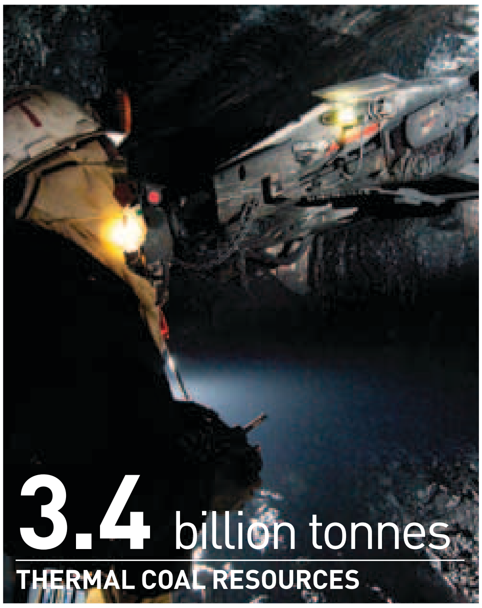
Real Mining. Real People. Real Difference.

Aiming to be the leading global mining company – the investment, the partner and the employer of choice.

Throughout the year, I travelled extensively around our Group and I continue to be impressed by the commitment of everyone I have met in pursuing our ambition of becoming the leading global mining company.

Sir John Parker
Chairman



The delivery of first metal from Barro Alto is a major milestone as we develop a number of world class projects and drive 50% volume growth by 2015.

Cynthia Carroll
Chief executive

CONTENTS

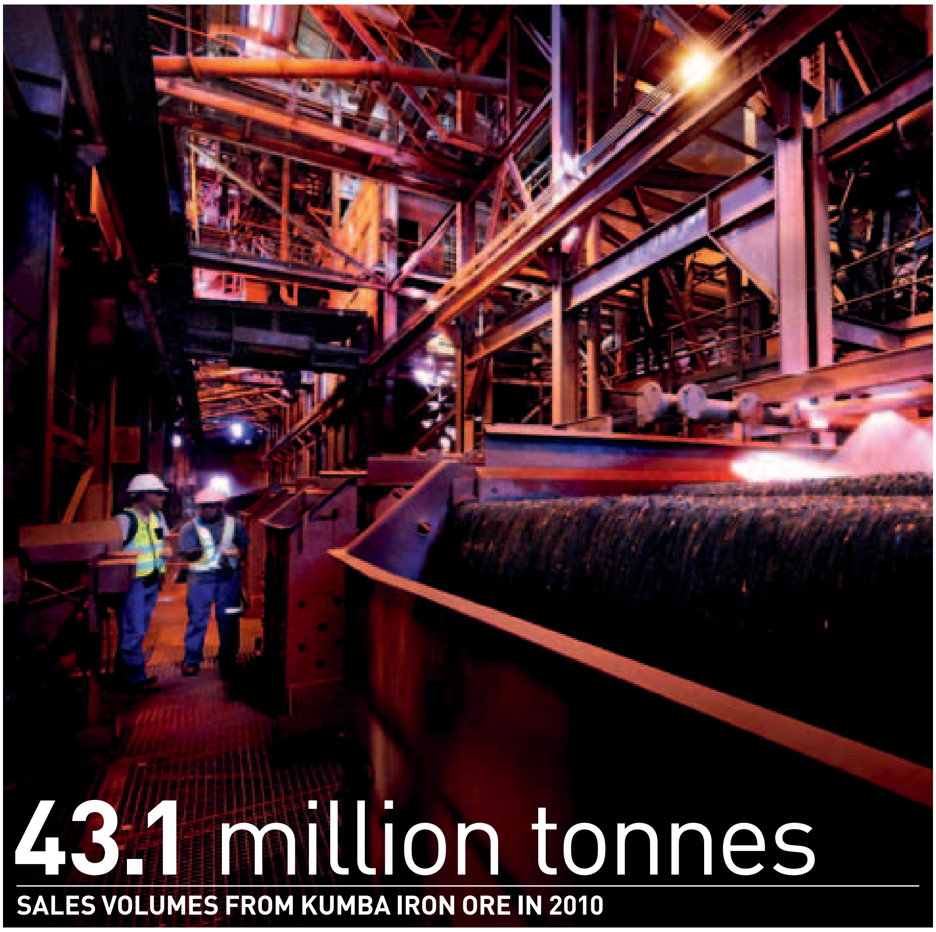
No. 2
EXPORTER OF METALLURGICAL COAL FROM AUSTRALIA IN 2010

We comfortably exceeded our target of $1 billion in sustainable benefits from asset optimisation from core operations alone by 2011.

