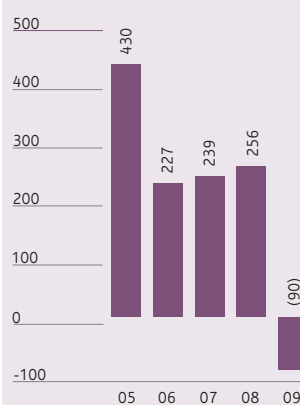


Diamonds

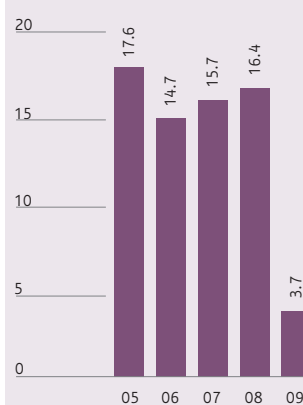
Anglo American owns 45% of De Beers, the world's leading diamond business. De Beers has expertise in exploration, mining and marketing of diamonds, and produces around 40% of the world's diamonds by value from its mines in Botswana, Canada, Namibia and South Africa.

Financial highlights

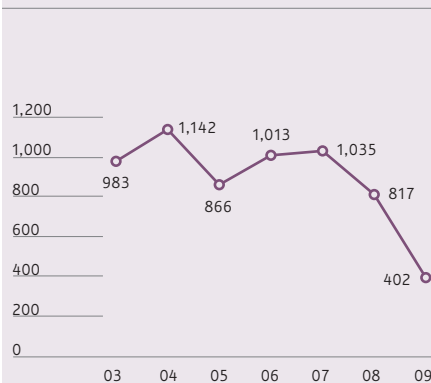
Five year share of associate's underlying earnings
\$m



Operating margin
%

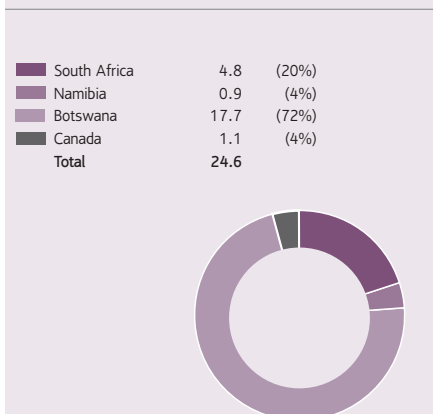


De Beers annual operating costs 2003-09
(\$m)

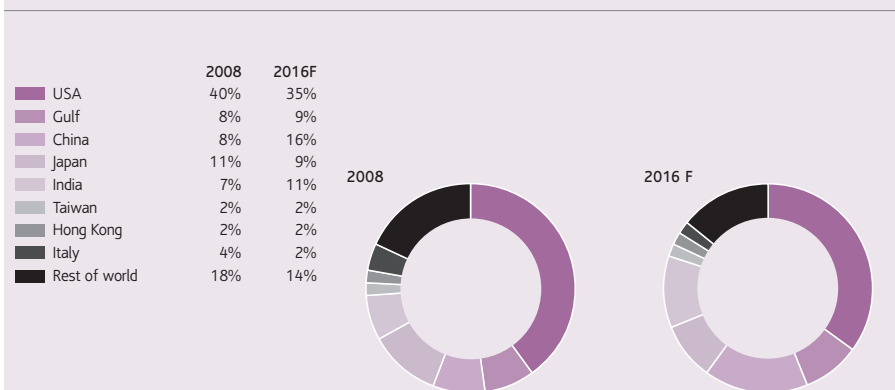


Source: De Beers

2009 De Beers mine production by region
Carats (million)



Demand by region
(%)



