



# DELIVERING OUR STRATEGIC GOALS

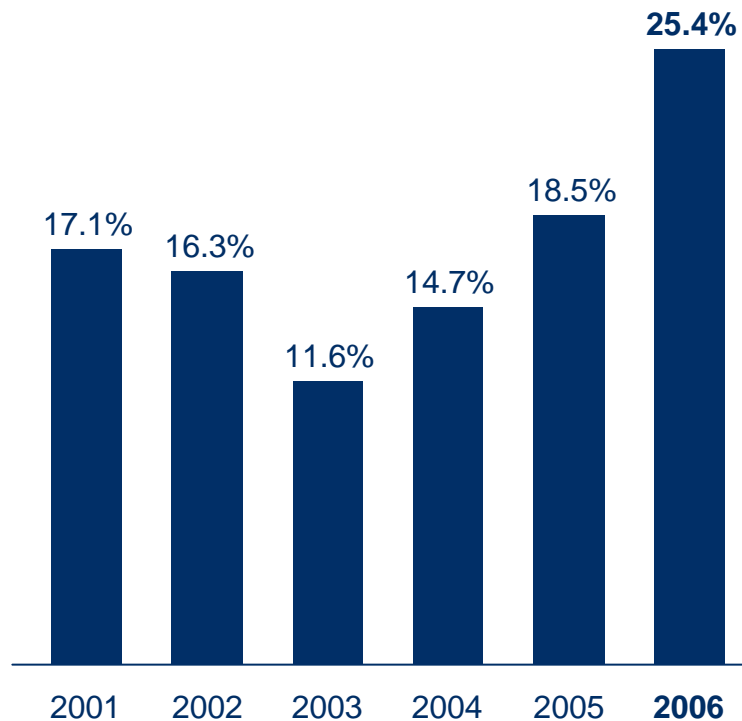
## Annual Results 21 February 2007

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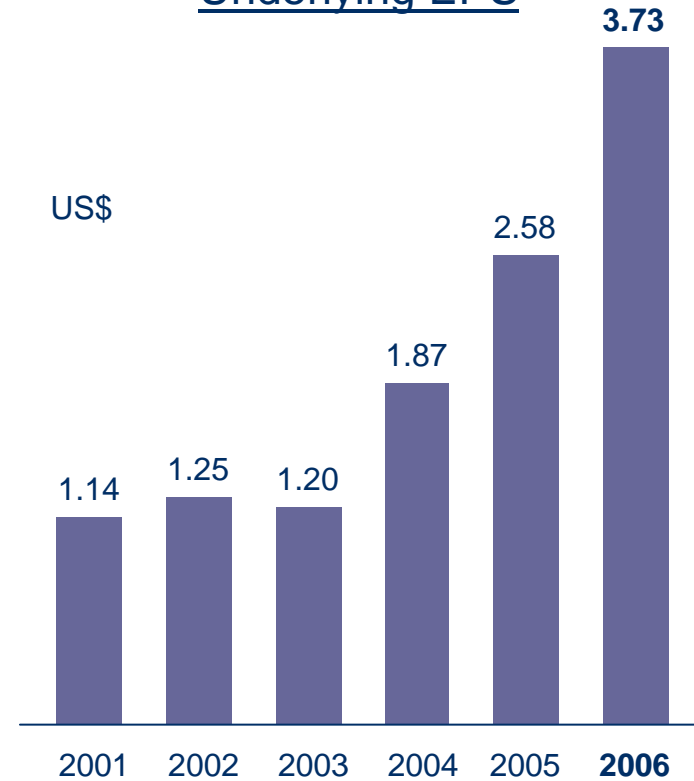
- Record performance:
  - EBIT up 54% at \$9.8bn
  - underlying earnings up 46% at \$5.5bn
- Total dividend up 20% to 108c per share
- Record production from key mining businesses
- Cash generation (EBITDA) up 36% at \$12.2bn
- Cost savings and efficiencies exceeded target at \$583m
- Further \$3bn buyback announced following \$7.5bn of capital return
- Strategy being delivered

# Strong six year performance

EBIT margins



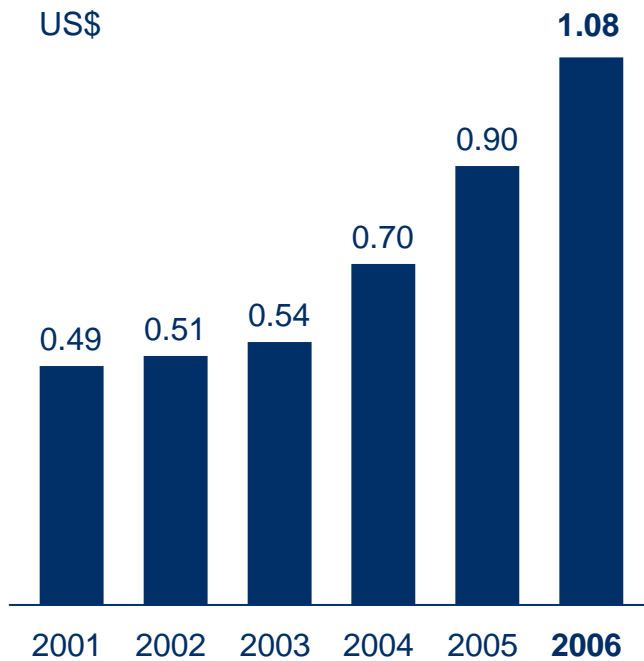
Underlying EPS



**+27% CAGR**

Years 2004-2006 are prepared under IFRS. Years 2001-2003 are prepared under UK GAAP