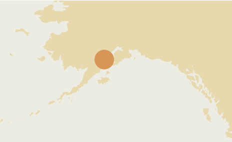
$1.5 bn

Whether it is the communities surrounding our operations or our employees, we work together to ensure everyone benefits.

Cynthia Carroll
Chief executive



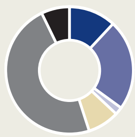
43.1 million tonnes
SALES VOLUMES FROM KUMBA IRON ORE IN 2010



INCREASING OUR REACH
OUR OPERATIONS

We are one of the world's largest mining companies. Our portfolio of high quality mining assets and natural resources includes platinum group metals and diamonds, with significant interests in copper, iron ore, metallurgical coal, nickel and thermal coal, as well as a divestment portfolio of other mining and industrial businesses. We operate in Africa, Europe, South and North America, Australia and Asia.

REVENUE BY ORIGIN
Percentage



OUR SEVEN COMMODITY BUSINESSES

Precious

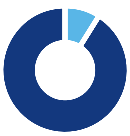
PLATINUM

Anglo Platinum Limited, a managed subsidiary, owns the largest platinum reserves in the world and is the largest primary producer of platinum, accounting for some 40% of world supply.

Primarily used in autocatalysts and jewellery. Also employed in chemical, electrical, electronic, glass and petroleum industries and medical applications.

Share of Group operating profit

$837m
9%
2009 $32m, 1%



Average number of employees ('000)[1]

52

For more information, see page 14 or visit: www.angloamerican.com

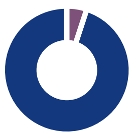
DIAMONDS

Independently managed De Beers is the world's leading diamond exploration, mining and marketing company. De Beers generates about 35% (by value) of global rough diamond production from its operations in South Africa, Botswana, Namibia and Canada.

The largest diamond jewellery market is the United States, followed by Japan, Europe, China and India.

Share of Group operating profit

$495m[2]
5%
2009 $64m, 1%



Average number of employees ('000)[1]

16[3]

For more information, see page 34 or visit: www.angloamerican.com

Base metals

COPPER

Our copper business has interests in six operations in Chile. These comprise the wholly owned Los Bronces, El Soldado, Mantos Blancos and Mantoverde mines, the Chagres smelter and a 44% interest in the Collahuasi mine.

Used mainly in wire and cable, brass, tubing and pipes, air conditioning and refrigeration.

Share of Group operating profit

$2,817m
29%
2009 $2,010m, 41%

Average number of employees ('000)[1]

4

For more information, see page 44 or visit: www.angloamerican.com

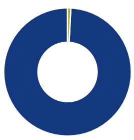
NICKEL

Nickel has three operating assets, Codemin in Brazil, Loma de Níquel in Venezuela, both producing ferronickel, as well as the recently commissioned, world class Barro Alto asset in Brazil.

More than 60% of all nickel is used in the production of stainless steel. Around 25% is used to make other types of steel and for super-alloys, which can withstand extreme temperatures.