Source: De Beers

Financial data

| US\$m | 2009 | 2008 | 2007 | 2006 | 2005 |
|---|--------------|--------------|--------------|--------------|--------------|
| Turnover | | | | | |
| Subsidiaries | — | — | — | — | — |
| Joint ventures | — | — | — | — | — |
| Associates | 1,728 | 3,096 | 3,076 | 3,148 | 3,316 |
| Total turnover | 1,728 | 3,096 | 3,076 | 3,148 | 3,316 |
| EBITDA | 215 | 665 | 587 | 541 | 655 |
| Depreciation and amortisation | 151 | 157 | 103 | 78 | 72 |
| Operating profit before special items and remeasurements | 64 | 508 | 484 | 463 | 583 |
| Operating special items and remeasurements | (203) | (226) | (465) | (17) | (152) |
| Operating profit after special items and remeasurements | (139) | 282 | 19 | 446 | 431 |
| Net interest, tax and minority interests | 49 | (252) | (245) | (236) | (153) |
| Total underlying earnings | (90) | 256 | 239 | 227 | 430 |
| Group's associate investment in De Beers⁽¹⁾ | 1,353 | 1,623 | 1,802 | 2,062 | 2,056 |

⁽¹⁾ Excludes shareholder loans of \$367 million and preference shares of \$88 million respectively (2008: \$118 million and \$88 million respectively).

Anglo American's diamond interests are represented by its 45% shareholding in De Beers. The other shareholders in De Beers are Central Holdings (owned by the Oppenheimer family) with an effective 40% and the Government of the Republic of Botswana (GRB) with 15%.

De Beers is the world's leading diamond business and with its joint venture partners operates in more than 20 countries across five continents, employing over 15,000 people. De Beers produces around 40% of the world's rough diamonds by value from its mines in Botswana, Canada, Namibia and South Africa.

De Beers holds a 50% interest in Debswana Diamond Company and in Namdeb Diamond Corporation, owned jointly with the GRB and the Government of the Republic of Namibia (GRN) respectively, and a 70% shareholding in De Beers Marine Namibia.

In addition, De Beers has a 74% shareholding in South African based De Beers Consolidated Mines Limited, with a broad based black economic empowerment consortium (the Ponahalo group) holding the balance.

De Beers owns 100% of The Diamond Trading Company (DTC), the sales and rough diamonds distribution arm of De Beers. It also has a 50% interest with the GRB in Diamond Trading Company Botswana and a 50% ownership, along with the GRN's matching shareholding, in Namibia Diamond Trading Company.

De Beers and Moët Hennessy Louis Vuitton have established a high-end retail jewellery joint venture, through De Beers Diamond Jewellers, with stores in the most fashionable areas of some of the world's great cities, including New York, Los Angeles, London, Paris, Tokyo and Dubai.

De Beers, through Element Six, is the world's leading supplier of industrial diamond supermaterials. Element Six operates internationally, with 10 manufacturing sites worldwide and a comprehensive global sales network. It is the leading player in the markets in which it operates.



No 1

name in the world diamond industry

17

mining operations in three southern African countries and in Canada

15

years – mine life extension at Jwaneng, the world's flagship diamond mine

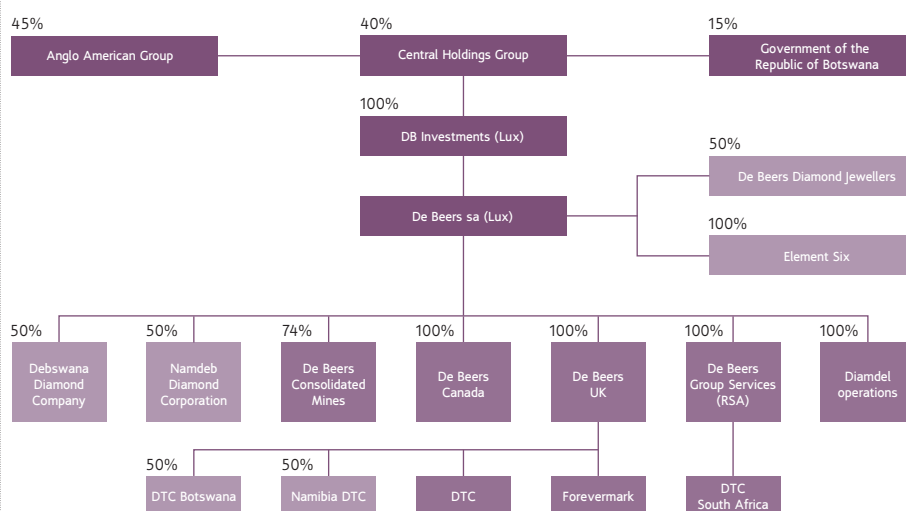
Financial highlights: Diamonds

\$ million (unless otherwise stated)

