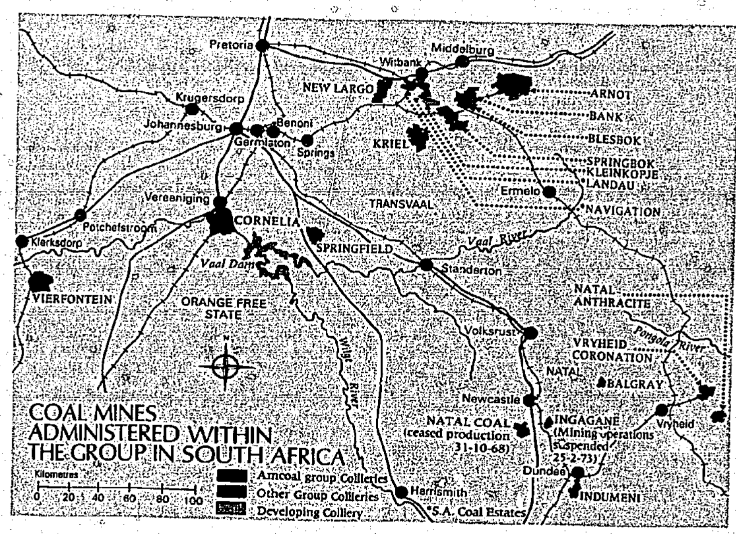
	1976	1975
Issued capital		
4 000 000 shares of 50 cents each	R2 000 000	R2 000 000
Coal sales – tons	1 361 000	1 409 000
Profit after taxation	R429 000	R330 000
Dividends paid	R340 000	R300 000

Wankie Colliery Company Limited

The company mines coal and produces coke in Rhodesia.

Year ended August 31 1976

	1976	1975
Issued capital		
25 333 488 shares of $1 each	$25 333 000	$25 333 000



	1976	1975
Sales		
Coal – tons	2 496 132	2 081 680
Coke – tons	211 227	290 076
Tar – litres	7 803 721	9 006 042
Profit after taxation	$2 790 000	$2 077 000
Dividends paid	$1 900 000	$1 647 000
Investments		
Listed–		
At cost	$1 080 000	$1 204 000
Market value	$774 000	$918 000
Unlisted	$294 000	$294 000
Other loans	$3 192 000	$2 193 000

All amounts are expressed in Rhodesian currency.

Zuinguin Natal Collieries Limited

Year ended June 30 1976

	1976	1975
Issued capital		
1 400 000 shares of 50 cents each	R700 000	R700 000
Coking coal sales – tons*	365 000	352 000
Consolidated profit after taxation	R431 000	R349 000
Dividends paid	R336 000	R294 000

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

Administered outside the Anglo American Corporation Group

Apex Mines Limited

The company operates a colliery in the Witbank district of the Transvaal.

Year ended December 31 1976

	1976	1975
Issued capital		
ordinary shares – 1 950 000 of R1 each	R1 950 000	R1 950 000
5½ per cent redeemable cumulative preference shares – 90 000 of R2 each	R180 000	R180 000
Coal sales – tons	1 873 000	1 650 000
Net profit	R6 083 000	R2 114 000
Dividends paid–ordinary	R682 000	R585 000

Blinkpan Koolmyne Beperk

This company, which is part of the General Mining and Finance Corporation Limited group, operates two mines in the Middelburg district of the Transvaal: Blinkpan colliery, which supplies coal to Escom's Komati power station, and the recently established Haasfontein colliery, which was developed to supply a portion of the coal export requirements arising from the contract between the TCOA and the Japanese steel mills.

During 1976, sales of Haasfontein coal contributed 379 000 tons towards total sales of 3 474 000 tons. Production at Haasfontein started on a limited scale in October 1975, with full production being attained in February 1976.

Trans-Natal Coal Corporation Limited

The company operates a group of collieries in the Transvaal and Natal.

Year ended June 30 1976

	1976	1975
Issued capital		
42 300 000 shares of 50 cents each	R21 150 000	R21 150 000
Coal sales – tons	17 955 000	17 772 000
Net profit	R10 384 000	R7 973 000
Dividends paid	R4 018 000	R3 172 000

Witbank Colliery Limited

Through a wholly-owned subsidiary, the company operates five collieries in the Witbank district of the Transvaal.

Year ended September 30 1976

	1976	1975
Issued capital*		
6 288 280 ordinary shares of R2 each	R12 576 000	R3 080 000
Coal sales – tons	6 068 000	5 281 000
Consolidated profit after taxation†	R14 223 000	R4 832 000
Dividends paid	R354 000	R354 000

**With effect from August 23 1976, 4 748 280 'A' shares of R2 each were redesignated as ordinary shares.*
†An amount of R131 000 (1975: R3 000) has been deducted from consolidated profit after taxation in respect of non-recurring transactions.

Other mining

Administered within the Anglo American Corporation Group

Middelplaats Manganese Limited
(Formerly Headstone Investments Limited)

In 1969 the company acquired the mineral rights of the remaining extent of the farm Middelplaats, situated in the Sishen area of the northern Cape manganese belt. 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.

Following the preparation of a detailed feasibility report, it has been decided to proceed with the development of a manganese mine at an estimated capital cost of approximately R47 million. The deposit will be mined by underground mechanical methods and it is estimated that production will begin in mid-1979.

Rhodesian Nickel Corporation Limited

The company owns the entire issued share capitals of Trojan Nickel Mine Limited, Madziwa Mines Limited and Bindura Smelting and Refining Company Limited. The subsidiaries mine and refine nickel and copper in the Bindura/Shamva district of Rhodesia. Operations at the new Epoch mine at Filabusi commenced in January 1976, and full production at the rated capacity was achieved in the last quarter of 1976.

Year ended March 31 1976

	1976 $000's	1975 $000's
Issued capital		
24 000 000 shares of 50 cents each	12 000	12 000
Unsecured loans	15 604	5 582
Equity earnings	1 971	2 343
Dividends paid	1 200	1 680

All amounts are expressed in Rhodesian currency.

Swaziland Iron Ore Development Company Limited

The company operates an iron ore mine at Ngwenya in

Swaziland, and is currently fulfilling a contract for the supply of six million dry long tons of medium-grade ore to the Japanese steel mills over the period to 1978.

A total of 1,57 million dry long tons of ore was supplied during 1976.

Contractual sales are due to be completed early in 1978 when ore reserves are expected to be depleted. The mine is in a sound position to produce the contractual tonnage but its ability to fulfil its sales commitment is dependent entirely upon the satisfactory operation of railage and port facilities.

Zinchem and Industrial Mineral Resources (Proprietary) Limited (Zimro)

The company, through its major subsidiaries, G. & W. Base and Industrial Minerals (Proprietary) Limited, G. & W. Industrial and Chemical Supplies (Proprietary) Limited and Hudson Mining Company (Proprietary) Limited, is engaged in the mining, processing and marketing of a wide range of industrial minerals to a number of industries including the foundry, refractory, paint, rubber, plastic, oil drilling, chemical, ceramic, glass, agricultural and pharmaceutical industries. It has a number of mining operations in various parts of the country and its main processing plant is situated at Wadeville, Germiston. G. & W. Industrial and Chemical Supplies also exports chrome sand to Europe and operates a drying and bagging plant at Vlissingen in Holland, from which it is distributed throughout Europe.

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

Administered outside the Anglo American Corporation Group

Botswana RST Limited

The company, of which the Anglo American Corporation Group holds nearly 30 per cent, has an interest of 85 per cent in Bamangwato Concessions Limited (BCL), a company conducting a nickel and copper mining operation at Selebi-Pikwe in Botswana. The remaining 15 per cent interest in BCL is held by the government of Botswana.

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

Good progress continues to be made in resolving the process problems in all sections of the operations, and this is reflected in the significant increase over 1975 in the production of high grade copper-nickel matte.

Year ended December 31 1976

	1976 P000's	1975 P000's
Issued capital 17 979 282 shares of P2 each	35 959	35 959
Long-term loans	227 295	203 196
Mining assets and other capitalised expenditure	204 182	196 928
Production of copper-nickel matte – tons	32 506	16 513
Total sales revenue	64 041	18 256
Average proceeds per ton		
Copper	P1 190	P902
Cobalt	P7 807	P6 129
Nickel	P4 262	P3 472
Net loss	29 913	38 527

All amounts are expressed in Botswana currency.

Cleveland Potash Limited

The company operates a potash mine and an associated processing plant in the Cleveland area of north-east England. Difficult mining conditions continue to be experienced. Irregularities in the potash seam have retarded the build-up of production and steps have been taken to provide more flexible mining and treatment methods.

Year ended December 31 1976

	1976 £000's	1975 £000's
Issued capital		
ordinary shares – 7 000 000 of £1 each	7 000	7 000
10 per cent redeemable participating preference shares – 22 500 000 of £1 each	22 500	—
Share premium	2 123	2 123

All amounts are expressed in United Kingdom currency.

Hudson Bay Mining and Smelting Co. Limited (Hudbay)

Hudbay, a Canadian company, is a diversified resource-oriented organisation with Canadian and international operations and investments in the fields of mining and metallurgy, fertilizers and chemicals, and oil and gas. Prior to 1970, Hudbay was primarily a producer of copper and zinc, principally from ore mined in the Flin Flon-Snow Lake area of Manitoba, approximately 400 miles north-west of Winnipeg. Over the past six years however, Hudbay has diversified into other resources and geographic areas, the most important of which are:

1. A potash mine and refinery near Rocanville, Saskatchewan which operates through Hudbay's Sylvite Division. In March 1977, Hudbay consented to transfer the mine and refinery complex to the Potash Corporation of Saskatchewan, a province-owned organisation (for further details, see page 30).

2. A 51 per cent interest in Terra Chemicals International, Inc., which manufactures chemical fertilizers and feed ingredients at Port Neal, Iowa, and distributes these and allied agricultural products in the United States.

