

ANGLOGOLD LTD  
Form 6-K  
May 05, 2003





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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 or 15d-16 OF

THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated May 5, 2003

*This Report on Form 6-K shall be incorporated by reference in our Registration Statement on Form F-3 as amended (File No. 333-101981) to the extent not superseded by documents or reports subsequently filed by us under the Securities Exchange Act of 1934, in each case as amended*

AngloGold Limited\_\_\_\_\_

**(Name of Registrant)**

11 Diagonal Street

Johannesburg, 2001

(P O Box 62117)

Marshalltown, 2107

South Africa

**(Address of Principal Executive Offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Fo

**Form 20-F:**  **Form 40-F:**

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regu  
101(b)(1):

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Yes:

No:

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation 101(b)(7):

Yes:

No:

Indicate by check mark whether the registrant by furnishing the information contained in this form is also furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes:

No:

Enclosures:

Review of financial and operating performance for the three months ended March 31, 2003 prepared in accordance with U.S. GAAP, including condensed consolidated financial information as of March 31, 2003 and December 31, 2002, and for each of the three months ended, March 31, 2003 and 2002.





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### REVIEW OF FINANCIAL AND OPERATING PERFORMANCE FOR THE THREE MONTHS ENDED MARCH 31, 2003 PREPARED IN ACCORDANCE WITH US GAAP

Date: April 30, 2003

#### Introduction

The following is a summary of the Group's financial and operating performance for the three months ended March 31, 2003 prepared in accordance with US GAAP. This summary also includes condensed consolidated financial information as of March 31, 2003 and December 31, 2002, and for each of the three months ended, March 31, 2003 and 2002 prepared in accordance with US GAAP.

On April 30, 2003, AngloGold issued its results for the quarter ended March 31, 2003 prepared in accordance with IAS and published its report, including condensed consolidated financial information prepared in accordance with IAS, for the same period. This information has been submitted to the US Securities and Exchange Commission on Form 6-K.

#### Operating review

Presented in the table below is selected operating data for AngloGold for the three-month periods ended March 31, 2003 and 2002.

#### Operating data for AngloGold

##### Three months ended March 31,

2003

2002

##### Gold production (000 oz)

1,402

1,377

##### Total cash costs (\$/oz)

210

151

##### Total production costs (\$/oz)

263

200

##### Capital expenditure (\$ million)

58

51



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### **Gold production**

For the three months ended March 31, 2003, AngloGold's total gold production increased by 25,000 or about 2 percent, to 1.40 million ounces from 1.38 million ounces produced in the same period of 2002. This was mainly the result of increased production from the South American operations (2003: 137,

2002: 102,000 oz), the North American operations (2003: 114,000 oz; 2002: 95,000 oz) and the East and West African operations (2003: 238,000 oz; 2002: 227,000 oz) in the three months March 31, 2003 compared to the same period of 2002. Gold production in the three months to March 31, 2003 decreased from the South African region (2003: 799,000 oz; 2002: 837,000 oz) and Australian region (2003: 114,000 oz; 2002: 116,000 oz) compared to the same period in 2002.

In the three months ended March 31, 2003, AngloGold's total gold production decreased by 9 percent from 1.55 million ounces of gold produced during the quarter ended December 31, 2002. This decrease was mainly due to lower grades, particularly at the Morila and Geita operations in the East and West Africa where AngloGold expected the reduction, and lower grades at Great Noligwa in South Africa where production did not improve as expected.





***Total cash costs and total production costs***

Total cash costs for the three months ended March 31, 2003 were \$210 per ounce, \$59 per ounce, or 68 percent, higher than the cash costs of \$151 per ounce recorded in the same period of 2002. This increase was mainly due to substantially higher cash costs for South African operations in the three months ended March 31, 2003, which increased by 68 percent when compared to the same period in 2002. This increase in total cash costs at the South African operations was mainly due to the strengthening of the South African rand relative to the US dollar (based on the average exchange rates of the rand against the US dollar of R8.35 and R11.51 during the three months ended March 31, 2003 and 2002, respectively).

Total cash costs for the three months ended March 31, 2003 also increased (by 21 percent) compared to the quarter ended December 31, 2002 mainly as a result of exchange rate movements discussed in the preceding paragraph, reduced grade and marginally lower volume mined.

Total production costs for the three months ended March 31, 2003 were \$263 per ounce, \$63 per ounce, or 32 percent, higher than the total production costs of \$200 per ounce recorded in the same period. Total production costs in the first quarter of 2003 also increased (by 17 percent) compared to the quarter ended December 31, 2002.

***Reconciliation of total cash costs and total production costs to the condensed consolidated***

***financial information***

Total cash costs and total production costs are calculated in accordance with the guidelines of the Gold Institute industry standard and are not US GAAP measures. The Gold Institute is a non-profit international association of miners, refiners, bullion suppliers and manufacturers of gold products, which has a uniform format for reporting total production costs on a per ounce basis. The standard was first adopted in 1996 and revised in November 1999.