Share of Group operating profit

$96m
1%
2009 $2m, 0.04%

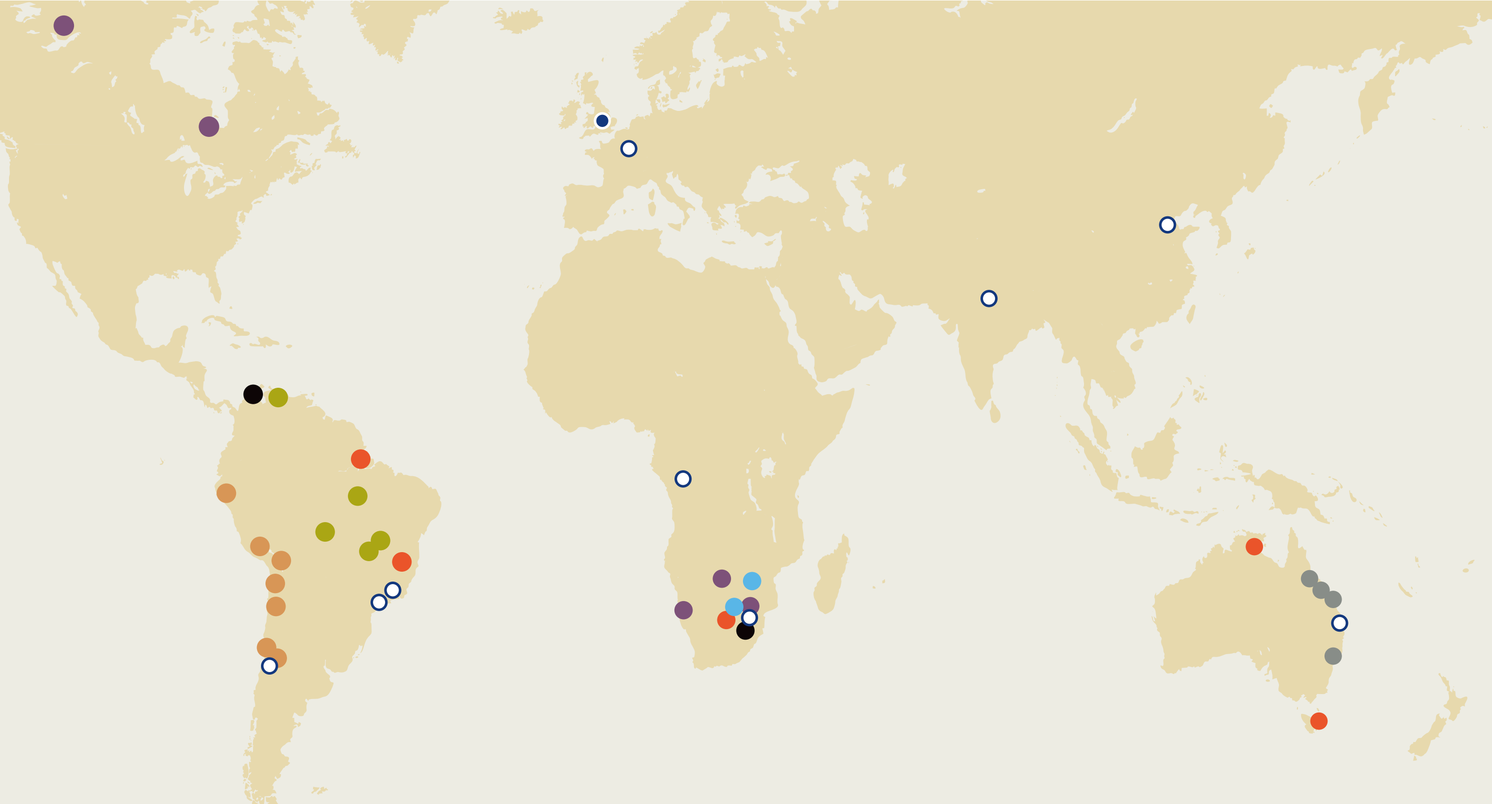


Average number of employees ('000)[1]

2

For more information, see page 58 or visit: www.angloamerican.com

(1) Excluding contractors and associates employees and including a proportionate share of employees within joint venture entities.
(2) De Beers results are shown as share of associates' operating profit.
(3) De Beers is an independently managed associate. Employee numbers shown represent the average number of employees in De Beers managed operations, including 100% of employees in De Beers' underlying joint ventures
(4) Consideration on a debt and cash free basis, as announced.



WHERE WE OPERATE

Headquarters

London, United Kingdom

Corporate and representative offices

Beijing, China
Brisbane, Australia
Johannesburg, South Africa
Kinshasa, DRC
Luxembourg
New Delhi, India
Rio de Janeiro, Brazil
Santiago, Chile
São Paulo, Brazil

North America

Africa

South America

Australia and Asia

Bulk

IRON ORE AND MANGANESE

We are the world's fourth largest iron ore producer, with a large high quality resource base in South Africa and Brazil.

Key component in steel, the most widely used of all metals. Global steel consumption is forecast to grow in excess of 5% pa over the next three years.

$3,681m
38%
2009 $1,489m, 30%

8

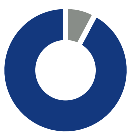
For more information, see page 70 or visit: www.angloamerican.com

METALLURGICAL COAL

Our metallurgical coal business is Australia's fourth biggest producer of coal and its number two exporter of metallurgical coal. We are active partners in diverse clean coal energy initiatives.

Key raw material for 70% of the world's steel industry. Demand is driven by economic, industrial and steel growth.

$783m
8%
2009 $451m, 9%



3

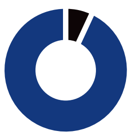
For more information, see page 84 or visit: www.angloamerican.com

THERMAL COAL

In South Africa, our thermal coal business owns and operates nine mines. In Colombia, we have a one-third shareholding (with BHP Billiton and Xstrata each owning one-third) in Cerréjon, Colombia's largest thermal coal exporter.

About 40% of all electricity generated globally is powered by thermal coal. About 5.1 billion tonnes of thermal coal are produced globally each year.

$710m
7%
2009 $721m, 15%



9

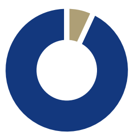
For more information, see page 98 or visit: www.angloamerican.com

Other Mining and Industrial

OTHER MINING AND INDUSTRIAL

Our programme to divest of non-core businesses is well advanced. During 2010, Anglo American completed the divestment of a number of non-core businesses with announced proceeds[4] of $3.3 billion.