3. A 55 per cent interest in Francana Oil & Gas Ltd., a Canadian corporation engaged in the exploration for and production of crude oil and natural gas in Canada and the United States, which in turn has a 57 per cent interest in Trend International Limited, a Colorado corporation engaged primarily in the production of crude oil in Indonesia and in international exploration for oil and gas.

4. A 49 per cent interest in Canadian Merrill Ltd., a Quebec corporation, which is engaged principally in oil and gas production in Canada and the United States.

5. A 23 per cent interest in Inspiration Consolidated Copper Company, which is primarily engaged in the production and sale of copper from its Arizona properties.

During the year the company's interest in Western Decalta Petroleum Limited was sold for $36 349 000.

Year ended December 31 1976

	1976 $000's	1975 $000's
Issued capital stock 10 101 739 shares of no par value	71 247	68 436
Total shareholders' equity	203 862	217 318
Investments in other companies	41 702	68 133
Gross revenue from sale of products, less freight and selling expenses	343 647	259 634
Net earnings after taxation (before extraordinary items 1976)	2 819	14 771
Net loss after extraordinary items	8 279	—
Dividends paid	8 018	13 918

All amounts are expressed in Canadian currency.

Inspiration Consolidated Copper Company (ICC)

ICC is an integrated American natural resources company. Its principal line of business is the production and sale of copper from its operations, which include mines, smelter, refinery, rod fabricating and sulphuric acid plants in the state of Arizona. It has substantial reserves of copper ore. ICC also smelts copper-bearing materials for other producers, and owns and operates a silver mine in Montana.

Year ended December 31 1976

	1976	1975
Issued common stock 3 292 184 shares of $1 each	$3 292 000	$3 292 000
Number of shares outstanding	3 269 984	3 269 809
Total shareholders' equity	$113 183 000	$114 687 000
Total long-term debt	$34 202 000	$40 430 000
Net earnings (1975 loss) after tax and all costs	$126 000	$3 910 000
Dividends paid on common stock	$1 635 000	$4 053 000

All amounts are expressed in United States currency.

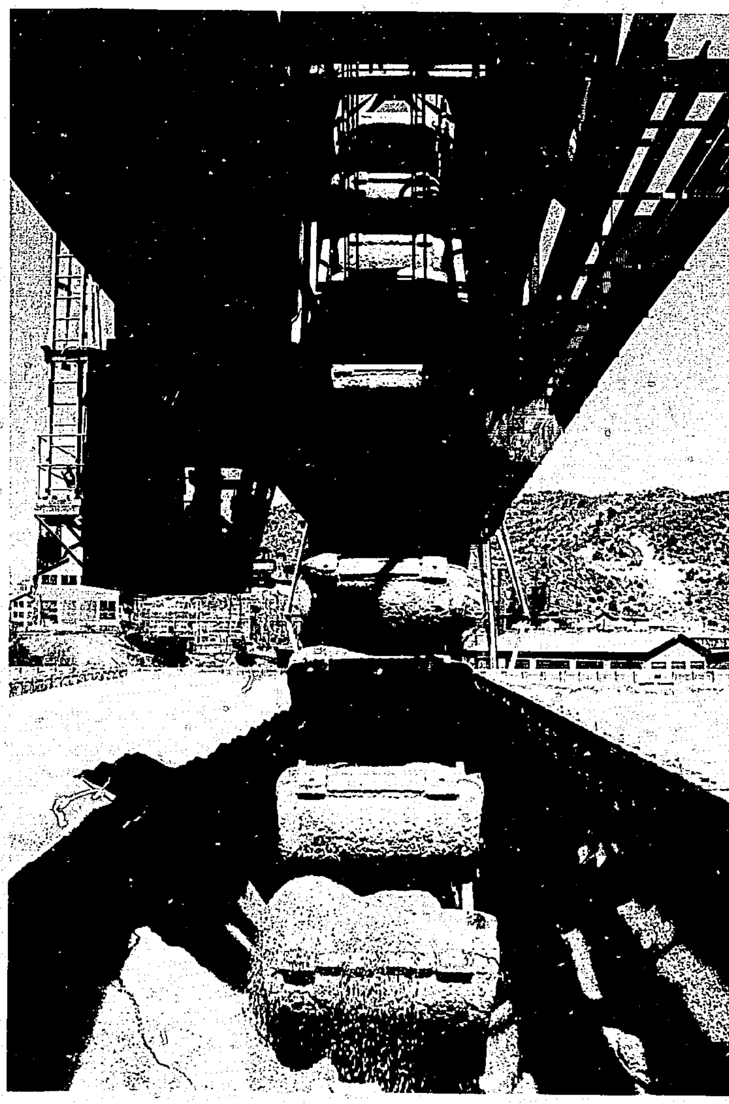
Kiln Products Limited

The company, which is a member of the Gold Fields of South Africa Limited group, operates a kiln at the Berg Aukas mine near Grootfontein in South West Africa. It produces zinc oxides from zinc silicate concentrates and zinc-bearing residues purchased from The South West Africa Company Limited, which became a wholly-owned subsidiary of Kiln Products with effect from January 1976. The zinc oxide production is sold to a South African zinc refining company within the Gold Fields group.

Nchanga Consolidated Copper Mines Limited

The company operates a copper mine and a centralised services division at Kitwe and copper mines at Chingola and Chililabombwe on the Zambian Copperbelt. A lead and zinc mine is in operation at Kabwe, some 200 kilometres south of the Copperbelt. The Zambian government holds 51 per cent of Nchanga's issued ordinary share capital, in the form of 'A' ordinary shares. Zambia Copper Investments Limited holds the remaining 49 per cent, in the form of 'B' ordinary shares.

Reclaiming leached residue from vats at Inspiration Consolidated Copper's mine in Arizona. The bucket excavator removes material from which oxide copper has been leached with sulphuric acid. This residue is then conveyed to the concentrator for recovery of sulphide copper by flotation



Year ended March 31 1976

	1976 K000's	1975 K000's
Issued capital		
'A' ordinary shares – 64 373 152 of K2 each	128 746	128 746
'B' ordinary shares – 61 848 715 of K2 each	123 698	123 698
five per cent redeemable cumulative preference shares 207 828 of K2 each	416	416
5½ per cent redeemable cumulative preference shares – 318 176 of K2 each	636	636
Share premium and reserves	187 905	192 325
Long-term loans	139 732	96 730
Production of finished copper – tons	385 414	408 666
Copper sales – tons	386 201	396 160
Average proceeds per ton	K768	K1 087
Total sales revenue – all metals	327 320	479 345
Net profit	4 864	58 545
Dividends – ordinary	—	*17 000

All amounts are expressed in Zambian currency.

**Approval to remit in their entirety amounts paid in respect of this dividend to non-resident shareholders has not yet been received.*

Roan Consolidated Mines Limited

The company operates copper mines at Mufulira, Luanshya, Chibuluma and Chambishi on the Zambian Copperbelt, at Kalengwa in the North-Western Province of Zambia and a copper refinery at Ndola.

The Zambian government holds 51 per cent of the company's issued ordinary share capital, in the form of 'A' ordinary shares. Zambia Copper Investments Limited holds 12,25 per cent of the equity in the form of 'B' ordinary shares.

Year ended June 30 1976

	1976 K000's	1975 K000's
Issued capital		
'A' ordinary shares – 15 460 684 of K4 each	61 843	61 843
'B' ordinary shares – 14 854 382 of K4 each	59 417	59 417
Share premium and reserves	147 664	151 617
Long-term liabilities	72 192	71 284
Production of finished copper – tons	280 994	288 564
Copper sales – tons	271 431	289 747
Average proceeds per ton	K806	K912
Total sales revenue	226 536	269 745
Net loss (1975 profit)	292	32 332
Dividends paid	—	*6 518

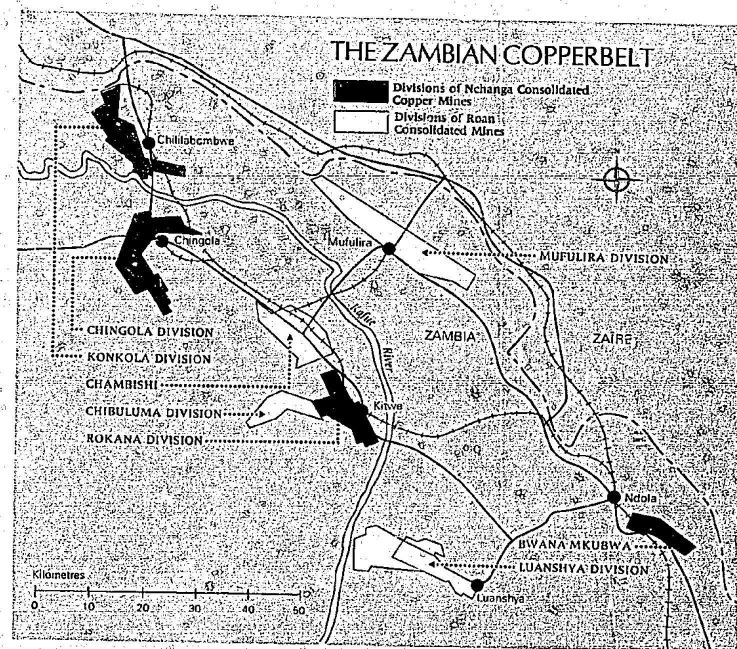
All amounts are expressed in Zambian currency.

**Approval to remit in their entirety amounts paid in respect of this dividend to non-resident shareholders has not yet been received.*

Rustenburg Platinum Holdings Limited (RPH)

As a result of the rationalisation of the shareholdings in Rustenburg Platinum Mines Limited which took effect from September 1 1975, that company became a wholly-owned subsidiary of RPH. A total of 77 740 625 shares were allotted by RPH to the relevant shareholders of Potgietersrust Platinums Limited and Waterval (Rustenburg) Platinum Mining Company Limited in terms of the rationalisation. The name of the company was changed from Union Platinum Mining Company Limited.