Total cash costs, as defined in the Gold Institute industry standard are production costs as recorded in the statement of operations, less offsite (i.e. central), general and administrative expenses (including depreciation, depletion and amortization, rehabilitation, employment severance costs, corporate administration costs, capital costs and exploration costs. Total cash costs per ounce are calculated by dividing total cash costs by ounces of gold produced. Total cash costs have been calculated on a consistent basis for all periods presented.

Total cash costs as calculated and reported by AngloGold include costs for all mining, processing, administration, royalties and production taxes, as well as contributions from by-products, but exclude depreciation, depletion and amortization, rehabilitation, employment severance costs, corporate administration costs, capital costs and exploration costs. Total cash costs per ounce are calculated by dividing total cash costs by ounces of gold produced. Total cash costs have been calculated on a consistent basis for all periods presented.

Total production costs, as defined in the Gold Institute industry standard are total cash costs, plus amortization, depreciation and rehabilitation costs. Total production costs as calculated and reported by AngloGold include total cash costs, plus depreciation, depletion and amortization, employee severance costs and rehabilitation and other non-cash costs. Total production costs per ounce are calculated by dividing total production costs by ounces of gold produced. Total production costs have been calculated on a consistent basis for all periods presented.





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Total cash costs and total production costs should not be considered by investors in isolation or as alternatives to production costs, net income/(loss) applicable to common stockholders, income/(loss) before income tax provision, net cash provided by operating activities or any other measure of financial performance presented in accordance with US GAAP or as an indicator of the company's performance. While the Institute has provided definitions for the calculation of total cash costs and total production costs, the calculation of total cash costs, total cash costs per ounce, total production costs and total production costs per ounce may vary significantly among gold mining companies, and by themselves do not necessarily provide a basis for comparison with other gold mining companies. However, the company believes that total cash costs and total production costs in total and per ounce are useful indicators to investors and management as they provide:

- an indication of profitability, efficiency and cash flows;
  - the trend in costs as the mining operations mature over time on a consistent basis; and
  - an internal benchmark of performance to allow for comparison against other mining companies.
- A reconciliation of production costs as included in the company's unaudited condensed consolidated financial information to total cash costs and to total production costs for each of the three months ended March 31, 2003 and 2002 is presented below. In addition the company has also provided below detail of the gold produced in total for each of those periods.

### **For the three months ended March 31,**

(in \$ millions, except as otherwise noted)

**2003**

**2002**

### **Production costs per condensed consolidated financial information**

**287**

**196**

*Less:*

Rehabilitation costs & other non-cash costs

(3)

(2)

*Plus:*

Inventory movement

5

9

Royalties

7

4

Related party transactions

(2)

5

4

*Adjusted for:*

Minority interests

(3)

(1)

(2)

Non-gold producing companies and adjustments

(6)

(1)

**Total cash costs**

**294**

**208**

*Plus:*

Depreciation, depletion and amortization

75

67

Employee severance costs

-

1

Rehabilitation and other non-cash costs

3



2

*Adjusted for:*

Minority interests

(3)

(4)

(4)

Non-gold producing companies and adjustments

1

2

**Total production costs**

**369**

**276**

**Gold produced (000' ounces)**

(4)

**1,402**

**1,377**

**Total cash costs per ounce**

(1)

**210**

**151**

**Total production costs per ounce**

(1)

263

200

(1)

*In addition to the operational performances of the mines, total cash costs per ounce and total production costs per ounce are affected by fluctuations in the currency exchange rate. AngloGold reports total cash costs per ounce and total production costs per ounce calculated to the nearest US dollar amount and gold produced in ounces.*

(2)

*Related party transactions is a separately disclosed item on AngloGold's consolidated statements of income. The production expense relates solely to production costs as included in the company's consolidated financial statements. Accordingly, it has accordingly, been included in total production costs and total cash costs.*

(3)

*Adjusting for minority interest of items included in calculation, to disclose the attributable production costs.*

(4)

*Attributable production only.*

4





**Capital expenditures**

Capital expenditure during the three months ended March 31, 2003 was \$58 million compared with \$5 million in the same period of 2002, a \$7 million, or 14 percent, increase in capital expenditure with the three months ended December 31, 2002, capital expenditures were approximately one third the first quarter of 2003.

**Outlook for 2003**

Commenting on the results for the three months ended March 31, 2003, Russell Edey, AngloGold's Chairman, and Bobby Godsell, AngloGold's CEO said: "The first quarter of 2003 was notable for open results which were on target but lower than the two previous quarters. Lower production reflects more normal grades at Morila and lower grades at the Great Nologwa mine. The stronger local currencies of the eight countries in which we operate, in relation to the US dollar, the currency in which our product, has had a significant negative impact on costs, margins and earnings. These effects are at least partially offset by an increased average gold price during the period.

