ANGLOGOLD LTD
Form 6-K
January 31, 2003

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

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: **X** 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):

Yes:

No:

X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regu

101(b)(7):

Yes:

No:

X

Indicate by check mark whether the registrant by furnishing the information contained in this for

furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exch

Yes:

No:

X

Enclosures:

Report for the quarter and year ended 31 December 2002

Report

for the quarter and year

ended 31 December 2002

Group results for the quarter ended 31 December 2002...

Solid set of results achieved despite expected lower mining grades at Morila and the stronger rand

Gold production 2% down at 1.55Moz

Headline earnings down 11% to $90m or 41 US cents per share

Ordinary shares sub-divided at close of business on 24 December 2002 on a 2:1 basis

see note 1 on page 56

...and for the year

A very good year:

Total cash costs down 10% to $161/oz

Operating profit up 21% to $638m

Headline earnings up 29% to $368m

Gold production down 15% to 5.9Moz due to the sale of the Free State assets

Return on capital and return on equity 15% and 21% respectively

Reserves up by 22% to 72.3Moz and resources up by 2% to 287.6Moz

Final dividend declared at R6.75 or 78 US cents per share resulting in a total dividend for 2002 of R13.50 or 142 US cents per share

www.anglogold.com

Quarter

Quarter

Year

Year

Quarter

Quarter

Year

Year

ended

ended

ended

ended

ended

ended

ended

ended

Dec 02

Sept 02

Dec 02

Dec 01

Dec 02

Sept 02

Dec 02

Dec 01

Dollar/Imperial

Rand/Metric

Gold

Produced

– oz (000)/kg

1,549

1,587

5,939

6,983

48,168

49,358

184,711

217,203

*Price received

– $/oz /R/kg

314

305

303

287

96,911

102,267

101,817

79,523

Total cash costs

– $/oz /R/kg

173

158

161

178

53,457

52,751

54,037

48,828

Total production costs

- $/oz /R/kg

220

202

203

213

68,159

67,637

68,241

58,579

Operating profit

- $/R million

184

150

650

517

1,758

1,566

6,784

4,521

Operating profit excluding unrealised

nonhedge derivatives

- $/R million

155

174

638

527

1,478

1,822

6,683

4,647

Net profit

- $/R million

100

81

332

245

955

850

3,444

2,180

Headline earnings

- $/R million

107

88

376

281

1,021

925

3,920

2,476

Headline earnings before unrealised

nonhedge derivatives

- $/R million

90

101

368

286

858

1,062

3,854

2,536

Capital expenditure

- $/R million

89

64

271

298

880

665

2,842

2,567

Net earnings (basic)

- cents per share

45

37

150

114

430

383

1,552

1,017

Headline earnings

- cents per share

48

40

169

131

460

417

1,767

1,156

Headline earnings before unrealised

nonhedge derivatives

- cents per share

41

46

166

133

387

479

1,737

1,184

Dividends

- cents per share

142

87

1,350

900

* Price received includes realised non-hedge derivatives

$ represents US dollar, unless otherwise stated

Dear Shareholder

AngloGold`s results for the fourth quarter of 2002 reflect a sound operating performance. As predicted, production and profit levels at Morila declined compared to the third quarter, though they remain impressive. Compared to the third quarter, the South African rand strengthened by almost 8% against the US dollar. These factors combined to reduce headline earnings by 11% to $90 million. Gold production decreased by only 2% from the very high level of the September quarter and, while dollar-denominated unit cash costs increased by 9% with the strengthened rand, the South African operations kept local currency costs steady.

Production levels at both Morila and Geita continue to be affected by substantial (though anticipated) decreases in grade this quarter. We expect grades and production to return to a steady state in the next two quarters. Similarly, at Sunrise Dam in Australia, as mining moved through lower grade areas of the pit during the fourth quarter, production was below the high levels of the September quarter, but still above target. Drilling results at the operation indica sound performances for the future. Production at the Cripple Creek & Victor operation in Colorado improved by 33% over the quarter as our efforts to overcome the recovery problems in the leach pad began to bear fruit.