The revenue of RPH consists almost entirely of dividends from Rustenburg Platinum Mines Limited, which operates three mines in the Transvaal.



Year ended August 31 1976

	1976 R000's	1975 R000's
Issued capital		
123 440 625 shares of 10 cents each	12 300	4 600
Share premium and reserves	248 000	231 000
Fixed-term loans	65 600	64 600
Mining assets, at cost less recoupments	259 400	240 400
Unlisted investments	11 100	8 000
Equity earnings	36 900	47 200
Dividends paid	12 300	6 100

Shangani Mining Corporation Limited

The company, which is a member of the Johannesburg Consolidated Investment Company Limited group, operates a nickel mine at Shangani, about 100 kilometres north of Bulawayo in Rhodesia. Mine production, currently running at 75 000 tons of ore a month, is refined by the Bindura Smelting and Refining Company Limited. Mining operations started in the first quarter of 1976.

S.A. Manganese Amcor Limited (Samancor)

Samancor is engaged in the mining of manganese ore at four mines in the north-western Cape Province, which ore is used for the production of ferro-manganese alloys at Meyerton, Transvaal. The company is also involved in chrome, phosphate and dolomite mining and in the production of ferro-chrome and agricultural fertilizers.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares –		
27 688 600 of 20 cents each, fully paid	5 532	5 532
177 800 of 20 cents each, two cents paid	4	4
10 per cent cumulative redeemable preference shares –		
7 000 000 of R1 each	7 000	7 000
Share premium and reserves	133 450	102 667
Long-term liabilities and deferred taxation	16 695	30 947
Investments		
Unlisted –		
Book value	4 377	4 377
Directors' valuation	7 309	5 489
Other	20 987	7 522
Equity earnings	52 613	37 710
Dividends paid – ordinary	17 994	13 829

The Messina (Transvaal) Development Company Limited

The company mines copper in the northern Transvaal and in Rhodesia and has interests in property, motor vehicle manufacturing, earth moving equipment and finance companies.

Year ended September 30 1976

	1976	1975
Issued capital		
10 991 660 stock units of 50 cents each, fully paid	R5 4[illegible]	R5 425 000
339 000 shares of 50 cents each, one cent paid	R3 000	R3 000
Share premium and reserves	R101 459 000	R87 208 000
Long-term loans	R15 992 000	R14 488 000
Production of finished copper – tons	41 289	49 204
Average price per ton	R1 140	R852
Equity earnings*	R15 868 000	R7 174 000
Dividends paid	R4 946 000	R3 797 000

**Excludes exceptional profits of R323 000 (1975: R281 000).*

Tsumeb Corporation Limited

The company is engaged in the mining and treatment of copper, lead, zinc, cadmium and silver at various locations in South West Africa.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
4 000 000 shares of 50 cents each	2 000	2 000
Distributable reserve	26 412	26 373
Long-term loan and deferred taxation	21 197	14 023
Inventories and fixed assets	45 515	38 718
Metal sales	44 711	54 933
Net profit (1975 loss)	40	158
Production		
Copper – tons	19 498	22 182
Lead – tons	34 655	41 757
Zinc – tons	1 770	1 402
Cadmium – kilograms	117 878	118 352
Silver – grams	35 080 940	37 505 930

Whitehorse Copper Mines Limited

This company, based in British Columbia, operates a mine and mill at Whitehorse in the Yukon. The company's income is largely derived from a joint venture, in which it has a two-thirds interest, and which produces copper, gold and silver in concentrate form. As a result of recent transactions, Hudson Bay Mining and Smelting Co. Limited has a 41,2 per cent interest in the company and Anglo American Corporation of Canada Limited holds the remaining one-third interest in the joint venture.

Year ended December 31 1976

	1976 $000's	1975 $000's
Issued capital stock		
3 386 102 shares of no par value	7 227	7 227
Total shareholders' equity	11 510	10 949
Revenue	2 892	1 491
Net income after extraordinary item (1975 loss)	558	750
Production		
Copper – pounds	24 364 000	20 062 000
Gold – ounces	18 000	18 000
Silver – ounces	241 000	217 000

All amounts are expressed in Canadian currency.

Oil and gas

Administered outside the Anglo American Corporation Group

Canadian Merrill Ltd.

This company, a Quebec corporation, is involved in the exploration for and production of oil and gas in Canada and the United States. 49 per cent of the equity is held by Hudson Bay Mining and Smelting Co. Limited.

Year ended June 30 1976

	1976 $000's	1975 $000's
Issued capital stock		
2 013 920 shares of no par value	6 692	6 692
Total shareholders' equity	28 832	29 449
Gross operating revenue	10 522	4 656
Net income (after extraordinary items)	1 987	495

All amounts are expressed in Canadian currency.

Production	1976	1975
Crude oil (barrels)		
– total	225 000	181 000
– daily average	616	497
Natural gas (million cu. ft.)		
– total	9 500	7 070
– daily average	26	19,4

Francana Oil & Gas Ltd.

The company is engaged in the exploration for and the production of crude oil and natural gas in Canada and the United States and has a 57 per cent interest in Trend International Limited.

Year ended December 31 1976

	1976 $000's	1975 $000's
Issued capital stock		
7 793 752 common shares of no par value	37 140	37 095
Total shareholders' equity	40 066	57 011
Gross operating revenue	62 559	55 416
Net earnings (before extraordinary item 1976)	2 689	10 125
Net loss after extraordinary item	16 989	—

All amounts are expressed in Canadian currency.

Production (North America only)	1976	1975
Crude oil (barrels)		
– total	996 000	1 085 000
– daily average	2 729	2 973
Natural gas (million cu. ft.)		
– total	3 505	3 325
– daily average	9,6	9,1
Oil and gas land holdings (acres)		
– total area North America	5 392 000	5 862 000
– total area overseas	19 248 000	20 101 000

Trend Exploration Limited (Trend)

Trend, a wholly-owned subsidiary of Trend International Limited, is engaged primarily in the production of crude oil in Indonesia through a joint venture formed to explore for and develop hydrocarbon reserves in the Salawati Basin area of Irian Jaya. Trend has a 27 per cent interest in and acts as operator of the joint venture, which holds a concession awarded in October 1970 for a term of 30 years. The concession area, which initially encompassed 1 100 000 acres, is subject to periodic reduction and is currently 550 000 acres. Such periodic reductions will not apply to acreage on which petroleum has been discovered. Oil was initially discovered in the Indonesian concession in September 1972 and additional discoveries have resulted in the delineation of six oil fields up to the end of 1976.

The joint venture operates under a production sharing contract with Pertamina (the Indonesian state oil agency). In August 1976, Trend was obliged to sign an agreement with Pertamina, increasing the Indonesian government's share of profits to 85 per cent, reducing tax concessions and calling for cash payments totalling approximately $36 million to be made to the government during 1976 and 1977.

Trend also holds producing oil and gas properties in the United States and Canada and conducts an extensive prospecting programme in these countries and abroad.

Year ended December 31 1976

	1976 $000's	1975 $000's
Issued capital stock		
147 838 common shares of no par value	110 502	110 502
Total shareholders' equity	50 210	123 881
Gross revenue	57 173	48 571
Net income	907	10 289

All amounts are expressed in United States currency.

Production	1976	1975
Crude oil (barrels)		
Indonesia		
– total	27 693 000	22 975 000
– daily average	75 664	63 000
North America		
– total	301 000	347 000
– daily average	847	952
Natural gas (million cu. ft.)		
North America		
– total	565	525
– daily average	1,5	1,4
Oil and gas land holdings (acres)		
– total area North America	2 413 000	2 167 000
– total area overseas	21 661 000	20 101 000

Industry and commerce

Administered within the Anglo American Corporation Group

Boart International Limited

Boart, a wholly-owned subsidiary of Anglo American Industrial Corporation Limited, is, through its subsidiaries and associates, engaged in the manufacture and marketing of all types of diamond and tungsten carbide tipped drilling tools, and in surface and underground contract drilling and the provision of certain ranges of mining equipment and mining services to all major mining countries. Boart has also established itself as a supplier of a wide range of tungsten carbide and diamond products to industry, particularly in southern Africa and Australia.

During 1976, Boart purchased all outstanding minority shareholdings in the Longyear Company and Mindrill Limited. In August 1976, Portadrill Inc. also became a wholly-owned subsidiary. Portadrill is a major American manufacturer of rotary blasthole, exploration and waterwell drilling equipment. Boart also acquired the assets and trade name of Gill Enterprises Inc., which manufactures tungsten carbide percussion drilling tools, and a majority holding in Aarwater (Eiendoms) Beperk, a company engaged in rotary and percussion exploratory drilling.

The consolidated profit of the Boart group, after taxation and minority shareholders' interests, was R16,19 million for the year to December 31 1976, compared with R15,21 million the previous year.

Boart's major operating companies are:
Boart Diamond Products (Proprietary) Limited
Boart Drilling (Proprietary) Limited
Boart Hardmetals (Proprietary) Limited
Boart Hardmetals (Europe) Limited
Boart Hardmetals (Canada) Limited
Canadian Longyear Limited
Diacarb Limited
Longyear Australia Proprietary Limited
Longyear International BV
Longyear Company, U.S.A.
Mindrill Limited
Portadrill Inc
The St[illegible]neering Company Limited

Bruynzeel Plywoods Limited (Bruply)

Bruply manufactures veneers, plywood, blockboard, chipboard, veneered chipboard, doors, sawn timber, mouldings, laminated beams, wooden trusses, modular furniture and gumpoles. The company became a wholly-owned subsidiary of Anglo American Industrial Corporation Limited with effect from January 1976.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares –		
6 749 710 of 50 cents each, fully paid	3 375	5 091
210 000 of 50 cents each, one cent paid	2	2
5½ per cent cumulative preference shares –		
200 000 of R2 each	400	400
Share premium and reserves	16 442	13 459
Loans	4 033	4 298
Equity earnings	1 421	764
Dividends paid – preference	22	22

Clay Products Limited

The company owns a factory near Bulawayo, Rhodesia, producing a wide range of refractory and earthenware products.