Looking ahead to the rest of this year, we anticipate that the currencies in which our costs are denominated, particularly the South African rand will maintain their strength in relation to the remainder of the year and have revised our planning assumptions accordingly. We expect AngloGold earnings for the June quarter to remain under pressure as a result of the exchange rate together with lower grades and mining volume. We do, however, anticipate a gradual recovery by the fourth quarter. "

**Financial review**

Revenues from product sales and other income increased from \$381 million in the three months ended March 31, 2002 to \$484 million in the same period of 2003, a 27 percent increase. This was primarily due to the increase in the gold price in 2003 when compared with 2002 and, to a lesser extent, higher production in 2003 compared to 2002. The average spot price of gold was \$352 per ounce during the three months ended March 31, 2003, \$61 per ounce, or 21 percent, higher than \$291 per ounce, the average spot price for the three months of 2002. When compared with the quarter ended December 31, 2002, revenues from product sales and other income were lower (by 6 percent from \$513 million) in the first quarter of 2003 mainly due to the 9 percent decrease in gold production from the quarter ended December 31, 2002 due to lower grades.

Production costs increased from \$196 million in the three months ended March 31, 2002 to \$287 million in the same period of 2003, which represents a \$91 million or 46 percent increase. Higher production costs were mainly the result of substantially higher production costs at the South African operations in the three months ended March 31, 2003, compared with \$111 million in the same period of 2002. The increase of \$71 million was primarily due to the strengthening of the South African rand relative to the US dollar. Production costs also increased (by 17 percent from \$245 million) when compared with the quarter ended December 31, 2002 mainly for the same reasons as discussed above.

Depreciation, depletion and amortization also increased, from \$67 million in the three months ended March 31, 2002 to \$75 million in the same period of 2003, a 12 percent increase. This increase can be attributed to the South American operations where depreciation, depletion and amortization expense amounted to \$10 million in the three months ended March 31, 2003, compared to \$10 million for the same period in 2002. This increase of \$4 million was mainly due to the acquisition during the third quarter of 2002 of a 46.25 percent interest in the Cerro Vanguardia mine located in Argentina.





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General and administrative expenses increased from \$5 million in the three months ended March 31, 2002 to \$10 million in the same period of 2003, mainly as a result of annual salary increments, approved changes relating to information technology infrastructure upgrades, and additional and previously vacant positions filled at the corporate office in South Africa. The strengthening of the South African rand against the US dollar also negatively impacted on general and administrative expenses as the majority of these expenses are South African rand denominated.

Interest expense decreased from \$12 million recorded in the three months ended March 31, 2002 to \$8 million in the same period of 2003, a 33 percent decrease. The decrease in interest expense from 2002 to 2003 was due to both lower prevailing LIBOR rates to which most of AngloGold's debt is pegged and the refinancing of AngloGold's debt with lower interest rate facilities.

A gain on derivatives of \$23 million was recorded in the three months ended March 31, 2003 compared to a loss of \$23 million incurred in the same period of 2002.

In the three months ended March 31, 2003, income before equity income and income tax amounted to \$100 million compared to \$50 million in the same period of 2002.

Deferred income and mining tax expense increased from a net tax benefit of \$41 million recorded in the three months of 2002 which included tax credits of \$50 million relating to the disposal of the Free State assets, to a net tax charge of \$39 million in the same period of 2003. The Free state assets were sold at book value, effective January 1, 2002 to Harmony Gold Mining Company Limited and African Rainbow Minerals Gold Limited ("ARM").

Net income applicable to common stockholders decreased by 34 percent to \$58 million in the three months ended March 31, 2003 from \$88 million recorded in the same period of 2002 and by 37 percent compared to \$92 million for the three months ended December 31, 2002.

Net cash provided by operating activities during the three months ended March 31, 2003 amounted to \$157 million compared with \$157 million in the same period of 2002.

In the three months ended March 31, 2003, AngloGold used \$58 million comprising mainly of payment of capital expenditure and \$187 million cash in investing and financing activities, respectively. Cash from financing activities included dividends paid of \$185 million. A final dividend of 675 South African cents per ordinary share for the year ended December 31, 2002 was paid to registered shareholders on February 28, 2003 and a dividend of 82.12 US cents per each American Depositary Share (ADS) was paid to holders of ADSs on March 10, 2003. Each ADS represents one ordinary share. The effect of exchange rate changes on cash was a positive \$10 million during the three months ended March 31, 2003.

