



## QUARTERLY AND YEAR-END RESULTS DECEMBER 1998

### MARKET OVERVIEW

- Price consolidation within stable range
- Central Bank gold sales no longer an issue
- Extraordinary Asian private sector gold sales in first quarter
- Physical offtake recovers well (record offtake India & USA)
- Investor/speculator sentiment is key to gold price for 1999

## RAND/US \$ EXCHANGE RATE (93-98)



## RAND GOLD PRICE (93-98)



## QUARTERLY OVERVIEW

- Stable rand price through hedging – ±R/kg 61 000
- Cash costs well controlled
- Productivity (g/tec) up 5%
- Operating profit up 6%
- Profit before tax up 5%
- Available profit down 16%
- Headline earnings up 41%

## QUARTERLY OVERVIEW

### Other developments:

- Minorco acquisition
- Management restructuring
- Strategic objectives redefined
- Initiatives taken in market development

## QUARTERLY RESULTS (R Metric)

		Q3 98	Q4 98	%
Production	kgs	53 164	52 698	-1%
Revenue	R/kg	61 071	61 296	0%
Cash Costs	R/kg	41 930	41 203	-2%
Op. Profit	Rm	901	952	6%
Capex	Rm	247	264	7%
Avail.Profit	Rm	493	414	-16%
EPS	cps	503	424	-16%

Appropriation

## QUARTERLY RESULTS (\$ Imperial)

		Q3 98	Q4 98	%
Production	ozs (000)	1 709	1 690	-1%
Revenue	\$/oz	306	332	8%
Cash Costs	\$/oz	210	222	6%
Op. Profit	\$m	108	128	19%
Capex	\$m	40	46	15%
Tot. net earnings	\$m	38	82	115%
EPS	cps	39	84	115%

Amortisation

## YEAR-END OVERVIEW

- Cash costs down
- Operating profit up 36%
- Available profit up 20%
- Headline earnings up 119%
- Year-end dividend of 800 cents per share

## YEAR-END RESULTS (R Metric)

		1997	1998	%
Production	kgs	239 218	215 377	-10%
Revenue	R/kg	53 634	58 636	9%
Cash Costs	R/kg	41 188	40 439	-5%
Op. Profit	Rm	2 361	3 215	36%
Capex	Rm	1 009	948	-6%
Avail.Profit	Rm	1 385	1 661	20%
EPS	cps	1 416	1 697	20%

Appropriation

## YEAR-END RESULTS (\$ Imperial)

		1997	1998	%
Production	ozs (000)	7 691	6 921	-10%
Revenue	\$/oz	365	247	-32%
Cash Costs	\$/oz	279	229	-18%
Op. Profit	\$m	135	434	222%
Capex	\$m	218	172	-21%
Tot. net earnings	\$m	179	318	78%
EPS	cps	183	324	77%

Amortisation

## CASH FLOW STATEMENT (R Metric)

for the year ended December

	1998 Rm	1997 Rm
<b>Operating activities</b>	<b>2 206</b>	1 277
Cash flow from operations	2 741	2 033
Investment income	165	259
Working capital movement	(84)	(282)
Taxation paid	(616)	(733)
<b>Investing and financing activities</b>	<b>(639)</b>	(942)
Mining assets acquired	(948)	(1009)
Disposal of mining assets	574	78
Other activities	(265)	(10)
<b>Net cash generated</b>	<b>1 567</b>	335
Dividends paid	(1 414)	(1 421)
Cash resources at beginning of year	1 165	2 250
<b>Cash resources at end of year</b>	<b>1 318</b>	1 165

## CASH FLOW STATEMENT (\$ Imperial)

for the year ended December	1998 \$m	1997 \$m
<b>Operating activities</b>	<b>406</b>	279
Cash flow from operations	503	299
Investment income	30	56
Working capital movement	(15)	82
Taxation paid	(112)	(158)
<b>Investing and financing activities</b>	<b>(116)</b>	(204)
Mining assets acquired	(173)	(219)
Disposal of mining assets	105	17
Other activities	(48)	(2)
Translation adjustment	(45)	(9)
<b>Net cash generated</b>	<b>245</b>	66
Dividends paid	(260)	(308)
Cash resources at beginning of year	239	481
<b>Cash resources at end of year</b>	<b>224</b>	239

## FINANCIAL RATIO ANALYSIS

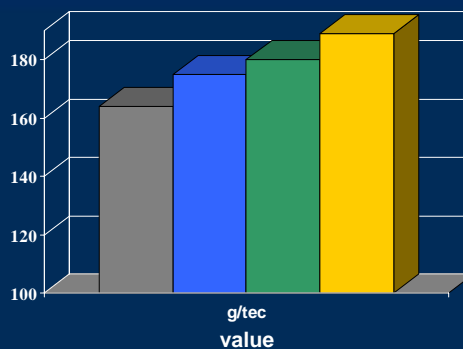
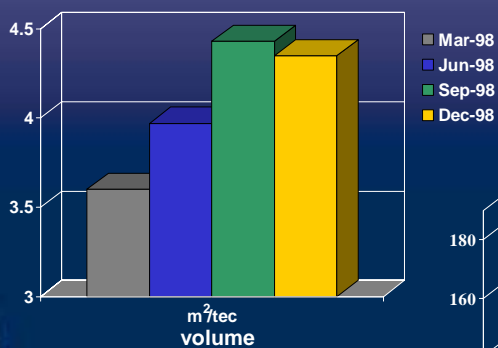
	Q3 98	Q4 98	%	1997	1998	%
Operating margin (%)	22	22	0%	5	20	292%
ROCE (%)	7	14	97%	6	12	117%
Operating cashflow/ operating profit (%)	119	109	8%	153	114	26%
Dividend yield (%)	-	-	-	5	6	29%
Earnings yield (%)	4	7	90%	3	7	116%