Year ended March 31 1976

	1976 $000's	1975 $000's
Issued capital		
399 000 shares of $2 each	798	798
Share premium and reserves	372	323
Deferred taxation	390	339
Fixed assets	1 773	1 763
Equity earnings	182	208
Dividends paid	100	100

All amounts are expressed in Rhodesian currency.

Computer Sciences Sigma (Proprietary) Limited

This company, in which the Anglo American Corporation Group has a 73 per cent shareholding, offers a wide range of computer services, including batch and remote job processing and remote computing (time sharing) through two well-equipped bureaux. A systems development and support service is also provided. The company's hardware marketing divisions have had significant success with their line of Datapoint mini computers as well as Comten, Pertec and Varian Data Machine products, which also form an integral part of the company's hardware product range.

Consolidated Share Registrars Limited

The company operates as share transfer secretaries, principally to companies in the Anglo American Corporation and General Mining and Finance Corporation Limited groups. As at December 31 1976, the company acted as transfer secretaries to 77 companies.

Eastern Transvaal Timber Company (Proprietary) Limited

The company, which owns 15 000 hectares of land in the Carolina, Waterval Boven and Barberton districts of the Transvaal, is engaged in timber growing operations. Management of the company's plantations is undertaken by S.A. Forest Investments Limited.

Highveld Steel and Vanadium Corporation Limited

Highveld owns and operates an iron, steel and vanadium complex at Witbank in the Transvaal.

The full ore requirements of both the steelworks and the Vantra division are supplied by the corporation's Mapochs mine at Roossenekal.

At the start of the 1976/77 financial year, Highveld acquired a 65 per cent interest in Transalloys (Proprietary) Limited by issuing 3 120 000 new shares to the vendors of 7 020 000 Transalloys shares. Transalloys is a producer and exporter of manganese ferro-alloys and an important supplier of Highveld's requirements of ferro-alloys. The remaining 35 per cent interest in Transalloys is held by Philipp Brothers A.G., of Switzerland.

Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
58 186 030 shares of R1 each	58 186	57 480
Share premium and reserves	10 325	1 622
Long-term loans and provision for deferred taxation	54 897	42 764
Fixed assets	128 053	108 612
Equity earnings	15 908	11 843
Dividends paid	7 363	5 752

Hippo Valley Estates Limited

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

Year ended March 31 1976

	1976 $000's	1975 $000's
Issued capital		
15 974 400 shares of 50 cents each	7 987	6 655
Share premium and reserves	24 069	18 434
Loans and deferred taxation	15 025	12 540
Equity earnings	6 781	5 313
Dividends paid	3 302	2 928

All amounts are expressed in Rhodesian currency.

LTA Limited

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

	Year ended March 31 1976 R000's	Nine months ended March 31 1975 R000's
Issued capital		
ordinary shares –		
12 309 840 of R1 each, fully paid	12 310	5 382
176 900 of R1 each, five cents paid (Executive Share Incentive Scheme)	9	9
10 per cent cumulative convertible redeemable preference shares – 51 966 of R1 each*	52	10 546
Share premium and reserves	8 722	2 470
Long-term and deferred liabilities	7 482	7 035
Equity earnings	4 963	2 648
Dividends		
– ordinary	2 280	701
– preference	268	791

**During November 1975, preference shareholders holding 10 493 754 shares out of a total of 10 545 720 exercised their right to convert those to ordinary shares, resulting in the issue of 6 925 876 additional ordinary shares on December 5 1975. The remaining 51 966 10 per cent cumulative redeemable preference shares are being redeemed over 10 years, commencing on December 31 1976.*

Mondi Paper Company Limited

Mondi's share capital is held by Anglo American Industrial Corporation Limited, the De Beers group and Johannesburg Consolidated Investment Company Limited.

The company operates a paper mill at Merebank, Durban, comprising a groundwood mill, three high speed paper machines and a paper finishing department. The third paper machine came into production in November 1976, increasing Mondi's capacity from approximately 160 000 tons a year to 260 000 tons.

A wholly-owned subsidiary, South African Board Mills Limited, produces paperboard and felt base paper, and operates a sugar mill at Melville in Natal. It holds 49 per cent of the equity of Balamundi S.A. (Proprietary) Limited, which utilises felt base paper for conversion into floor coverings, roofing felts and dampcourses.

Mondi's equity earnings for the year to December 31 1976 amounted to R11,5 million. The previous year's earnings of R8,4 million are not comparable in that they do not include the results of South African Board Mills Limited.

RFF Limited

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. A pure fruit juice concentrates plant was brought into operation during 1974 and a new winery was completed in February 1976, from which a range of estate wines is marketed under the name Boschendal. The company is in the process of developing a major piggery and a dairy herd as the nucleus of a livestock section.

Scaw Metals Limited

The company is a wholly-owned subsidiary of Anglo American Industrial Corporation Limited. The three major fields in which it operates are ferrous and non-ferrous castings, rolled steel products in the merchant bar range and grinding media for the mining and cement industries. The cast ferrous products include railroad components such as freight car wheels and bogie castings.

Equity earnings of the Scaw Metals group of companies for the year ended December 31 1976 was R14,52 million, compared with R12,87 million in 1975.

The company has investments in Highveld Steel and Vanadium Corporation Limited and W. S. Craster (Private) Limited.

Shaft Sinkers (Proprietary) Limited

The Shaft Sinkers group is involved in shaft sinking, tunnel construction, underground excavation and associated concrete work for the mining and civil engineering industries. Equity earnings for the year to June 30 1976 were R1,08 million (1975: R669 000).

Sigma Motor Corporation (Proprietary) Limited

Sigma was formed in the second half of 1976 as a result of the merger of Chrysler South Africa (Proprietary) Limited and Illings (Proprietary) Limited and is held as to approximately 75 per cent by the Anglo American Corporation Group and the balance by Chrysler Corporation of the United States. The company will market the Mazda Capella series, the Mazda Luce, Chrysler Valiant, and Mitsubishi Colt, in addition to a wide variety of light commercial vehicles. A number of new models will be introduced during 1977. The company will also operate an Earth Moving and Industrial Machinery division handling Komatsu, Hitachi and Amiese products. The Mack Truck division will be expanded during 1977 to include certain Mitsubishi and Chrysler products.

A subsidiary undertakes the financing of vehicle hire-purchase and leasing transactions.

Soetvelde Farms Limited

The company was formed in 1969 to consolidate and develop the farming interests of the Anglo American Corporation and De Beers groups. Its operations include the growing of maize, wheat, potatoes and other dryland crops and the breeding, raising and fattening of cattle, pigs and sheep over large areas of the Transvaal, Orange Free State, northern Cape and Rhodesia. Debshan Ranches (Private) Limited, a wholly-owned subsidiary, has an extensive cattle ranching operation near Gwelo, Rhodesia. Dawn Orchards Limited, another wholly-owned subsidiary, produces tomatoes, a range of vegetables and tropical fruits under irrigation in the Lowveld of the northern Transvaal.

S.A. Forest Investments Limited

The company is a wholly-owned subsidiary of Anglo American Industrial Corporation Limited.

The S.A. Forest Investments group is the largest integrated forestry and sawmilling operation in South Africa, with extensive timber plantations and sawmills in the eastern Transvaal and Natal. It is also engaged, through subsidiaries, in the manufacture of factory-built houses and glue-laminated timber products.

BFI provided the funds for the authentic restoration of the historic Boschendal homestead in the Groot Drakenstein Valley of the Western Cape. This fine example of Cape Dutch architecture, completed in 1812, became a national monument, permanently preserved by the Rhodes National Heritage Trust at a ceremony during November 1976.

The company holds, through Forest Industries and Veneers Limited, approximately 95 per cent of the equity of Peak Timbers Limited which owns timber plantations and operates a sawmill in Swaziland.

The Natal Tanning Extract Company Limited

The company owns or controls 72 000 hectares of forest land in the south-eastern Transvaal and Natal (1975: 67 000 hectares) which is planted mainly to wattle with smaller areas under pine, gum, poplar, sugar cane and phormium. The principal operation is the production of tanning extract from wattle bark and three factories are operated for this purpose. By-products produced in 1976 included approximately 277 000 tons of timber; 49 000 tons of wattle bark and 116 000 tons of sugar cane.

Vereeniging Refractories Limited (VRL)

VRL manufactures a wide variety of refractory bricks and materials, building bricks and Stalton pre-stressed beams and lintels. The Main Works is situated at Vereeniging, with plants at Springs and Houtkop near Vereeniging.

Refractories are used in high temperature processes and VRL's products play an important part in the steel, cement, copper, ferro-alloy and a number of other industries where heat is utilised. Although not a major exporter, VRL has taken steps to extend its foreign markets.

Marico Mineral Company (Proprietary) Limited, a wholly-owned subsidiary, operates quarries and mines throughout the Republic of South Africa and supplies a large proportion of VRL's bulk raw material requirements. During the year, the company disposed of 26 per cent of its interest in Refractory Minerals (Private) Limited, a company occupied in the mining of magnesite near Gatooma, Rhodesia. VRL still owns 74 per cent of the issued share capital and will continue to manage and administer this company. Mopani Magnesite (Proprietary) Limited and Pande Magnesite (Private) Limited, jointly owned with Cullinan Minerals Limited, mine magnesite in the northern Transvaal and Rhodesia respectively.

VRL's roof tile interests have been reorganised and this group now operates throughout the country under the name of Coverland. Coverland Roof Tiles (Proprietary) Limited, in which 33,33 per cent of the equity is indirectly held, operates manufacturing branches in Cape Town, Bloemfontein, Vereeniging, Benoni, Port Elizabeth and Durban, while Covercape Roofing (Proprietary) Limited and Covervaal Roofing (Proprietary) Limited, offer a tiling service in the western Cape and Transvaal respectively.