As a result of the factors discussed above, AngloGold had cash and cash equivalents of \$340 million at March 31, 2003 compared with \$413 million at December 31, 2002, representing a decrease in cash and cash equivalents of \$73 million from 2002. At March 31, 2003, AngloGold had available but undrawn cash and cash equivalents of \$301 million under its credit facilities.

During 2003, approximately \$89 million of AngloGold's debt is scheduled to mature. AngloGold expects to finance the repayment of debt scheduled to mature in 2003 from existing cash resources, cash generated from future operations and its present and future debt facilities.







**Gold market**

During the first quarter of 2003, the gold price appeared to have been influenced most directly by the evolving international conflict over Iraq, and to a lesser degree, by movements from time to time of the US dollar. The correlation observed by AngloGold between trading activity in gold futures on the New York Comex and the spot price of gold became even more direct.

Speculators were reported to continue to increase their long positions in gold during the first quarter as international conflict over Iraq continued to escalate. As a result, Comex open positions were reported to reach a peak net long position in gold in early February 2003, equivalent to just over 14 million ounces. In AngloGold's view, the removal of uncertainty about US intentions in Iraq saw that long position rise steadily from early February 2003, starting from the occasion of US Secretary of State Colin Powell's speech to the United Nations General Assembly on February 5, 2003, which saw the spot gold price fall by about \$20 per ounce in the following week. The net long position on Comex was reported to have fallen to about 10 million ounces in early April 2003, taking the gold price down with it to a low of \$318 per ounce. In AngloGold's view, this level of net long positions is close to what has been a core net long position on the exchange for the past 18 months. If this core position does not change, AngloGold expects the market to settle around these levels, with likely price recovery on the upside.

As far as the impact of the conflict in Iraq is concerned, it would seem to AngloGold that this has been felt through the gold market, and that the market is back to a more or less neutral state in regard to the conflict. AngloGold believes that, in the medium term, however, important economic factors will continue to influence the market. Most important of these appear to be the health of the US dollar and the state of major equity markets. In AngloGold's view, the US economy will remain vulnerable, and the US dollar is likely to continue to weaken in the medium term; only the weak condition of the European and Japanese economies seems to have delayed this correction. Aside from the price spike in February 2003 induced by heightened international tension over Iraq, the gold price appeared to have continued to move in line with the weakening of the dollar and should encourage investor interest in gold.

The physical market for the metal appears to remain weak, and 2002 was a disappointing year for gold demand in a number of sectors. Indian imports of gold were reported to be down by over 20 percent by comparison with 2001. Although gold demand in India was reported to be strong in late 2002, this strength does not appear to have carried through to 2003. However, AngloGold believes that there is reason to expect an improvement in Indian demand as 2003 progresses, as the current lower spot gold price should encourage buying, and the balance of this year contains a high proportion of propitious days for marriage in the Hindu calendar. AngloGold believes that physical gold offtake in the Middle East is also fragile due to the conflict in Iraq, and unfavorable economic circumstances in the developed economies generally have not helped gold offtake during the past year. All in all, in AngloGold's view, there is an encouraging period for physical demand, and underlies the need for some effort to support and develop the metal in the important markets for gold.

The spot price opened at \$348 per ounce in January 2003 and closed at \$337 per ounce in March 2003, compared with \$279 per ounce in January 2002 and \$303 per ounce in March 2002. The average spot price of gold was \$352 per ounce during the three months ended March 31, 2003, \$61 per ounce, or 21 percent higher than \$291 per ounce, the average spot price in the first three months of 2002. During the first three months of 2003, the highest spot price of gold was \$389 per ounce compared to a high of \$308 per ounce in the same period in 2002. The lowest spot price of gold was \$326 per ounce during the three months





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March 31, 2003, 18 percent higher than \$277 per ounce, the lowest spot price of gold for the same ended March 31, 2002.

### **Hedging overview**

AngloGold manages its revenue risk through an actively directed forward sales program. The board directors has given management a mandate to sell forward no more than 50 percent of five years' production spread over a ten-year period. AngloGold has seldom been close to this limit and then mainly through acquisitions and debt financing of new assets where the terms of loans have required that a portion of production from these assets is sold forward.

At March 31, 2003, the net hedge position of AngloGold was at 9.34 million ounces, almost 1 million ounces lower than the hedge position at December 31, 2002 and 28 percent lower than the net hedge position at March 31, 2002. The marked-to market-valuation of this position at March 31, 2003 was negative \$251.5 million. These figures reflect an ongoing reduction in overall forward price commitments of AngloGold. For the remaining period of 2003, AngloGold has outright forward price commitments in respect of 1.05 million ounces or some 23 percent of the forecast production of 2003.

### **AngloGold's net delta open hedge position at March 31, 2003**

At March 31, 2003, AngloGold had outstanding the following forward-pricing commitments against future production. The total net delta tonnage of the hedge on this date was 9.34 million ounces (at December 31, 2002: 10.28 million ounces). The delta position indicated reflects the nominal amount of the option value by the mathematical probability of the option being exercised. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities as at March 31, 2003.

