

News Release

22 April 2010

Anglo American plc Annual General Meeting Address to shareholders by the Chairman and Chief Executive

At Anglo American plc's Annual General Meeting for shareholders in London today, Sir John Parker, Chairman, and Cynthia Carroll, Chief Executive, made the following remarks:

Sir John Parker, Chairman, Anglo American plc:

My primary role as your chairman is to manage the Board, while that of our chief executive Cynthia Carroll is to manage the company day by day. I believe it is the Board's job to set the drumbeat for the business by owning the strategy, empowering management to execute it, and holding them accountable for delivery. Thus, the Board needs to be fit for purpose, with the right range of skill sets to be capable of tackling any issue that comes through the boardroom door.

I had planned to introduce all the members of the Board. Unfortunately, the ill wind that has blown out of Iceland during the past week has had the effect of severely depleting the numbers of directors here today. We have no fewer than five absentees who despite their best efforts simply could not get to London: Sir CK Chow, Nicky Oppenheimer, Mamphela Ramphele, Jack Thompson and Peter Woicke.

Let me start by introducing the new faces who are being proposed for election at today's AGM. Furthest to my right is Ray O'Rourke, who has spent a lifetime of achievement in large-scale, complex construction projects. Ray has just joined the Safety and Sustainable Development and the Audit Committees. Next to him is Sir Philip Hampton, who has a wealth of financial, strategic and boardroom experience. Philip is taking over the chairmanship of the Remuneration Committee from Sir Rob Margetts. The third new person, though absent today, is Jack Thompson, a lifelong successful mining executive. Jack recently joined the Remuneration Committee and is a member of the Safety and Sustainable Development Committee.

Next to Sir Philip is our senior independent director David Challen, who chairs the Audit Committee... followed by Nick Jordan our company secretary.

Moving to my left.... I don't think Cynthia Carroll our chief executive and René Médori our finance director need any introduction.

We then have Chris Fay, who is stepping down after more than 10 years. Chris has chaired the Safety and Sustainability Committee of the Board throughout that period

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On my far left is Sir Rob Margetts, who has been on the plc Board since its inception, is also stepping down. For the past decade, Rob has been an outstanding chairman of the Remuneration Committee.

I would like to take this opportunity to thank Rob, Chris Fay and Fred Phaswana (who resigned in January to take up an appointment as chairman of Standard Bank in South Africa) for the valuable contributions they have made over the years to the success of Anglo American. I also sadly wish to pay tribute to Karel Van Miert, who passed away in June. He is greatly missed by his colleagues.

Finally, I would like to thank my predecessor, Sir Mark Moody-Stuart. He achieved so much in his nearly seven years as chairman to embed sustainability and sound corporate governance, both in our own business and in the global arena.

On behalf of the Board, I wish all of those Board members stepping down a long and active retirement. I also at this stage wish to thank all our employees and pay tribute to their dedication and their loyalty to Anglo American. I have been chairman now for just under nine months, but have already travelled extensively around the Group. I have been impressed not only by the quality of our assets, but also by the professionalism of Anglo American's people. We have a top-class team, with an unparalleled record of innovation and leadership in exploration, in engineering, and in mining operations.

2009 review

We meet you, our shareholders, as a Board to provide you with reports on the management and performance of your company during 2009. It was a year that began with the world economy in a very moribund state, with world trade at a near-standstill, and metals and minerals demand and prices severely depressed – but by the end of the year commodities had staged a strong revival against a background of increased optimism in the markets.

All of this stood us in good stead during an extremely volatile year, with a particularly challenging first six months. Anglo American delivered a very creditable overall performance as we increasingly reaped the benefit from a series of strategic initiatives designed to create greater long-term shareholder value.

Our strategy

In 2009, we made further progress in positioning Anglo American as a focused global mining company. Our strategy is to deploy capital in those commodities we have identified as being the most attractive to our Group in the long term, and on which we will build Anglo American's future. We have a portfolio of high-quality assets in the

most attractive commodity markets, with a world-class range of expansions and projects, which are expected to lift our organic output by about a third by 2013 – and that excludes the very significant upside potential in our unapproved project pipeline.

A key element of our strategy is our drive to unlock value and reduce costs. Thus, the Board has given its strong support to initiatives like our asset optimisation programme and a streamlined supply chain, as well as the bold re-organisation of the Group. This re-organisation is now substantially complete – and includes, notably, the emergence of a new generation of younger managers at the Executive Committee level. This has created a new dynamic, with an operating model far more attuned to executing our business strategy effectively.

Safety

No company can ever be ranked as truly great if it has an unsatisfactory safety record. As your new chairman, I would like to state categorically that safety will have my unremitting attention as it has always been my main priority. My philosophy is that the people who work for us should be able to return home safe to their families each night.

It is encouraging to report that Anglo American is making and continuing to make significant inroads in improving its safety performance. In 2009, there was another sharp reduction in the number of people who lost their lives on company business, accompanied by a similar downward trend in lost-time injuries. In the three years under Cynthia Carroll's leadership, the number of fatalities has been reduced by nearly 55 per cent.