Vitro Clay Pipes Limited, in which a 50 per cent share is directly held, produces vitrified sewer pipes and fittings at its Houtkop plant near Vereeniging.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 5 000 000 of 50 cents each	2 500	2 500
5½ per cent cumulative non-redeemable preference shares – 500 000 of R2 each	1 000	1 000
Distributable reserves	19 100	17 752
Long-term and deferred liabilities	5 290	3 175
Book value of fixed assets	22 164	21 136
Investments and loans	925	831
Equity earnings	3 270	3 821
Dividends paid – ordinary	1 500	1 500

Administered outside the Anglo American Corporation Group

AECI Limited

The company produces mining explosives and accessories, a wide range of plastics, heavy chemicals for industrial and agricultural use, vinyl products and animal feedstuffs. Its main factories are situated at Modderfontein, Sasolburg, Somerset West and Umbogintwini. A subsidiary company manufactures phosphatic fertilizer and industrial chemicals in Rhodesia.

The construction programme for the company's coal-based chemical complex for the production of polyvinylchloride and a range of chloro-chemical products at Sasolburg, which is being undertaken as a joint venture with Sentrachem Limited, is on schedule. The project, known as Coalplex, is expected to come into operation late in 1977.

During August 1976 R82,9 million was raised by means of a rights issue of ordinary shares. This represented the final instalment in a scheme of financing totalling R250 million arranged partly to finance AECI's share of Coalplex and partly to achieve a better balance between long and short term financing in the group.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 137 400 360 of R1 each	137 400	87 136
5½ per cent cumulative preference shares – 3 000 000 of R2 each	6 000	6 000
Reserves	169 251	121 600
Long-term loans	191 358	116 989
Book value of fixed assets	316 462	243 279
Unlisted investments –		
Book value	60 052	34 827
Directors' valuation	63 000	47 000
Equity earnings	32 388	29 183
Dividends paid – ordinary	21 193	15 685

AECI's major investments include:

	Percentage interest
Duropenta Holdings (Proprietary) Limited	100
Prolux Paint Holdings (Proprietary) Limited	100
Rand Carbide Limited	68
South African Nylon Spinners (Proprietary) Limited	100
Triomf Fertiliser (Proprietary) Limited	49

African Products Limited

The company produces maize starches, cornflour, dextrins, dextrose, glucose and other maize-based products at Germiston, Transvaal, and owns Maize Products Limited of Meyerton, Transvaal and Glucose and Starch Products Limited of Bellville, Cape Province.

Year ended September 30 1976

	1976 R000's	1975 R000's
Issued capital		
3 677 100 ordinary shares of R1 each	3 677	3 668
Share premium and reserves	9 775	8 481
Long-term loans and deferred tax	1 588	1 608
Equity earnings	2 611	2 436
Dividends paid	1 324	1 247

Chemical Holdings Limited

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

Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
3 067 045 shares of R1 each	3 067	3 067
Share premium and reserves	3 701	3 208
Loans and convertible notes	2 703	2 767
Equity earnings	1 045	902
Dividends paid	506	422

Consolidated Metallurgical Industries Limited (CMI)

CMI is part of the Johannesburg Consolidated Investment Company Limited group. It was incorporated in 1975, principally to produce and market charge chrome. The company is erecting a plant at Lydenburg in the eastern Transvaal, which will have the capacity to produce 120 000 tons of charge chrome a year. Production is scheduled to begin during the first half of 1977. The total capital cost of the project will be approximately R50 million.

Cullinan Holdings Limited

Cullinan is an investment company conducting a range of diversified activities through various subsidiary and associated companies. These activities include the manufacture and marketing of refractories, industrial porcelain products, building bricks and brick panels; the mining and marketing of minerals used mainly by the refractory and other heavy clay and ceramic industries; and property development.

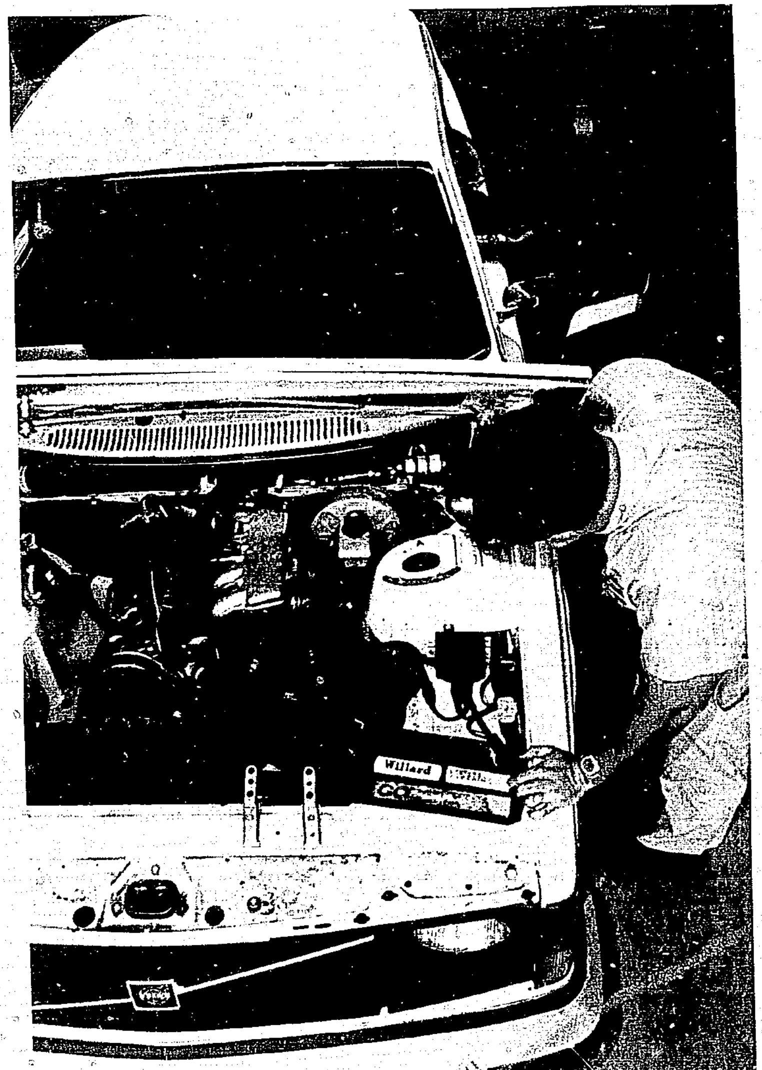
Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 8 019 983 of 50 cents each	4 010	4 010
5½ per cent cumulative preference shares – 500 000 of R2 each	1 000	1 000
Share premium and reserves	11 515	9 758
Long-term and deferred liabilities	11 812	10 162
Book value of fixed assets	15 504	13 664
Interests in associated companies	2 320	2 221
Investments and loans	1 863	1 551
Equity earnings	2 760	1 940
Dividends paid – ordinary	1 042	962

Dorman Long Vanderbijl Corporation Limited (Dorbyl)

Dorbyl, a steel fabricating and engineering group created by the amalgamation of Dorman Long (Africa) Limited and Vanderbijl Engineering Corporation Limited, is the foremost heavy steel engineering group in South Africa. During the year Dorbyl, which is a 56,5 per cent held subsidiary of International Pipe and Steel Investments South Africa (Proprietary) Limited, increased its capital by making a rights issue to members, coupled with a debenture issue. The amount of approximately R13 million so raised was required to broaden the group's capital base. Equity earnings of the Dorbyl group were R11,3 million for the year to September 30 1976 (1975: R8,3 million).

Technicians of the Engelhard Industries division of EMC prepare to test the three-way catalyst — the corporation's latest emission control device — on a car being run on a chassis dynamometer



Engelhard Minerals & Chemicals Corporation

The operations of Engelhard Minerals & Chemicals Corporation 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.

Year ended December 31 1976	1976 $000's	1975 $000's
Issued capital stock		
common shares – 31 595 700 of $1 each	31 596	30 600
cumulative convertible preferred series – 99 562 of $4.25 each, assigned value $6.30*		627
Total shareholders' equity	600 330	500 260
Long term liabilities	103 991	111 039
Net earnings	124 865	114 716
Net earnings per common share		
primary†	$3.94	$3.70
fully diluted‡	$3.80	$3.53
Dividends paid – common shares	32 988	24 248

*The preferred stock was redeemed on April 5 1976.

†Based on average number of common shares outstanding, applied to net earnings after allowing for dividends on preferred stock.

‡Based on pro-forma number of common shares outstanding, assuming full conversion of $4.25 cumulative convertible preferred stock and exercise of dilutive stock options.

All amounts are expressed in United States currency.

Freight Services Holdings Limited

(Formerly Aero Marine Freight Services Holdings Limited)

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 (Proprietary) Limited, which will handle the bulk of the less-than full container traffic in the Republic.

Anglo American Industrial Corporation Limited holds an interest of 40,61 per cent in the company.

Gallo (Africa) Limited

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

Year ended June 30 1976	1976 R000's	1975 R000's
Issued capital		
ordinary shares –		
4 615 000 of 25 cents each, fully paid	1 154	1 154
100 000 of 25 cents each, partly paid	17	18
six per cent cumulative preference shares – 150 000 of R2 each	300	300
Share premium and reserves	4 755	4 391
Long-term loans and deferred taxation	4 675	3 902
Fixed assets	4 472	3 483
Unlisted investments		
Book value	2 067	1 963
Directors' valuation	2 067	1 963
Equity earnings	1 649	952
Dividends paid – ordinary	738	554

Hall Longmore & Company (Proprietary) Limited

The company and its wholly-owned subsidiary, Hall Longmore Contractors (Proprietary) Limited, are engaged in the manufacture and distribution of steel pipes, pipe fittings and other heavy steel products, and in the construction of pipelines. Two other subsidiaries manufacture and distribute drilling equipment and pneumatic tools.