$661m
7%
2009 $506m, 10%



20

For more information, see page 114 or visit: www.angloamerican.com

THE BUSINESS AN OVERVIEW[1]

PLATINUM

Overall ownership: 79.7%

100% owned

South Africa
Bathopele Mine
Khomanani Mine
Thembelani Mine
Khuseleka Mine
Siphumelele Mine
Tumela Mine
Dishaba Mine
Mogalakwena Mine
Western Limb Tailings Retreatment
Waterval Smelter (including converting process)
Mortimer Smelter
Polokwane Smelter
Rustenburg Base Metals Refinery
Precious Metals Refinery
Twickenham Mine

Zimbabwe
Unki Mine

Other interests

South Africa	
Union Section	85%

Joint ventures or sharing agreements	
Modikwa Platinum Joint Venture	50%
Kroondal Pooling and Sharing Agreement	50%
Marikana Pooling and Sharing Agreement	50%
Mototolo Joint Venture	50%
Masa Chrome Company	74%

Associates	
Bokoni (formerly Lebowa Platinum Mines)	49%
Pandora	42.5%
Bafokeng-Rasimone	33%
Anooraq	27%
Johnson Matthey Fuel Cells	17.5%
Wesizwe	26.6%

DE BEERS[2]

Overall ownership: 45%

100% owned

South Africa
De Beers Group Services (Exploration and Services)
De Beers Marine

Canada
De Beers Canada
Snap Lake
Victor

Industrial Diamonds
Element Six Technologies

Trading and Marketing
The Diamond Trading Company
Forevermark
Diamdel

Other interests

South Africa	
De Beers Consolidated Mines	74%[3]
Finsch	
Namaqualand Mines	
Venetia	
South African Sea Areas	

Botswana	
Debswana (Damtshaa, Jwaneng, Orapa and Lethlakane mines)	50%

Namibia	
Namdeb (Mining Area No. 1, Orange River Mines, Elizabeth Bay and Marine concessions)	50%
De Beers Marine Namibia	70%

Trading and Marketing	
DTC Botswana	50%
Namibia DTC	50%

Industrial Diamonds	
Element Six Abrasives	60%

Diamond Jewellery Retail	
De Beers Diamond Jewellers	50%

COPPER

Overall ownership: 100%

100% owned

Chagres (Chile)
El Soldado (Chile)
Los Bronces (Chile)
Mantos Blancos (Chile)
Mantoverde (Chile)
Michiquillay (Peru)

Other interests

Collahuasi (Chile)	44%
Palabora (South Africa)	17%
Quellaveco (Peru)	81.9%
Pebble (US)	50%

NICKEL

Overall ownership: 100%

100% owned

Codemin (Brazil)
Barro Alto (Brazil)

Other interests

Loma de Níquel (Venezuela)	91.4%

(1) As at 31 December 2010.
(2) An independently managed associate.
(3) De Beers' 74% interest represents its legal ownership share in De Beers Consolidated Mines (DBCM). For accounting purposes De Beers consolidates 100% of DBCM as it is deemed to control the black economic empowerment (BEE) entity which holds the remaining 26% after providing certain financial guarantees on its behalf during 2010.

IRON ORE AND MANGANESE

Kumba Iron Ore (South Africa)	65.3%
Minas-Rio (Brazil)	100%
Amapá (Brazil)	70%
LLX Minas-Rio (Brazil)	49%
Samancor (South Africa and Australia)	40%

METALLURGICAL COAL

Overall ownership: 100%

100% owned

Australia
Callide

Australia – other
Monash Energy Holdings Ltd

Other interests

Australia	
Dartbrook	83.3%
Dawson	51%
Drayton	88.2%
German Creek[1]	70%
Jellinbah	23%
Moranbah North	88%
Foxleigh	70%

Australia – other	
Dalrymple Bay Coal Terminal Pty Ltd	25.4%
Newcastle Coal Shippers Pty Ltd	17.6%

THERMAL COAL

Overall ownership: 100%

100% owned

South Africa
Goedehoop
Greenside and Nooitgedacht
Isibonelo
Kleinkopje
Landau
New Denmark
New Vaal

Other interests

South Africa	
Mafube	50%
Phola plant	50%
Kriel[2]	73%
Zibulo[2]	73%

South Africa – other	
Richards Bay Coal Terminal	27%

Colombia	
Carbones del Cerrejón	33.3%

OTHER MINING AND INDUSTRIAL

Overall ownership: 100%

100% owned

Aggregates and Building Materials
Tarmac Quarry Materials
Tarmac Building Products
Tarmac China
Tarmac Romania
Tarmac Turkey

