2016 RESULTS – BMO CONFERENCE

February 2017

Real Mining. Real People. Real Difference.

DELIVERING CHANGE, BUILDING RESILIENCE

1 Delivering on commitments

- **Free cash flow target exceeded**…$2.6bn vs $0.4bn.
- **Net debt at $8.5bn**…………..well below $10bn target.

2 Operational improvement

- **Operating model** driving productivity improvements.
- **EBITDA margin** up 5% points…despite lower prices.

3 Balance sheet resilience

- **Investment grade rating**………….remains an objective.
- **Reinstatement of dividend** targeted for the end of 2017.

4 Portfolio upgrading

- **Focus continues on high quality, long life assets**…to support more consistent returns.
- **Moranbah/Grosvenor & Nickel** retained…no further disposals planned for deleveraging.

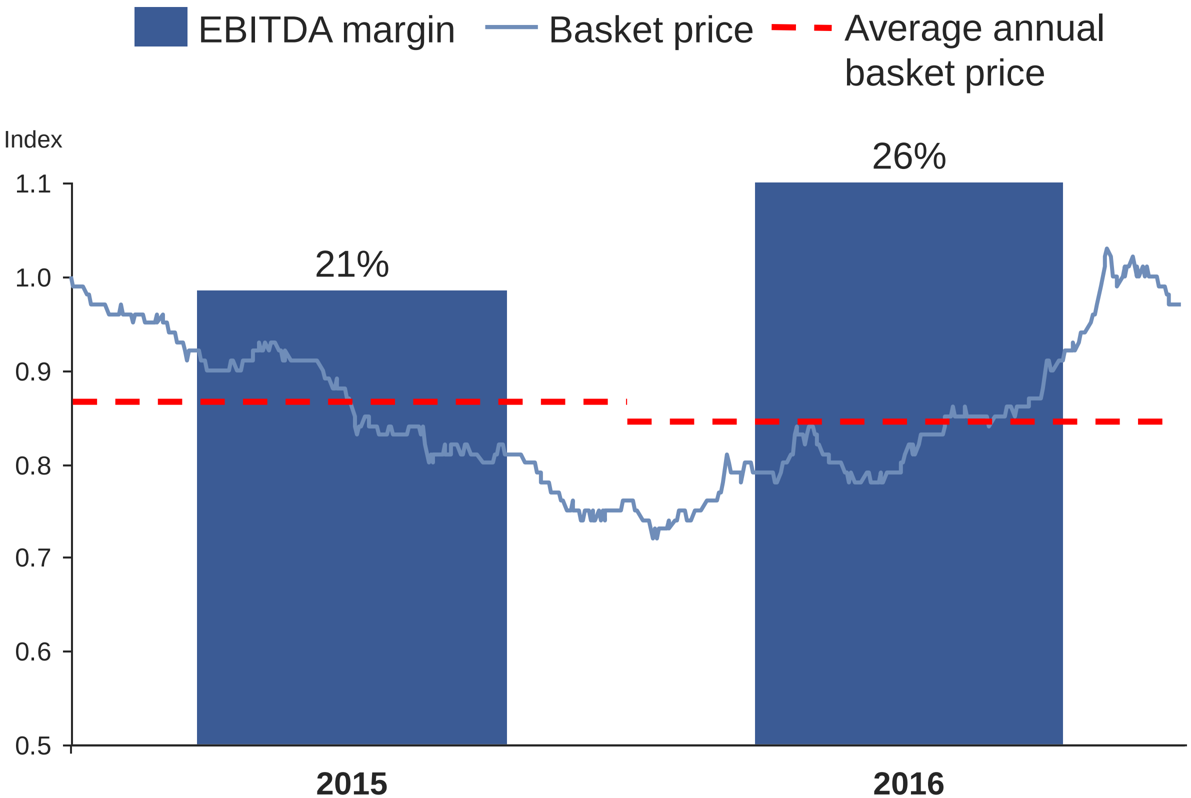
DELIVERING ON OUR COMMITMENTS

	Actual	Target	
EBITDA[1]	$6.1bn	$4.5bn[2]	✓
Cost & volume improvements	$1.5bn	$1.6bn	~
Capital expenditure[3]	$2.5bn	<$2.7bn	✓
Attributable free cash flow	$2.6bn	$0.4bn[2]	✓
Net debt	$8.5bn	<$10bn	✓
Net debt / EBITDA[1]	1.4x	<2.5x	✓