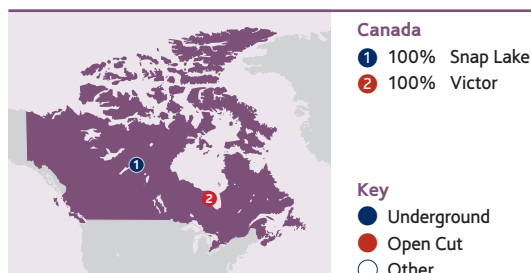
| | 2009 | 2008 |
|---|-------|-------|
| Share of associate's operating profit | 64 | 508 |
| EBITDA | 215 | 665 |
| Group's associate investment in De Beers ⁽¹⁾ | 1,353 | 1,623 |
| Share of Group operating profit | 1% | 5% |

⁽¹⁾ Excludes shareholder loans of \$367 million and preference shares of \$88 million (2008: \$118 million and \$88 million respectively).

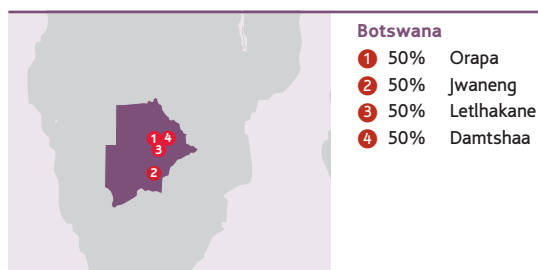
De Beers ownership structure



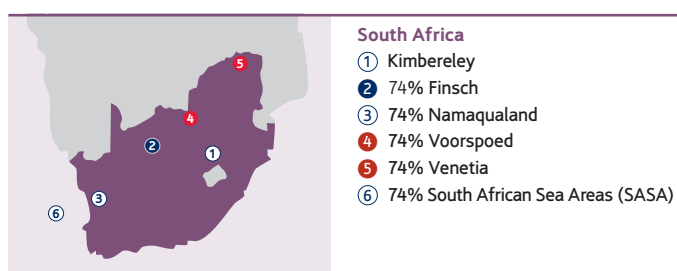
■ De Beers and shareholders
 ■ Owned and controlled subsidiaries and divisions
 ■ Joint ventures and independently managed subsidiaries



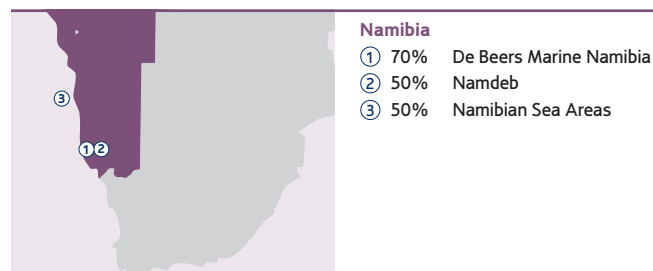
Victor mine and the Snap Lake mine in Canada are De Beers first mining ventures outside of the African continent. Victor mine is located in the James Bay lowlands of northern Ontario, about 90km west of the First Nation community of Attawapiskat. It is so remote that it can only be accessed by air or seasonal ice road. The mine employs more than 400 local people and has channelled over C\$175 million of investment into local Aboriginal businesses. Our Snap Lake mine lies 220 km northeast of Yellowknife and is Canada's first completely underground diamond mine. Both projects were completed in 2008. Combined output for 2009 was 1.1 million carats.