The marked-to-market value of all hedge transactions making up the hedge positions was a negative US\$251.5 million at March 31, 2003 (at December 31, 2002: negative US\$446.6 million). These values are based on a gold price of US\$336.75 per ounce, exchange rates of R/US\$7.85 and A\$/US\$0.602 and the prevailing market interest rates and volatilities at the time.

At April 29, 2003, the marked-to-market value of the hedge book was a negative US\$154.9 million based on a gold price of US\$332.75 per ounce and exchange rates of R/US\$7.2550 and A\$/US\$0.6183 and the prevailing market interest rates and volatilities at the time.

These marked-to-market valuations are not predictive of the future value of the hedge position, or the future impact on the revenue, of AngloGold. The valuation represents the cost of buying all hedge positions at the time of valuation, at market prices and rates available at the time.







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AngloGold's hedge position as at March 31, 2003

The following table indicates AngloGold's gold hedge position at a weighted average settlement price (references in the table to "\$" are to the US dollar and references to "A\$" are to the Australian dollar)

| Year                         | 2003   | 2004   | 2005   | 2006   |
|------------------------------|--------|--------|--------|--------|
| 2008-2012                    | Total  |        |        |        |
| <b>DOLLAR GOLD</b>           |        |        |        |        |
| <b>Forward contracts</b>     |        |        |        |        |
| Amount (kg)                  |        |        |        |        |
| 7,899                        | 16,811 | 26,576 | 19,862 | 18,974 |
| 116,000                      |        |        |        |        |
| \$                           |        |        |        |        |
| per                          |        |        |        |        |
| oz                           |        |        |        |        |
| \$302                        | \$311  | \$324  | \$333  | \$337  |
| <b>Put options purchased</b> |        |        |        |        |
| Amount (kg)                  |        |        |        |        |
| 1,515                        |        |        |        |        |
| 3,906                        |        |        |        |        |
| 757                          |        |        |        |        |
| 563                          |        |        |        |        |
| 728                          |        |        |        |        |
| 7,469                        |        |        |        |        |

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\$

per

oz

\$368

\$376

\$291

\$291

\$292

\$351

\*Delta

(kg)

893

2,387

147

108

134

3,669

Put options sold

Amount (kg)

18,849

10,264

29,113

\$

per

oz

\$324

\$339

\$330

\*Delta

(kg)

6,556

4,313

10,869

Call options purchased

Amount (kg)

3,455

572

4,027

\$

per

oz

\$355

\$360

\$356

\*Delta

(kg)

1,291

237

1,528

Call options sold

Amount (kg)

23,962

8,006

16,360

14,681

14,308

54,245

131,562

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\$

per

oz

\$350

\$334

\$322

\$329

\$336

\*Delta

(kg)

9,638

4,696

10,811

9,562

9,327

RAND GOLD

Forward contracts

Amount (kg)

12,596

11,076

9,078

6,335

4,541

3,732

47,358

Rand

per

oz

R79,777

R94,277

R116,891

R108,426

R114,915

Put options purchased

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Amount (kg)

1,875

1,875

1,875

1,875

7,500

Rand per oz

R93,602

R93,602

R93,602

R93,602

R93,602

\*Delta

(kg)

893

606

460

356

2,315

Put options sold

Amount (kg)

Rand

per

oz

\*Delta (kg)

Call

options

purchased

Amount

(kg)

Rand

per

oz

\*Delta (kg)

Call options sold

Amount (kg)

10,912

4,688

4,687

4,688

2,986

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11,944

39,905

Rand

per

oz

R100,545

R115,284

R131,944

R132,647

R1

\*Delta

(kg)

2,285

1,604

1,747

2,110

721

A DOLLAR GOLD

Forward contracts

Amount (kg)

12,224

5,443

6,221

9,331

8,398

13,343

54,960

A\$

per

oz

A\$523

A\$544

A\$674

A\$652

A\$623

Put options purchased

Amount (kg)

A\$ per oz

\*Delta (kg)

Put options sold

Amount (kg)

1,866

1,866

A\$

per

oz

A\$556



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A\$556

\*Delta

(kg) 796

796

Call options purchased

Amount (kg)

3,888

3,110

6,221

3,732

11,197

28,148

A\$ per oz

A\$701

A\$724

A\$673

A\$668

A\$702

A\$693

\*Delta

(kg)

382

883

2,990

1,981

6,633

Call

options

sold

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Amount

(kg)

5,599

5,599

A\$

per

oz

A\$661

A\$661

\*Delta

(kg)

840

840

Delta

(kg)

38,242

38,073

54,157

44,674

40,114

Total net gold:

Delta

(oz)