Zinc/Lead
Lisheen (Ireland)

Phosphate products
Copebrás (Brazil)

Niobium
Catalão (Brazil)

Other interests

Aggregates and Building Materials	
Tarmac Middle East	50%

Zinc/Lead	
Black Mountain (South Africa)	74%
Gamsberg (South Africa)	74%

Steel products	
Scaw Metals (worldwide)[3]	74%

Coal Americas	
Peace River Coal (Canada)	74.8%

OTHER[4]

100% owned

Vergelegen (South Africa)

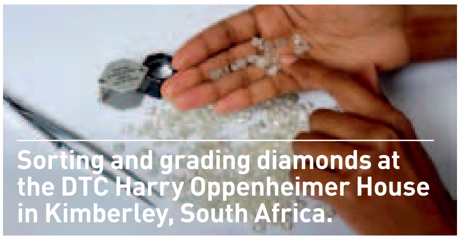
Other interests

Exxaro Resources (southern Africa and Australia)	10%

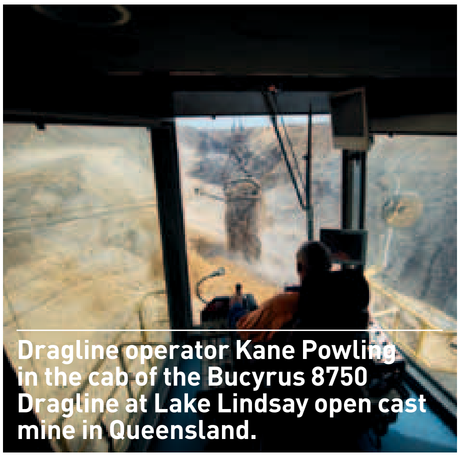
[1] The German Creek operation includes both Capcoal Open Cut and Underground operations.
[2] Kriel and Zibulo form part of the Anglo American Inyosi Coal BEE Company of which Anglo American owns 73%.
[3] Moly-Cop and AltaSteel were sold in December 2010.
[4] Included within Corporate Activities and Unallocated Costs segment.

HISTORY AND TIMELINE

Mine Planning Analyst Ephraime Tanyane at the Leeufontein Pit at Kolomela Mine.



Sorting and grading diamonds at the DTC Harry Oppenheimer House in Kimberley, South Africa.



Dragline operator Kane Powling in the cab of the Bucyrus 8750 Dragline at Lake Lindsay open cast mine in Queensland.

The drum room in the plant at Sishen Mine.

1800

1871: Diamonds discovered at Kimberley, South Africa.

1886: Gold discovered on the Witwatersrand.

1910

1917: Anglo American Corporation (AAC) of South Africa was founded to exploit the gold deposits east of Johannesburg. The £1 million authorised capital was raised largely from British and American sources.

1920

1923: Platinum first discovered in South Africa in the Bushveld Complex north of Nylstroom.

1926: AAC becomes the largest shareholder in De Beers.

1930

1934: Diamond Trading Company formed as a diamond selling company based in Kimberley and London.

1960

1967: Mondi is incorporated.

1970

1975: The various Anglo American Group coal interests were merged into VEL and the merged business was then renamed Anglo American Coal Corporation Limited (Amcoal).

1990

1997: Anglo Platinum becomes the single listed holding company for the Anglo Platinum group of companies: RPM, PPRust, Leplats and Anglo Platinum Limited.

1998: AngloGold is formed from the separately listed South African companies, which then made up the Gold and Uranium Division of Anglo American.

1999: Anglo American plc is established by combining the business interests of Anglo and Minorco. This, together with a sweeping restructuring of the Group, has created one of the world's largest mining and natural resource companies.

2000

2000: Tarmac acquired by Anglo American plc. A further restructuring of the Colombian coal assets initially left Anglo Coal with 33% of an enlarged venture which subsequently acquired 50% of Cerrejón Zona Norte (CZN) from the Colombian government.

2001: Removal of cross-holding with De Beers. De Beers is privatised after 112 years as a listed company.

2002: Anglo Base Metals acquires the Disputada copper operations in Chile from Exxon Mobil in November 2002.

2003: Anglo American acquires a major stake in Kumba Resources.

2005: Disposal of Boart Longyear and Samancor Chrome in mid-2005.

2006: Shareholding in AngloGold Ashanti reduced from 51% to 42%.

Majority stake in Highveld Steel sold to Evraz and Credit Suisse.

Restructuring of Kumba Resources to separately list Kumba Iron Ore, of which Anglo American held 64%, and Exxaro, which became South Africa's largest black economic empowered (BEE) natural resources company, on the JSE Limited.

