

# Directors' report

## for the year ended 31 December 2000

### Nature of business

AngloGold Limited is the world's largest gold producer with mining operations being conducted in four countries in Africa, as well as on the continents of North and South America and Australia, and gold exploration interests being pursued worldwide. Fuller details regarding the company's activities during the year under review appear elsewhere in the annual report.

### Events subsequent to the balance sheet

On 27 November 2000 the company published a notice advising shareholders to exercise caution when dealing in its ordinary shares.

On 19 December 2000 it was announced that agreement had been reached in principle in terms of which Harmony Gold Mining Company Limited would acquire the company's Deelkraal and Elandsrand mines with effect from 1 February 2001 for a consideration of R1 billion. On 1 February 2001 it was announced that the formal sale and purchase agreement between AngloGold and Harmony had been concluded and that Harmony had provided an underwritten commitment from its bankers to finance the transaction. The transaction is still subject to the fulfilment of other conditions precedent, including the approval of Harmony's shareholders. On 19 December 2000, as well as in the December 2000 quarterly report posted on 1 February 2001, further cautionary notices were issued by the company advising shareholders to continue exercising caution in their dealings in the company's ordinary shares in the light of the ongoing discussions with various parties with regard to certain of its assets in the Free State.

### Share capital

There was no change to the authorised share capital of the company during 2000.

The following are the movements in the issued and unissued ordinary share capitals from the beginning of the accounting period to 12 February 2001:

#### Issued

	Number of shares	Rand
At 1 January 2000	106,614,678	53,307,339
<b>Issues during year</b>		
Acquisition of wholly-owned subsidiary (outstanding shares in Acacia Resources)	351,009	175,505
Exercise of share options and conversion of debentures by participants in the share incentive scheme	55,400	27,700
At 31 December 2000	107,021,087	53,510,544
<b>Issues subsequent to year-end</b>		
There have been no issues of shares since the financial year-end.		

All the issued A and B redeemable preference shares are held by a wholly-owned subsidiary.

#### Unissued

	Number of shares
At 1 January 2000	93,385,322
Issues during year	406,409
At 31 December 2000	92,978,913
Maximum number of shares that were available for allocation for purposes of the share incentive scheme at 31 December 2000 was 2,943,080 (1999: 2,931,904)	

Further details of the authorised, issued and unissued shares, as well as the share premium, are given in note 24 to the group's financial statements.

At the annual general meeting to be held on 25 April 2001, members will be asked to consider an ordinary resolution placing the number of unissued ordinary shares, exclusive of the number of shares reserved for purposes of the share incentive scheme as at that date, under the control of the directors until the next annual general meeting.

In terms of the Listings Requirements of the JSE Securities Exchange South Africa (JSE), shareholders may, subject to certain conditions, authorise the directors to issue the unissued shares held under their control for cash other than by means of a rights offer to members. In order that the directors of the company may be placed in a position to take advantage of favourable circumstances which may arise for the issue of such shares for cash without restriction for the benefit of the company, members will be asked to consider an ordinary resolution to this effect at the forthcoming annual general meeting.

As AngloGold is not incorporated in Australia, the acquisition of its shares by another company or person is not subject to the takeovers and substantial holding provisions of Chapter 6 of the Australian Corporations Law. However, AngloGold would need to comply with those provisions if it were to make a bid for an Australian company.

The JSE has scheduled 3 September 2001 as the date for the company to be officially transferred to the new STRATE (Share Transactions Totally Electronic) system of electronic settlement. The primary objective of STRATE is to eliminate the many risks inherent in the present method of settling transactions executed on the JSE to the benefit of all users on the JSE, including the company and investors in its traded ordinary shares. A separate brochure advising shareholders of the principal effects of STRATE and recommending what steps should be taken to prepare for it will be mailed with the March 2001 quarterly report of the company on 30 April 2001.

### American Depositary Shares

At 31 December 2000, the company had in issue through The Bank of New York as Depositary, and listed on the NYSE, 32,600,630 (1999: 26,432,475) American Depositary Shares (ADSs). Each ADS represents one-half of one ordinary share.

At 12 February 2001, there were 35,031,148 ADSs in issue and listed on the NYSE (8 March 2000: 28,078,510).