That is a remarkable achievement – and a striking riposte to those many people both within and outside the industry who say that deaths in mining are inevitable. Of course, we won't be satisfied until we reach our target of zero; but the fact that the number of deaths and injuries has now reached record lows – with further progress in 2010 to date – is starting to convince our employees and contractors alike to believe that zero harm *is* achievable.

Sustainable development

Operating our businesses in a socially and environmentally responsible way, and earning and deserving trust, are fundamental to our licence to operate and to delivering long-term value to our investors.

Our commitment to excellence in this field is not a function of the economic cycle. Indeed, in difficult economic times the responsibility on us to demonstrate that we are a consistent, supportive partner for sustainable development is all the greater.

We continued to integrate sustainable development into our business processes in 2009. We launched two major policies: the Anglo Environment Way, and the Anglo Social Way, which establish demanding environmental and social management

standards. We assessed our social performance against the standards in the Social Way at the end of 2009, identifying many examples of best practice but also some gaps which we aim to close in 2010.

We also launched a new version of our Good Citizenship Business Principles – our corporate code of conduct. Alongside a greater focus on environmental issues, this emphasises an increased commitment to our already extensive programmes on HIV/AIDS treatment as well as to diversity and family life.

The Principles also strengthen our stance against corruption, and are complemented by an enhanced Business Integrity Policy, accompanied by detailed anti-corruption Performance Standards. These are all being rolled out throughout the business.

Climate change took centre stage at the end of 2009. Although the Copenhagen Accord fell short of expectations, Anglo American remains committed – as both a substantial consumer of energy and a major coal producer – to minimise our own carbon emissions. We also continue to play a proactive role in the ongoing international debate, as well as developing our own technological response.

In Australia, for example, we have helped develop two mine gas power stations, based on methane captured from our coal mines. Together, they will reduce greenhouse gas emissions by around 2.3 million tonnes a year.

More broadly, Anglo American continues to support leading international initiatives to promote responsible corporate activity. We remain committed to the United Nations Global Compact as well as the Extractives Industry Transparency Initiative, which is steadily gaining traction. We continue to support the Investment Climate Facility for Africa, to which we have contributed \$1.5 million to date. We are also actively engaged in discussions around the review of the OECD Guidelines for Multinational Enterprises, and we play an active role in support of the Voluntary Principles on Security and Human Rights.

Outlook

Turning to the economic picture – the world economy is recovering after the severe recession of late 2008 and the early part of 2009. Unprecedented policy stimulus and, more recently, a turn in the inventory cycle have contributed to the upturn. In the major advanced economies there are some significant headwinds remaining that will probably restrain growth in 2010 at least. Financial systems are fragile, households and companies are rebuilding balance sheets, and policymakers are under pressure to withdraw extreme stimulus measures.

Prospects are much brighter in the major emerging economies. China and India are growing strongly as increases in infrastructure spending have offset the weakness in export markets. While policymakers will probably seek to curb overheating risks, longer-term economic fundamentals remain sound. Economic growth in the emerging

economies will continue to outpace that in the advanced economies over the next decade.

Dividend

I believe the dividend is to the forefront in all of your minds.... The resumption of the dividend at the earliest possible time remains a key priority for the Board. Assuming that the commodity price environment and outlook continue to improve and the business performance remains robust, the Board would expect to be able to announce the resumption of a dividend in respect of the current financial year.

Conclusion

Anglo American is now a more fit for purpose organisation, and we are enthusiastically executing our clearly defined strategy for delivering value. With some of the highest-quality assets and projects in the mining world, and the financing in place to deliver on them, your company is well positioned to take optimum advantage of the next commodity upcycle and beyond. I also have great confidence in our highly professional management team, led by Cynthia Carroll.

Pebble

Finally, to any visitors from Alaska... .. Your concerns involve a very early-stage project in which Anglo American has an interest. I'm sure there will be questions that you will wish to pose, but I would like to say now that, although I have not yet had the chance personally to visit the project, I do understand the concerns and interests that the Pebble project arouses and appreciate the different points of view presented.

We have made it clear that the project will work on the basis of world class scientific and engineering skills and that we will use inclusive and innovative stakeholder engagement. Our bottom line remains that, if the project cannot be designed in a way that provides the proper protections for Alaska's fisheries and wildlife, or to the livelihoods of Alaskan communities, then it shouldn't be built. It is on that basis that we will continue to evaluate the project in full compliance with the prescribed regulatory processes in Alaska and the United States.

It is now my pleasure to give the floor to Cynthia, who will provide you with further insight.

Cynthia Carroll, Chief Executive, Anglo American plc:

Thank you, John.

Good morning, ladies and gentlemen. I'm delighted to see all of you here today. Thank you for coming.

2009 was an extraordinary year for the mining industry. And one of great change for Anglo American.

I'm going to talk briefly about the global economy and how it has affected our industry...and I'm going to look at our performance in light of those global economic conditions.

Then I'd like to explain the steps we've been taking to develop and modernise your company.

So let's start by looking at the economy in 2009.

It's a pretty simple story to tell. But believe me, it did not seem so simple when we were right in the middle of it.

In early 2009, the world economy collapsed following the unprecedented financial crisis in the autumn of 2008.