Note: Based on targets set in February 2016, adjusted for the $0.3bn reclassification in July 2016 between cost and volume improvements and capex.
(1) Underlying EBITDA.
(2) Based on 10 February 2016 spot prices.
(3) Excluding capitalised profits and losses.

MARGINS IMPROVING 5% POINTS DESPITE LOWER PRICES

Indexed prices (1 Jan 2015 = 1)[1] and EBITDA margins



Margin focus

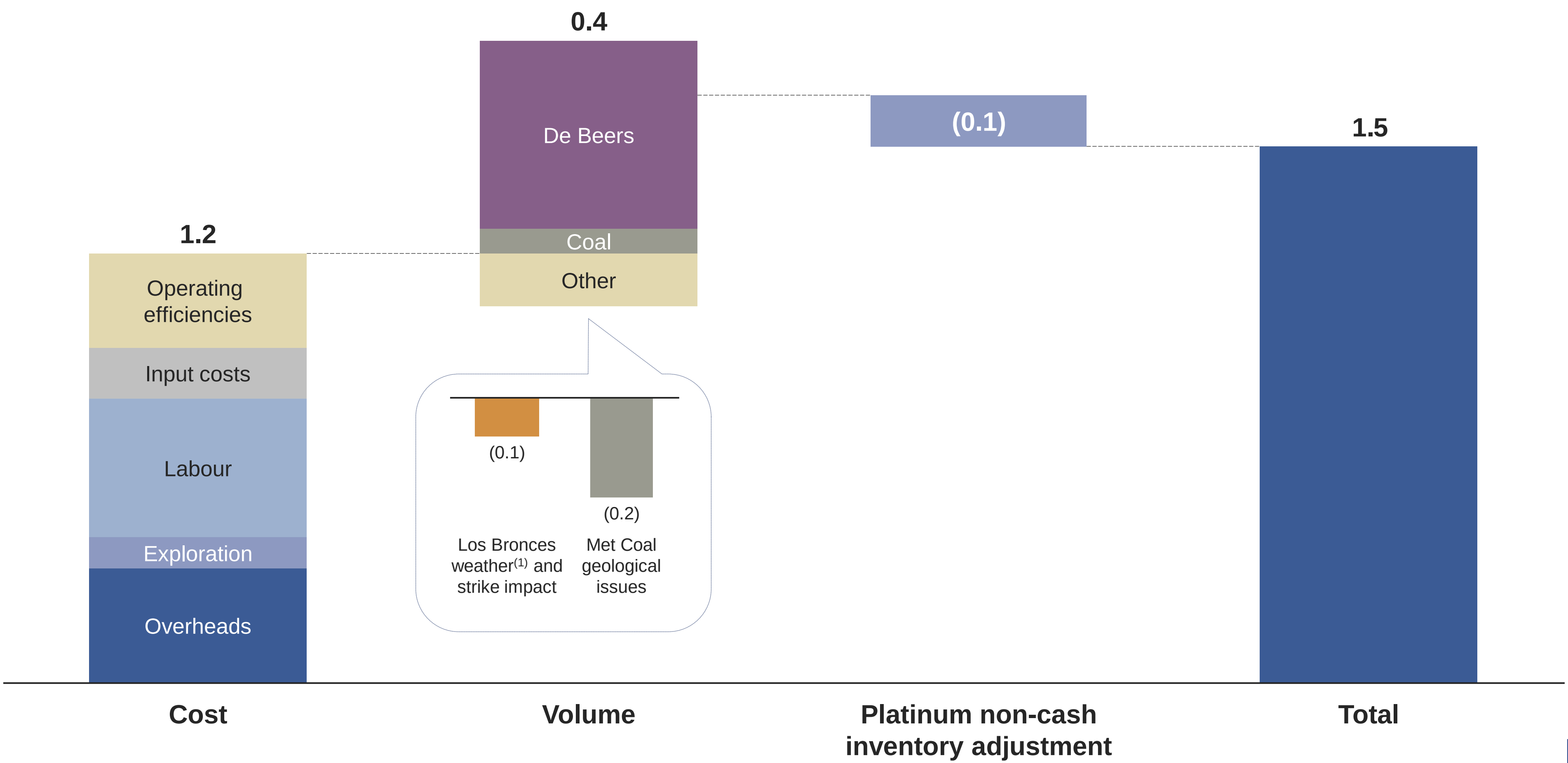
- EBITDA and free cash flow improved through:
  - ✓ Portfolio upgrading.
  - ✓ Improved productivity and costs.
  - ✓ Lower indirect costs.
- Marketing activities contributing to higher realised prices and margins.
- Prices on average 3% lower in 2016 than 2015.