### Share incentive scheme and employee option plan

At the general meeting held on 4 June 1998, shareholders approved the introduction of the AngloGold Limited Share Incentive Scheme for the purpose of providing an incentive to executive directors and senior employees of the company and its subsidiaries to identify themselves more closely with the fortunes of the group and its continued growth, and also to promote the retention of such employees by giving them an opportunity to acquire shares in the company. Employees participate in the scheme to the extent that they are granted options or offered automatically convertible unsecured debentures and accept them.

At 31 December 2000 and at the date of this report, the maximum number of ordinary shares that may be allocated for the purposes of the scheme is 2,943,080 (31 December 1999: 2,931,904), equivalent to 2.75 per cent of the total number of ordinary shares in issue at that date. The maximum aggregate number of shares which may be acquired by any one participant in the scheme is 150,000.

The options granted may be exercised and the debentures accepted may be converted as follows:

Percentage	Period after date of grant of options/issue of debentures
20	2 years
40	3 years
60	4 years
100	5 years

The equity component of the automatically convertible debentures is not sufficiently material to warrant reporting a portion of the issued debentures as equity and the balance as debt. The interest on these debentures is payable annually at the official interest rate per the seventh schedule of the Income Tax Act which approximates market rates.

All options which have not been exercised within ten years from the date on which they were granted automatically lapse. Debentures which have not been converted within a similar period of acceptance will be ceded to the AngloGold Limited Employees' Share and Debenture Trust established by the company for purposes of the scheme.

The following are summaries of particulars required to be disclosed in terms of the scheme and stock exchange regulations:

	Ordinary shares issued	Options		Debentures	
		Number	Exercise price per share	Number	Acceptance price per debenture
At 1 January 2000	115,900	698,500		487,500	
Prior year adjustments*		(7,000)		3,600	
Movements during year:					
Options – granted		377,000	Varying between R192.20 and R305.00; average price of R267.81		
– lapsed (resignations)		(32,900)			
– exercised†	41,800	(41,800)			
Debentures – issued				40,000	Varying between R266.00 and R360.00; average price of R310.53
– repurchased (resignations)				(22,600)	
– converted	13,600			(13,600)	
At 31 December 2000	171,300	993,800		494,900	

\* Terminations during previous financial year recorded in current year; debentures recommended for issue in previous financial year, approved in current year

† Includes 200 options exercised by executive directors at R208.00 per share

Since 31 December 2000, no further options have been granted or exercised or have lapsed and no further debentures have been issued, converted or repurchased.

Details of options and debentures held by executive directors, executive officers and senior managers are set out on page 51.

Analysis of options and debentures in issue at 12 February 2001:

Holding	Options			Debentures		
	Holders	Number	Value – R000	Holders	Number	Value – R000
1 – 100	–	–	–	–	–	–
101 – 500	–	–	–	7	3,500	908
501 – 1,000	–	–	–	5	5,000	1,254
1,001 – 5,000	146	339,000	84,563	180	409,400	99,449
5,001 – 10,000	21	171,500	41,736	6	50,000	12,201
10,001 – 100,000	23	483,300	107,100	2	27,000	5,832
Over 100,000	–	–	–	–	–	–
Total	190	993,800	233,399	200	494,900	119,644

The company's wholly-owned subsidiary, AngloGold Australasia Limited (formerly Acacia Resources Limited) operates the Acacia Employee Option Plan for certain of its employees. In terms of this plan, at 31 December 2000 3,660,000 (1999: 4,500,000) options were in issue which will effectively entitle the holders to a total of 128,100 (1999: 157,500) AngloGold shares. No further options will be granted under this plan which will terminate on 28 April 2004, being the date on which the last option may be exercised or will expire.

## Directors' report (continued)

for the year ended 31 December 2000

### Financial results

The financial statements on pages 52 to 99 set out fully the financial position, results of operations and cash flows of the group and the company.

### Dividends

Details of dividends declared and paid on ordinary shares during the year under review are given in note 13 to the group financial statements. A final dividend (No. 89) of 650 South African cents per ordinary share was declared on 30 January 2001, payable on 30 March 2001 to members registered at the close of business on 23 February 2001. The company follows a full-payout dividend policy after investing for long-term growth. This policy is reviewed by the board from time to time in the light of the group's cash requirements and financial position.