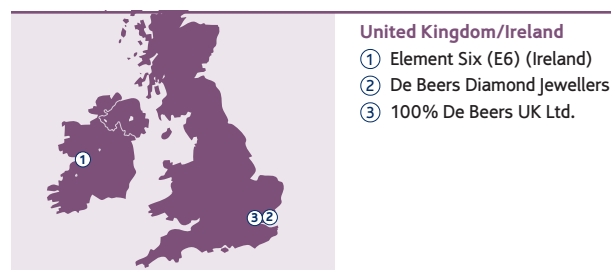
Debswana, a 50:50 partnership between De Beers and Botswana government, produced 17.7 million carats in 2009. Debswana operates two of the world's great diamond mines, Jwaneng and Orapa.



South African production in 2009 was 4.8 million carats, 60% below 2008. This reduction was in response to reduced demand from DTC Sightholders owing to the impact of the global economic downturn.



Namdeb, a 50:50 partnership between De Beers and the Namibian Government, has historically been a source of high value gemstones. Today, it is the acknowledged leader in alluvial recovery of diamonds. In 2009 Namdeb's production was 0.9 million carats.



De Beers Diamond Jewellers (DBDJ) is an independently managed jewellery retail joint venture with Moët Hennessy Louis Vuitton (LVMH). In 2009, DBDJ consolidated operations following a 50% increase in the size of its directly operated store network in 2008. No new stores were opened in 2009, although DBDJ assumed direct control of the Hong Kong operation from its former partner. Element Six (E6) is an industrial diamond supermaterials business, supplying diverse global markets such as oil and gas, mining, construction, automotive, aerospace, defence, electronics, semiconductor and general engineering.

Up to two-thirds of the world's diamonds by value originate from southern and central Africa, while significant sources have been discovered in Russia, Australia and Canada. Most diamonds come from the mining of kimberlite deposits. Another important source of gem diamonds, however, has been secondary alluvial deposits formed by the weathering of primary kimberlites and the subsequent deposition of released diamonds in rivers and beach gravels.

Rough or uncut diamonds are broadly classified either as gem or industrial quality diamonds, with gem being overwhelmingly (>99%) / the larger of the two markets by value. The primary world market for gem diamonds is in retail jewellery, where aspects such as size, colour, shape and clarity have a large impact on valuation. De Beers, through the DTC, and its partners in Botswana, South Africa and Namibia, supplies its clients – known as 'Sightholders' – with parcels of rough diamonds that are specifically aligned to their respective cutting and polishing needs.

Markets

In line with most products in the luxury sector, the diamond industry was severely affected in 2009 by the global recession. The impact of high stock levels throughout the diamond pipeline constricted liquidity in the cutting centres and lower consumer demand led to lower demand for rough diamonds from the DTC Sightholders. The market was hit most acutely in the first quarter and, as the year progressed, industry sentiment improved, which allowed the DTC to increase prices and sales volumes throughout the second half of the year.

At the retail level, the 2009 holiday period took place amidst continued economic weakness, with American consumers continuing to spend less than previous years. The luxury goods and high-end jewellery sector appeared to perform slightly above expectations, outperforming other categories. In the emerging markets of India and China, demand for diamond jewellery remained positive in the face of the weaker economic climate.

In accordance with the strategy to stimulate demand, the *Forevermark* programme continued to expand in China, Hong Kong, Japan and Macau. The brand is now available in 245 stores across Asia and achieved over \$100 million in retail sales in its first 12 months.

In the US, De Beers partnered with Sightholders and retailers to roll out an integrated marketing campaign for the holiday shopping season. The *Everlon Diamond Knot Collection* was marketed by leading major retailers and more than 300 independent outlets in the US. Anecdotal reports from participating retailers and Sightholders described the campaign as being one of the few successes in an otherwise difficult marketplace.



De Beers' exploration maintained a high discovery rate in 2009, adding 45 kimberlites, up from the 37 discoveries in 2008.

Strategy and growth

During 2009, De Beers, in order to withstand the most severe and prolonged downturn in the diamond industry for decades, took bold action to remain profitable at a far lower level of sales, and to place itself in a robust position to benefit from the eventual recovery. The strategy focused on lowering production levels to match sharply reduced sightholder demand, identifying cost savings and operating efficiencies across the business, and seeking ways to stimulate consumer demand.