As the year went on, varying degrees of confidence began to return to world markets. Alongside the pick-up in industrial activity, the prices of many of our commodities increased sharply. Recovery was driven principally by the emerging economies led by China and India, while the picture for the developed world remained rather more subdued.

This backdrop still stands, though we're now seeing signs of recovery in the OECD countries to support the ongoing strength elsewhere. This is certainly reflected in today's substantially stronger commodity prices.

So what was the impact on Anglo American?

Well, I'm pleased to report that the decisive measures we put in place to position the Group through the downturn proved effective. We saw strong performances across our businesses and delivered a solid operating performance, with operating profit of \$5.0 billion and underlying earnings of \$2.6 billion.

And we achieved that as we continued to invest in and develop the business for growth.

Let me tell you how.

Strategic vision

The first thing to say is that we have a clear ambition, and everything we do, every day, is designed to achieve it.

That ambition is for Anglo American to become the investment, the partner and the employer of choice in the mining industry – in short, for Anglo American to be the

leading global mining company.

We shall achieve that goal through our operational excellence of world class assets in the most attractive commodities. And we shall achieve it while maintaining a resolute commitment to the highest standards of safe and sustainable mining.

We have already become a much more focused and performance-oriented mining company.

In 2009, we made significant progress on several fronts.

We:

- restructured the Group;
- embedded significant cultural change; and
- achieved a step change in safety performance.

All this while continuing the significant cost and efficiency initiatives that are taking Anglo American into a new, more dynamic era of value delivery.

Restructuring achieved

Let's talk about the way we've reorganised the business.

Beginning in January 2009, we worked on a thorough, strategic and organisational review of Anglo American.

We wanted two things.

- Number one, a robust strategy for long term value delivery.
- Number two, the right business structure to support that strategy.

The two reviews ran in tandem. When the Board met in Johannesburg in early June, we agreed to focus on what we believe to be the most attractive commodities: copper, diamonds, iron ore, metallurgical coal, nickel, platinum and thermal coal.

Later in the month we received the approach from Xstrata to merge the two companies. It was no big surprise. Naturally, our strategic review had examined our competition in terms of portfolio composition, quality and strategy. The Board was therefore in a very solid position to tell Xstrata that the proposal was just not worth pursuing. There was no strategic fit.

Then, in October, we formally announced the outcome of the strategy work and the second area of focus for us – the Group's reorganisation. We stripped away the divisional layers of management to create a more streamlined and efficient structure, placing the management teams for each of our seven commodity businesses in their core geographical areas, and making them directly responsible for operational performance, project delivery and for driving down costs.

At the same time, we rationalised the corporate centre to focus on creating further value. Close collaboration allows us to realise substantial benefits from Anglo American's scale and performance-oriented culture.

I'm referring to leaders who are relentless in their drive for value, the sharing of best practice based on wide experience in different territories, technical innovation, operational know-how and the pursuit of synergies in key value-driving functions such as supply chain and asset optimisation.

We've worked quickly. This new structure is now implemented. It gives us a benefit not only in the way we run the business, but also in cost. The associated, annualised cost saving is approximately \$120 million and we reduced our total workforce by 23,400 during the year.

The strategic review also identified businesses no longer core to our future: we will divest our zinc assets, Scaw Metals, and phosphates and niobium businesses, together with Tarmac. The preparatory work to separate these businesses is under way. I'm pleased to say that we have received a lot of interest – the process to sell the zinc portfolio is well advanced.

Cost performance

We said we wanted to create additional value from asset optimisation and global supply chain programmes. We are doing just that.

The target we set was \$2 billion of savings by 2011. We are on track for that, and have in fact restated our target upwards. We will now deliver that \$2 billion just from our core portfolio – so it doesn't take into account any contribution from businesses to be divested. In 2009, we generated more than \$1.6 billion of savings, ahead of expectations.

Naturally, we continue to exercise tight cost control. We've delivered cost reductions across the Group, most notably at our Diamonds and Metallurgical Coal businesses. And Anglo Platinum is truly being transformed. The business has a clear strategy to move the cost position of its operations to the first and second quartile. In 2009, it achieved flat cash operating unit costs and significant further productivity improvements.

The other good news is that following a major restructuring of the operations at Rustenburg and Amandelbult to enable greater operational control and flexibility, the company has removed 140,000 ounces of high cost production – about 6% of our annual production – by placing three shafts on care and maintenance.

We've provided strong support to the recapitalisation of both Anglo Platinum and De Beers in recent months, positioning them to take full advantage of economic recovery and the delivery of their long term growth prospects as respective industry leaders.

Divestment programme under way

And we've made excellent progress during 2009 in disposing of non-core assets. As we reported at the half year, we disposed of our residual shareholding in AngloGold Ashanti in the first quarter of 2009. We sold our shareholding in the aluminium products company Hulamin in July and in Tongaat Hulett in August. Those three disposals generated total proceeds of \$2.4 billion.

In addition, during the first quarter of 2010, we've agreed the sale of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish concrete products business. Total proceeds will be approximately \$400 million.