Source: Thermal Coal – globalCOAL; Diamonds – De Beers Rough Price Index, Platinum, Copper & Nickel – London Metal Exchange; Met Coal – Platts Steel markets daily; Iron Ore – Platts 62% CFR China has been used in this instance as a generic industry benchmark.

(1) Price line is equivalent to weighted average daily revenue for 2016 sales volumes. Basket price excludes Samancor, Niobium, Phosphates, Corporate and OMI.

$1.5BN EBITDA COST & VOLUME IMPROVEMENT

Incremental EBITDA improvement ($bn) - 2016



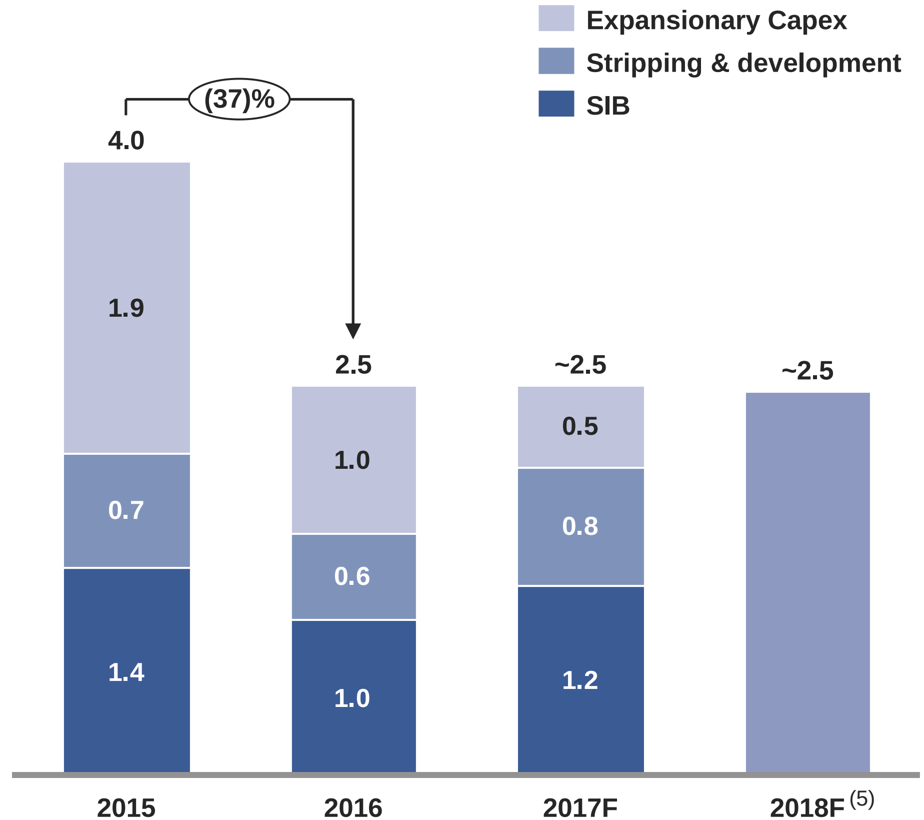
(1) Includes associated impact on production as a result of lower grade ore being processed.