Amortisation

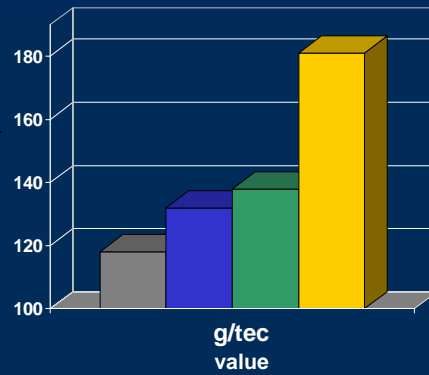
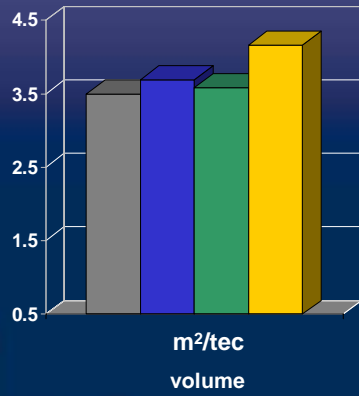


# OPERATIONAL HIGHLIGHTS

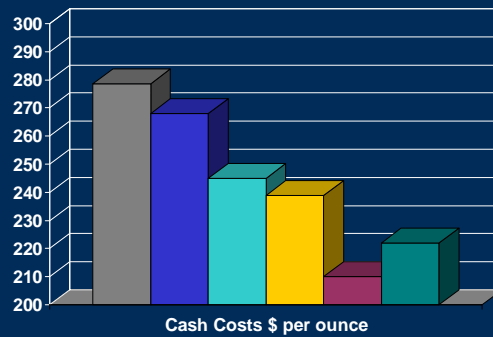
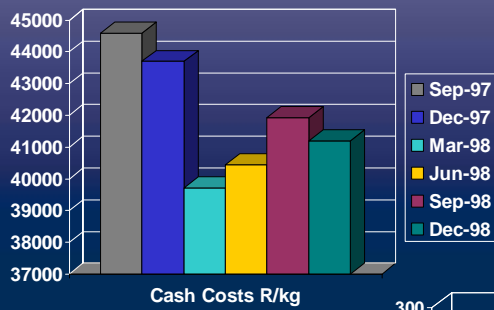
## PRODUCTIVITY FOR THE QUARTER SOUTH AFRICAN OPERATIONS



# PRODUCTIVITY FOR THE YEAR SOUTH AFRICAN OPERATIONS



# CASH COST TRENDS



## VAAL RIVER OPERATIONS SALIENT FEATURES

### ■ Kopanang

- gold production up 19%
- operating profit up 58%
- grams per employee up 21%

### ■ Great Noligwa

- operating profit up R17m
- R/kg cash costs down 6%

### ■ Tau Lekoa

- significant improvement in operating profit

## FREE STATE OPERATIONS SALIENT FEATURES

### ■ Bambanani

- operating profit rose by R22m
- gold production up 18%
- grams per employee up 21%

### ■ Tshepong

- gold production up 20%
- operating profit rose by R16m
- grams per employee up 24%

## FREE STATE OPERATIONS SALIENT FEATURES (cont.)

### ■ Matjhabeng

- production costs up 23%
- operating profit down by R34m

### ■ Joel

- Production up 17%
- Profits from operations increase by 25%

## WEST WITS OPERATIONS SALIENT FEATURES

### ■ East Mine

- operating profit up by R8m

### ■ South Mine

- gold production down 14%
- operating profit down by R16m

### ■ West Mine

- seismic damage to tertiary shaft
- gold production down 28%

## WEST WITS OPERATIONS SALIENT FEATURES (cont.)

### ■ Deelkraal

- up-grading of underground infrastructure
- 13% decrease in area mined

### ■ Elandsrand

- operating profit up by R7m

## ERGO SALIENT FEATURES

- volume lost through exceptional rainfall
- capex up 21%- new pump station

## DRIEFONTEIN SALIENT FEATURES

- gold production up 13%
- grams per employee up 15%
- increased capex on infrastructure

## AFRICAN OPERATIONS SALIENT FEATURES

### ■ Navachab

- better quarter
- gold production up 10%
- set for real profitability in 2000

### ■ Sadiola

- exceptional quarter & year
- tons mined up 55%
- cash costs drop 9%



## OVERVIEW OF AMERICAN OPERATIONS