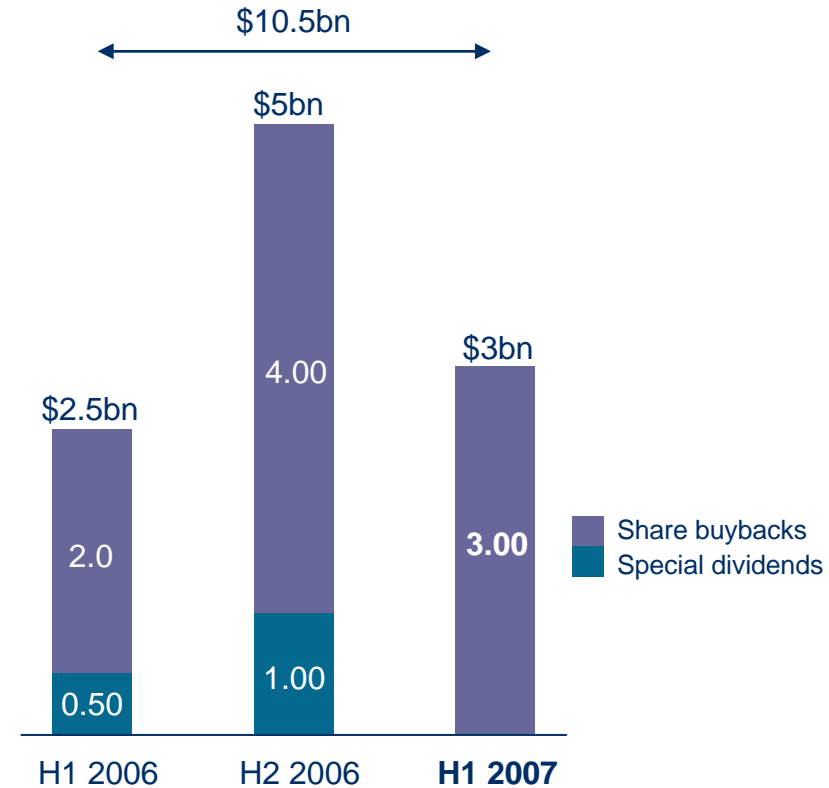
## Dividend per share



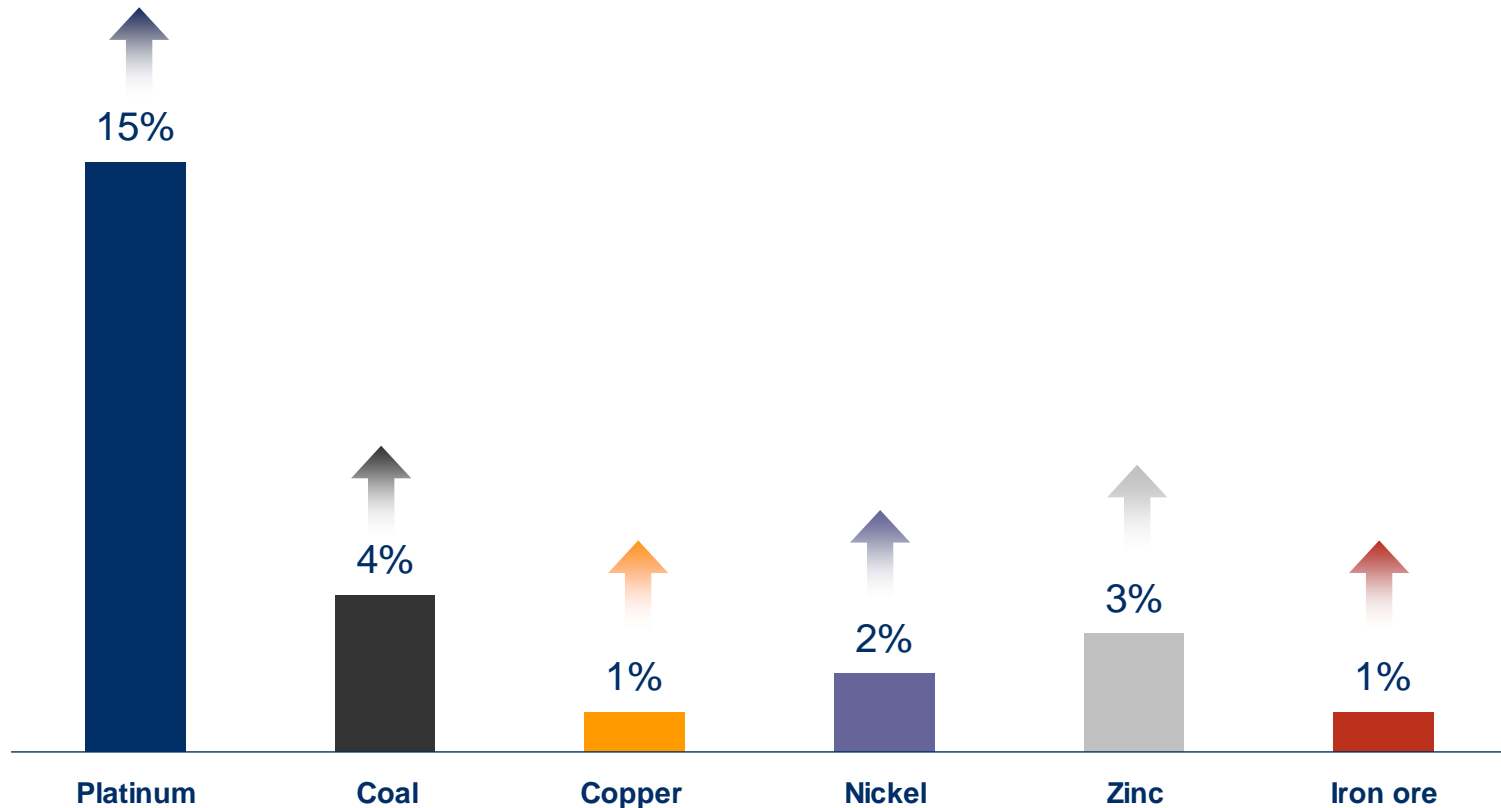
**29% payout ratio**

## Capital return programme (announced)

- Share buybacks totalling \$9bn
- Special dividends totalling \$1.5bn

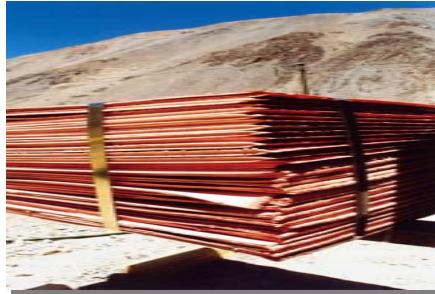
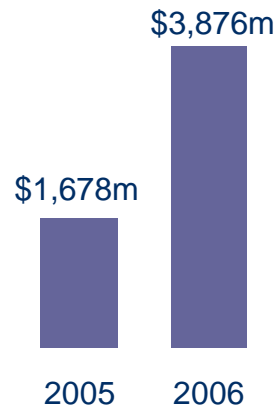


## Production increases despite tough industry conditions



\*Coal production variance excludes Dartbrook

## Base Metals



- Record operating profit - up 131% on the back of increased prices and higher copper, nickel and zinc volumes
- Continued rise in cost of energy and key consumables and realisation costs
- \$1.2bn Barro Alto nickel project approved
- Feasibility studies on Los Bronces expansion, Quellaveco and Collahuasi debottlenecking opportunity to be substantially complete by end 2007

## Platinum



- Anglo Platinum profit up 181% to record \$2,398m
- Increased prices and higher sales volumes
- Refined platinum production up 15% vs 2005 at 2.8m oz
- Paardekraal 2 shaft project (\$316m) and Amandelbult East Upper UG2 project (\$224m) approved.
- On track to deliver 5% per annum production increases to meet market demand

## Ferrous Metals



- Kumba and Scaw records strong performance on the back of higher iron ore prices and expansions
- Overall operating profit lower as a result of divestment of businesses, as well as weaker vanadium and manganese prices
- 13Mtpa Sishen Expansion Project on track
- Kumba BEE transaction completed
- Highveld sale announced for \$678m
- Listing of Hulamin expected in Q2 2007

## Coal



- Increased domestic sales tonnage helped offset lower export prices and volumes
- Australian output impacted by Dartbrook closure, Grasstree commissioning delays and port congestion
- Dawson and Lake Lindsay projects on track
- Cerrejón production up 9% to 28m tonnes.
- Further production increases expected in 2007



- Operating profit at \$463m
- Production up 4% at 51m carats
- DTC sales down 6% at \$6.15bn reflecting reduced Russian supply and continued challenging rough diamond markets
- Solid consumer demand for jewellery continued
- Snap Lake on schedule to start production in Oct 2007; Victor in Q4 2008



- Tarmac UK profits impacted by lower volumes in challenging markets and high energy costs
- Input cost increases partially mitigated by \$63m cost savings
- Tarmac's operational, commercial and organisational restructuring underway
- Restructuring and impairment charges of \$278m in H1
- UK market conditions remain challenging

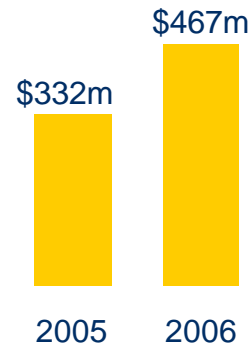


## Paper and Packaging



- Operating profit declined slightly with stronger H2 reflecting improved market conditions
- Margin pressure due to increased input costs and tough trading in downstream converting
- Cost savings of \$224m partly offset cost pressures
- Increased product demand has led to improved operating rates and pricing in late 2006
- Pricing environment improving

## Gold



- Operating profit up 41% to \$467m on the back of stronger gold price
- Average price received increased by 31%
- 2006 total cash costs up 10% to \$308/oz
- Ore reserves increased by 6% to 66.9m oz
- Forecast production for 2007: 5.8m oz
- Anglo holding reduced to 42% raising \$1bn

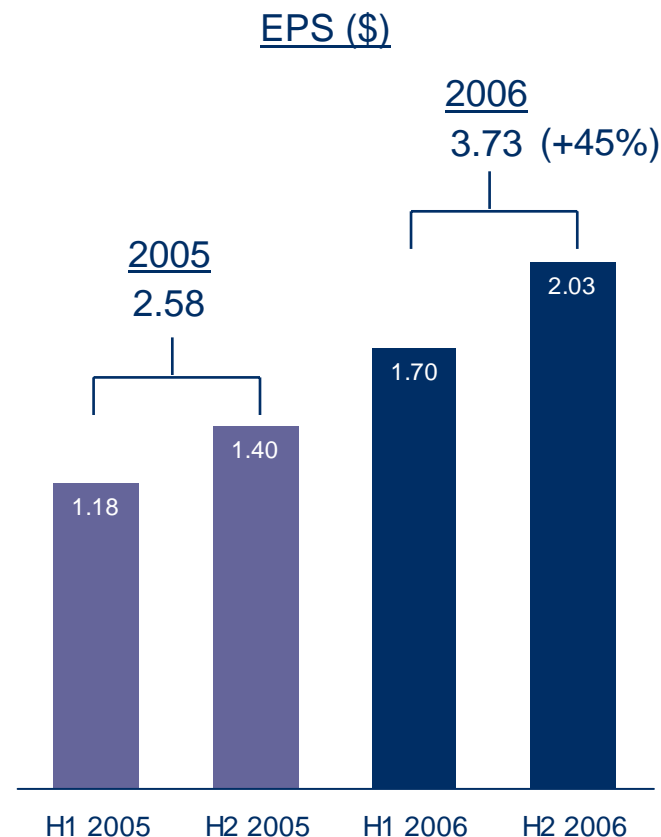
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René Médori