Delivering growth

Our overall strategy is very clear: we deploy capital in those commodities that deliver long term, through-the-cycle returns for our shareholders. These are commodities that have strong fundamentals and attractive risk-return profiles. We have developed a portfolio of world class, low cost, long life operating assets, together with growth projects that focus on those most structurally attractive commodities.

We had a choice to make when the economic downturn came. We could have pulled back and stopped all major investments. Instead, we continued to develop key strategic growth projects. It was the right choice: we are now in a good position to capitalise on the next phase of global economic growth.

I'd like to focus for a moment on our four major projects – the Minas Rio iron ore project and the Barro Alto nickel project, both in Brazil, the Los Bronces copper expansion project in Chile and the Kolomela – previously Sishen South – iron ore project in South Africa. I've visited all of them in the last year or so and have been really impressed by the way our teams are working together efficiently and effectively, towards our common goal. I always come away excited by the energy, enthusiasm, optimism and commitment that our people are showing around the world – at all levels.

Each of those four projects is well placed on its respective industry cost curve, each has a long resource life and each has further expansion potential. They're all on track to enter production, some from next year onwards, in time to meet what we expect to be continuing growth in commodity demand. I've picked four – there are many others in development and going through various stages of feasibility, not least an exciting greenfield copper opportunity at Quellaveco, in Peru, where I had constructive talks with the President just last month, and a large metallurgical coal project at Grosvenor, in Australia.

We will invest \$4.2 billion in new projects this year, out of a total planned capital expenditure for 2010 of \$6.0 billion. To mention just two of these: the Barro Alto project in Brazil will produce around 40,000 tonnes per year of nickel, starting in the

first quarter of 2011. It's on budget, and it's on schedule. Life of mine production costs will be around \$3.70 / lb, and that compares to today's nickel price of close to \$12 / lb. In Chile, the Los Bronces copper expansion project is also on track and on budget and will start production in the fourth quarter of 2011. It will produce 370,000 tonnes per year of copper at the outset, and the cost per pound will be 80 cents over the life of mine – compared to a current copper price of over \$3.50 / lb.

So as you can see, we have a lot to be excited about, and we have made significant structural change in this past year.

It has been accompanied by very positive cultural change. Our people have really taken to heart the importance of performance, that there are ways we can all work more profitably. They've taken up this performance-oriented culture and they're running with it – everywhere we operate. You heard our cost savings target – we're getting there because the mindset and focus have changed.

Safety performance

There's been a similar cultural change in our attitude to safety. Mining is a tough business. But there are ways to mitigate, and even eliminate, the risks. We really can achieve a safer working environment. It's in our hands and we're doing it. It is an attitude that is now embedded in the culture of Anglo American.

These aren't just words. There's hard evidence. Anglo American's safety record when I joined the Group was unacceptable. Everyone, throughout, has been committed to turning this around.

In 2009 we achieved a 55% reduction in fatalities compared to the start of 2007. And we reduced our lost time injury frequency rate by 52% over the same period. In the first quarter of 2010, fatalities were 67% lower than the same period last year.

Now I know that percentages tell you nothing of the human tragedy involved. And I am truly saddened by the loss of life on company business last year. But the great majority of our sites operate without any fatalities – 92% of them during 2009 – and we have many examples of exceptional safety performance.

Anglo Platinum, for example, operated for extended periods without incurring a single fatality. At Kumba Iron Ore, Thabazimbi has achieved two years LTI-free; our base metals businesses were fatality-free for the first time since 2005 and Iron Ore Brazil delivered a 98% improvement in its injury frequency rate – and recently reached the milestone of 10 million man hours worked without a lost time injury.

That's good, but for the Group as a whole it's still not good enough. You heard it from the chairman. You will hear it from me. We shall work to reduce accidents still further and we are relentless in striving to achieve our goal of zero harm. This is a priority in Anglo American.

There's other evidence of a healthy company culture. Last year we saw many of our people wholeheartedly involved not only with those processes that bring direct business benefit, but also with the way Anglo American engages with the world. The expectations of mining companies are rising: I welcome that. We're moving fast to continue to meet and exceed those expectations.

Sustainability

The chairman has talked about some of our initiatives. Let me give you some other examples.

We are committed to environmental stewardship and minimising the environmental impact of our operations. Our sustainable development agenda progressed on several fronts during the year. One of the key elements of our strategy is the management of water: we have to find ways of using water more effectively in the communities and catchment areas where we operate. Effective water management systems are now in place across all of our operations.

Last March, we launched the Anglo Environment Way (AEW). It sets out a consistent approach to responsible environmental management, supporting our vision for minimising harm to the environment by designing and operating all of our operations in an environmentally responsible manner.

And we conducted 13 biodiversity peer reviews during 2009, four in conjunction with the conservation group Fauna & Flora International.

Finally, we are very conscious of the energy we use. Mining is energy intensive: our efforts to improve energy efficiency continue to be a major focus.

There are other areas where we are making a sustainable and positive difference to the communities in which we operate.