Details of dividends paid/payable since 1 January 2000 to holders of ADSs are as follows:

	Final dividend No. 87	Interim dividend No. 88	Final dividend No. 89
Declaration date	9 February 2000	26 July 2000	30 January 2001
Amount per ADS	83.43US cents	51.06US cents	41.28US cents*
Record date	25 February 2000	11 August 2000	23 February 2001
Payment date	10 April 2000	22 September 2000	9 April 2001**

\* Figure used for illustrative purposes and based on a rate of exchange of R/\$7.87 on 29 January 2001. The actual amount will be determined at the R/\$ currency conversion rate ruling on approximately 30 March 2001

\*\* Approximate date

### Borrowing powers

The company's borrowing powers are unlimited. At 31 December 2000 the group's borrowings totalled R8,642 million (1999: R4,983 million).

### Fixed assets

A schedule giving details of the group's mining rights and property is available for inspection at the company's corporate office.

### Investments

Particulars of the group's principal subsidiaries and joint venture interests are reflected on page 99.

Details of special resolutions passed by subsidiaries of the company during the year under review, requiring disclosure in terms of the Listings Requirements of the JSE, are as follows:

Subsidiary	Nature	Effective date
<b>South Africa</b> AngloGold Ventures (Proprietary) Limited	Change of name from Corpinvest 74 (Proprietary) Limited	18 August 2000
	Change of main business and main object to establish a gold site on the Internet to sell gold products and provide services and information relating to gold products	18 August 2000
Goldfield Ornamental Fish (Proprietary) Limited	Change of name from Pindar Investment Holdings (Proprietary) limited	15 May 2000
	Change of main business and main object to permit the company to operate an ornamental fish farm growing koi and goldfish for local and export markets	15 May 2000
Masakhisane Investment Limited	Change of name from IMINESolutions (Proprietary) Limited and status to a public company	5 April 2000
	Change of main business and main object to permit the company to invest in small and medium size businesses	5 April 2000
<b>Special resolutions – change of names of subsidiaries</b>		
To	From	Effective date
<b>Africa</b>		
AngloGold Mali S.A.	AngloGold Services Mali S.A.	18 December 2000
Kenieba Exploration Company Limited	Yatela Exploration Company Limited	11 May 2000
Morila Limited	Randgold Resources (Morila) Limited	20 July 2000
<b>Australasia</b>		
Acacia Resources Pty Ltd	Acacia Oil Shale Pty Ltd	25 February 2000
AngloGold Australasia Limited	Acacia Resources Limited	25 February 2000
AngloGold Australia (Brocks Creek) Pty Ltd	Acacia Resources (Brocks Creek) Pty Ltd	25 February 2000
AngloGold Australia Magnesite Pty Ltd	Acacia Magnesite Pty Ltd	25 February 2000
AngloGold Australia Metals Pty Ltd	Acacia Metals Pty Ltd	25 February 2000
AngloGold Australia (Sunrise Dam) Pty Ltd	Acacia Resources (Sunrise Dam) Pty Ltd	25 February 2000
AngloGold Australia (Union Reefs) Pty Ltd	Acacia Resources (Union Reefs) Pty Ltd	25 February 2000
<b>South America</b>		
AngloGold Argentina S.A.	Minorco Argentina S.A.	10 March 2000
Mineração Serra da Canga Ltda	Empresa de Mineração Amapari Ltda	21 August 2000

### Annual general meeting

The 57th annual general meeting will be held at The Johannesburg Country Club, Napier Road, Auckland Park, Johannesburg, at 13:00 on Wednesday, 25 April 2001. Notice of the meeting is enclosed as a separate document, additional copies of which may be obtained from the company's corporate contacts and the share registrars.

In addition to the ordinary business to be conducted at the meeting – the adoption of this annual report, the re-election of directors and the renewal of authority to the directors to issue the unissued shares of the company under certain circumstances – members will be requested to consider the passing of ordinary and special resolutions, under the heading of special business, relating to the undermentioned proposals:

- an increase in directors' remuneration
- amendments to the company's share incentive scheme
- amendments to the company's Articles of Association.

