

Anglo American plc demerger of Mondi
Allocation of base cost for South African shareholders

As a result of the demerger of the Mondi group, the Anglo American Share Consolidation, the Mondi plc Share Consolidation, and subject to rounding down fractional entitlements to New Anglo American Ordinary Shares, Mondi plc Ordinary Shares and Mondi Limited Ordinary Shares, for every 100 Anglo American Ordinary Shares originally held, shareholders received:

- 91 New Anglo American Ordinary Shares
- 25 Mondi plc Ordinary Shares and;
- 10 Mondi Limited Ordinary Shares (or Mondi Limited Depositary Interests)

The table below illustrates the number of New Anglo American shares, Mondi plc shares and Mondi Limited shares that shareholders with different numbers of Anglo American shares will hold following the demerger and the share consolidations.

Before the Demerger and Share Consolidations	After the Demerger and Share Consolidations		
Original holding of Anglo American plc	New Anglo American Ordinary Shares	Mondi plc shares	Mondi Limited shares
1	0	0	0
2	1	0	0
5	4	1	0
10	9	2	1
50	45	12	5
100	91	25	10
250	227	62	25
5,000	4,550	1,250	500
10,000	9,100	2,500	1,000

For further information, please refer to the Listing Particulars and Shareholder Circular.

Question: Post the Mondi demerger from Anglo American plc, if I am a South African resident shareholder, is the base cost of my shareholding (for Capital Gains Tax purposes) to be split between the new Anglo American shares, Mondi plc shares and Mondi Limited shares?

***IMPORTANT:** The following information is intended as a general guide only and is based on current legislation. It does not constitute legal or tax advice for any shareholder. The information is meant to be relevant to individuals who are resident in South Africa for tax purposes, who are the beneficial owners of their shares and who hold their shares as capital assets. It should be read in conjunction with the more detailed information contained in paragraph 2 of Part 4 of the circular to shareholders dated 1 June 2007. Anglo American accepts no responsibility for the use that may be made of this information. **Any shareholder who is in any doubt as to his or her South African taxation position should consult his or her own professional advisers.**

Subject to fractional entitlements, there should be no change in the base cost of the Anglo American Ordinary Shares held by South African shareholders as a result of the demerger.

Prior to the capital reduction, the South African shareholders' base cost of the Mondi plc Ordinary Shares will be the market value of the Demerger Dividend received. It is expected that SARS will accept a market value determined by aggregating the closing quoted market price of the Mondi plc Ordinary Shares, the Mondi Limited Ordinary Shares and, if applicable, fractional entitlements on Monday 2 July 2007 based on conditional dealings in these shares.

The relevant closing share prices on the JSE on 2 July 2007 were¹: -

Mondi plc Ordinary Shares	R 69.84
Mondi Limited Ordinary Shares	R 68.40

For the Mondi Limited shares received by virtue of the Reduction of Capital, the base cost will be equal to a proportion of the base cost of the Mondi plc Ordinary Shares as determined above, allocated between the Mondi plc Ordinary Shares and Mondi Limited Ordinary Shares based on the relative market values of these shares, taking into account the amount of stamp duty paid on behalf of a MPLC Ordinary Shareholder². The base cost of the Mondi plc shares after the Reduction of Capital will be reduced accordingly.

Simplified example:

Note: These calculations ignore cash received from the sale of any fractional entitlements and any South African stamp duty or UST paid by Mondi plc in respect of the transfer of the Mondi Limited Ordinary Shares pursuant to the Reduction of Capital.

Before the demerger on 2 July 2007, a shareholder had 1,000 Anglo American Ordinary Shares, having an **aggregate base cost** of R 350,000.

Following the demerger, transfer of the Mondi Limited Ordinary Shares pursuant to the Reduction of Capital and the share consolidations, the shareholder has 910 New Anglo American Ordinary Shares, 250 Mondi plc Ordinary Shares and 100 Mondi Limited Ordinary Shares.

- Base cost in New Anglo American Ordinary Shares

There should be no change in the base cost of the Anglo American Ordinary Shares held by South African shareholders as a result of the demerger, i.e. R 350,000.

¹ Where a Shareholders who is a resident of South Africa for tax purposes holds Anglo American Ordinary Shares via the London Stock Exchange, the share prices should be translated into ZAR at the relevant spot rates or, for individuals only, the average exchange rate for the relevant SA Shareholder's year of assessment (if so elected), or the relevant spot rate.

² The stamp duty paid per original Anglo American Ordinary Shares held was R 0.0129656.

- Base cost in Mondi plc shares **pre Reduction of Capital**

The base cost of the Mondi plc shares before the Reduction of Capital would be:

$$(R 69.84 \times 250) + (R 68.40 \times 100) = R 24,300$$

- Base cost in Mondi shares following the Reduction of Capital

In the simplified example, the relevant proportion of the base cost of the Mondi plc Ordinary Shares pre capital reduction attributable to the Mondi Limited shares would be: -

$$\frac{(R 68.40 \times 100)}{((R 69.84 \times 250) + (R 68.40 \times 100))} \times R 24,300 = R 6,840$$

The remaining base cost of the Mondi plc Ordinary Shares is therefore: -

$$\frac{(R 69.84 \times 250)}{((R 69.84 \times 250) + (R 68.40 \times 100))} \times R 24,300 = R 17,460$$