In South Africa, for example, I'm enormously proud of the new enterprise development venture we're involved in which builds on our already highly successful Zimele programme. It's our commitment to the United Nations Business Call to Action – and we are the first major mining company to sign up to this important initiative. We're establishing 12 new enterprise development hubs in areas of high unemployment. We believe the venture will create 25,000 new jobs in 1,500 new businesses over the next seven years. Today through the expansion of Anglo Zimele we support around 10,000 jobs in South Africa, and by applying the model in countries like Chile we have created a further 8,000 jobs. We're now rolling this out further, into such countries as Brazil and Peru.

As for health, we've been dedicated to the issue of fighting HIV and AIDS since the 1990s – over 80% of permanent workers in South Africa now regularly test for HIV each year – and in 2008 we extended our policy commitment to include the dependants of our employees. In 2009, we were delighted to have our pioneering

work recognised by the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria. They awarded our South African coal business the Business Excellence Award for Best Workplace Programme. It is an award of which our colleagues in South Africa are justifiably proud.

I hope that gives you some idea of the work we have been doing across our businesses. I'd like to close with a few thoughts about the outlook.

Outlook

Broadly, I believe we can be reasonably optimistic.

In 2009, it took a huge policy stimulus and a turn in the inventory cycle to drive the rebound in industrial activity. In 2010, the positive effects of these factors will fade. We feel economic headwinds in the advanced economies, where continuing balance sheet repair will constrain demand prospects.

But the outlook for the emerging economies is brighter. Even if there are further economic setbacks, China and India in particular are likely to grow strongly. We expect a robust demand for commodities as the pattern of economic growth shifts towards these fast-growing emerging economies. China will continue to upgrade and develop its infrastructure. The longer term potential of India and Brazil will provide further support.

These economies also have the greatest scope for strong consumer spending growth, which leads demand for platinum group metals and diamonds.

That's why I can say with some confidence that the medium and long term outlook for the mining industry remains strong.

And if the outlook for the mining industry as a whole remains strong, your company in particular is well-placed to take advantage. We have an exceptional portfolio of assets, an enviable project list and a newly demonstrated ability to deliver. We have an outstanding workforce, a supportive Board of Directors – and we have a new Chairman with enormous experience. We are so pleased – I am so pleased – to be working with him.

We've achieved our restructuring.

We're managing our ongoing change towards a performance-driven culture.

In all the territories where we work, right around the world, we have a clear strategy that directs us towards our common ambition...to be the investment of choice, the partner of choice, the employer of choice in the mining industry.

Thank you.

Notes to Editors:

Anglo American plc is one of the world's largest mining companies, is headquartered in the UK and listed on the London and Johannesburg stock exchanges. Its portfolio of mining businesses spans precious metals and minerals – in which it is a global leader in both platinum and diamonds; base metals – copper and nickel; and bulk commodities – iron ore, metallurgical coal and thermal coal. Anglo American is committed to the highest standards of safety and responsibility across all its businesses and geographies and to making a sustainable difference in the development of the communities around its operations. The company's mining operations and extensive pipeline of growth projects are located in southern Africa, South America, Australia, North America and Asia.

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We continued to integrate sustainable development into our business processes in 2009. We launched two major policies: the Anglo Environment Way, and the Anglo Social Way, which establish demanding environmental and social management

standards. We assessed our social performance against the standards in the Social Way at the end of 2009, identifying many examples of best practice but also some gaps which we aim to close in 2010.

We also launched a new version of our Good Citizenship Business Principles – our corporate code of conduct. Alongside a greater focus on environmental issues, this emphasises an increased commitment to our already extensive programmes on HIV/AIDS treatment as well as to diversity and family life.

The Principles also strengthen our stance against corruption, and are complemented by an enhanced Business Integrity Policy, accompanied by detailed anti-corruption Performance Standards. These are all being rolled out throughout the business.

Climate change took centre stage at the end of 2009. Although the Copenhagen Accord fell short of expectations, Anglo American remains committed – as both a substantial consumer of energy and a major coal producer – to minimise our own carbon emissions. We also continue to play a proactive role in the ongoing international debate, as well as developing our own technological response.

In Australia, for example, we have helped develop two mine gas power stations, based on methane captured from our coal mines. Together, they will reduce greenhouse gas emissions by around 2.3 million tonnes a year.

More broadly, Anglo American continues to support leading international initiatives to promote responsible corporate activity. We remain committed to the United Nations Global Compact as well as the Extractives Industry Transparency Initiative, which is steadily gaining traction. We continue to support the Investment Climate Facility for Africa, to which we have contributed \$1.5 million to date. We are also actively engaged in discussions around the review of the OECD Guidelines for Multinational Enterprises, and we play an active role in support of the Voluntary Principles on Security and Human Rights.

Outlook

Turning to the economic picture – the world economy is recovering after the severe recession of late 2008 and the early part of 2009. Unprecedented policy stimulus and, more recently, a turn in the inventory cycle have contributed to the upturn. In the major advanced economies there are some significant headwinds remaining that will probably restrain growth in 2010 at least. Financial systems are fragile, households and companies are rebuilding balance sheets, and policymakers are under pressure to withdraw extreme stimulus measures.

Prospects are much brighter in the major emerging economies. China and India are growing strongly as increases in infrastructure spending have offset the weakness in export markets. While policymakers will probably seek to curb overheating risks, longer-term economic fundamentals remain sound. Economic growth in the emerging

economies will continue to outpace that in the advanced economies over the next decade.