Consequently, diamond production was reduced by 49%, or 23.5 million carats, in comparison with 2008. This reduction was achieved through a series of production holidays and extended maintenance shifts at the company's mines in Botswana, South Africa and Canada through the first half of the year.

De Beers continued to drive demand in 2009 through its highly regarded marketing campaigns in the US and Asia.

In February 2010, the shareholders of De Beers agreed, as part of the De Beers group's refinancing, that additional equity was required by De Beers. The shareholders of De Beers have accordingly all agreed to subscribe, in proportion to their current shareholding, for \$1 billion of additional equity in De Beers. The Group's share of such additional equity, in line with its equity holding in De Beers, amounts to \$450 million.

Projects

At the end of 2009, Debswana announced a major expansion project at Jwaneng, the world's flagship diamond mine in Botswana. This project, also known as Cut-8, will extend the mine life to 2025. Debswana will invest \$500 million in capital expenditure, while the estimated project investment is likely to total \$3 billion over the next 15 years. At its peak, the project will create approximately 1,000 jobs and create access to a further 95 million carats, which could be worth in excess of \$15 billion over the life of the mine.



Debswana's flagship Jwaneng mine. A recently announced expansion project will extend the mine's life to at least 2025 and will create access to an estimated 95 million carats of diamonds.

Diamonds recovered

| South Africa | | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|
| Carats (000) | 2009 | 2008 | 2007 | 2006 | 2005 |
| Cullinan | — | 540 | 964 | 1,150 | 1,305 |
| Finsch Mine | 1,426 | 2,317 | 2,334 | 2,275 | 2,216 |
| Kimberley | 397 | 913 | 1,638 | 1,945 | 1,897 |
| Koffiefontein | — | — | — | 2 | 124 |
| Namaqualand | 71 | 310 | 767 | 978 | 1,014 |
| The Oaks | — | 61 | 94 | 103 | 86 |
| Venetia | 2,204 | 7,500 | 9,081 | 8,117 | 8,515 |
| Voorspoed | 532 | 128 | — | — | — |
| South African Sea Areas | 167 | 191 | 121 | — | — |
| Total | 4,797 | 11,960 | 14,998 | 14,569 | 15,156 |
| Botswana | | | | | |
| Carats (000) | 2009 | 2008 | 2007 | 2006 | 2005 |
| Debswana (50% owned by De Beers) | | | | | |
| Orapa | 7,575 | 16,869 | 18,708 | 17,338 | 14,890 |
| Letlhakane | 1,066 | 1,200 | 1,113 | 1,089 | 1,097 |
| Jwaneng | 9,039 | 13,674 | 13,476 | 15,638 | 15,599 |
| Damtshaa | 54 | 533 | 341 | 228 | 303 |
| Total | 17,734 | 32,276 | 33,638 | 34,293 | 31,890 |
| Namibia | | | | | |
| Carats (000) | 2009 | 2008 | 2007 | 2006 | 2005 |
| Namdeb (50% owned by De Beers) | | | | | |
| Land | 329 | 1,067 | 969 | 1,001 | 798 |
| Marine Mining | 600 | 1,055 | 1,207 | 1,084 | 977 |
| Total | 929 | 2,122 | 2,176 | 2,085 | 1,774 |
| Tanzania | | | | | |
| Carats (000) | 2009 | 2008 | 2007 | 2006 | 2005 |
| Williamson | — | 134 | 220 | 189 | 190 |
| Total | — | 134 | 220 | 189 | 190 |
| Canada | | | | | |
| Carats (000) | 2009 | 2008 | 2007 | 2006 | 2005 |
| Victor | 696 | 714 | — | — | — |
| Snap Lake | 444 | 926 | 81 | — | — |
| Total | 1,140 | 1,640 | 81 | — | — |
| Grand total | 24,600 | 48,132 | 51,113 | 51,136 | 49,010 |