Industex (Proprietary) Limited

The company operates cotton and synthetic fibre spinning plants in Port Elizabeth. Rayon, nylon and other types of fabrics are woven for the rubber industry, as well as other industrial textiles such as filter fabric. A wholly-owned subsidiary at Uitenhage operates a yarn dyeing and weaving plant and manufactures a wide range of towelling products.

J. L. Clark and Company Limited

The company and its subsidiaries are engaged principally in the wholesale distribution of equipment in the heating, air conditioning, refrigeration and paper fields. The group also manufactures pressure vessels and heating batteries.

McCarthy Group Limited

The group is the largest retail motor organisation in South Africa, and comprises various companies each marketing particular vehicle franchises for specified areas.

The group has extensive property interests which, in the main, are leased to certain of its trading and administrative divisions. It also operates a computer bureau company and has subsidiary companies which undertake motor insurance broking and the financing of vehicle hire-purchase and leasing transactions.

Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 16 987 415 of 50 cents each	8 494	8 209
5½ per cent cumulative preference shares – 150 000 of R2 each	300	300
Share premium and reserves	22 918	20 150
Long-term liabilities	11 543	6 952
Equity earnings	3 863	3 676
Dividends paid – ordinary	1 444	1 358

Middelburg Steel and Alloys (Proprietary) Limited (MSA)

MSA, which is part of the Barlow Rand Limited group, owns the entire issued share capital of The Southern Cross Steel Company (Proprietary) Limited. Southern Cross and its subsidiaries manufacture and market stainless steel, ferro-chrome and other ferro-alloys. A new R13 million electric arc furnace was commissioned during 1976. Equity earnings for the year ended September 30 1976 were R9,0 million (1975: R5,8 million).

O.K.K. Foods Limited

This company, in which the Anglo American Industrial Corporation Limited group has a 50 per cent interest, is engaged in the cold storage and marketing of meat and dairy produce in the western Transvaal, Orange Free State and north-western Cape Province.

Romatex Limited

Romatex is the holding company arising out of the merger of the Feltex and Ropes and Mattings groups in October 1975. Its interests cover the manufacture of a large range of floor coverings and carpet components, jute and plastic materials for the packaging and textile industries, ropes and cordage, knitting yarns, components for the motor industry, men's and women's wear fabrics for the clothing industry, cottonwool, footwear and a variety of other product lines.

Period ended March 31 1976*

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 23 499 353 of R1 each†	23 499	7 022
5,4 per cent redeemable cumulative preference shares – 1 000 000 of R1 each	1 000	1 000
six per cent redeemable cumulative preference shares – 500 000 of R1 each	500	750
Share premium and reserves	45 068	14 226
Long-term liabilities and deferred taxation	16 832	7 370
Fixed assets	56 888	22 540
Investments and loans	4 207	2 228
Equity earnings	8 034	837
Dividends paid – ordinary	2 820	280

**The results incorporate the activities of the former Ropes and Mattings group for nine months from July 1 1975, and those of the former Feltex group for twelve months from April 1 1975. The 1975 comparative figures relate to the former Ropes and Mattings group only.*

†Excludes 2 679 500 shares held by a subsidiary.

Stewarts & Lloyds of South Africa Limited

The company is a 52,5 per cent held subsidiary of International Pipe and Steel Investments South Africa (Proprietary) Limited. The business of the Stewarts & Lloyds group, which comprises 27 operating companies with a total sales volume of more than R200 million, consists of the manufacture and distribution of welded and seamless steel tube, rectangular hollow sections, tubular steel structures, pipe fittings and joints, copper, plastic and Bundyweld tubes, centrifugal pumps, valves, diesel engines, irrigation equipment, malleable and grey iron castings and mild and alloy steels.

Year ended September 30 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 22 510 533 of 50 cents each	11 255	11 255
six per cent first cumulative preference shares – 300 000 of R2 each	600	600
Share premium (net) and reserves	62 500	56 152
Long-term borrowings	30 581	28 204
Fixed assets	24 993	24 211
Unlisted investments, at book value	99	99
Equity earnings	10 122	12 362
Dividends paid – ordinary	3 827	3 827

Terra Chemicals International, Inc.

The company, which is based in Iowa in the United States, manufactures nitrogen-based fertilizers and nitrogen feed ingredients and is a distributor of these and allied agricultural products. Terra is 51 per cent owned by Hudson Bay Mining and Smelting Co. Limited.

Year ended December 31 1976

	1976 $000's	1975 $000's
Issued capital stock		
common shares – 5 298 936 of $1 each	5 299	5 297
preferred shares – 169 377 of $100 each	16 938	16 968
Total shareholders' equity	63 778	56 992
Gross revenue	103 650	110 652
Net earnings	11 994	18 564
Dividends paid – common shares	3 974	3 178

All amounts are expressed in United States currency.

The Tongaat Group Limited

The company was formed at the beginning of the century and was specifically involved in the production of sugar until 1965, when it diversified its operations. Its activities now include sugar cane agriculture and milling; maize milling; the production and distribution of building materials, textiles, animal feeds, bakery and confectionery products, mushrooms and canned food, eggs and pullets; property; and electrical and electronic engineering.

The group consists of the following divisions:

Sugar (Tongaat Sugar Limited)

Building materials (Coronation Industrials Limited)

Property, electrical engineering and electronics (Tongaat Investments Limited; United Electronics Holdings (Proprietary) Limited)

Foods and feeds (Moreland Foods and Feeds (Proprietary) Limited; Tongaat Poultry (Proprietary) Limited)

Textiles (David Whitehead and Sons (S.A.) Limited)

The group's investments include a 24,5 per cent interest in and 50 per cent control of Huletts Corporation Limited*, a 28 per cent interest in Hypack Products (Proprietary) Limited, a 14 per cent interest in Gypsum Industries Limited and an eight per cent interest in Safmol Limited.

Year ended March 31 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 16 301 195 of R1 each, fully paid	16 301	16 285
377 000 of R1 each, five cents paid	19	20
6½ per cent redeemable cumulative preference shares – 1 815 000 of R1 each	1 815	1 980
Share premiums and reserves	92 677	55 826
Long-term loans	24 911	19 316
Book value of fixed assets	115 652	74 405
Investments, at valuation		
Associated companies	14 613	11 627
Listed	6 434	7 930
Market value	6 434	8 958
Unlisted	832	1 169
Directors' valuation	872	1 351
Equity earnings	8 322	6 362
Dividends paid – ordinary	3 263	2 849

**The company exercises joint control of Huletts Corporation Limited with C. G. Smith Investments Limited through S. & T. Investments (Proprietary) Limited.*

The Union Steel Corporation (of South Africa) Limited (Usco)

Usco owns steel works at Vereeniging where it produces rolled, drawn, forged and cast steel products as well as copper and aluminium conductors and wire. Its wholly-owned subsidiary, Veldmaster (Proprietary) Limited, manufactures agricultural discs and other earth engaging parts.

Usco's wholly-owned subsidiary, Usco Aluminium Corporation (Proprietary) Limited, operates an aluminium wire and conductor plant at Richards Bay.

Year ended December 31 1976	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 29 010 000 of 50 cents each	14 505	14 505
preferent 'A' shares – 125 000 of R2 each	250	250
preferent 'B' shares – 125 000 of R2 each	250	250
Distributable reserves	24 477	20 471
Long-term loans and deferred taxation	00 000	21 718
Equity earnings	5 585	6 243
Dividends paid – ordinary	1 596	1 596

Tiger Oats and National Milling Company Limited

Tiger Oats is an investment holding company, with subsidiary and associated companies operating in various branches of the food, feed and fishing industries. Its main activities are the milling and marketing of maize, wheat, oats and barley; edible oil extraction; the manufacture of margarine and a variety of grocery products; animal feed and pet food production and, in addition, through the Oceana group of fishing companies, pelagic fishing and the processing of canned fish, fish meal, fish oil and rock lobster. Unaudited equity earnings for the year ended December 31 1976 were R18,83 million (1975: R15,49 million).

Union Carriage and Wagon Company (Proprietary) Limited

The company is the biggest single supplier of railway passenger coaches and electric locomotives to the South African Railways and produces rolling stock for sale to other railway authorities and private operators in southern Africa. Union Carriage also supplies industrial diesel electric and diesel hydraulic locomotives. During the past year, in common with other suppliers to the South African Railways, the company was requested to cut back on deliveries to the Railways. This had no effect on the company's profits for the financial year ended June 30 1976, but will appreciably affect the current financial year's income.

Through a subsidiary, Unionmod Buildings (Proprietary) Limited, the company has diversified into the manufacture of factory-built modular buildings.

Property

Administered within the Anglo American Corporation Group

Anglo American (O.F.S.) Housing Company Limited

The company provides housing in the Orange Free State for employees of associated companies. At December 31 1976 the cost of stands, houses, flats and hostels owned by the company amounted to R28,15 million.

Anglo American Properties Limited (Amaprop)

Financial details of Amaprop may be found on page 69 of this report. The company's major interests in completed property developments are as follows:

	Percentage interest
Amcor House, Johannesburg	100
Brickhill Road Parkade, Durban	100
Cabana 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	55
Prospecton Industrial township, Durban	50
Marina da Gama, Muizenberg	50
Muckleneuk-Lanterns and Welgelegen, Pretoria	100
Provincial House and Durdoc Centre, Durban	51
Transvaal House, Pretoria	100
Umhlanga Beach Mews, Umhlanga Rocks	100
320 West Street, Durban	100

Carlton Centre Limited

The company owns the Carlton Centre, a mixed-use development in the centre 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 international-sized 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. During 1976, the Hotel was granted international status by the Liquor Board.