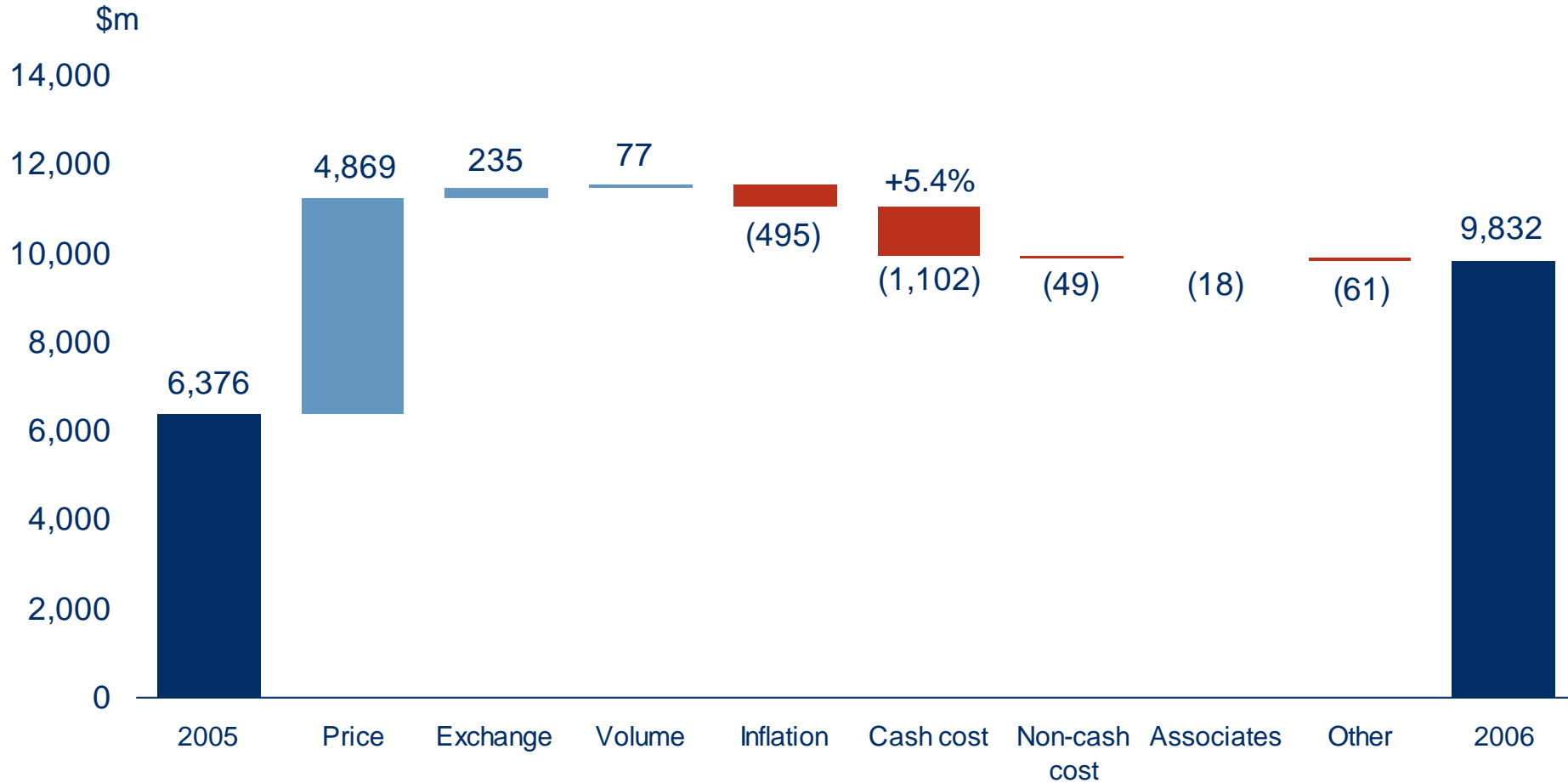
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\$bn	2006	2005	change
Operating profit	9.8	6.4	+54%
Effective tax rate (%)	32.7	26.5	
Underlying earnings	5.5	3.7	+46%
Capex	3.7	3.3	+11%
EBITDA	12.2	9.0	+36%
ROCE (%)	32.4	19.2	
Net debt	3.3	5.0	
DPS (\$)	1.08	0.90	+20%



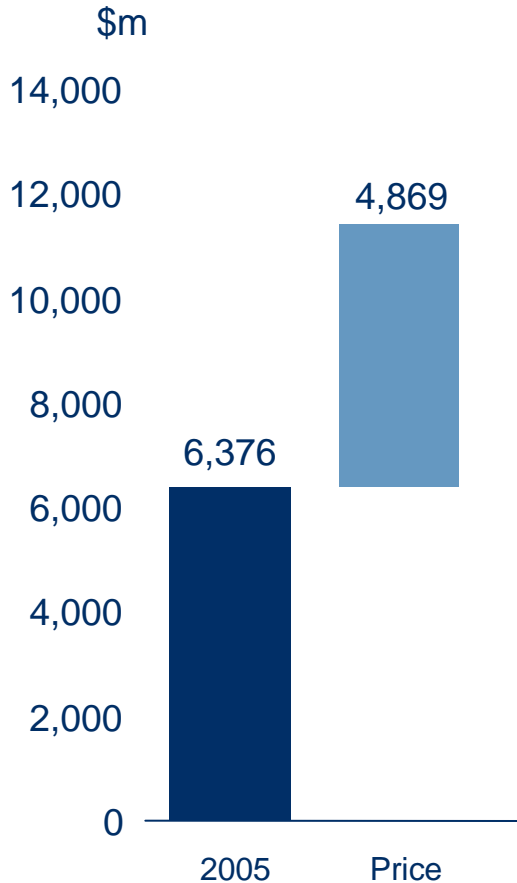
Results shown before special items and remeasurements and include share of associates. Underlying earnings is stated after minority interests.

# Operating profit variances

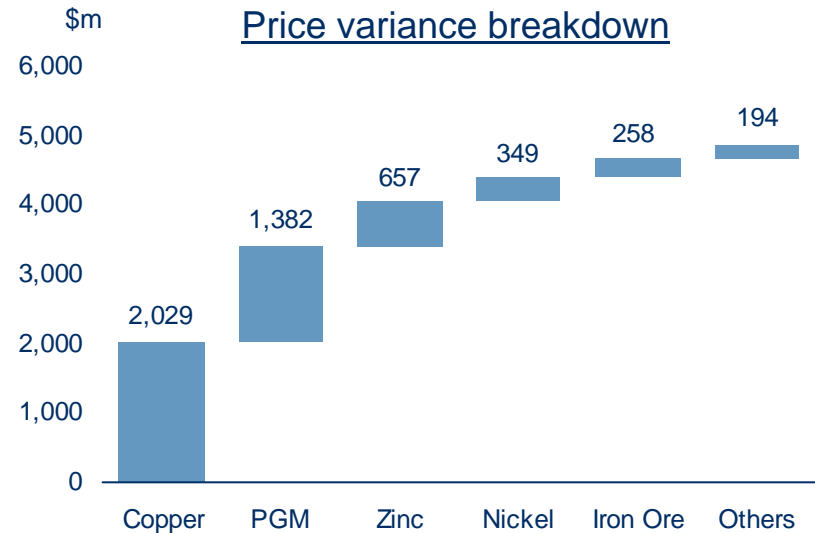


Gold variance prior to 20 April has been included in Associates variance

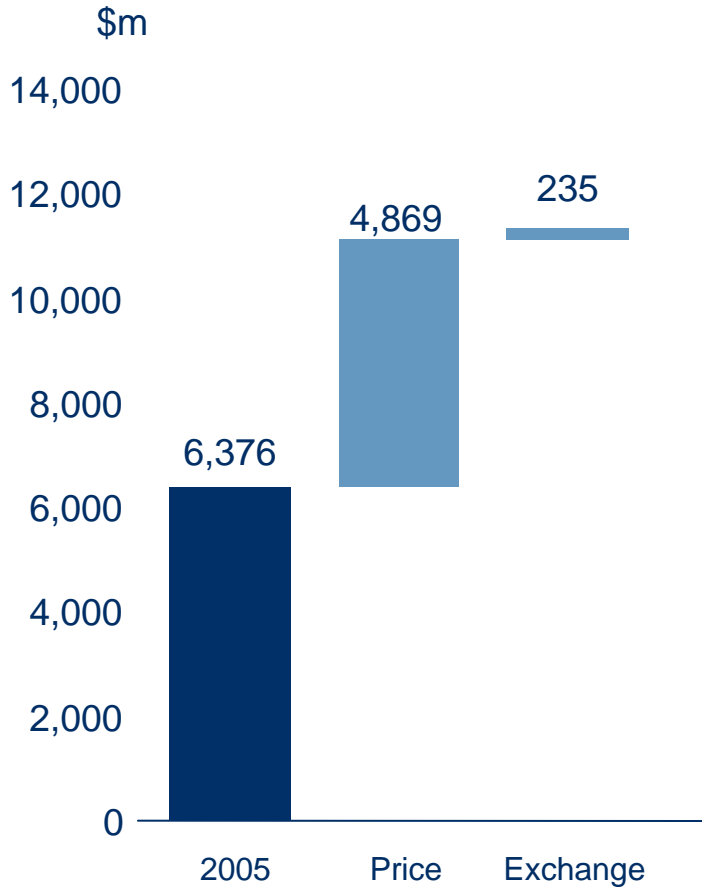
# Operating profit variances – Price



Commodity price performance (indexed)