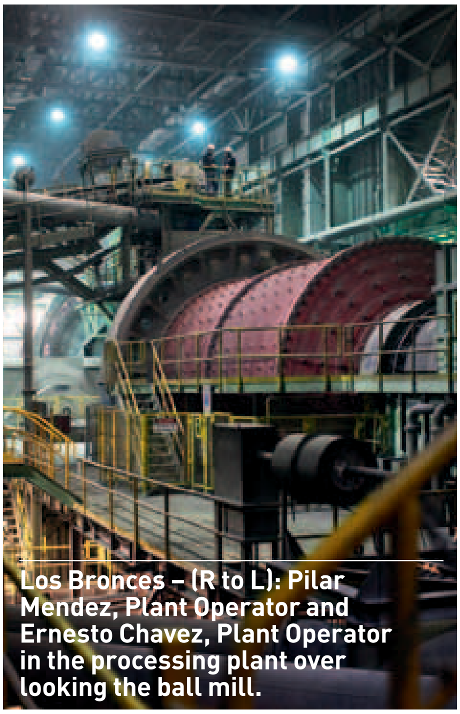
2007: Demerger of Mondi, Anglo American's paper and packaging business, to become a dual-listed company on the London and Johannesburg stock exchanges.

Shareholding in AngloGold Ashanti reduced from 42% to 16.6%.

Disposal of remaining 29% holding in Highveld Steel and Vanadium.

Completion of the unbundling of Hulamin from Tongaat-Hulett, along with a separate JSE listing.

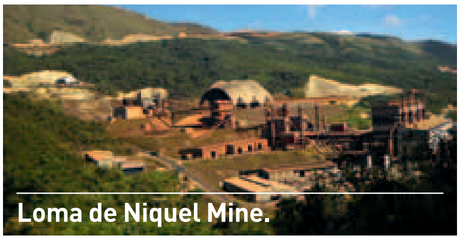
Purchase of a 49% stake in the MMX Minas-Rio iron ore project in Brazil.



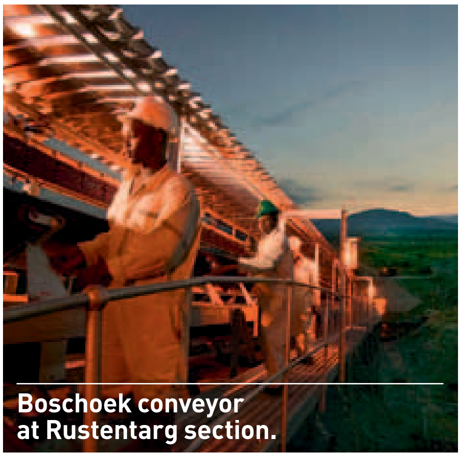
Los Bronces – (R to L): Pilar Mendez, Plant Operator and Ernesto Chavez, Plant Operator in the processing plant over looking the ball mill.

Hydropower equipment raise rig drill at Twickenham Mine.

Minas Rio – (L to R): Michael Camilo Da S. Borchas, contractor mining technician and Juliano Roberto Ferreira, Environmental Engineer, monitoring ground movement.



Loma de Niquel Mine.



Boschoek conveyor at Rustentarg section.

Acquisition of the Michiquillay copper project in northern Peru and a 50% stake in the Pebble copper project in Alaska.

Acquisition of a 70% interest in the Foxleigh coal mine in Australia.

Selling down of Anglo American's stake in Exxaro from 23% to 10%, completed in September 2007. Anglo American will continue to hold a 10% shareholding until 2016.

2008: Anglo American acquires control of the Minas-Rio iron ore project and Amapá iron ore system in Brazil.

Sale of Namakwa Sands to Exxaro.

Sale of Tarmac Iberia S.A.U. to Holcim Spain, a subsidiary of Holcim Ltd.

2009: Sale of remaining 11.3% stake in AngloGold Ashanti.

Anglo American exits its shareholding in Hulamin Ltd.

Announcement of significant new copper prospects at Los Sulfatos and San Enrique Monolito near Los Bronces in Chile, with inferred resources of 1.2 billion tonnes and 900 million tonnes respectively.

Exit of shareholding in Tongaat Hulett Limited.

Anglo American announces streamlining of management structure and non-core businesses for divestment, including Scaw Metals, Copebrás, Catalâo, Tarmac and the Group's portfolio of zinc assets.

2010

2010: Anglo American completes the sale of its interests in five undeveloped coal assets in Australia to a consortium composed of Korea Electric Power Corporation, POSCO and Cockatoo Coal Limited, for cash proceeds of A$577 million (approximately US$577 million).

Sale agreed of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish, and French and Belgian concrete products businesses, for a combined consideration of $483 million. These were all completed in 2010.