Year ended June 30 1976	1976 R000's	1975 R000's
Issued capital		
28 366 667 ordinary shares of 50 cents each	14 184	14 184
Share premium	14 139	14 139
Loan capital		
$8\frac{1}{4}$ per cent first mortgage convertible debentures 1979/96, fully paid	34 000	34 000
$7\frac{1}{4}$ per cent second mortgage debentures 1977/2001, fully paid	10 000	10 000
Unsecured loans	14 130	15 541
Operating profit	6 373	5 109
Equity earnings (1975 loss)	782	212
Accumulated loss	7 079	7 861

Kenilworth Centre (Proprietary) Limited

The company operates a regional shopping centre complex on an 8,9 hectare site in the southern suburbs of Cape Town. The centre contains approximately 100 shops and a small amount of office space.

Orange Free State Land and Estate Company (Proprietary) Limited (OFSLE)

OFSLE, which is a wholly-owned subsidiary of Anglo American Industrial Corporation Limited, owns 11 200 hectares of land in the Orange Free State and western Transvaal as well as the rights to a proportion of claim licences and mining lease rentals over an area of approximately 19 000 hectares. The company also owns a number of trading sites in the same areas, and is participating in the development of residential townships in the Welkom and Allanridge areas of the Orange Free State.

OFSLE has interests in O.K.K. Foods Limited (50 per cent), Dewhurst Fresh Foods Limited (25 per cent) and Soetvelde Farms Limited (18 per cent).

Sorec Limited

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

	15 months ended September 30 1976 R000's	Year ended June 30 1975 R000's
Issued capital*		
ordinary shares – 21 938 695 of R1 each	21 939	21 802
ordinary deferred 'D' shares – 558 560 of R1 each	558	558
Share premium and reserves	38 819	41 738
Loans	56 860	52 940
Fixed assets	60 464	55 615
Unlisted investments	68 908	63 911
Equity earnings	1 976	2 040
Dividends paid	1 426	1 640

**On July 1 1975, 136 976 ordinary deferred 'C' shares of R1 each were converted into ordinary shares.*

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
African Life Centre, Johannesburg	15
Checkers store, Benoni	100
Civic Towers/I.C.L. House, Johannesburg	51
Coca-Cola factory, Durban	100
Damelin Centre, Johannesburg	15
Field North, Johannesburg	100
Gardens Centre, Cape Town	50
Grand Central, Port Elizabeth	35
Highpoint Hillbrow, Johannesburg	100
Highrise, Johannesburg	51
His Majesty's, Johannesburg	35
Kine Centre, Johannesburg	35
Life Centre, Johannesburg	28
Lloyds Building, Johannesburg	26
Opera Plaza, Pretoria	35
Sandton City, Sandton	20
Sanso Centre, Cape Town	35
Shell House, Cape Town	25
Sunnypark, Pretoria	50
Total Centre, Johannesburg	100
U.D.C. House, Salisbury	13
Wesbank House, Johannesburg (formerly Schlesinger Centre)	100

Administered outside the Anglo American Corporation Group

Main Place Holdings Limited

Main Place is the holding company of 15 wholly-owned subsidiary companies which own 4,8 hectares of land adjacent to the financial district of Johannesburg. The land is being held for development, the potential for which is regularly reviewed.

Insurance, banking and general investment

Administered within the Anglo American Corporation Group

African Eagle Life Assurance Society Limited

The company is one of the largest life assurance groups in South Africa and is a leading underwriter of group pension plans and industrial life business. It offers a comprehensive, flexible range of life assurance products, including conventional with-profit policies, and property linked and equity linked plans.

Subsidiary life companies are Guarantee Life Assurance Company Limited and Southampton Assurance Company of Rhodesia Limited. Guarantee Life concentrates on providing sophisticated services in the field of life assurance and pension requirements for senior executives, professional men and self-employed people. The company deals exclusively through brokers and does not maintain an agency force. It offers a wide range of life assurance products including those linked to managed property, equity, fixed interest and cash portfolios. A wholly-owned subsidiary, Guarantee Life Properties (Proprietary) Limited, deals in property investment and development.

African Gold and Base Metal Holdings Limited

The company holds mineral rights over a number of farms in South Africa. It also has a major interest in The Afrikander Lease Limited and through its wholly-owned subsidiary, Pintail Investments Limited, it has an interest in Rustenburg Platinum Holdings Limited.

Anglo American Rhodesian Development Corporation Limited

The company's main source of income is the leasing to the Rhodesia Railways under long-term agreements of rolling stock, originally purchased for R$15,5 million. In addition, it administers as independently operating divisions, the Mazoe Citrus estates near Salisbury and substantial forestry estates in the Eastern Highlands.

Baffinland Iron Mines Limited

This company, based in Ontario, owns properties on Baffin Island, North West Territories, containing approximately 123,5 million tons of iron ore with an average grade of 68,13 per cent. On account of its remoteness and the transportation problems involved, this deposit cannot be developed at present, but the properties are kept in good standing and the economics of future development are reviewed from time to time. Anglo American Corporation of Canada Limited and Hudson Bay Mining and Smelting Co. Limited have interests of 27 per cent and 18,6 per cent respectively in the company.

Cape Verde (Proprietary) Limited

The company, which is incorporated in Swaziland, owns the freehold of and residual mineral rights over property at Viljoenskroon in the Orange Free State. The freehold is leased for grazing purposes.

First Consolidated Holdings (Proprietary) Limited

(Formerly Premier Finance Corporation (Proprietary) Limited)

The principal activity of the company, which is a wholly-owned subsidiary of Rand Selection Corporation Limited, is the provision of instalment credit facilities and medium-term finance. A subsidiary company, First Consolidated Leasing Corporation Limited, specialises in the leasing of movable assets.

Mainstraat Beleggings (1965) (Eiendoms) Beperk

Mainstraat was formed by Anglo American Corporation and the Federale Mynbou/General Mining group for the purpose of investing principally in the fields of engineering and heavy industry. The company has interests in Highveld Steel and Vanadium Corporation Limited, Hall Longmore and Company (Proprietary) Limited, International Pipe and Steel Investments South Africa (Proprietary) Limited, Stewarts & Lloyds of South Africa Limited, Union Carriage and Wagon Company (Proprietary) Limited and Unionmod Buildings (Proprietary) Limited.

New Central Witwatersrand Areas Limited (NCW)

NCW is an investment company administered by Anglo American Corporation. Its main interests are in mining finance and mining companies.

Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
1 766 396 shares of 50 cents each	833	833
Distributable reserves	791	789
Listed investments		
At cost	1 675	1 671
Market value	4 798	6 759
Equity earnings	303	343
Dividends paid	300	335

Tanganyika Concessions Limited

The company, which is incorporated in the United Kingdom, is a holding company with its principal interests in Union Minière S.A., a mining and exploration company operating in various parts of the world, and in the Benguela Railway Company which owns the railway service linking Angola, Zaïre and Zambia. Other significant interests include 47 per cent of Elbar Industrial Limited, which deals mainly in the manufacture and distribution of agricultural machinery, and 50 per cent of Tanks Oil and Gas Limited, which is involved in exploration for oil and gas in the North Sea.

Western Ultra Deep Levels Limited

The company is the holder of mineral rights over an area of 11 607 hectares comprising portions of various farms in the Potchefstroom district of the Transvaal. Of these rights, 2 104 hectares are included in the mining lease area of the new Elandsrand Gold Mining Company Limited. The company holds shares in East Driefontein Gold Mining Company Limited, Western Deep Levels Limited and Elandsrand Gold Mining Company Limited.

Administered outside the Anglo American Corporation Group

Barclays National Bank Limited

Barclays is a registered commercial bank providing a comprehensive banking service through more than 900 offices throughout South Africa and South West Africa.

Year ended September 30 1976

	1976 R000's	1975 R000's
Issued capital		
53 234 011 ordinary shares of R1 each	53 234	53 234
Share premium and reserves	145 962	127 388
Total assets	4 639 875	3 889 072
Equity earnings	28 760	28 140
Dividends paid	10 114	7 643

Barlow Rand Limited

A mining and industrial financial 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 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares –		
101 325 506 of 10 cents each, fully paid	10 132	9 856
4 272 500 of 10 cents each, one cent paid	43	43
six per cent cumulative preference shares – 375 000 of R2 each	750	750
Share premium and reserves	312 150	245 772
Long-term liabilities and deferred taxation	142 616	124 273
Book value of fixed assets	260 503	179 944
Investments		
Listed –		
Book value	23 897	24 047
Market value	66 894	92 451
Unlisted –		
Book value (including amounts owing)	3 734	14 064
Directors' valuation	11 282	24 972
Equity earnings	72 818	63 811
Dividends paid – ordinary	24 329	22 667

British and Rhodesian Discount House Limited

The company is a registered discount house incorporated in Rhodesia. Profit after tax for the year ended August 31 1976 was R$312 000 (1975: R$248 000).

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

Through various subsidiaries and associated companies, the company conducts insurance broking operations in the Republic of South Africa, South West Africa and Swaziland.

Year ended December 31 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 50 000 of R1 each	50	50
'A' class non-cumulative preference shares – 2 of R1 each	R2	R2
'B' class non-cumulative preference shares – 2 of R1 each	R2	R2

	1976 R000's	1975 R000's
Share premium and reserves	388	300
Equity earnings	878	538
Dividends paid –		
ordinary	790	484
preference	226	226

Gold Fields of South Africa Limited

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

Year ended June 30 1976

	1976 R000's	1975 R000's
Issued capital		
16 298 477 ordinary shares of 25 cents each	4 075	4 074
Share premium and reserves	142 787	138 362
Investments		
Listed –		
Book value	113 531	102 036
Market value	448 546	735 689
Unlisted –		
Book value	5 318	7 961
Directors' valuation	10 900	26 463
Equity earnings	29 694	47 100
Dividends paid	25 262	36 649

Hollardstraat-ses Beleggings (Eiendoms) Beperk

This investment company, which is a subsidiary of Federale Mynbou Beperk, was formed in 1963 by Anglo American Corporation and Federale Mynbou Beperk. It has a substantial shareholding in General Mining and Finance Corporation Limited.