AngloGold's results for the year 2002 are impressive, reflecting the longer-term benefits of the company's growth and risk diversification strategy. Although gold production declined with the sale of the Free State mines in South Africa, cash costs were down year-on-year by 10% to $161 per ounce and headline earnings increased by 29% on the 2001 performance, to $368 million.

Looking ahead, the increase in reserves has resulted in longer mine lives rather than increased production and we anticipate gold production for 2003 to be unchanged at around 6 million ounces, increasing to 6.5 million ounces in 2006. Part of the increased reserve is due to the rise in the gold price, which has the effect of making lower-grade areas profitable. This leads t a lower average grade overall and, consequently, increased unit costs which are also affected by the stronger rand. Total cash costs for 2003 are estimated to be $190 per ounce and total production costs $229 per ounce, with capital expenditure forecast at $330 million.

There are two other noteworthy developments. First, we publish our annual reserve and resource statement today and report a 22% increase in the company's ore reserve, to 72.3 million ounces. Included in this is a 30% increase in the South African ore reserve to 47.5 million ounces.

The company has reduced its hedging contracts by some 133 tonnes during the past year. In the light of the continued strength of the gold price and of the steady improvement in AngloGold's operating performance over the past two years, and consequently the reduced need for the company to manage revenue through forward pricing, the Board has encouraged the continuing management and restructuring of the hedge book.

We also announce today that AngloGold proposes to pay a final dividend for the year of R6.75 per share, unchanged in rand terms from the interim dividend, but 22% higher in dollar terms at 78 US cents per share. This gives a total dividend for the year of R13.50 (R9.00 in 2001) and a yield of 4.4%, calculated on a share price of R305 per share. This level of dividend is consistent with AngloGold's established practice of paying out a high proportion of its earnings to shareholders, once we have provided for our organic growth objectives.

Russell Edey

Bobby Godsell

Chairman

Chief Executive Officer

30 January 2003

Bobby Godsell

Chief Executive Officer

Russell Edey

Chairman

Operating profit excluding

unrealised non-hedge

Production

Price received

Total cash costs

EBITDA

derivatives

oz %

oz % $/oz % $m

%

$m

%

(000)

Variance**

(000)

Variance**

Variance**

Variance**

Variance**

Morila*

130 (24)

316 2 78 59 34 (19)

25

(19)

Great Noligwa

204

(3)

307

4

152

12

33

-

30

(3)

TauTona

168 -

307 5

142 8

29 4

27

4

Cerro

Vanguardia*

66 29

336 5 108 5 17 31

11

57

Kopanang

138 7

309 5

185 4

15 -

13

-

Mponeng

127 (7)

304 4

186 9 15

(17)

7

(30)

Cripple Creek

& Victor*

76

33

330

(1)

178

(3)

12

-

5

(100)

Morro Velho

54

-

328

1

120

(2)

11

-

8

-

Tau Lekoa

86

12

311

6

202

-

10

43

7

40

Sunrise Dam

90

(14)

331

-

193

14

8

(53)

4

(67)

Jerritt Canyon*

63

11

327

(1)

221

(18)

6

100

1

(100)

Sadiola*

48 20

325 9

204 19 5 -

2

-

Serra Grande*

22

(8)

326

1

94

4

5

-

4

-

Geita*

61 (26)

289 (4)

216 29

4 (64)

1

(86)

Navachab

21 (9)

318 1

168 19 4 -

3

(25)

Yatela*

29 (3)

325 4

202 16 4 -

2

(33)

Ergo

66 6

307 4

204 4 3

(25)

3

(25)

Union

Reefs

28 (3)

318 (4)

244 19 -

(100)

-

(100)

Savuka

48 (16)

307 5 320 21 (1)

(150)

(2)

(300)

Other

24

-

(15)

-

4

(33)

Anglogold

Group

1,549

(2)

314

3

173

9

199

(10)

155

(11)

*Attributable

**Variance quarter-on-quarter

Operations at a glance

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OVERVIEW OF THE QUARTER AND THE YEAR

For the December quarter, AngloGold again produced a solid set of results in the face of predicted declining mining grades, specifically at Morila, Geita and Sunrise Dam, and a stronger South African currency, resulting in higher dollar costs. Of the $19m reduction in operating profit, $29m was on account of the lower grade and $14m due to the strengthened rand. More than half of this was offset by a higher received gold price ($13m) and increased volumes ($10m). Costs were well-contained on the South African operations at R55,229/kg and on a cost per square metre basis were 2% down at R2,664/m2. Overall, total cash costs increased by 9% to $173/oz. Headline earnings were 11% lower at $90m or 41 US cents per share.