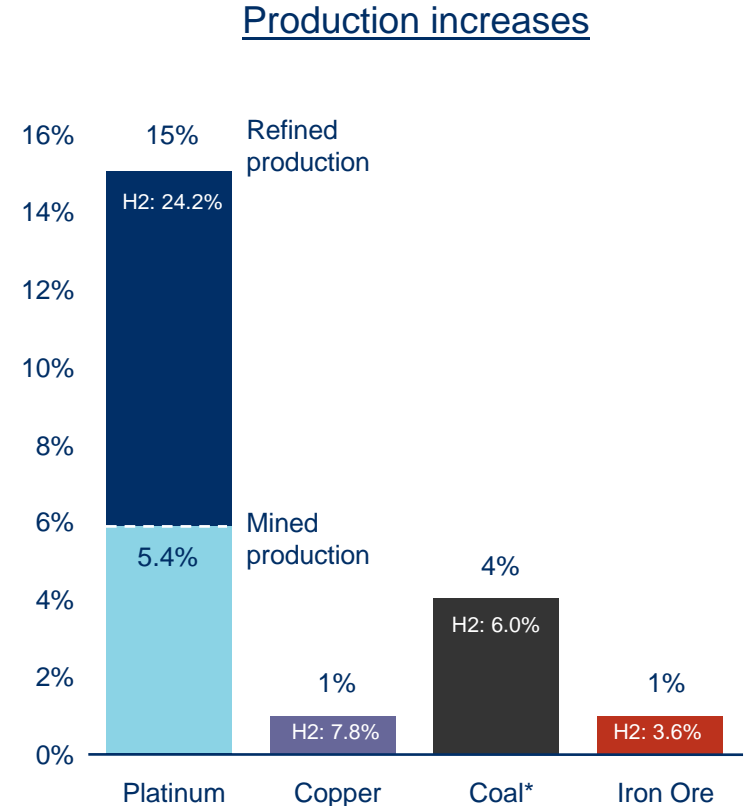
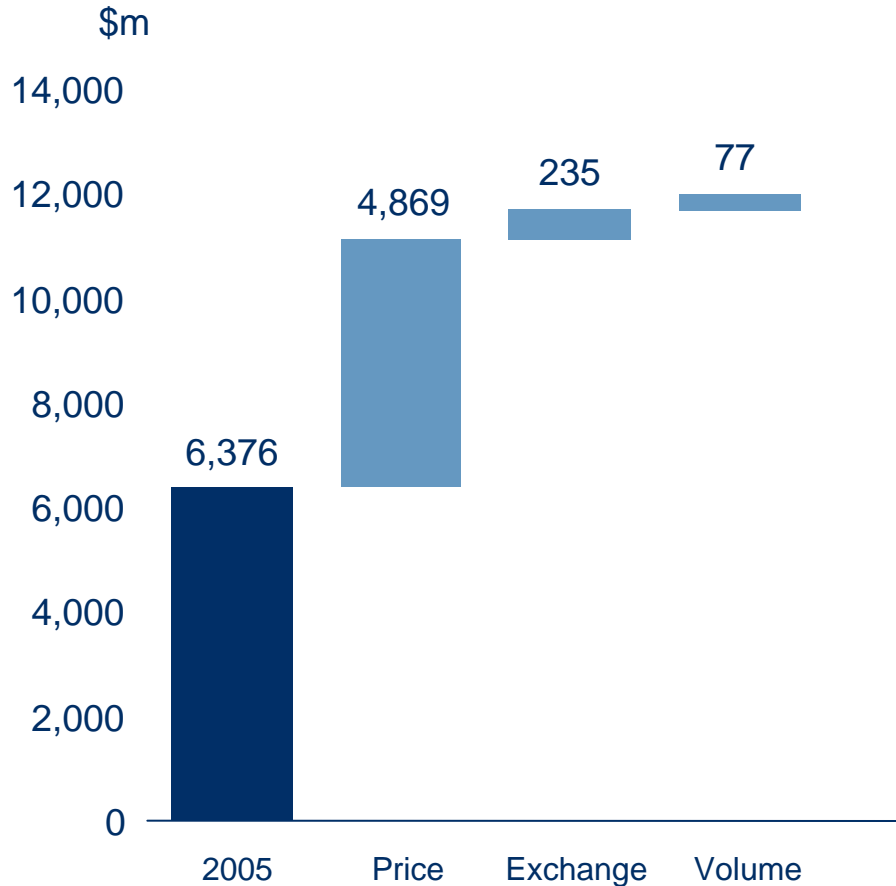


# Operating profit variances - FX



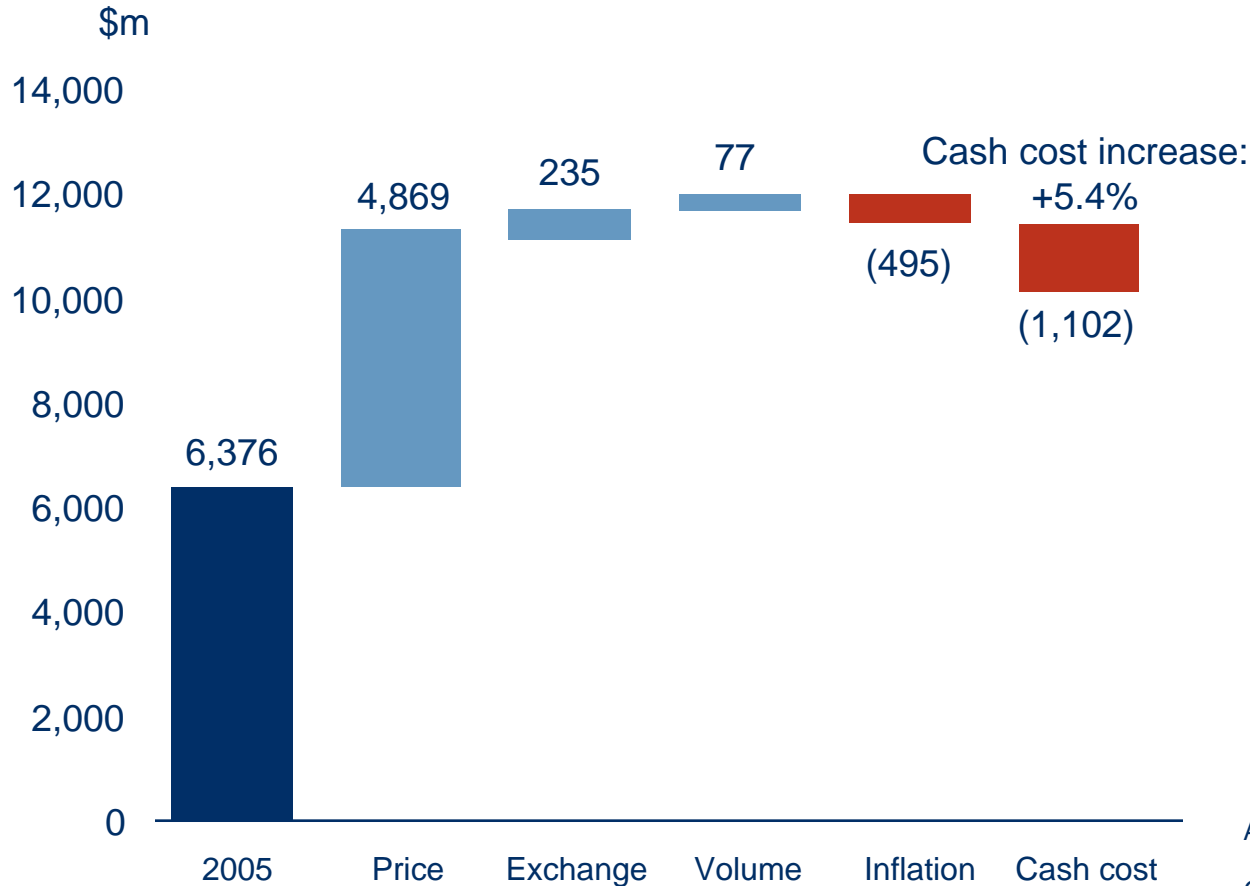
Sensitivity reflects the impact of a R0.10 change in the average exchange rate during 2006.