1,229,518

1,224,062

1,741,189

1,436,314

1,289,706

The following table indicates the group's currency hedge position at March 31, 2003

| Year              | 2003  | 2004 | 2005 | 2006 |
|-------------------|-------|------|------|------|
| 2008-2012         | Total |      |      |      |
| RAND DOLLAR (000) |       |      |      |      |

Forward

contracts

Amount

(\$)

Rand

per

\$

Put options purchased

Amount (\$)

Rand

per

\$

\*Delta (\$)

Put options sold

Amount (\$)

Rand

per

\$

\*Delta (\$)

Call

options

purchased

Amount

(\$)

Rand

per

\$

\*Delta (\$)

Call

options

sold

Amount

(kg)

20,000

20,000

Rand

per

\$

R8.36

R8.36

\*Delta

(\$)

2,568

2,568

A DOLLAR (000)

Forward contracts

Amount (\$)

29,428

29,275

10,847

69,550

\$ per A\$

A\$0.59

**A\$0.59**

**A\$0.51**

**A\$0.58**

\*

The Delta position indicated above reflects the nominal amount of the option multiplied by the amount of the option being exercised. This is calculated using the Black-Scholes option formula with the ruling prices and volatilities as at March 31, 2003.

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### Recent developments

**During the three months ended March 31, 2003 AngloGold made the following announcements:**

On March 13, 2003, AngloGold announced that its wholly-owned subsidiary, AngloGold Australia Limited, signed a new joint venture agreement with Striker Resources NL and De Beers Australia Exploration to undertake further exploration work covering an area in excess of 17,000 square kilometres in the Kimberley region of Western Australia. An expenditure of \$4.61 million (A\$7.75 million) entitles AngloGold Australia a 51 percent return on income.

On April 7, 2003, the Jerritt Canyon Joint Venture partners, AngloGold and Meridian Gold, gave notice of termination of agreement, following a release on February 27, 2003, in which AngloGold announced it had entered into a purchase and sale agreement with Queenstake Resources USA Inc. for its interest in the Jerritt Canyon Joint Venture. Queenstake failed to meet its obligations under the agreement prior to the scheduled closing on March 31, 2003.

On April 8, 2003, AngloGold announced that it had reached agreement with Helix Resources Limited, for the sale of its interests in the Gawler Craton and Tarcoola Joint Ventures in South Australia. Under the agreement, consideration will comprise a \$0.9 million (A\$1.5 million) cash payment, 2.5 million Helix shares issued at A\$0.20 per share, and 2.5 million Helix options of A\$0.25 per option, exercisable before November 30, 2003. The offer is subject to various conditions being met.

On April 30, 2003, AngloGold announced that at the company's annual general meeting held on April 30, 2003, all the ordinary and special resolutions, as specified in the notice of meeting dated March 27, 2003, were passed by the requisite majority of shareholders. The special resolutions will be lodged with the Registrar of Companies for registration.

### Retiring Director

As previously disclosed, Dr. V K Fung, one of the company's directors who retired by rotation at the annual general meeting held on April 30, 2003, did not wish to offer himself for re-election. As no new director was appointed at the annual general meeting, the company's board of directors now comprises 14 directors, including 10 executive directors and three non-executive directors, three of whom are alternates. Of the 10 executive directors, five non-executive directors are affiliated with the company's parent, AngloGold, and five are independent of management and free from any business relationship which could materially interfere with the exercise of their independent judgment.

### Draft Mineral and Petroleum Royalty Bill

Following the publication by the South African Government of the draft Mineral and Petroleum Royalty Bill in March 2003, which proposes prospecting, mining and mineral rights to be subject to a State royalty calculated as 3 percent of gross revenue in the case of gold, AngloGold is preparing its representation to the Government. While AngloGold accepts the general proposition of a charge for the extraction of the non-renewable mineral resources, AngloGold believes that this should be done in a way that does not add to the already high mining tax burden in South Africa to make mining here internationally uncompetitive. In particular, AngloGold favors a profit-based system of calculating royalties, rather than the current revenue-based approach and AngloGold will also be advocating a review of the overall tax burden on the gold mining industry, including the proposed royalties, to ensure the continued competitiveness of the sector. AngloGold will be pursuing these and other concerns in the open debate, which is anticipated to take place in the near future.





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### **AngloGold Fund supports Ginsberg Primary School in the Eastern Cape**

AngloGold's social investment vehicle in South Africa is The AngloGold Fund which makes grants to a value of some \$1.8 million each year. In evaluating the hundreds of proposals that come its way, AngloGold looks for community-initiated projects, believing that development works best where people are empowered to work towards their own advancement, and for projects that contribute to the longer-term benefit of the region in which they are situated. Ginsberg Primary School meets these criteria admirably.