Dividend

I believe the dividend is to the forefront in all of your minds.... The resumption of the dividend at the earliest possible time remains a key priority for the Board. Assuming that the commodity price environment and outlook continue to improve and the business performance remains robust, the Board would expect to be able to announce the resumption of a dividend in respect of the current financial year.

Conclusion

Anglo American is now a more fit for purpose organisation, and we are enthusiastically executing our clearly defined strategy for delivering value. With some of the highest-quality assets and projects in the mining world, and the financing in place to deliver on them, your company is well positioned to take optimum advantage of the next commodity upcycle and beyond. I also have great confidence in our highly professional management team, led by Cynthia Carroll.

Pebble

Finally, to any visitors from Alaska... .. Your concerns involve a very early-stage project in which Anglo American has an interest. I'm sure there will be questions that you will wish to pose, but I would like to say now that, although I have not yet had the chance personally to visit the project, I do understand the concerns and interests that the Pebble project arouses and appreciate the different points of view presented.

We have made it clear that the project will work on the basis of world class scientific and engineering skills and that we will use inclusive and innovative stakeholder engagement. Our bottom line remains that, if the project cannot be designed in a way that provides the proper protections for Alaska's fisheries and wildlife, or to the livelihoods of Alaskan communities, then it shouldn't be built. It is on that basis that we will continue to evaluate the project in full compliance with the prescribed regulatory processes in Alaska and the United States.

It is now my pleasure to give the floor to Cynthia, who will provide you with further insight.

Cynthia Carroll, Chief Executive, Anglo American plc:

Thank you, John.

Good morning, ladies and gentlemen. I'm delighted to see all of you here today. Thank you for coming.

2009 was an extraordinary year for the mining industry. And one of great change for Anglo American.

I'm going to talk briefly about the global economy and how it has affected our industry...and I'm going to look at our performance in light of those global economic conditions.

Then I'd like to explain the steps we've been taking to develop and modernise your company.

So let's start by looking at the economy in 2009.

It's a pretty simple story to tell. But believe me, it did not seem so simple when we were right in the middle of it.

In early 2009, the world economy collapsed following the unprecedented financial crisis in the autumn of 2008.

As the year went on, varying degrees of confidence began to return to world markets. Alongside the pick-up in industrial activity, the prices of many of our commodities increased sharply. Recovery was driven principally by the emerging economies led by China and India, while the picture for the developed world remained rather more subdued.

This backdrop still stands, though we're now seeing signs of recovery in the OECD countries to support the ongoing strength elsewhere. This is certainly reflected in today's substantially stronger commodity prices.

So what was the impact on Anglo American?

Well, I'm pleased to report that the decisive measures we put in place to position the Group through the downturn proved effective. We saw strong performances across our businesses and delivered a solid operating performance, with operating profit of \$5.0 billion and underlying earnings of \$2.6 billion.

And we achieved that as we continued to invest in and develop the business for growth.

Let me tell you how.

Strategic vision

The first thing to say is that we have a clear ambition, and everything we do, every day, is designed to achieve it.

That ambition is for Anglo American to become the investment, the partner and the employer of choice in the mining industry – in short, for Anglo American to be the

leading global mining company.

We shall achieve that goal through our operational excellence of world class assets in the most attractive commodities. And we shall achieve it while maintaining a resolute commitment to the highest standards of safe and sustainable mining.

We have already become a much more focused and performance-oriented mining company.

In 2009, we made significant progress on several fronts.

We:

- restructured the Group;
- embedded significant cultural change; and
- achieved a step change in safety performance.

All this while continuing the significant cost and efficiency initiatives that are taking Anglo American into a new, more dynamic era of value delivery.

Restructuring achieved

Let's talk about the way we've reorganised the business.

Beginning in January 2009, we worked on a thorough, strategic and organisational review of Anglo American.

We wanted two things.

- Number one, a robust strategy for long term value delivery.
- Number two, the right business structure to support that strategy.

The two reviews ran in tandem. When the Board met in Johannesburg in early June, we agreed to focus on what we believe to be the most attractive commodities: copper, diamonds, iron ore, metallurgical coal, nickel, platinum and thermal coal.

Later in the month we received the approach from Xstrata to merge the two companies. It was no big surprise. Naturally, our strategic review had examined our competition in terms of portfolio composition, quality and strategy. The Board was therefore in a very solid position to tell Xstrata that the proposal was just not worth pursuing. There was no strategic fit.

Then, in October, we formally announced the outcome of the strategy work and the second area of focus for us – the Group's reorganisation. We stripped away the divisional layers of management to create a more streamlined and efficient structure, placing the management teams for each of our seven commodity businesses in their core geographical areas, and making them directly responsible for operational performance, project delivery and for driving down costs.

At the same time, we rationalised the corporate centre to focus on creating further value. Close collaboration allows us to realise substantial benefits from Anglo American's scale and performance-oriented culture.

I'm referring to leaders who are relentless in their drive for value, the sharing of best practice based on wide experience in different territories, technical innovation, operational know-how and the pursuit of synergies in key value-driving functions such as supply chain and asset optimisation.