$4.4BN REDUCTION IN NET DEBT & 37% DECLINE IN CAPEX

Net debt ($bn)[1]

Opening net debt – 1 January 2016	12.9
Cash flow from operations	(5.4)
Working capital	(0.4)
Capital expenditure[2]	2.4
Cash tax paid	0.5
Net interest[3]	0.6
Dividends from associates, joint ventures and financial asset investments	(0.2)
Bond buybacks	(0.1)
Disposals (net of tax)	(1.6)
Other	(0.1)
Closing net debt – 31 December 2016	**8.5**

Capital expenditure ($bn)[4]



(1) Net debt excludes the own credit risk fair value adjustment on derivatives.
(2) Capex defined as cash expenditure on property, plant and equipment including related derivatives, net of proceeds from disposal of property, plant and equipment and direct funding for capital expenditure from non-controlling interests. Includes capitalised operating cash flows.
(3) Net interest includes the impact of derivatives hedging net debt.
(4) Capex defined as cash expenditure on property, plant and equipment including related derivatives, net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests. Excludes capitalised operating cash flows.
(5) Includes all categories of capex, but excludes unapproved expansionary projects.

SIGNIFICANT PROGRESS ON CHANGE PLATFORM…

Organisation

- **Functional Model**…implemented and "indirects" reduced 33%.
- **Headcount**……………..reduced by ~40% across the business.

Portfolio

- **Assets sold/closed**[1]…reduced by 27 to 41…dealing with the tail.
- **Major projects**[2]…………………delivered 5 per key commitments.

Business

- **Operating model**……….…contributing to the productivity uplift.
- **Marketing model**…..implemented with meaningful contribution.

Note: Movements stated are from 2012 to 2016.
(1) Since 2013, includes assets closed or placed on care and maintenance. Includes sale of Union announced in February 2017.
(2) Minas-Rio, Gahcho Kué, Barro Alto, Grosvenor, Boa Vista Fresh Rock (BVFR).

…DELIVERING MEANINGFUL PROGRESS SINCE 2012.

Safety and environment

- **Safety**…..incidents down 50% but more work needed on fatal risks.
- **Environmental incidents**…down 85% due to upgrading standards.

Operational improvements

- **Copper-equivalent production**…….up 8%.
- **Copper-equivalent unit costs**…down 31%.