Sale agreed of Moly-Cop and AltaSteel to OneSteel Limited for a total consideration of $932 million on a debt and cash free basis, consisting of the grinding media and steel products businesses located in North and South America, and including the joint venture interests in the Donhad grinding media business in Australia and GenAlta Recycling Inc. in Canada. Moly-Cop and AltaSteel were previously managed as part of the wider Scaw Metals Group.

Decision announced to begin a divestment process for the Callide domestic thermal coal mine in Central Queensland, Australia.

Key licence secured for the development of the Minas-Rio iron ore project in Brazil. The award of the second part of the Mine Installation Licence ('Mine LI part 2') was granted by SUPRAM, the Minas Gerais state agency responsible for environmental licensing in December 2010 and marks a major achievement on the critical path for delivery of the Minas-Rio project.

2011: Anglo American plc and Lafarge SA announce their agreement to combine their cement, aggregates, ready-mixed concrete, asphalt and contracting businesses in the United Kingdom, comprising Tarmac Limited ('Tarmac UK') and Lafarge Cement UK, Lafarge Aggregates and Concrete UK ('Lafarge UK'). The transaction will form a 50:50 joint venture and will create a leading UK construction materials company, with a portfolio of high quality assets drawing on the complementary geographical distribution of operations and assets, the skills of two experienced management teams and a portfolio of well-known and innovative brands.

First production of metal is delivered on schedule from the $1.9 billion Barro Alto nickel project in Brazil. The Barro Alto nickel project is the first of Anglo American's four major strategic growth projects to begin production and will be a key contributor to Anglo American's 50% volume growth by 2015.

Following receipt of the Mine LI Part 2 in December 2010, the Minas-Rio iron ore project commenced civil works for the beneficiation plant in March 2011. Completion and commissioning of the mine is expected to take between 27 and 30 months, with first ore on ship expected in the second half of 2013.

DEFINING OUR AMBITION
OUR STRATEGY

Anglo American aims to be the leading global mining company – the investment, the partner and the employer of choice – through the operational excellence of world class assets in the most attractive commodities and a resolute commitment to the highest standards of safe and sustainable mining.

Our focused commodity businesses are driving superior operating performances, through major productivity improvements, disciplined cost management and the significant benefits of our asset optimisation and global supply chain programmes.

Cynthia Carroll
Chief executive

KEY STRATEGIC HIGHLIGHTS

Anglo American performed strongly in 2010, both operationally and financially, and we have continued to deliver on our clear strategic objectives. Strategic highlights from the year include:

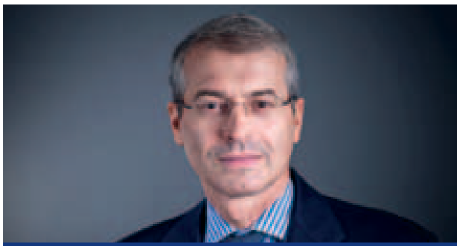
1
We have completed $3.3 billion of divestments of non-core businesses, including our zinc portfolio, Moly-Cop and AltaSteel, five undeveloped coal assets in Australia and a number of Tarmac's European businesses. We have received strong interest in the remaining businesses and will divest those in a manner and on a timetable that maximise value. In February 2011, we announced our intention to combine the UK businesses of Tarmac and Lafarge, to create a leading UK construction materials company

OUR FOUR STRATEGIC ELEMENTS

INVESTING – in world class assets in the most attractive commodities

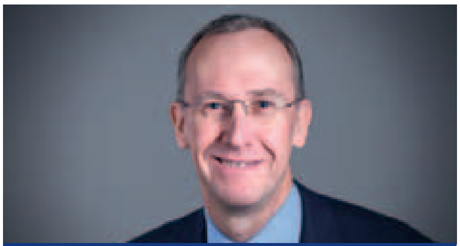
We own, operate and grow world class mining assets in those commodities that we believe deliver the best returns through the economic cycle and over the long term.

We aim to focus on those commodities in which we have advantaged positions and on large scale assets with long lives, low cost profiles and with clear expansion potential; that is: copper, diamonds, iron ore, metallurgical coal, nickel, platinum and thermal coal.



In 2010 we considerably strengthened our balance sheet and are well positioned to finance our project pipeline and to take advantage of any attractive M&A opportunities.

Réne Médori
Finance Director



Talent development remains a key priority. In pursuit of this aim, we launched the People Development Way, a global capability framework that describes the behaviours, knowledge, skills and experiences needed to enable Anglo American to achieve its strategic objectives.

Mervyn Walker
Group Director of Human Resources and Communications

Project delivery is a major challenge in our industry. At Anglo American we have chosen to focus on the way that we develop and approve our projects, ensuring that we harness the full capacity of our technical resources in a disciplined and consistent way.