We've worked quickly. This new structure is now implemented. It gives us a benefit not only in the way we run the business, but also in cost. The associated, annualised cost saving is approximately \$120 million and we reduced our total workforce by 23,400 during the year.

The strategic review also identified businesses no longer core to our future: we will divest our zinc assets, Scaw Metals, and phosphates and niobium businesses, together with Tarmac. The preparatory work to separate these businesses is under way. I'm pleased to say that we have received a lot of interest – the process to sell the zinc portfolio is well advanced.

Cost performance

We said we wanted to create additional value from asset optimisation and global supply chain programmes. We are doing just that.

The target we set was \$2 billion of savings by 2011. We are on track for that, and have in fact restated our target upwards. We will now deliver that \$2 billion just from our core portfolio – so it doesn't take into account any contribution from businesses to be divested. In 2009, we generated more than \$1.6 billion of savings, ahead of expectations.

Naturally, we continue to exercise tight cost control. We've delivered cost reductions across the Group, most notably at our Diamonds and Metallurgical Coal businesses. And Anglo Platinum is truly being transformed. The business has a clear strategy to move the cost position of its operations to the first and second quartile. In 2009, it achieved flat cash operating unit costs and significant further productivity improvements.

The other good news is that following a major restructuring of the operations at Rustenburg and Amandelbult to enable greater operational control and flexibility, the company has removed 140,000 ounces of high cost production – about 6% of our annual production – by placing three shafts on care and maintenance.

We've provided strong support to the recapitalisation of both Anglo Platinum and De Beers in recent months, positioning them to take full advantage of economic recovery and the delivery of their long term growth prospects as respective industry leaders.

Divestment programme under way

And we've made excellent progress during 2009 in disposing of non-core assets. As we reported at the half year, we disposed of our residual shareholding in AngloGold Ashanti in the first quarter of 2009. We sold our shareholding in the aluminium products company Hulamin in July and in Tongaat Hulett in August. Those three disposals generated total proceeds of \$2.4 billion.

In addition, during the first quarter of 2010, we've agreed the sale of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish concrete products business. Total proceeds will be approximately \$400 million.

Delivering growth

Our overall strategy is very clear: we deploy capital in those commodities that deliver long term, through-the-cycle returns for our shareholders. These are commodities that have strong fundamentals and attractive risk-return profiles. We have developed a portfolio of world class, low cost, long life operating assets, together with growth projects that focus on those most structurally attractive commodities.

We had a choice to make when the economic downturn came. We could have pulled back and stopped all major investments. Instead, we continued to develop key strategic growth projects. It was the right choice: we are now in a good position to capitalise on the next phase of global economic growth.

I'd like to focus for a moment on our four major projects – the Minas Rio iron ore project and the Barro Alto nickel project, both in Brazil, the Los Bronces copper expansion project in Chile and the Kolomela – previously Sishen South – iron ore project in South Africa. I've visited all of them in the last year or so and have been really impressed by the way our teams are working together efficiently and effectively, towards our common goal. I always come away excited by the energy, enthusiasm, optimism and commitment that our people are showing around the world – at all levels.

Each of those four projects is well placed on its respective industry cost curve, each has a long resource life and each has further expansion potential. They're all on track to enter production, some from next year onwards, in time to meet what we expect to be continuing growth in commodity demand. I've picked four – there are many others in development and going through various stages of feasibility, not least an exciting greenfield copper opportunity at Quellaveco, in Peru, where I had constructive talks with the President just last month, and a large metallurgical coal project at Grosvenor, in Australia.

We will invest \$4.2 billion in new projects this year, out of a total planned capital expenditure for 2010 of \$6.0 billion. To mention just two of these: the Barro Alto project in Brazil will produce around 40,000 tonnes per year of nickel, starting in the

first quarter of 2011. It's on budget, and it's on schedule. Life of mine production costs will be around \$3.70 / lb, and that compares to today's nickel price of close to \$12 / lb. In Chile, the Los Bronces copper expansion project is also on track and on budget and will start production in the fourth quarter of 2011. It will produce 370,000 tonnes per year of copper at the outset, and the cost per pound will be 80 cents over the life of mine – compared to a current copper price of over \$3.50 / lb.

So as you can see, we have a lot to be excited about, and we have made significant structural change in this past year.

It has been accompanied by very positive cultural change. Our people have really taken to heart the importance of performance, that there are ways we can all work more profitably. They've taken up this performance-oriented culture and they're running with it – everywhere we operate. You heard our cost savings target – we're getting there because the mindset and focus have changed.

Safety performance

There's been a similar cultural change in our attitude to safety. Mining is a tough business. But there are ways to mitigate, and even eliminate, the risks. We really can achieve a safer working environment. It's in our hands and we're doing it. It is an attitude that is now embedded in the culture of Anglo American.

These aren't just words. There's hard evidence. Anglo American's safety record when I joined the Group was unacceptable. Everyone, throughout, has been committed to turning this around.

In 2009 we achieved a 55% reduction in fatalities compared to the start of 2007. And we reduced our lost time injury frequency rate by 52% over the same period. In the first quarter of 2010, fatalities were 67% lower than the same period last year.