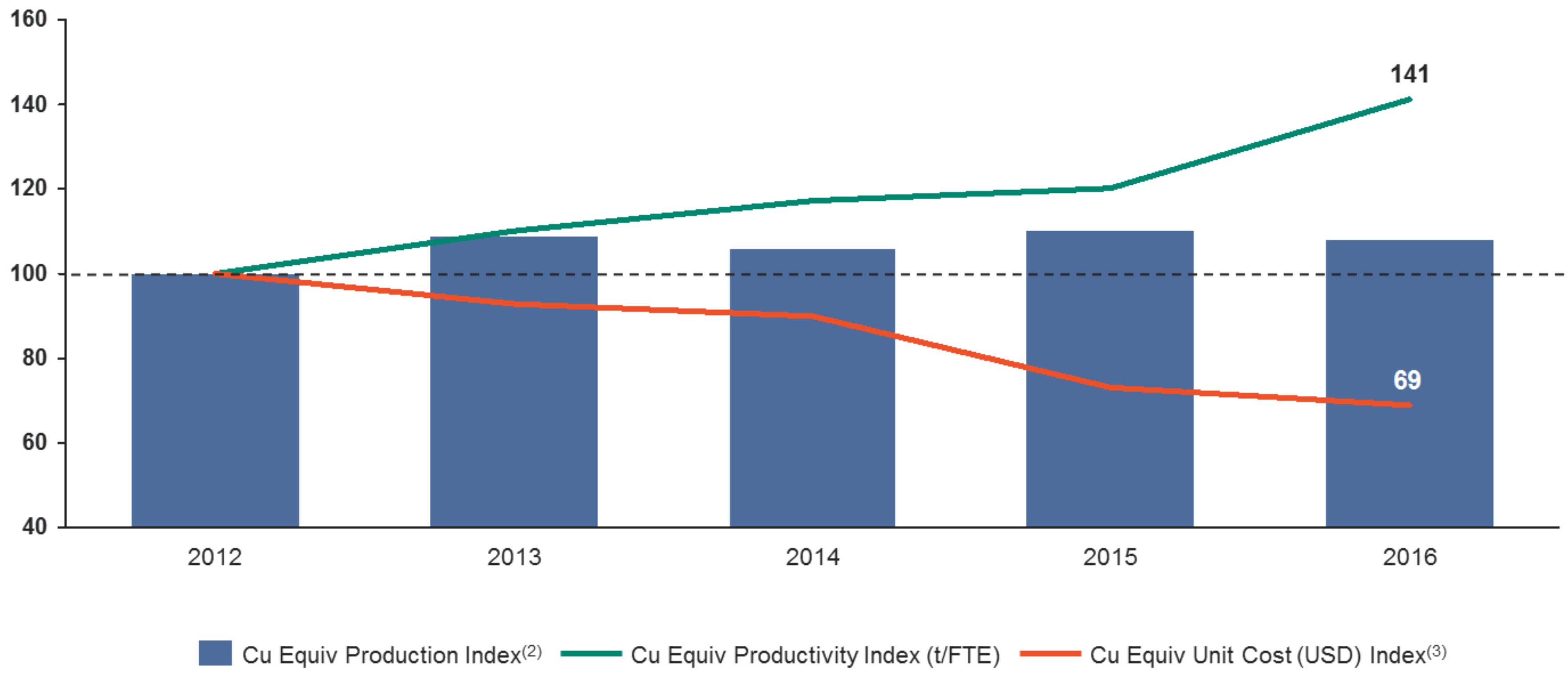
Cash generation

- **Cost and volume improvements**…$3.1bn delivered.
- **Capital expenditure**……………………….down 55%.

Note: Movements stated are from 2012 to 2016.

PRODUCTIVITY IMPROVEMENTS ONGOING

Copper-equivalent production, unit cost and productivity(1)



(1) Includes benefits of portfolio upgrading.
(2) Cu Equiv (Copper-equivalent) is calculated using long-term consensus parameters. Excludes domestic / cost-plus production. Production shown on a reported basis.
(3) Unit cost includes only AA's equity share of De Beers and Platinum. Excludes equity accounted assets and assets not in commercial production. Calculated using long-term consensus prices.

PORTFOLIO UPGRADING CONTINUED IN 2016

Portfolio upgrading	
Disposals[(1)]	Rustenburg
	Callide
	Foxleigh
	Niobium and Phosphates
	Exxaro
	Tarmac Middle East
	Kimberley
	Pandora
	Union
	Dartbrook
Restructure[(2)]	Thabazimbi
	Drayton
	Snap Lake
	Twickenham

(1) Includes completed and announced.
(2) Includes assets closed and on care and maintenance.

MARGINS AND RETURNS

- Portfolio clean-up of lower margin / shorter life assets will continue – Union disposal announced in the past week.
- Niobium and Phosphates sold for $1.5bn.
- Value discipline maintained - offers on a number of other high quality assets rejected.
- Moranbah, Grosvenor and Nickel assets to be retained in quality asset mix.
- No further sales required for debt reduction.
- Asset quality and margins are the key drivers.

BUILDING A RESILIENT BUSINESS

De Beers		Platinum		Copper		Bulks and Other Minerals	
Botswana	➢ **Jwaneng** ➢ **Orapa**	South Africa	➢ **Mogalakwena** ➢ **Amandelbult** • BRPM • Mototolo • Modikwa	Chile	➢ **Los Bronces** ➢ **Collahuasi**	Iron ore and manganese	➢ **Sishen** ➢ **Kolomela** ➢ **Minas-Rio** • Samancor
South Africa	➢ **Venetia** • Voorspoed					Coal	• SA Thermal (domestic) ➢ **SA Thermal (export)** ➢ **Australia Met.** ➢ **Cerrejón**
Namibia	➢ **Debmarine** • Namdeb			Projects	➢ **Quellaveco** • Sakatti		
Canada	➢ **Gahcho Kué** • Victor	Zimbabwe	• Unki			Nickel	➢ **Barro Alto**