Gold production for the quarter decreased by 2% to 1.55Moz, as a result of the anticipated return to lower grades at Morila in southern Mali, and at Sunrise Dam in Australia, while production at Geita in Tanzania was down, as expected, owing to the second pit cutback. In South Africa, the effect of the lower grade at Great Noligwa was to a large extent offset by the excellent performance of the other operations which were able to increase their volume mined.

AngloGold had a very good year in 2002. Total cash costs decreased by 10% to $161/oz, operating profit increased by 21% to $638m and headline earnings went up by 29% to $368m. Gold production dropped by some 15% to 5.94Moz as a result of the sale of AngloGold's assets in the Free State in South Africa. Returns on capital and equity for the year were 15% and 21%, respectively.

AngloGold has declared a final dividend of R6.75 per share for 2002 which, in dollar terms, is equal to 78 US cents per ADS, assuming an exchange rate of R8.6/$1. This gives a total dividend for the year of R13.50, representing a yield of 4.4% calculated on a share price of R305 per share (or $35 per ADS), the closing price on the JSE Securities Exchange on 30 January 2003.

OPERATING RESULTS FOR THE QUARTER

SOUTH AFRICA

At **Great Noligwa**, a 2% increase in volume mined was offset by a 3% drop in grade to 10.4g/t. The lower gold production, at 6,327kg (204,000oz), and decreased income from by-products contributed to a 4% increase in total cash costs to R47,114/kg ($152/oz). Operating profit decreased by 11% to R288m ($30m). Looking ahead to 2003, the grade is expected to improve to around 11.5g/t, with production exceeding the 27t (880,000oz) recorded for 2002. After the tragic seismic-related fatal accidents of the second quarter, the mine's safety record substantially improved over the remainder of the year to the extent that it achieved one million fatality-free shifts in November.

At **Kopanang**, the increased volumes mined in December, together with the higher grade encountered, resulted in a 7% improvement in gold production to 4,292kg (138,000oz). Total cash costs decreased by 3% to R57,312/kg ($185/oz) while operating profit fell by 14% to R120m ($13m), mainly as a result of the lower rand gold price.

At **Tau Lekoa**, the year finished strongly with a 12% improvement in gold production to 2,683kg (86,000oz). Total cash costs were 7% lower at R62,360/kg ($202/oz) while operating profit increased by 7% to R60m ($7m).

Mponeng performed well, despite being unable to match the exceptional results of the September quarter. Volume mined increased by 2%, although gold production declined by 7% to 3,936kg (127,000oz) as a result of lower grade. Total cash costs were held steady at R57,216/kg ($186/oz). Operating profit at R66m ($7m) was down by 39% due to the reduced gold production and lower rand gold price.

An 11% decrease in volume mined at **Savuka,** together with the drop in grade in the Carbon Leader section, contributed to the 16% decline in gold production to 1,500kg (48,000oz). Total cash costs increased by 11% to R98,863/kg ($320/oz). The

operating loss of R16m ($2m) was directly

attributable to the reduced mining rates in the

interest of safety. Eleven employees lost their lives

in accidents during the year. The recent extension

FINANCIAL AND OPERATING REVIEW

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of the mine's life has allowed for the mine to be redesigned in such a way as to better manage seismicity, which will positively impact on workplace safety, and consequently, production.