# Operating profit variances - Volume

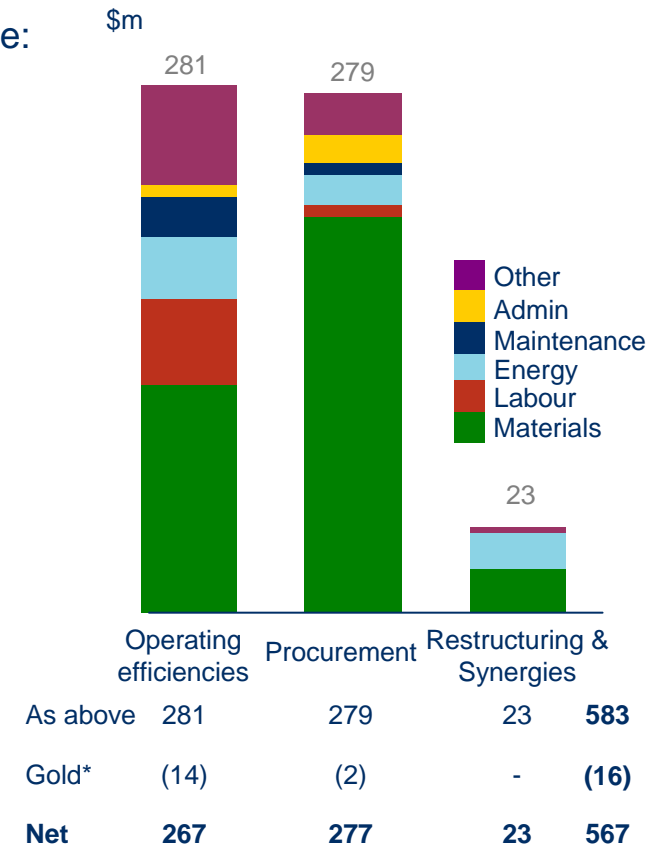


\*Coal production excludes Dartbrook

# Operating profit variances - Cost



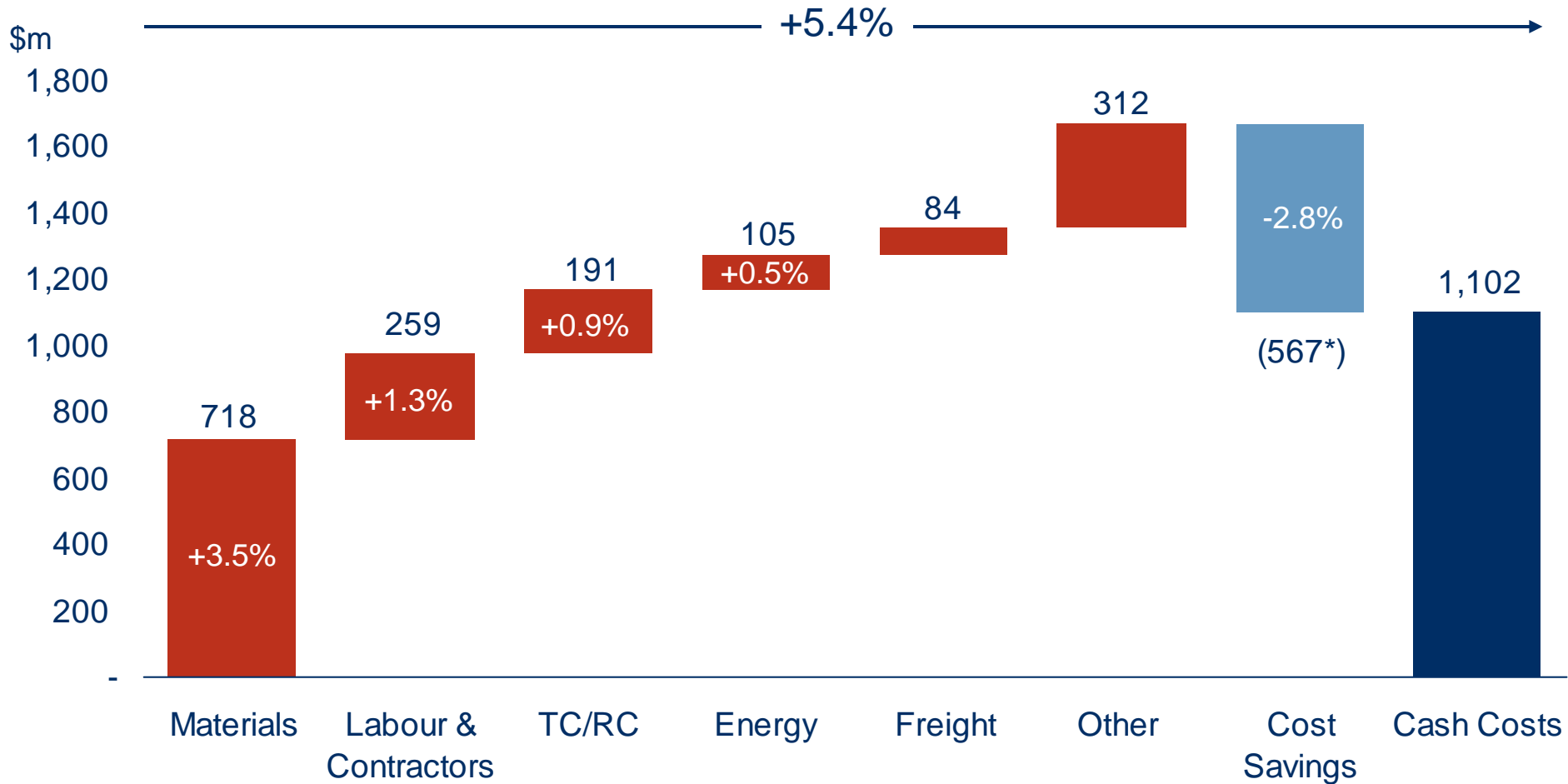
## Cost and efficiency savings of \$583m



\*Gold cost savings of \$16m (prior to 20 April 2006) included in Associates operating profit variances



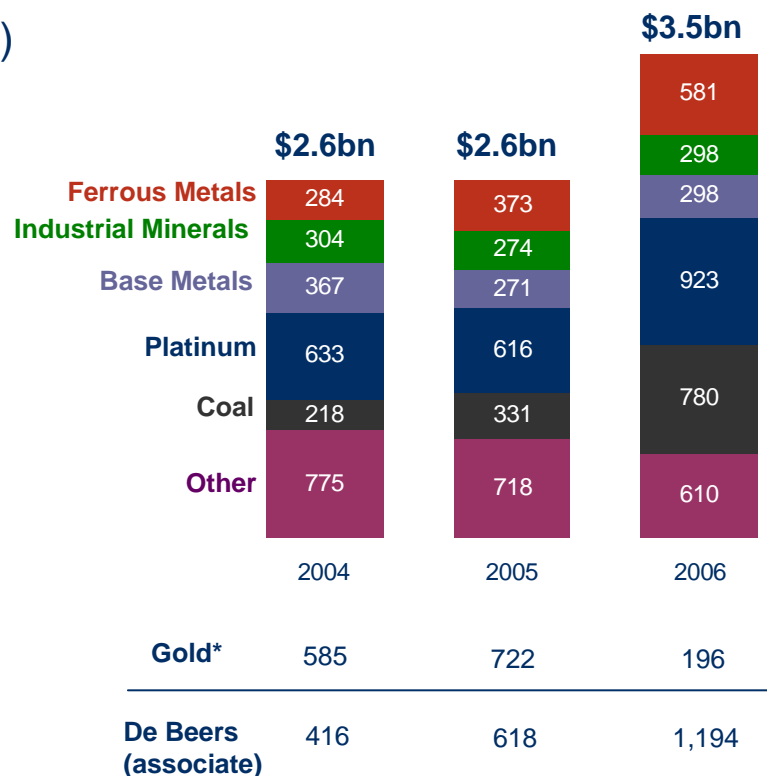
# Cash costs increase



\*Gold cost savings of \$16m (prior to 20 April 2006) included in Associates operating profit variances

<u>\$bn</u>	<u>Full year</u>
<b>Opening net debt</b>	5.0
Operating cashflows	(10.1)
Capital expenditure	3.7
Cash tax paid	2.0
<u>AGA</u>	
Deconsolidation of debt	(1.9)
Gross proceeds	(0.8)
<u>Capital return</u>	
Dividends paid (Ord: 1.4; Special: 1.5; MI: 0.4)	3.3
Share buyback	3.9
Capital redemption (DBI)/Bond conversion	(1.5)
Other	(0.3)
<b>Net debt at 31 December 2006</b>	<b>3.3</b>

