

**CHIEF EXECUTIVE SAFETY AWARDS DINNER  
20 MAY 2009 -**

Welcome, everyone, to an occasion that for me personally has become a highlight of the Anglo calendar.

This year our global guest list is rather special. In this respect, I should like to extend a very warm welcome this evening to the representatives from government and the unions, who with business, make up South Africa's Tripartite Safety Alliance. We are particularly delighted to welcome the President of the National Union of Mineworkers – Senzeni Zokwana, the General-Secretary of the National Union of Mineworkers; Frans Baleni; and, from Government, Thabo Gazi, Chief Inspector of Mines, Department of Mining.

Another external guest with us tonight is Professor Jim Joy from the University of Queensland in Australia. Jim is the Anglo American Chair in Safety Risk Management and is currently in South Africa leading an intensive Risk Champions course for 40 Anglo safety risk leaders from across our businesses. These individuals are going through the equivalent of a thousand man-days of training and education to help build their expertise in risk-based decision-making – an area which we have identified as critical to our safety performance.

Welcome, too, to the representatives from our contractors; this evening we are specifically giving recognition to our contractor workforce for their pivotal contribution to "safe operations and safe production".

So much of the success of our operations – not only in safety, but in many other areas – is dependent on how well the contractors who work for us around the world become one team with the Group's employees. It is only fitting, therefore, that this year we have introduced the "Contractor Team Award".

However, the guest list is also special from an Anglo perspective, too. As I look around the room this evening, I see many familiar faces. The Chief Executive Safety Awards dinner is a highlight in our corporate calendar and I know that many of you have attended these dinners over previous years.

But what is so great about this year's event is that for the first time we are joined by colleagues from our operations who are at the front line. The decision to

acknowledge directly those individuals and teams that are making a real difference to safety in our operations is one which I enthusiastically support.

I especially wish to welcome those of you who are – sometimes quite literally – at the coalface, and who, through your own initiative, are doing so much to make our operations safer.

I salute all of you who, day in and day out, are making the Anglo American workplace safer and who continue to ensure that safety is not compromised during this economic downturn.

Last, but not least, I want to extend my appreciation to the spouses and partners for being here this evening. Without your constant support, our Group would certainly not be the force it is. So, it's a very heartfelt thank you to you all.

Before I move on to the safety awards part of the proceedings, I would like to talk for a few moments about Anglo – briefly reviewing the past year, and also offering a perspective on how I see things for the Group going forward.

Financially, Anglo once again had a very good year. Operating profits exceeded the \$10 billion mark for the second year running, while operating profit from core operations was up 10% to \$9.8 billion. Despite an increasingly tough second half, underlying earnings for the year dipped by less than 10% to \$5.2 billion, while underlying earnings per share were only 1% lower at \$4.36.

As all of us know, however, 2009 is proving to be extremely challenging. Yet although the speed, severity and extent of the downturn exceeded almost everyone's expectations, Anglo American is seeing the benefit of the actions and programmes we put in train in anticipation of the eventual ending of the commodities boom. When the downswing finally arrived, we had value-creating programmes on procurement, shared services and asset optimisation already gaining momentum.

We have also taken decisive action to position Anglo both financially and operationally for the economic conditions that we are likely to face in the short- to medium term.

We have reduced capital expenditure by more than 50%; we have scaled back production growth in line with anticipated reduced demand and we have reduced our headcount worldwide by some 19,000 people – but the one thing that we have not touched is our investment in safety.

As a result, we are now strongly positioned for the long term to deliver significant shareholder value through our existing operations and our well-funded growth pipeline.

Anglo American continues to have one of the strongest and highest-quality project pipelines in world mining, focused on the most attractive commodity segments of seaborne iron ore, copper and nickel, with projects approved or already underway totalling some \$16 billion. All of our projects, including the 'Big 3' of Minas-Rio, the Los Bronces expansion and Barro Alto, are also very favourably positioned on their industry cost curves.

Minas-Rio in Brazil is a world-class iron ore project. This was a rare opportunity to acquire a Tier 1 iron ore asset in terms of scale and quality. Even more exciting is that the resource base, which was originally estimated at around 300 million tonnes, has now been revised by our own technical teams to more than 3 billion tonnes, with potential of up to 7 billion tonnes. From the time it enters production in three years' time, Minas-Rio will play a significant role in the future growth of Anglo American.

Turning to Barro Alto, this is a 36,000 tonnes per annum nickel project, also in Brazil. This is a large-scale, long-life project which, when it reaches full production in 2012, will more than double Anglo American's current nickel output.

I can see a number of people here tonight from Barro Alto. Thank you for making the journey from Brazil and joining us here tonight for the Safety Awards.

Thirdly, there is the expansion project at our existing copper mine at Los Bronces in Chile. Annual production in the first 10 years of operation of the project will increase by 70%, or more than by 170,000 tonnes per annum, making it the world's 6th largest copper mine when it enters full production around 2012.

These three projects are perfect examples of the quality of operations and projects in our portfolio. They are low-cost, long-life, in the right commodities and in countries we know well – and we will do our utmost to make sure they are among the world's *safest* mining operations. It is projects of this kind of quality that will enable us to leverage our highly valuable relationships with host governments and the many other local stakeholders.

I will turn now to the outlook – and I know that it is always risky for a chief executive to stand up and give a view on what is in store for the future!

Having said that, however, there are definite signs that things have been improving on the economic front in recent weeks. There has been some easing in the credit markets, with our own bond offerings having been many times over-subscribed. In terms of the industry, prices for most commodities appear to be stabilising.

Indeed, there are even signs of some improvement, notably in the price of copper and platinum which are now well above their lows in the final quarter of 2008. In China, there have been very positive signs of late, with steel demand up 7% year to date, and iron ore imports up 23%.