TauTona performed well, with mining volume increasing by 9% and gold production steady at 5,227kg (168,000oz). Total cash costs decreased marginally to R43,842/kg ($142/oz) while operating profit fell by 6% to R254m ($27m), partly because of the lower rand price received. The mine's safety practices continue to yield positive results. There has not been a rock-related fatal accident since September 2001 and in January 2003, the mine achieved one million fatality-free shifts for the second time in its 40-year history.

At **Ergo**, good operational performance contributed to the 6% increase in tonnes treated and the consequent increase in gold production to 2,054kg (66,000oz). Total cash costs fell by 4% to R62,856/kg ($204/oz), with operating profit declining by 40% to R24m ($3m), following a lower price received and a decision to accelerate the provision for environmental rehabilitation.

Compared with 2001, the annual Lost Time Injury Frequency Rate (LTIFR) for the South African region improved by 14% to 9.99 -- the best rate ever recorded for this region.

EAST AND WEST AFRICA

At **Geita** (50% attributable), gold production decreased by 26% to 61,000oz, due to an anticipated 24% decline in recovered grade to 3.03g/t. As a consequence of the lower production, total cash costs increased by 29% to $216/oz. Grade is expected to remain at this level for the first quarter of 2003 before returning to an average of approximately 4g/t for the rest of the year. The mine had three fatal accidents during the year, all transport related. This has led management to focus particular attention on this aspect of mine safety and to align contractors' safety standard with those of the mine.

It was reported at the end of the September quarter that the exceptionally high grades experienced during that quarter at Morila (40% attributable) were unlikely to be sustained beyond October 2002. As was anticipated, recovered grade declined by 38% to 15.11g/t and production for the fourth quarter fell by 24% to 130,000oz. The decrease in production, combined with higher costs due to a 22% increase in tonnage throughput, resulted in total cash costs rising by 59% to what remains a very creditable $78/oz. Operating profit decreased by 19% to $25m, largely as a result of the lower grades and decreased production. The reduced grades will probably continue to have an impact on the mine's short-term performance, with grade likely to remain lower than in the fourth quarter.

Navachab had another good quarter, with production above target but 9% down on the previous quarter at 21,000oz, mainly because of a 4% reduction in tonnage treated. Total cash costs increased by 19% to $168/oz, as a result of decreased production and the strengthening of the Namibian dollar against the US dollar. Operating profit declined by 25% to $3m.

Production at **Sadiola** (38% attributable) increased by 20% to 48,000oz, largely as a result of the treatment of a greater proportion of higher-grade sulphide material over the lower-grade oxide material. This change led to an increase in the quantity of reagents used and, coupled with increased mining volume, resulted in an 19% rise in total cash costs to $204/oz. Operating profit was in line with that of the previous quarter at $2m.

At **Yatela** (40% attributable), gold production decreased by 3% to 29,000oz. Tonnes treated increased by 20% quarter-on-quarter, but this was largely offset by a larger-than-planned reduction in recovered grade to 2.83g/t. Total cash costs increased by 16% to $202/oz as a result of the combination of the higher mining volume and lower production levels.

NORTH AMERICA

Production at **Cripple Creek & Victor** (67%

ownership with 100% interest in production) was 33% higher quarter-on-quarter at 76,000oz due to improved solution grades and larger leach solution volumes processed. Total cash costs were 3% lower than those of the third quarter at $178/oz. During the quarter, both crusher tonnage and leach solution volumes reached design capacity levels. Operating profit improved to $5m. On the safety front, the mine completed its expansion programme without injury.

Jerritt Canyon's (70% attributable) production was 11% higher for the fourth quarter at 63,000oz. The increase in production was due to additional tons processed and improved recoveries. Total cash costs at $221/oz were 18% lower, owing to lower

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dewatering costs and decreased underground mining costs. Operating profit increased to $1m from a deficit of $2m in the third quarter, as a result of the higher gold production.

SOUTH AMERICA

At **Cerro Vanguardia** (92.5% attributable), gold production was 29% higher at 66,000oz. The production increase was largely owing to the greater availability of the crusher plant and an enhanced ore-mix treated, resulting from better management of the higher clay content in the ore. Total cash costs were 5% higher at $108/oz. Operating profit rose by 57% to $11m due to a 25% increase in the amount of gold sold, the higher gold price received and lower total production costs.