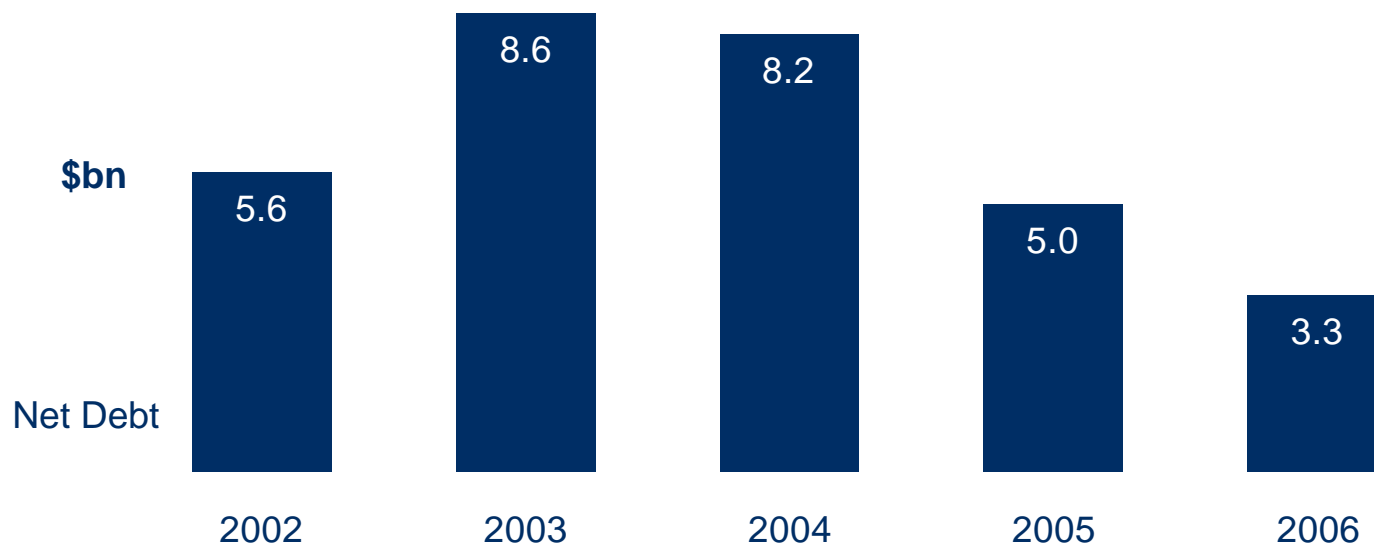
## Capital expenditure



\*2006 capex represents the Gold spend up to 20 April 2006

# Evolution of net debt

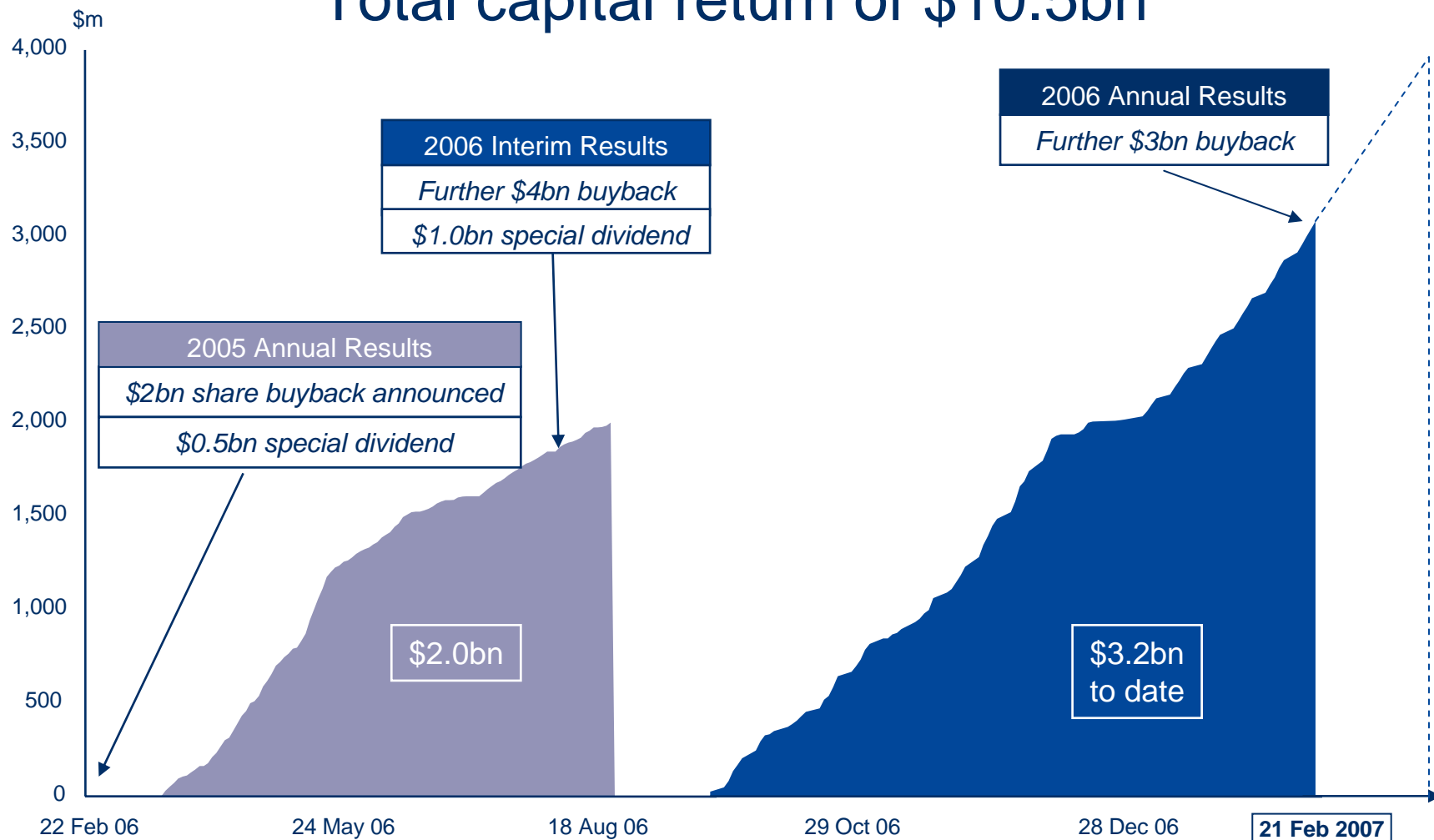
	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06
Gearing <sup>1</sup>	27.9%	32.0%	25.4%	17.0%	12.9%



Net (Acq)/Disposals	(3.7)	(0.7)	1.1	0.5	1.4
Capex	(2.1)	(3.0)	(3.2)	(3.3)	(3.7)
Fx impact on debt	(0.1)	(0.7)	(0.7)	0.9	(0.3)

<sup>1</sup> Net debt/Net Debt+Net Assets less investments in associates

## Total capital return of \$10.5bn



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Tony Trahar

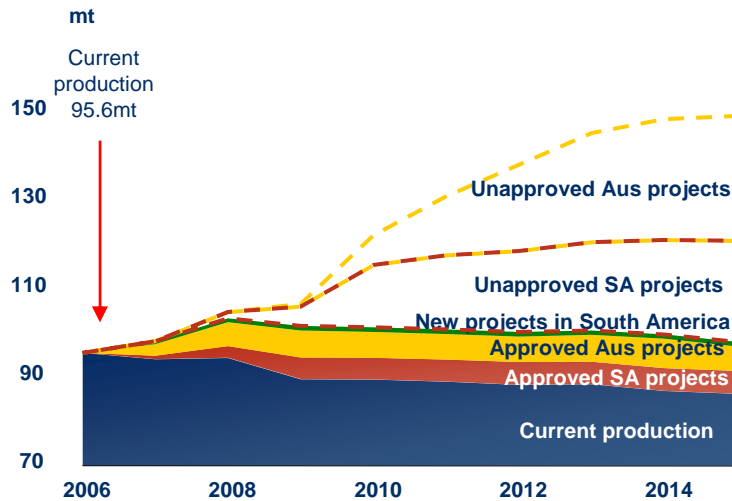
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- Shareholding in AGA reduced to 42%
  - Phased exit strategy
  - Evaluating all options for value accretive reductions in stake
- Approval in principle granted for Dual Listed Structure (DLC) of Mondi in Johannesburg and London
- Tarmac in depth review completed; restructuring underway
- Sale of Highveld to Evraz and Credit Suisse announced
- Unbundling of Hulamin from Tongaat-Hulett group well advanced
- \$10.5bn ongoing capital return programme

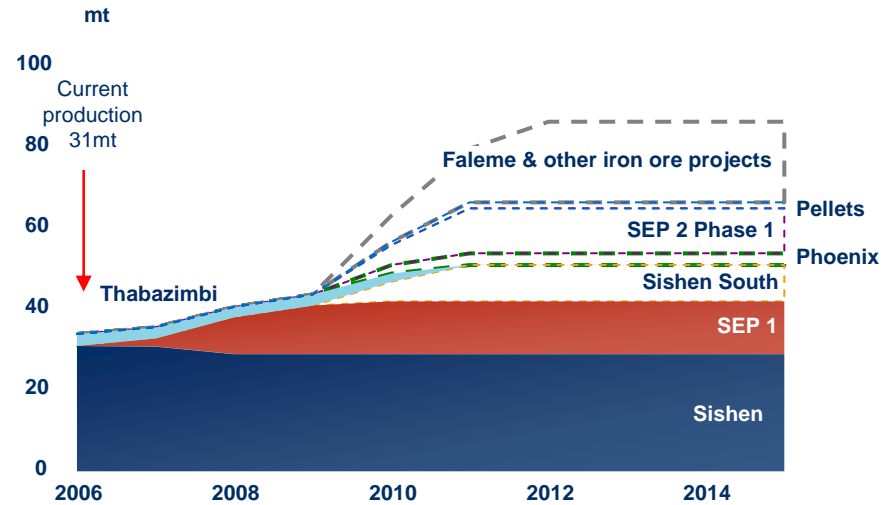
- Approval in principle granted for Dual Listed Structure (DLC) of Mondi in Johannesburg and London
- Senior management team in place
- Likely timing: mid year

# Future growth – strong project pipeline

## Coal<sup>1</sup>



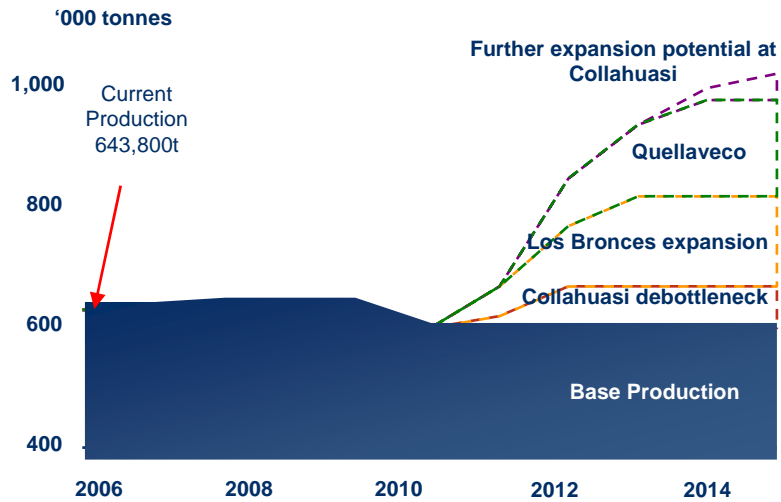
## Iron ore<sup>1</sup>



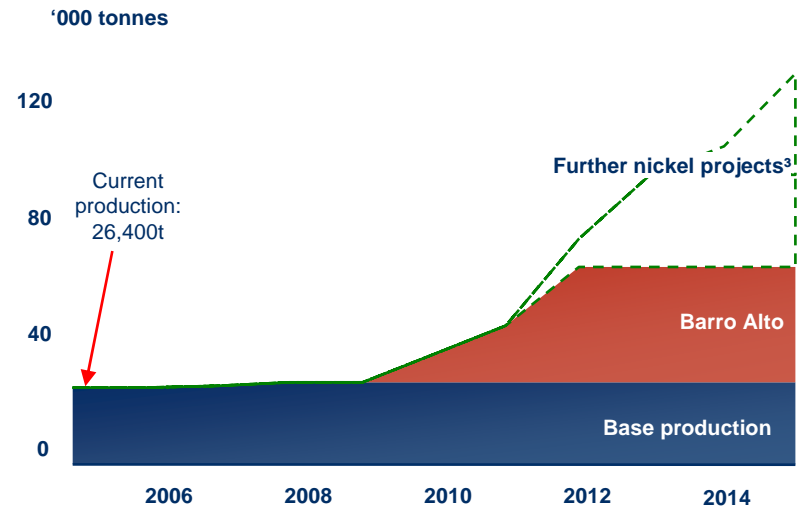
<sup>1</sup>Unapproved projects unshaded