Looking forward, we are confident that the medium- to long-term fundamentals are firmly in place for strong commodity demand growth. When the cycle turns, supply of many commodities is likely to be severely constrained. By preserving our key growth projects, uplifting the performance of our existing operations and continuing to drive down costs, Anglo is well placed to reap the rewards of that upswing.

Safety, of course, will play a critical role in guaranteeing our future success. Safe production is one of the foundations for the future of our business, and it is critical that we embed our Zero Harm principle throughout the business.

It is only by doing this that we can ensure that all of our employees come to work knowing that their safety is our number one priority, and it is only by doing this that we can ensure for every one of our employees a safe and healthy place to work.

This key theme of safety is the reason we are all gathered here tonight. Quite rightly, this should be an evening of celebration. The significant steps we have been taking in safety are now being reflected in an enhanced safety performance. The hundreds

of sites which have attained coveted Zero Harm status, for example, attest to the numerous pockets of excellence across our Group.

In 2008, the number of people who died while on the Company's business reduced by around one-third to 27 from 40 the previous year. Moreover, the lost time injury frequency rate, which had remained at a plateau for some time, saw a 17% year-on-year reduction.

It is encouraging that this momentum is being maintained and that the downward trend continues thus far in 2009.

We must remember the 27 people who died at our operations, as well as those who incurred serious injuries. These are personal tragedies and they demonstrate that we still have a long way to go if we are to achieve Zero Harm across our businesses. We can hardly claim that we are on the path to becoming a leading mining company when we still have this number of fatalities.

What encourages me greatly is that we have so many examples already of great practice – where Zero Harm is being measured not just in weeks, or even months, but years.

Of course, to achieve Zero Harm, each and every one of us has to act in line with both our own and the Company's values and to believe it is attainable. And we know from these success stories, across all sites globally, that fatality-free and LTI-free safe mining, safe projects, and safe process operations really are possible.

Such belief, however, can only come about through every person in the organisation having a mindset whereby doing the right thing from a safety perspective becomes automatic. I know that getting to this point will not be easy and will take a great deal of effort and commitment.

It will take safety leadership at every level in the organisation to ensure that the safety tenets enshrined in our Guiding Values are translated into best practice.

The Awards nominations reinforce the importance of personal safety leadership and how anyone, whatever their level in the organisation, has the potential to be a safety leader and to make a difference.

Many of those being recognised tonight are individuals and teams who took the initiative, without instruction or direction by their managers, to address safety issues and change things that would help keep them and their colleagues safe from harm.

I also know that some of you will be wondering to what extent safety is being entrenched in the mindset of those who do not work every day at the rock face.

Well, following on from our internal safety summits, our top executive team, including myself, came together recently for a dedicated workshop to reflect on our role in creating the right enabling environment within which the safety improvements we know we need to make can be achieved.

We on the executive committee are all committed to developing our Visible Felt Leadership to build One Safe Anglo, and we are each personally sponsoring the safety programmes that are going on throughout our company.

We see ourselves as having three complementary roles:

- To set a collective and unambiguous safety ambition for Anglo American. In setting this ambition, we must do so based on the safety performance of other sectors, not only mining. This will help us leapfrog our peers and not just follow in their footsteps.
- We must lead the way by becoming consistent role models. We will do this by making it clear at every turn that good safety performance forms an important basis for delivering safe production levels.
- And we must be supportive leaders. We have a critical role in supporting all of our businesses to make the step-change necessary to achieve world-class safety. Supporting the rapid adoption of best practice across the business units is one way we can help make a difference.

The sharing of expertise and good practice – from a team identifying a safer way to work, to a site making sure new ideas are implemented, or a contractor with safety-management systems and induction programmes that are best practice – is crucial to our Group's continuing safety improvement.

Sharing best practice is something we are committed to in Anglo, which is why I am thrilled that tonight we have been joined by representatives from all three constituencies of the Tripartite partnership here in South Africa.

In 2008, Anglo American was the key driver behind the Tripartite Safety Summit and, while it would be simplistic to attribute the safety progress that is being made to that summit, it is most encouraging to see that the number of people who lost their lives in the South African mining industry declined by almost a quarter in 2008 in comparison with 2007. We are committed to working together to find common solutions to the challenge of achieving, and maintaining, safe operational performance in mining.

All of us are together on the journey to Zero Harm, even if we are at different stages of safety maturity. But we will only get there if we are prepared to be open, to learn from each other and to share this learning for the benefit of all.

### **And now I will turn to the Awards...**

This year's awards have been broadened to allow us to recognise not just our operations, but also the crucial role our contractor teams and individual employees play as an inspiration to others to work more safely.

There are five Award categories, covering:

- Most Improved Operation
- Contractor Team
- Safety Best Practice
- Employee Safety Award and
- Outstanding Safety Performance.

This year, for the first time, we have selected the winners through a nomination process, rather than peer review. We had strong entries for each Award category. The Group level judges reviewed more than 40 nominations, and there were many more at a site and business unit level, all of which showed great commitment to improving safety.

I am delighted that we have in the room with us tonight 30 individuals, from South Africa, Brazil, Chile, Ireland and Australia, representing all the business units, who

we will shortly be recognising for the significant personal contributions they are making in our drive to achieve world-class safety performance.

All of those nominated for these awards deserve our thanks and congratulations. I very much hope that the excellence of their safety leadership and performance will inspire each of us to stay focused on safety and to do what we can in our teams, businesses and business units, to make Anglo a safe – and healthy – place to work.

I will now hand over to Gareth Llewellyn, Group head of safety & sustainable development, who will take us through the Awards ceremony.