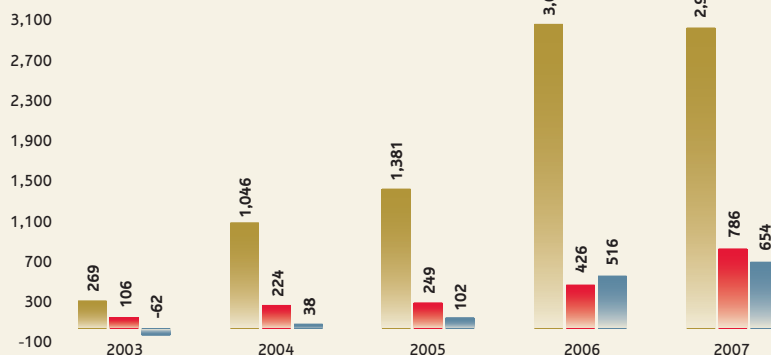


Business unit overview continued

ANGLO BASE METALS OPERATING PROFIT BY COMMODITY

US\$ (million)

- Copper
- Nickel, niobium, mineral sands and phosphates
- Zinc



In 2007, Copebrás was reclassified from Industrial Minerals to Base Metals to align with internal management reporting. Only the 2006 comparative has been restated to reflect this.

In addition to reserve life extensions, significant new ore deposits have been discovered at Paloma Sulfatos and San Enrique Monolito (both near Los Bronces), while, at Collahuasi, Rosario Oeste has been further extended.

In 2007, Anglo Base Metals spent \$77 million on exploration and has increased its exploration around its Chilean copper mines, adding significant resources at Los Bronces and making two major discoveries in the immediate vicinity of Los Bronces. Collahuasi continues to drill out its very exciting Rosario Oeste discovery. In Brazil, drilling is ongoing at the Jacaré nickel discovery. Work continues in the Philippines to complete a pre-feasibility study at Boyongan. At Gamsberg East in South Africa, orebody expansions are being drilled. Copper exploration is being undertaken in Brazil, Chile, Indonesia, Mexico, Peru and the US. Nickel sulphide mineralisation is being sought in Arctic Canada, Russia and Scandinavia (through alliances) and zinc programmes continue in Australia, South Africa and Namibia.

Financial overview

Operating profit at Anglo Base Metals reached an all time high of \$4,338 million, surpassing the previous year's record of \$3,897 million. This resulted from increased copper, zinc and phosphate fertiliser production, combined with higher nickel, lead, niobium and fertiliser prices, partially offset by adverse exchange rate movements and further rises in the costs of energy, labour and most key consumables. Although the London Metal Exchange copper price was higher than in 2006, a significant

mark to market and final liquidation adjustment as at 31 December 2007 resulted in realised copper prices being little changed from 2006.

Markets

Average prices (c/lb)	2007	2006
Copper	323	305
Nickel	1,686	1,095
Zinc	147	148
Lead	118	58

During 2007, the copper market was broadly in balance, with prices recovering strongly in the first half as the Chinese restocked, but then moved lower in the fourth quarter. Nickel had a buoyant first six months, with very tight terminal market stocks, but weakened materially in the second half as ongoing stainless steel production cutbacks, greater scrap availability, substitution and increases in nickel pig-iron production all contributed to a material build up of stock across the year. Zinc prices weakened, particularly in the second half, owing to market concerns about the impact of increasing 2008 supply on terminal market stocks.

Operating performance

Copper division	2007	2006
Operating profit (\$ million)	2,983	3,019
Attributable production (tonnes)	655,000	643,800

\$ million (unless otherwise stated)	2007	2006
Operating profit	4,338	3,897
Copper	2,983	3,019
Nickel, niobium, mineral sands and phosphates	786	426
Zinc	654	516
Other	(85)	(64)
EBITDA	4,683	4,255
Net operating assets	4,989	4,599
Capital expenditure	610	315
Share of Group operating profit	45%	44%
Share of Group net operating assets	19%	22%

In 2007, Copebrás was reclassified from Industrial Minerals to Base Metals to align with internal management reporting. As such, the comparative data has been reclassified.