## Copper<sup>1</sup>



## Nickel<sup>1 2</sup>



<sup>1</sup>Unapproved projects unshaded

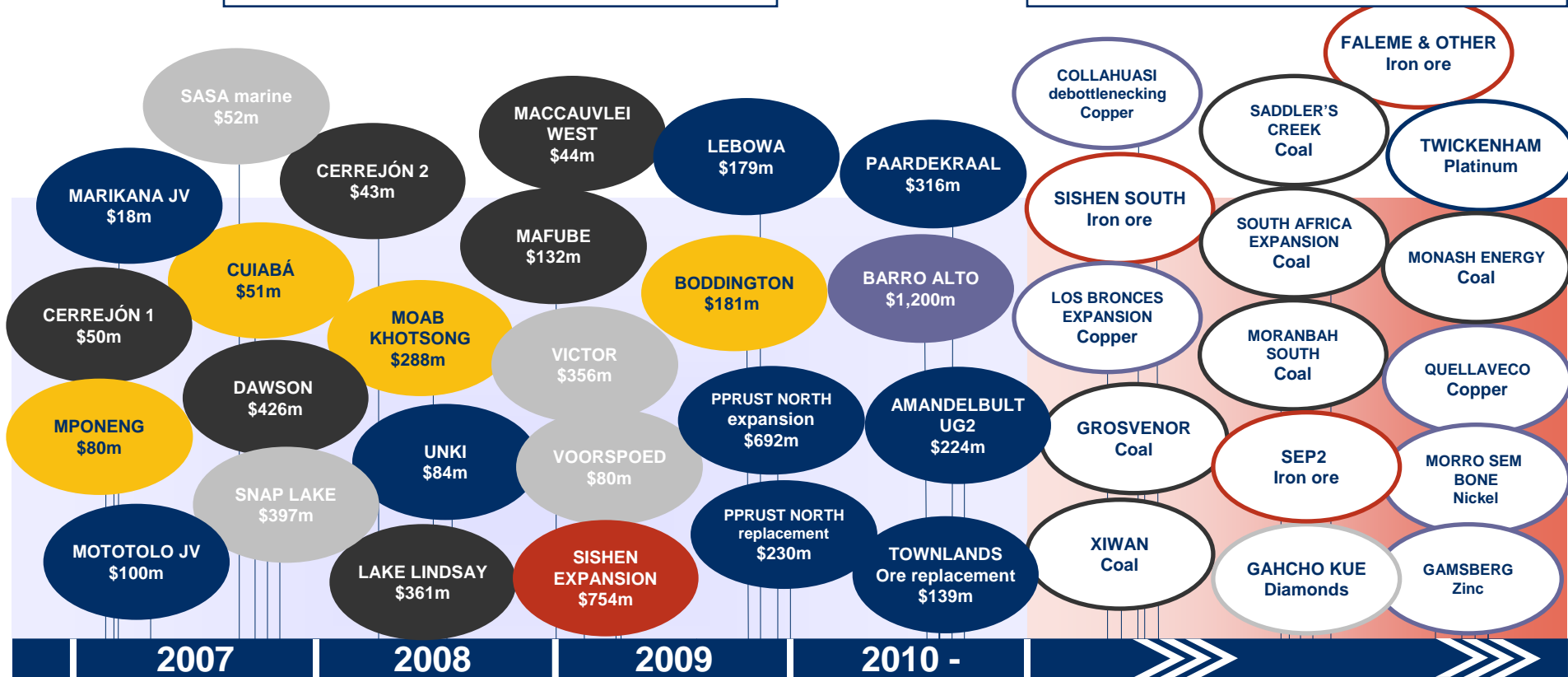
<sup>2</sup>Not including Anglo Platinum's nickel production (21,700 tonnes in 2006)

<sup>3</sup>Includes Morro Sem Bone and Jacare exploration studies

# Strong project pipeline

\$6.9bn of approved projects

\$10-15bn of future projects



■ Anglo Platinum  
 ■ Diamonds  
 ■ AngloGold Ashanti  
 ■ Coal  
■ Ferrous Metals  
 ■ Industrial Minerals  
 ■ Paper & Packaging  
 ■ Base Metals

Selected major authorised projects. Selected future projects unshaded. 100% of subsidiaries and AA plc's share of JV's and associates. Full production dates.

- Another strong year
- Progress in delivering strategic goals
- Additional \$3bn buyback announced
- Continued production growth underpinned by project pipeline
- Supportive climate for commodities in 2007



# DELIVERING OUR STRATEGIC GOALS

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- Currency Conversion (US\$:Rand) **20 February 2007**
- Currency Conversion (US\$:£/€) **20 March 2007**
- Ex-dividend (JSE) **12 March 2007**
- Ex-dividend (LSE) **14 March 2007**
- Record Date **16 March 2007**
- Payment of Final Dividend **3 May 2007**
- Interim Results **3 August 2007**

Average Price	2006		2005
Gold - \$/oz	604	↑	445
Platinum - \$/oz	1142	↑	897
Palladium - \$/oz	321	↑	201
Rhodium - \$/oz	4571	↑	2056
Copper – cents/lb	305	↑	167
Nickel – cents/lb	1095	↑	668
Zinc – cents/lb	148	↑	63
Coal: thermal (RSA - API 4 index average) - \$/t	50.7	↑	46.0
Ferrovandium - \$/kg V	39	↓	64

# Underlying Earnings Sensitivities

	US\$m
10% change in gold price	± 107
10% change in platinum price	± 159
10% change in palladium price	± 24
10% change in coal price	± 186
10% change in copper price	± 286
10% change in nickel price	± 37
10% change in zinc price	± 111
10% change in iron ore price	± 52
10% movement in SA rand/US\$	± 449
10% movement in AUD/US\$	± 72
10% movement in Euro/US\$	± 60
10% movement in GBP/US\$	± 7

Excludes the effect of any hedging activities. Stated after tax at marginal rate. Sensitivities are the average of the positive and negative and reflects the impact of a 10% change in the average prices and exchange rates during 2006.

	Project name	Additional production (attributable)	Production commences	Full production	Approved capex (\$m) (attributable)
■	Dawson	2.9mtpa coking	2005	2007	426
■	Maccaulei West	2.7mtpa for Eskom	2008	2009	44
■	Cerrejón 1	2mtpa	2004	2007	50
■	Cerrejón 2	1mtpa	2005	2008	43
■	Lake Lindsay	4 mtpa coking/thermal	2006	2008	361
■	Mafube	5 mtpa thermal/middling	2007	2008	132
■	Sishen expansion	13 mtpa iron ore	2007	2009	754
■	SASA marine	0.3 carats pa	2007		52
■	Voorspoed	0.7 carats pa	2008	2009	80
■	Snap Lake	1.5m carats pa	2007	2008	397
■	Victor	0.7m carats pa	2008	2009	356
■	Barro Alto	36,000t pa nickel	2008	2011	1,200

■ Anglo Platinum  
 ■ Diamonds  
 ■ AngloGold Ashanti  
 ■ Coal  
■ Ferrous Metals  
 ■ Industrial Minerals  
 ■ Paper & Packaging  
 ■ Base Metals



	Project name	Additional production (attributable)	Production commences	Full production	Approved capex (\$m) (attributable)
■	Townlands ore	Replacement		2014	139
■	Amandelbult UG2	100,000 oz pa		2012	224
■	Marikana JV	145,000 oz pa (100%)		2007	18
■	Mototolo JV	132,000 oz pa (100%)		2007	100
■	Unki	58,000 oz pa		2008	84
■	Lebowa	Replacement		2009	179
■	PPRust North	Replacement		2009	230
■	PPRust North	230,000 oz pa		2009	692
■	Moab Khotsong	4.9m oz over LOM	2003	2008	288
■	Mponeng	4.8m oz over LOM	2004	2007	80
■	Cuiaba	60,000 oz pa	2007	2007	51
■	Boddington	330,000oz pa			181

■ Anglo Platinum   ■ Diamonds   ■ AngloGold Ashanti   ■ Coal  
 ■ Ferrous Metals   ■ Industrial Minerals   ■ Paper & Packaging   ■ Base Metals

# Analysis of Underlying Earnings

\$m	2006	2005
Platinum	1,265	483
Gold	178	105
Diamonds	227	430
Coal	640	724
Base Metals	2,647	1,240
Industrial Minerals	266	267
Paper and Packaging	274	296
Ferrous Metals and Industries	583	757
Exploration	(113)	(115)
Corporate Activities	(496)	(451)
<b>Underlying Earnings</b>	<b>5,471</b>	<b>3,736</b>