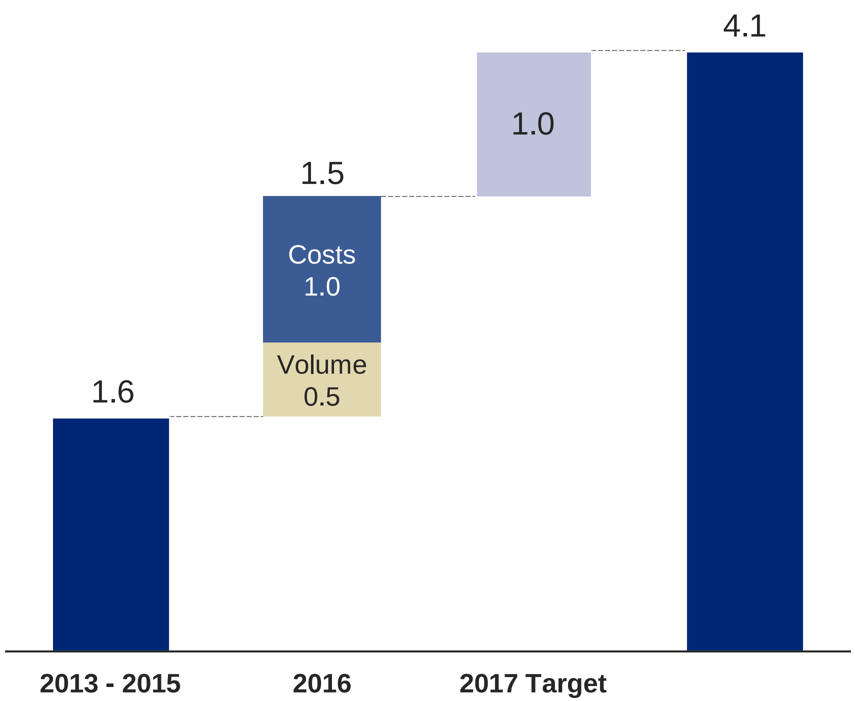
Portfolio priorities

- ➢ **Highest quality assets** that will drive returns through the cycle and contribute meaningfully to free cash flow and dividends.
- ➢ Scalable assets that provide **operational leverage and future potential.**
- ➢ **Diversification maintained** across quality asset mix**…exploring all options for our bulk assets in South Africa.**
- ➢ **Established global leadership** positions underpinned by asset quality…developing positions with focus on quality.
- ➢ **Rightsizing of overhead structures** enabled by portfolio restructuring…retaining key skills leveraging quality asset potential**.**

Note: Assets listed do not form an exhaustive list of Anglo American's mining operations.

TARGETING A FURTHER $1BN IMPROVEMENT

Incremental EBITDA improvement ($bn)



2017 Targeting $1.0bn cost & volume improvement

- $0.5bn in plan.
- ~$0.25bn identified.
- ~$0.25bn work in progress.

2017 Focus – apply Operating Model disciplines

- Optimising operational design & management.
- Enhancing productivity.
- Cost management.

FINANCIAL GUIDANCE – KEY METRICS

Financial metrics and net debt	2017F $bn
EBITDA cost and volume improvement	1.0
Capex[1]	~2.5
Attributable free cash flow (based on average 2016 realised prices)	~2.0
Net debt (based on average 2016 realised prices)	<7.0
Balance sheet target – using long term consensus prices	
Net debt to EBITDA	1.0 to 1.5x

Note: Production outlook on slide 42

(1) Based on current portfolio and existing projects.

DELIVERING CHANGE, BUILDING RESILIENCE

Delivering on our commitments to drive shareholder returns

- **Free cash flow target exceeded**…$2.6bn vs $0.4bn.
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- **EBITDA margin** up 5% points…despite lower prices.
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