An independent school situated in Ginsberg, King William's Town, Ginsberg Primary is a remarkable institution. In the midst of an impoverished community, it is providing superior education and training. One of the reasons for the success of the school is such that each year many applicants have to be turned away. The principal, Henry Kachoka, explains the Ginsberg philosophy: "We want our learners to be given a holistic training that attends to their physical, mental and spiritual development and that will enable them to lead useful lives in society."

While pupils are given a sound grounding in their school subjects by a staff of well-qualified and experienced teachers, they can also sign on for a range of extra-mural activities such as music, needlework, art, tennis and gardening.

What makes the achievements of Ginsberg Primary so noteworthy is that the school embarked on its enrichment programme under the most difficult of circumstances. For instance, when needlework was introduced in 2000, there were just two sewing machines with teachers having to manage in crowded classrooms. Music was started in 2001 with one violin and one piano in the principal's office.

But all of that has changed for Ginsberg Primary now boasts a new double-storey classroom block, funded by a grant of \$0.1 million from The AngloGold Fund. The block comprises four regular classrooms and two "special" classrooms a science laboratory, a computer room, a music room and a needlework room, all fully equipped.

Mr Kachoka commented: "The new building is a beacon of hope to those of us involved in teaching here. Our learners are being given the privilege of an education that they wouldn't otherwise get in their own world."

And it is not only the pupils of the school who will benefit from the additional facilities. For members of the community will be able to access these in the afternoons when staff members will be available on hand to assist.

The township of Ginsberg is the birthplace and final resting place of Black Consciousness leader Steve Biko. It is certain that he would have been proud of the achievements of the principal and staff of Ginsberg Primary, and of the community in which a school of this calibre has flourished.

### **Forward-looking statements**

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Except for historical information, there may be matters discussed in this report of financial and performance that are forward-looking statements. In particular, the statements made under "Outlook 2003" regarding AngloGold's operating and financial performance and under "Gold market" regarding future performance of the gold market are forward looking statements. Any such statement is only a prediction and actual results, costs or events may differ materially. For a discussion of important factors including, but not limited to, development of AngloGold's business, the economic outlook in the gold market, and expectations regarding gold prices and production, and other factors which could cause actual results and events to differ materially from such forward-looking statements, refer to AngloGold's annual Form 20-F for the year ended December 31, 2002 which was filed with the United States Securities and Exchange Commission (SEC) on April 7, 2003.





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### Condensed Consolidated Financial Information for the three months ended March 31, 2003

#### *Basis of presentation*

The unaudited condensed consolidated financial information of AngloGold Limited included in this report have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The balance sheet information at December 31, 2002, has been derived from AngloGold's annual report on Form 20-F for the year ended December 31, 2002, which was filed with the SEC on April 7, 2003.

#### *Dividends paid*

A final dividend of 675 South African cents per ordinary share for the year ended December 31, 2002 was paid to registered shareholders on February 28, 2003 and a dividend of 82.12 US cents per each American Depositary Share (ADS) was paid to holders of ADSs on March 10, 2003. Each ADS represents one ordinary share.







ANGLOGOLD LIMITED

CONDENSED CONSOLIDATED INCOME STATEMENT

Prepared in accordance with US GAAP

Three months ended March 31,

2003

(unaudited)

2002

(unaudited)

(in US Dollars, millions, except for share data)

Sales and other income

|     |     |
|-----|-----|
| 484 | 381 |
|-----|-----|

Product sales

|     |     |
|-----|-----|
| 472 | 373 |
|-----|-----|

Interest, dividends and other income

12

8

Cost and expenses

|     |     |
|-----|-----|
| 383 | 331 |
|-----|-----|

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|  |  |     |
|--|--|-----|
| Production costs                         |  |     |
| 287                                      |  | 196 |
| Exploration costs                        |  |     |
| 9  |  | 6   |
| Related party transactions               |  |     |
| 5  |  |     |
| 4  |  |     |
| General and administrative               |  |     |
| 10                                       |  |     |
| 5  |  |     |
| Royalties                                |  |     |
| 7  |  | 4   |
| Market development costs                 |  |     |
| 5  |  |     |
| 4  |  |     |
| Depreciation, depletion and amortization |  |     |
| 75                                       |  |     |
| 67                                       |  |     |
| Interest expense                         |  |     |
| 8  |  | 12  |
| Employment severance costs               |  |     |
| -  |  |     |
| 1  |  |     |
| Loss on sale of assets                   |  |     |
| -  |  |     |
| 9  |  |     |
| (Gain)/loss on derivatives               |  |     |
| (23)                                     |  |     |

23

**Income before equity income and income tax**

101 50

Equity income in affiliates

-

-

Income before income tax provision

101 50

Deferred income and mining tax (expensed)/benefit

(39)

41

**Income before minority interest**

62 91

Minority interest

(4)

(3)