# Analysis of Operating Profit

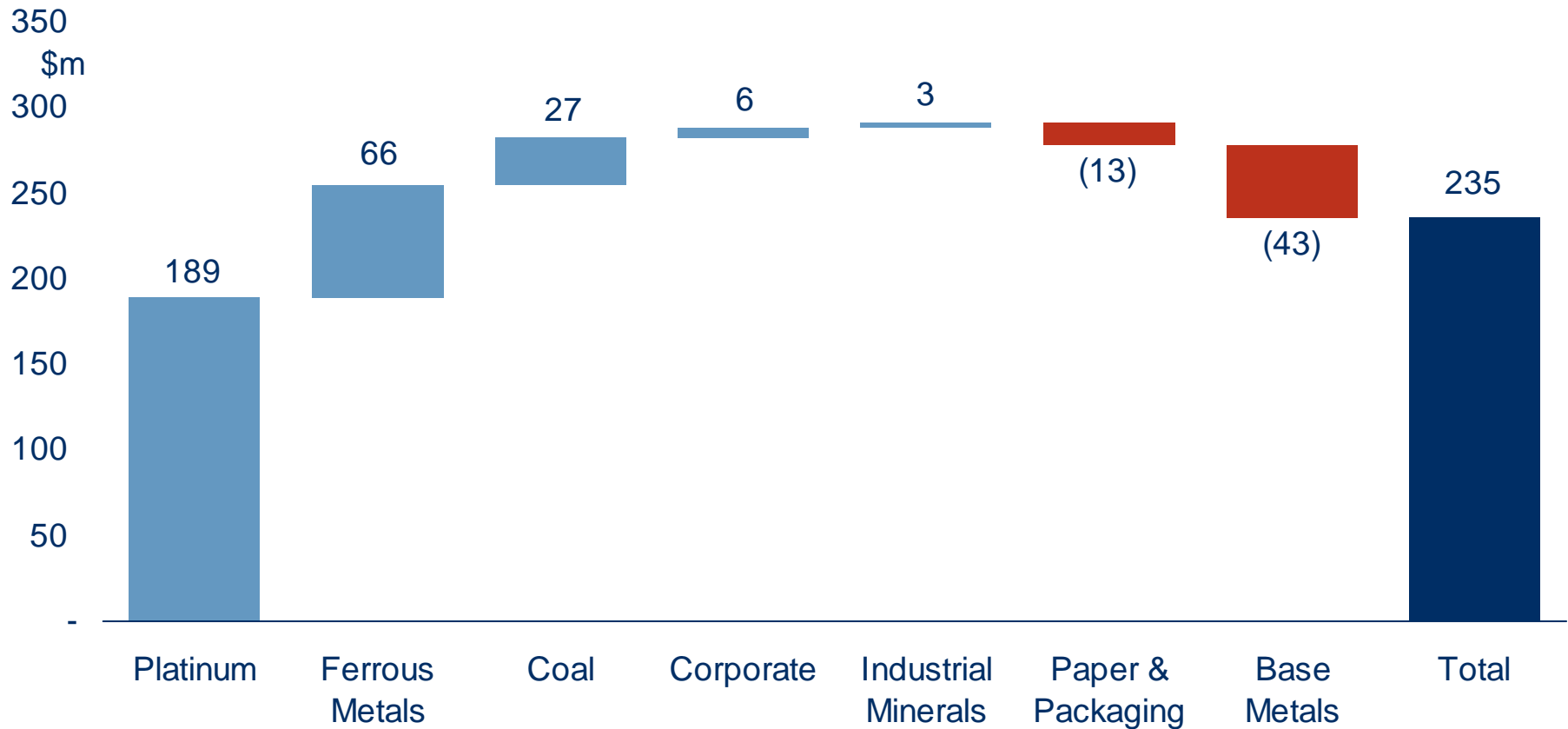
\$m	2006	2005
Platinum	2,398	854
Gold	467	332
Diamonds	463	583
Coal	864	1,019
Base Metals	3,876	1,678
Industrial Minerals	336	370
Paper and Packaging	477	495
Ferrous Metals and Industries	1,360	1,456
Exploration	(132)	(150)
Corporate Activities	(277)	(261)
<b>Operating Profit<sup>1</sup></b>	<b>9,832</b>	<b>6,376</b>

<sup>1</sup> Operating profit before special items and remeasurements

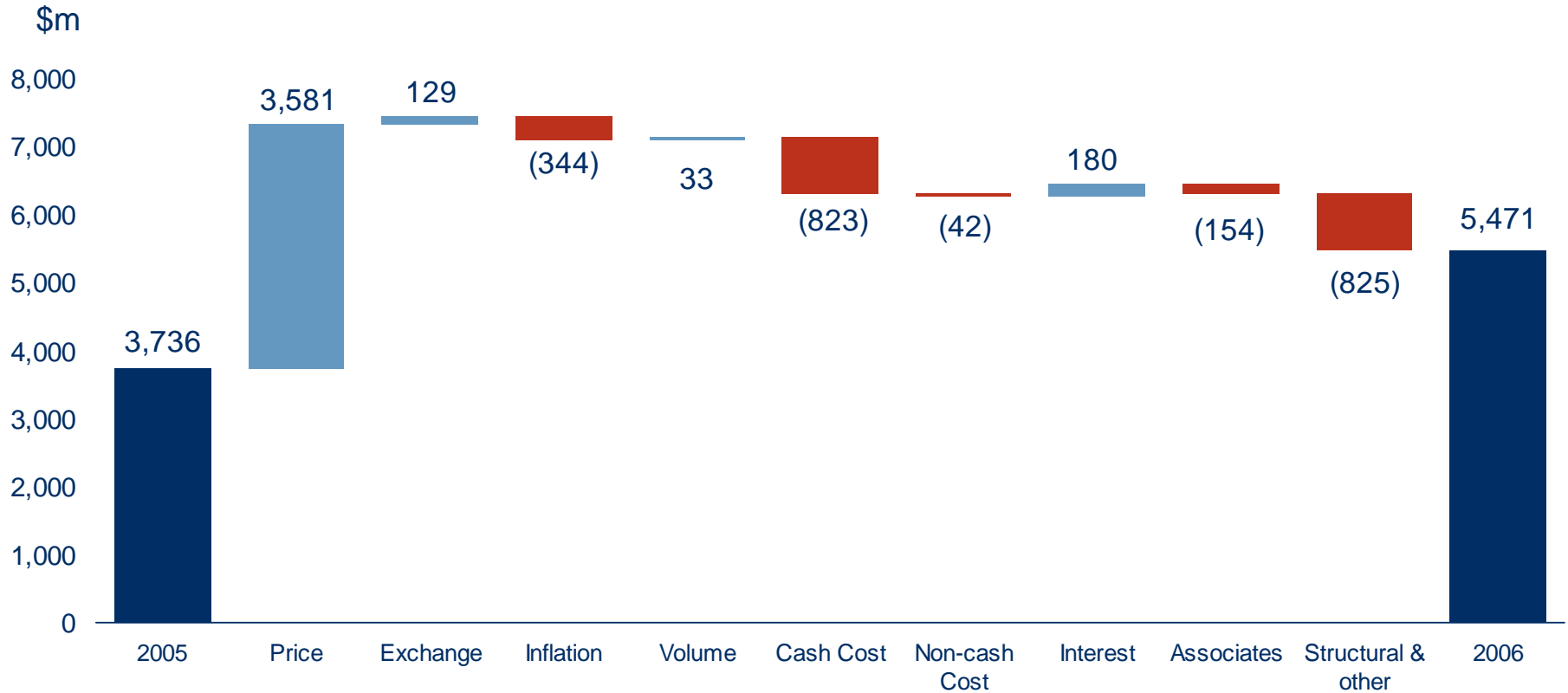
\$m	2006	2005
Platinum	923	616
Gold	196	722
Coal	780	331
Base Metals	298	271
Industrial Minerals	298	274
Paper and Packaging	581	691
Ferrous Metals and Industries	581	373
Other	29	28
<b>Total</b>	<b>3,686</b>	<b>3,306</b>

# Operating variance: Exchange

Group total = \$235m



# Underlying Earnings variance



Gold variances treated as Associate for full period

## Operating profit<sup>1</sup>

\$m	2006	2005
South Africa	4,244	2,868
Rest of Africa	596	531
Europe	952	741
Americas	3,694	1,948
Australasia	346	288
	<b>9,832</b>	<b>6,376</b>

<sup>1</sup> Operating profit before special items and remeasurements. Includes share of associates.

# Operating Cost Reconciliation

	\$m
2005 Operating costs (subsidiaries and share of joint ventures)	(24,090)
Inflation	(495)
Exchange	366
Sales volume	(565)
Acquisitions, disposals and new operations	2,108
2005 Operating costs (restated)	<u>(22,676)</u>
Price linked costs	(630)
Structural and other <sup>1</sup>	126
Depreciation & amortisation	(48)
Cash cost variance:	
Cost increases including fuel, TC/RCs and other costs above inflation <sup>2</sup>	(1,669)
Cost savings and efficiencies	583
Less Gold savings reclassified above	<u>(16)</u>
Cash cost variance	(1,102)
2006 Operating costs (subsidiaries and share of joint ventures)	<u>(24,330)</u>

<sup>1</sup> Includes reclassification of TC/RCs from operating costs to revenue

<sup>2</sup> TC/RCs are treated as a cash cost for variance purposes.



# Anglo Platinum Reconciliation

	\$m
IFRS headline earnings (US\$ equivalent)	1,771
Exploration	30
Exchange rate difference	(40)
Adjustment to profit on disposal <sup>1</sup>	16
Other adjustments	(6)
	1,771
Minority interest	(454)
Depreciation on assets fair valued on acquisition (net of tax)	(52)
<b>Contribution to AA plc underlying earnings</b>	<b>1,265</b>

<sup>1</sup>The BEE cost included in the current year transaction in respect of the disposal of 15% of Union section by Anglo Platinum is calculated in accordance with IFRS2 Share-based payment. This is excluded from Anglo American's underlying earnings as it is considered to be part of the profit or loss on disposal, however this amount is included in Anglo Platinum's headline earnings as defined by the Johannesburg Securities Exchange (JSE).

	\$m
DBI underlying earnings <sup>1</sup> (100%)	425
Adjustments <sup>2</sup>	18
DBI underlying earnings – AA plc basis (100%)	443
AA plc's 45% ordinary share interest	199
Income from preference shares	28
<b>Contribution to AA plc underlying earnings</b>	<b>227</b>

<sup>1</sup>DBI underlying earnings is stated before costs of \$57m in relation to the amended class action settlement agreement, and profits of \$229m and \$105m relating to the Ponahalo BEE transaction and sale of interest in Fort a la Corne, respectively.

<sup>2</sup>Adjustments include the reclassification of the actuarial gains and losses booked to the income statement by De Beers Société Anonyme (Dbsa) under the corridor mechanism of IAS19.

# AngloGold Ashanti Reconciliation

	\$m
IFRS adjusted headline earnings (published)	413
Exploration	16
Other adjustments	10
Depreciation on assets fair valued on acquisition (net of tax)	(18)
Minorities' share of profit during subsidiary period up to 20/04/2006	(69)
Share of earnings not attributable to AA plc 41.7% shareholding from 20/04/2006	(174)
<b>Contribution to AA plc underlying earnings</b>	<b>178</b>

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