At **Morro Velho**, gold production was stable at 54,000oz. Total cash costs were 2% lower quarter-on-quarter at $120/oz while operating profit remained stable at $8m.

At **Serra Grande** (50% attributable) production decreased by 8% to 22,000oz due to planned reductions in both ore treated and recovered grade. Total cash costs were 4% higher at $94/oz, while operating profit was steady at $4m.

The South America region again had a good safety performance this quarter, with its LTIFR below AngloGold's Ontario Underground Metalliferous Mines benchmark. Both the Serra Grande and

Cerro Vanguardia operations were audited by NOSA. Serra Grande was awarded "5 star" rating and Cerro Vanguardia maintained its "5 star" rating and ISO14001 rating. Morro Velho is expected to be audited by NOSA in February 2003.

AUSTRALIA

Although mill throughputs at **Sunrise Dam** increased slightly, scheduled mining moved to lower-grade areas of the open pit, resulting in decreased grades and a 14% decline in production to 90,000oz. With the lower production, total cash costs increased by 10% to A$341/oz ($193/oz). Operating profit for the quarter fell to A$7m ($4m), mainly because of the impact of lower gold sales. AngloGold acquired an adjacent mining lease from Placer Dome late in 2002. The lease covers the complete Sunrise pit and its purchase will enable full optimisation of the Cleo MegaPit.

At **Union Reefs**, mining is now moving into its final stages and has been directed towards the small, dispersed resources that remain in the vicinity of the plant. In addition, processing of low-grade stockpiles has commenced. As a consequence, a fall in grade resulted in slightly lower production (3%) of 28,000oz and increased total cash costs (15%) of A$431/oz ($244/oz). Operating profit decreased to A$1m ($0.5m) from A$4m ($2m) in the previous quarter.

The mine recorded no lost time injuries during 2002.

EXPLORATION

At Sadiola in **Mali**, sulphide infill drilling continued. Notable intersections at a 1g/t cut-off include 18m at 3.46g/t from 440m; 21m at 4.11g/t from 332m; 39m at 2.99g/t from 430m; 43m at 7.95g/t from 436m; 15m at 4.09g/t from 365m; and 60m at 3.19g/t from 376m.

Satellite oxide exploration focused on the FE3 and FE4 targets, some 7km south-east of the Sadiola pit. Intersections include 34m at 2.67g/t from 46m; 48m at 2.80g/t gold from 58m; and 46m at 2.99g/t from 58m.

At Yatela mineral resource modelling of the Alamoutala deposit situated 13km south-east of the pit, has increased the Mineral Resource by 170,000oz (69,000oz attributable). Pending the current feasibility study, mining of the deposit is scheduled to commence in July 2003.

Six diamond holes were completed in the Western Fringe area of the Morila pit, and with the exception of one of the holes, all intersected mineralisation more than 200m west of the current ore envelope. Results for five of the holes have been received, yielding 52m at 2.06g/t from 243m; 63m at 2.11g/t from 178m; 8m at 3.57g/t from 23m; 29m at 2.52g/t from 275m; 15m at 1.08g/t from 47m; and 13m at 20.71g/t from 48m including 1m at 227.6g/t.

RAB (rotary airblast) drilling continued on three greenfields prospects in southern Mali with assays pending.

In **Tanzania**, infill drilling at Geita was completed at the Star and Comet and Ridge 8 projects. Significant intersections at Star and Comet include: 7m at 8.36g/t from 76m; 6m at 10.00g/t from 122m; and 19m at 17.30g/t from 113m. Updating of the mineral resource model generated an additional 2.48Mt at 2.97g/t for 240,000oz (120,000oz attributable).

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Notable values at Ridge 8 include: 10m at 4.70g/t from 191m; 21m at 3.60g/t from 67m; and 30m at 3.40g/t from 188m.

Drilling was completed in the area between Geita Hill and Lone Cone. Results include: 19m at 4.70g/t from 106m; 22m at 5.20g/t from 105m and 18m at