### Directorate and secretary

Mr W A Nairn, who was appointed to the board with effect from the date of the resignation of Mr T C A Wadeson on 1 January 2000, was re-elected a director of the company at the annual general meeting held on 25 May 2000.

Mr A J Trahar was appointed a director on 24 October 2000, in place of Mr Nairn who resigned to become Mr Trahar's alternate on the board with effect from that date.

On 11 December 2000, Mr N F Oppenheimer relinquished the office of chairman of the board of directors and Mr R M Godsell was appointed in his stead. Mr Oppenheimer, however, remains a director of the company. Mr R P Edey was appointed deputy chairman of the board on 11 December 2000.

In accordance with the Articles of Association, Mr Trahar retires from the board at the forthcoming annual general meeting and offers himself for re-election. Dr V K Fung, Mr M W King, Mr T J Motlatsi, Mr D M J Ncube, Mr J Ogilvie Thompson and Mr N F Oppenheimer retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The names of the directors and alternate directors of the company in office at the date of this report are listed on page 103. Biographies of the board of directors appear on pages 39 and 40.

Ms Y Z Simelane was appointed managing secretary, in place of Mr R N Duffy, with effect from 1 November 2000.

There has been no change in the office of company secretary. The names of the managing secretary and company secretary and their business and postal addresses are set out on page 103.

### Directors' interests in shares

The beneficial interests of the directors in the ordinary share capital of the company at 31 December 2000 were as follows:

	31 December 2000		31 December 1999	
	Direct	Indirect	Direct	Indirect
<b>Executive directors</b>				
J G Best	–	–	–	–
R M Godsell	230	–	230	–
K H Williams	–	460	–	460
	230	460	230	460
<b>Non-executive directors</b>				
F B Arisman	10,000	–	10,000	–
Mrs E le R Bradley	2,600	–	2,600	–
C B Brayshaw	–	–	–	–
Dr J W Campbell	161	–	161	–
R P Edey	500	–	500	–
Dr V K Fung	–	–	–	–
M W King	2,023	–	2,023	–
T J Motlatsi	–	–	–	–
D M J Ncube	115	–	115	–
J Ogilvie Thompson	–	–	–	–
N F Oppenheimer	–	95,927	–	492,430
A J Trahar	–	–	–	–
T C A Wadeson (resigned 1 January 2000)	–	–	–	–
	15,399	95,927	15,399	492,430
<b>Alternate directors</b>				
R P Garnett	–	–	–	–
W A Nairn	–	–	–	–
	–	–	–	–
<b>Total</b>	<b>15,629</b>	<b>96,387</b>	<b>15,629</b>	<b>492,890</b>

Non-beneficial interest holdings at 31 December 2000 – nil (1999: nil)

There have been no changes in the above interests since 31 December 2000.

A register detailing directors' and officers' interests in contracts is available for inspection at the company's registered and corporate office.

## Directors' report (continued)

for the year ended 31 December 2000

### Directors' emoluments

The following table records the emoluments paid to each director during the year:

All figures in R 000	Board fees	Board committee fees	Salary	Bonuses and performance related payments	Pension scheme contributions	Other benefits	Total 2000	Total 1999
<b>Executive directors</b>								
R M Godsell (Chairman and chief executive officer)	-	-	2,158	716	348	59	3,281	3,411
J G Best	-	-	1,440	494	231	240	2,405	1,860
K H Williams	-	-	1,577	558	254	160	2,549	2,177
<b>2000</b>	<b>-</b>	<b>-</b>	<b>5,175</b>	<b>1,768</b>	<b>833</b>	<b>459</b>	<b>8,235</b>	<b>-</b>
1999	-	-	4,042	1,662	678	1,066	-	7,448
<b>Non-executive directors</b>								
R P Edey (Deputy chairman)	50	110	-	-	-	-	160	160
F B Arisman	50	60	-	-	-	-	110	110
Mrs E le R Bradley	50	90	-	-	-	-	140	140
C B Brayshaw	50	40	-	-	-	-	90	90
Dr J W Campbell	50	33	-	-	-	-	83	110
Dr V K Fung	50	40	-	-	-	-	90	90
M W King	50	30	-	-	-	-	80	80
T J Motlatsi	50	100	-	-	-	-	150	150
D M J Ncube	50	40	-	-	-	-	90	90
J Ogilvie Thompson	50	30	-	-	-	-	80	80
N F Oppenheimer	80	30	-	-	-	-	110	110
A J Trahar	9	-	-	-	-	-	9	-
T C A Wadeson (resigned 1 January 2000)	-	-	-	-	-	-	-	110
<b>2000</b>	<b>589</b>	<b>603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,192</b>	<b>-</b>
1999	630	690	-	-	-	-	-	1,320
<b>Alternate directors</b>								
R P Garnett	-	30	-	-	-	-	30	30
W A Nairn (director until 23 October 2000)	41	60	-	-	-	-	101	-
<b>2000</b>	<b>41</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>-</b>
1999	-	30	-	-	-	-	-	30
<b>Totals</b>								
<b>2000</b>	<b>630</b>	<b>693</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,323</b>	<b>-</b>
1999	630	720	-	-	-	-	-	1,350
Aggregate emoluments of directors who served during the year							<b>9,558</b>	8,798