**Net income applicable to common stockholders**

58 88

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**Basic earnings per common share : (cents)**

|    |    |
|----|----|
| 26 | 40 |
|----|----|

**Weighted average number of common shares used in computation**

|             |             |
|-------------|-------------|
| 222,700,331 | 220,770,528 |
|-------------|-------------|

**Dividend per common share (cents)**

|    |    |
|----|----|
| 82 | 49 |
|----|----|

13







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ANGLOGOLD LIMITED  
CONDENSED CONSOLIDATED BALANCE SHEET

Prepared in accordance with US GAAP

At March 31,

2003

(unaudited)

At December 31,

2002

(in US Dollars, millions)

**Assets**

**Current assets**

1,027

1,038

Cash and cash equivalents

340

413

Receivables

541

488

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|                                      |  |       |
|--------------------------------------|--|-------|
| Trade                                |  |       |
| 50                                   |  | 48    |
| Derivatives                          |  |       |
| 274                                  |  |       |
| 233                                  |  |       |
| Value added taxes                    |  |       |
| 21                                   |  |       |
| 26                                   |  |       |
| Other                                |  |       |
| 196                                  |  | 181   |
| Inventories                          |  |       |
| 146                                  |  | 137   |
| <b>Property, plant and equipment</b> |  |       |
| 2,129                                |  | 2,015 |
| <b>Acquired properties</b>           |  |       |
| 933                                  |  | 902   |
| <b>Goodwill</b>                      |  |       |
| 360                                  |  | 345   |

**Derivatives**

|    |    |
|----|----|
| 75 | 64 |
|----|----|

**Inventories**

|    |    |
|----|----|
| 84 | 79 |
|----|----|

**Other long-term assets**

|     |     |
|-----|-----|
| 108 | 102 |
|-----|-----|

**Total assets**

|       |       |
|-------|-------|
| 4,716 | 4,545 |
|-------|-------|

**Liabilities and Stockholders' equity**

**Current liabilities**

|     |     |
|-----|-----|
| 858 | 799 |
|-----|-----|

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Accounts payables and accrued liabilities

306

282

Derivatives

313

302

Short-term debt

78

84

Income and mining tax payable

161

131

**Long-term debt**

841

842

**Derivatives**

177

236

**Deferred income and mining tax**

649

561

**Provision for environmental rehabilitation**

111

108

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**Other accrued liabilities**

|    |    |
|----|----|
| 14 | 12 |
|----|----|

**Provision for post-retirement medical benefits**

|     |     |
|-----|-----|
| 138 | 127 |
|-----|-----|

**Minority interests**

|    |    |
|----|----|
| 40 | 40 |
|----|----|

**Commitments and contingencies**

|   |   |
|---|---|
| - | - |
|---|---|

**Share capital and reserves**

|       |       |
|-------|-------|
| 1,888 | 1,820 |
|-------|-------|

**Common stock**

Stock issued 2003 222,763,754 (2002 222,622,022)

9

9

Additional paid in capital

3,405

3,403

Retained deficit

(692)

(567)

Accumulated other comprehensive income

(834)

(1,025)

**Total liabilities and stockholders' equity**

4,716

4,545

14







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ANGLOGOLD LIMITED  
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Prepared in accordance with US GAAP

Three months ended March 31,

2003

(unaudited)

2002

(unaudited)

(in US Dollars, millions)

Net cash provided by operating activities

162

157

Income after tax and minority interest

58

88

Reconciled to net cash provided by operations:

Depreciation, depletion and amortization

75

67

Deferred stripping costs

(8)

(4)

Other non cash items

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4

53

Net increase in provision for environmental

rehabilitation and post-retirement medical

benefits

(6) -

Deferred income and mining tax

10

(76)

Effect of changes in operating working capital items:

Receivables

(11) (53)

Inventories

(15) (16)

Accounts payable and accrued liabilities

55

98

**Net cash (used)/generated in investing activities**

(58) 82

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Increase in non-current investments

-

(23)

Additions to property, plant and equipment

(58)

(51)

Proceeds on sale of investments

-

158

Loans receivable advanced

-

(4)

Loans receivable repaid

-

2

**Net cash used in financing activities**

(187)

(106)

Decrease in short-term debt

(13)

(389)

Issuance of stock

2

6

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Share issue expenses

-

(1)

Increase in long-term debt

9

387

Dividends paid

(185)

(109)

**Net (decrease)/increase in cash and cash equivalents**

(83)

133

**Effect of exchange rate changes on cash**

10

10

**Cash and cash equivalents - December 31,**

413

191

**Cash and cash equivalents March 31,**

340

334







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### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Current Report to be signed on its behalf by the undersigned, thereunto duly authorized.

AngloGold Limited

Date:

By: /s/ C R BULL

—

Name: C R Bull

Title: Company Secretary