Now I know that percentages tell you nothing of the human tragedy involved. And I am truly saddened by the loss of life on company business last year. But the great majority of our sites operate without any fatalities – 92% of them during 2009 – and we have many examples of exceptional safety performance.

Anglo Platinum, for example, operated for extended periods without incurring a single fatality. At Kumba Iron Ore, Thabazimbi has achieved two years LTI-free; our base metals businesses were fatality-free for the first time since 2005 and Iron Ore Brazil delivered a 98% improvement in its injury frequency rate – and recently reached the milestone of 10 million man hours worked without a lost time injury.

That's good, but for the Group as a whole it's still not good enough. You heard it from the chairman. You will hear it from me. We shall work to reduce accidents still further and we are relentless in striving to achieve our goal of zero harm. This is a priority in Anglo American.

There's other evidence of a healthy company culture. Last year we saw many of our people wholeheartedly involved not only with those processes that bring direct business benefit, but also with the way Anglo American engages with the world. The expectations of mining companies are rising: I welcome that. We're moving fast to continue to meet and exceed those expectations.

Sustainability

The chairman has talked about some of our initiatives. Let me give you some other examples.

We are committed to environmental stewardship and minimising the environmental impact of our operations. Our sustainable development agenda progressed on several fronts during the year. One of the key elements of our strategy is the management of water: we have to find ways of using water more effectively in the communities and catchment areas where we operate. Effective water management systems are now in place across all of our operations.

Last March, we launched the Anglo Environment Way (AEW). It sets out a consistent approach to responsible environmental management, supporting our vision for minimising harm to the environment by designing and operating all of our operations in an environmentally responsible manner.

And we conducted 13 biodiversity peer reviews during 2009, four in conjunction with the conservation group Fauna & Flora International.

Finally, we are very conscious of the energy we use. Mining is energy intensive: our efforts to improve energy efficiency continue to be a major focus.

There are other areas where we are making a sustainable and positive difference to the communities in which we operate.

In South Africa, for example, I'm enormously proud of the new enterprise development venture we're involved in which builds on our already highly successful Zimele programme. It's our commitment to the United Nations Business Call to Action – and we are the first major mining company to sign up to this important initiative. We're establishing 12 new enterprise development hubs in areas of high unemployment. We believe the venture will create 25,000 new jobs in 1,500 new businesses over the next seven years. Today through the expansion of Anglo Zimele we support around 10,000 jobs in South Africa, and by applying the model in countries like Chile we have created a further 8,000 jobs. We're now rolling this out further, into such countries as Brazil and Peru.

As for health, we've been dedicated to the issue of fighting HIV and AIDS since the 1990s – over 80% of permanent workers in South Africa now regularly test for HIV each year – and in 2008 we extended our policy commitment to include the dependants of our employees. In 2009, we were delighted to have our pioneering

work recognised by the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria. They awarded our South African coal business the Business Excellence Award for Best Workplace Programme. It is an award of which our colleagues in South Africa are justifiably proud.

I hope that gives you some idea of the work we have been doing across our businesses. I'd like to close with a few thoughts about the outlook.

Outlook

Broadly, I believe we can be reasonably optimistic.

In 2009, it took a huge policy stimulus and a turn in the inventory cycle to drive the rebound in industrial activity. In 2010, the positive effects of these factors will fade. We feel economic headwinds in the advanced economies, where continuing balance sheet repair will constrain demand prospects.

But the outlook for the emerging economies is brighter. Even if there are further economic setbacks, China and India in particular are likely to grow strongly. We expect a robust demand for commodities as the pattern of economic growth shifts towards these fast-growing emerging economies. China will continue to upgrade and develop its infrastructure. The longer term potential of India and Brazil will provide further support.

These economies also have the greatest scope for strong consumer spending growth, which leads demand for platinum group metals and diamonds.

That's why I can say with some confidence that the medium and long term outlook for the mining industry remains strong.

And if the outlook for the mining industry as a whole remains strong, your company in particular is well-placed to take advantage. We have an exceptional portfolio of assets, an enviable project list and a newly demonstrated ability to deliver. We have an outstanding workforce, a supportive Board of Directors – and we have a new Chairman with enormous experience. We are so pleased – I am so pleased – to be working with him.

We've achieved our restructuring.

We're managing our ongoing change towards a performance-driven culture.

In all the territories where we work, right around the world, we have a clear strategy that directs us towards our common ambition...to be the investment of choice, the partner of choice, the employer of choice in the mining industry.

Thank you.

Notes to Editors:

Anglo American plc is one of the world's largest mining companies, is headquartered in the UK and listed on the London and Johannesburg stock exchanges. Its portfolio of mining businesses spans precious metals and minerals – in which it is a global leader in both platinum and diamonds; base metals – copper and nickel; and bulk commodities – iron ore, metallurgical coal and thermal coal. Anglo American is committed to the highest standards of safety and responsibility across all its businesses and geographies and to making a sustainable difference in the development of the communities around its operations. The company's mining operations and extensive pipeline of growth projects are located in southern Africa, South America, Australia, North America and Asia.

www.angloamerican.co.uk