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

IPSA is the holding company for two subsidiaries: Dorman Long Vanderbijl Corporation Limited (Dorbyl) in which it has a 56,5 per cent interest, and Stewarts & Lloyds of South Africa Limited in which it has a 52,5 per cent interest. Details of Dorbyl and Stewarts & Lloyds appear on pages 85 and 87 respectively of this report.

Nedbank and Syfrets-UAL Holdings Limited

The company is a holding company operating through a number of subsidiaries which cover the whole spectrum of banking and financial services.

Year ended September 30 1976

	1976 R000's	1975 R000's
Issued capital		
85 860 005 shares of R1 each, fully paid	85 860	85 860
4 417 022 shares of R1 each, partly paid	85	73
Share premium and reserves	77 232	67 441
Total assets	2 546 632	2 273 007
Equity earnings	28 355	26 230
Dividends paid	14 167	13 312

Standard Bank Investment Corporation Limited (Stanbic)

Through a number of wholly-owned subsidiaries, Stanbic offers a wide range of financial services in the fields of commercial and merchant banking; hire-purchase, leasing and block-discounting facilities; mutual fund investment; participation mortgage bond investment and mortgage facilities; and insurance and assurance services.

The range of financial services offered by the group has been further extended by the acquisition of the City Credit group, including a factoring company, and by the establishment of Standard Bank Import and Export Finance Company Limited as a vehicle for financing imports and exports to and from South Africa.

Year ended March 31 1976

	1976 R000's	1975 R000's
Issued capital		
ordinary shares – 45 028 989 of R1 each*	45 029	33 291
6½ per cent first cumulative preference shares – 8 000 000 of R1 each	8 000	8 000
6¾ per cent redeemable second cumulative preference shares – 10 000 000 of R1 each†	10 000	10 000
Share premium and distributable reserves	103 033	78 569
Total assets	3 910 277	3 261 622
Equity earnings	23 927	16 135
Dividends paid – ordinary	10 131	7 474

**7 692 308 ordinary shares were issued at 260 cents each in terms of a rights issue on August 31 1976.*
†The second cumulative preference shares were redeemed at par on June 30 1976.

The Discount House of South Africa Limited

As a registered discount house, the company negotiates call loans from financial institutions 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 1976 were R1,36 million, compared with R1,25 million the previous year.

Prospecting

Administered within the Anglo American Corporation Group

Anglo American Prospecting Company Limited

The company, which is a subsidiary of Anglo American Corporation, is engaged in the financing of prospecting ventures in various countries outside South Africa.

Anglo American Prospecting Company (South) Limited

The company is a subsidiary of Anglo American Corporation. In 1975, it entered into an agreement with Aquitaine S.W.A. and Canso Oil and Gas Inc. for the purpose of prospecting for oil off the west coast of South Africa.

Anglo American Prospecting Services (Proprietary) Limited

The company, which is a subsidiary of Anglo American Corporation, is engaged in prospecting operations on behalf of associated and other companies.

Kaffrarian Metal Holdings (Proprietary) Limited

The equity of this company is held in equal shares by Anglo American Corporation and International Nickel S.A. (Proprietary) Limited. It holds mineral rights over part of the farm Uitkomst in the Carolina district of the Transvaal.

Minsearch Surveys Limited

This company, in which Anglo American Corporation of Canada Limited and its associates have a 70 per cent interest, is a joint venture between the Group and Barringer Research Limited. It was formed in 1974 to undertake the exploitation of Barringer's 'Airtrace' airborne geochemical survey system.

Prospecting Ventures Limited

This company, which is registered in Rhodesia, carries out prospecting operations in that country on behalf of associated companies.

Swakop Exploration (Proprietary) Limited

The company holds a prospecting grant over 28 000 hectares of land in South West Africa, where prospecting for source material is being carried out.

Service

Administered within the Anglo American Corporation Group

Anmercosa Computer Services Limited

The company provides a bureau and software development and support service from its offices located in Welkom. The gold mines of the Anglo American Corporation Group are the major beneficiaries of these services. In Johannesburg, computer consultancy services and support are provided to Group users.

Anglo American Corporation Botswana (Services) (Proprietary) Limited

The company is responsible for the administration of the Anglo American Corporation and De Beers group companies domiciled in Botswana, and operates from Botsalano House, an office building in Gaborone owned by an associated company, West End Property Company (Proprietary) Limited.

Anglo American Property Services (Proprietary) Limited

The company, a wholly-owned subsidiary of Rand Selection Corporation Limited, provides technical, management and administrative services to property companies within the Anglo American Corporation Group.

Inter-Mine Services O.F.S. (Proprietary) Limited

The company supplies stores and materials to certain Anglo American Corporation Group gold mining companies in the Orange Free State and the Transvaal.

Statutory and other information

(a) Special resolutions passed by subsidiary companies

ANGLO AMERICAN INTERNATIONAL SERVICES LIMITED

23.2.77 Change of company's name from Marland Company Limited.

ANGLO AMERICAN PROSPECTING COMPANY LIMITED

13.10.76 Cancellation of share premium account and reduction of issued capital to R223 956.

ANGLO AMERICAN PROSPECTING COMPANY (SOUTH) LIMITED

13.10.76 Cancellation of share premium account and reduction of issued capital to R13 290.

ANGLOSWAZI INVESTMENTS LIMITED

17.12.76 Elimination of share premium account of R4 305 000 by the repayment to members of R134,53125 in cash in respect of each share held.

ANSELD (CANADA) LIMITED

22.11.76 Reduction of issued capital to C$19 492 493 by the redemption of the remaining outstanding 297 400 seven per cent non-cumulative redeemable preference shares of $1,00 each.

ANTERRA MINERALS (PROPRIETARY) LIMITED

22.6.76 Amendment to Articles of Association clauses relating to borrowing powers, quorum at general meetings and appointment of managing director.

CONSOLIDATED MINES HOLDINGS (RHODESIA) LIMITED

6.5.76 Amendment to Articles of Association to allow profits or losses on the realisation of investments to be treated as part of the ordinary trading profits of the company.

RHOCHAR HOLDINGS LIMITED

27.9.76 (i) Amendment to Articles of Association to permit the use of no par value shares of different classes in a reconstruction of the company's capital.

(ii) Reconstruction of share capital of company.

TAYBARD INVESTMENTS LIMITED

6.4.76 Amendment to borrowing powers in Articles of Association.

23.3.77 Adoption of new Articles of Association.

(b) Shareholdings

The interests of the present directors and alternate directors in the shares of the Corporation at December 31 1976 appearing in the register of the interests of the directors in the shares of the Corporation are set out below. There have been no changes between that date and March 25 1977.

Directors	*Beneficial*	*Non-beneficial*	*Option to acquire*
Sir Keith Acutt	—	42 600	—
Dr M. G. M. Atmore	*15 000	100	6 000
W. G. Boustred	*30 000	100	9 000
G. A. Carey-Smith	*15 000	—	—
	1 000		
J. N. Clarke	—	100	—
H. K. Davies	*15 000	1 000	7 000
Dr Z. J. de Beer	*30 000	100	4 000
	†2 600		
	828		
Dr H. B. Dyer	*15 000	1 000	7 000
D. A. Etheredge	*30 000	100	8 000
G. C. Fletcher	*30 000	4 500	10 000
H. R. Fraser	*30 000	100	—
C. J. L. Griffith	*30 000	1 000	9 000
E. P. Gush	*30 000	100	9 000
	700		
W. J. Héfer	*15 000	1 000	6 500
D. B. Hoffe	*15 000	1 000	7 500
	300		
M. B. Hofmeyr	*30 000	1 000	10 000
J. A. Holmes	*15 000	—	2 000
F. J. A. Howard	*15 000	100	—
J. D. Johnson	*15 000	—	3 000
A. Johnstone	*15 000	100	4 000
	2 000		
M. W. King	*15 000	100	—
O. P. Koevort	*15 000	100	5 000
G. Langton	*30 000	100	—
P. J. R. Leyden	*15 000	—	3 000
D. E. MacIver	*15 000	100	7 000
J. L. P. Mackenzie	*15 000	100	—
	500		
A. B. McKerron	*15 000	100	5 000
C. D. M. Melville	*15 000	—	6 000
D. G. Nicholson	*30 000	100	7 000
M. C. O'Dowd	*15 000	1 000	4 500
H. F. Oppenheimer	‡13 342 912 (includes 565 350 registered)	—	—
N. F. Oppenheimer	‡13 342 912 (includes 100 registered)	—	—
Sir Philip Oppenheimer	3 200	1 000	—
	†5 649		
B. W. Pain	—	100	—
G. W. H. Relly	*30 000	1 000	18 000
Sir Albert Robinson	—	1 000	—
S. Spiro	*30 000	1 000	10 000
M. W. Stephenson	*15 000	—	9 000
L. G. Stopford Sackville	—	100	—
J. Ogilvie Thompson	*30 000	1 000	14 000
G. H. Waddell	‡13 342 912 (includes 100 registered)	—	—
V. I. Webber	*15 000	—	7 000
A. Wilson	*15 000	41 060	—
W. D. Wilson	*30 000	10 000	10 000
	1 000		
	‡300		

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.

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OFFICES

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Secretary: K. J. G. Sole

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

Botswana
Anglo American Corporation Botswana (Services) (Proprietary) Limited
Botsalano House, The Mall, Gaborone
Secretary: H. F. Rose

Brazil
Anglo American Corporation do Brasil Limitada
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(CP-538-ZC00)
Secretary: R. N. Lima

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Secretary: R. S. Robertson

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Secretary: D. P. Paton

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Secretary: A. Vieira De Castro

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Managing Secretary (Rhodesia): G. T. Bain

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London Secretary: D. S. Booth

Zambia
Anglo American Corporation (Central Africa) Limited
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Secretary: J. M. Casey

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62 Marshall Street, Johannesburg 2001
(P.O. Box 61051, Marshalltown 2107)

Charter Consolidated Limited
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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.

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