	Executive directors			Executive officers	Senior managers	Total
	R M Godsell	J G Best	K H Williams			
<b>Options</b>						
Options to subscribe for ordinary shares of 50 cents each in the company granted to, and exercised by, executive directors, executive officers and senior managers during the year to 31 December 2000 are included in the table below. Since 31 December 2000, no further options have been granted or exercised or have lapsed.						
<b>Granted as at 1 January 2000</b>						
Number	64,150	25,400	39,000	113,200	449,750	691,500
Average exercise price per share – R	208.00	208.00	208.00	211.93	216.37	214.09
<b>Granted during year</b>						
Number	10,000	10,000	–	33,000	324,000	377,000
Average exercise price per share – R	268.00	268.00	–	271.36	267.43	267.80
<b>Exercised during year</b>						
Number	–	–	200	4,200	37,400	41,800
Average exercise price per share – R	–	–	208.00	208.00	208.00	208.00
Average market price per share at date of exercise – R	–	–	354.80	357.00	329.11	332.03
Pre-tax gain at date of exercise – R value	–	–	29,360	625,800	4,529,327	5,184,487
– R per share	–	–	146.80	149.00	121.11	124.03
<b>Lapsed during year</b>						
Number	–	–	–	–	32,900	32,900
<b>Held as at 31 December 2000</b>						
Number	74,150	35,400	38,800	142,000	703,450	993,800
Average exercise price per share – R	216.09	224.95	208.00	225.86	240.63	234.86
Latest expiry date	16 Oct 2010	16 Oct 2010	16 Feb 2008	16 Oct 2010	4 Dec 2010	4 Dec 2010
<b>Debentures</b>						
Debentures convertible into ordinary shares of 50 cents each in the company issued to, converted or repurchased by, executive directors, executive officers and senior managers during the year to 31 December 2000 are included in the table below. Since 31 December 2000, no further debentures have been issued, converted or repurchased.						
<b>In issue as at 1 January 2000</b>						
Number	15,000	12,000	10,000	50,000	404,100	491,100
Average conversion price per share – R	216.00	216.00	216.00	237.06	237.20	235.59
<b>Issued during year</b>						
Number	–	–	–	–	40,000	40,000
Average conversion price per share – R	–	–	–	–	310.53	310.53
<b>Converted during year</b>						
Number	–	–	–	–	13,600	13,600
Average conversion price per share – R	–	–	–	–	216.00	216.00
Average market price per share at date of conversion – R	–	–	–	–	306.78	306.78
Pre-tax gain at date of conversion – R value	–	–	–	–	1,234,593	1,234,593
– R per share	–	–	–	–	90.78	90.78
<b>Repurchased during year</b>						
Number	–	–	–	–	22,600	22,600
<b>In issue as at 31 December 2000</b>						
Number	15,000	12,000	10,000	50,000	407,900	494,900
Average conversion price per share – R	216.00	216.00	216.00	237.06	244.67	241.75
Latest conversion date	31 Aug 2008	31 Aug 2008	31 Aug 2008	1 Sep 2009	5 Jun 2010	5 Jun 2010