David Weston
Group Director of Business Performance and Projects

2
We have exceeded all expectations by achieving asset optimisation and procurement benefits of $2.5 billion from our core businesses alone (including one-off benefits), well ahead of our 2011 target of $2 billion

3
We have made excellent progress on our four major projects, enabling us to start up a major project every six to nine months over the next few years. The first of these, the Barro Alto nickel project, began production on schedule in March 2011, and will more than double our Nickel business' output when it reaches full production. The expansion of our Los Bronces copper operation in Chile and the Kolomela iron ore project in South Africa are progressing on schedule and on budget. We have also secured key licences and permits for the Minas-Rio iron ore project in Brazil, and civil works for the beneficiation plant began in March 2011

4
We continue to focus on our safety performance across the board and recorded further improvements during the year, with fatalities and lost time injury rates both continuing to reduce. We have now achieved a near 70% improvement in safety since 2006 as we pursue our goal of zero harm.

Creating trust is at the heart of our licence to operate; in 2010 we made further headway, with another significant improvement in our safety performance, while extending our internationally recognised community engagement programme.

Brian Beamish
Group Director of Mining and Technology

ORGANISING – efficiently and effectively

Our structure aims to facilitate the delivery of performance and efficiencies to outperform the competition.

Each commodity business unit is focused on operational excellence, project delivery and driving its cost position further down its industry curve, while the lean corporate centre facilitates the extraction of value beyond what is achievable by the businesses alone.

Through close collaboration, value-driven leadership, the sharing of best practice, technical innovation, operational know-how and the pursuit of synergies in key value-driving functions such as supply chain and asset optimisation, the substantial benefits of Anglo American's scale and performance oriented culture are realised.

OPERATING – safely, sustainably and responsibly

Operating safely, sustainably and responsibly is embedded in everything we do. The safety of our people is our key core value and we are relentless in striving to achieve our goal of zero harm.

We are committed to environmental stewardship and minimising the environmental impact of our operations.

We aim to make a sustainable and positive difference to community development and act with integrity to build respectful relationships with the societies in which we work. Behaving in this way, supported by strong governance and risk management processes, enables us to develop and helps maintain trust with all our stakeholders and create value, which is fundamental to our ability to deliver superior long term returns to our shareholders.

EMPLOYING – the best people

Our people are as vital to our success as our mining assets.

We are committed to our people, who determine how effectively we operate and build our reputation with our investors, partners and fellow employees every day, and whom we require to uphold our values.

Ultimately, it is our people who will realise our ambition and deliver our strategy to be the leading global mining company.

INVESTING IN WORLD CLASS ASSETS THE MOST ATTRACTIVE COMMODITIES

The Los Bronces copper expansion project in the Chilean Andes is due to come on stream in the fourth quarter of 2011.

INVESTING – IN WORLD CLASS ASSETS

Anglo American's pipeline of projects will deliver organic production growth of 50% by 2015.

ORGANIC PRODUCTION GROWTH EXPECTED BY 2015

+50%

PIPELINE OF PROJECTS

$70 bn

NEW CAPITAL INVESTMENT

Anglo American's pipeline of projects spans its core commodities and is expected to deliver organic production growth of 50% by 2015. Our $70 billion pipeline of more than 60 projects has the potential to double the production of the Group over the next decade.

The Los Bronces copper expansion project in Chile is on schedule for first production in the fourth quarter of 2011. Production at Los Bronces is scheduled to increase to 490 ktpa over the first three years of full production following project completion and to average 400 ktpa over the first 10 years. At peak production levels, Los Bronces is expected to be the fifth largest producing copper mine in the world, with highly attractive cash operating costs and reserves and resources that support a mine life of over 30 years, with further expansion potential. Also within the Los Bronces district, work continues on the exploration tunnel being constructed. This tunnel will provide underground drilling access to explore and define the resources at the very significant and high quality new discovery at the Los Sulfatos discovery.

The Barro Alto nickel project in Brazil delivered first production of metal in March 2011. This project makes use of a proven technology and will produce an average of 36 ktpa of nickel in full production (41 ktpa over the first five years), with a competitive cost position.

The Minas-Rio iron ore project in Brazil has made significant progress and is expected to produce 26.5 Mtpa of iron ore in its first phase. The award of the second part of the mine, beneficiation plant and tailings dam installation licence (LI part 2) in December 2010 was the final primary installation licence and supports commencement of the civil works for the beneficiation plant and tailings dam construction. This licence followed the award of the mining permit in August. The civil works for the benefication plant started in March 2011. It should take between 27 and 30 months from commencement of these works to construct and commission the mine and plant, complete the project and deliver the first ore on ship; however, there are still a number of other licences and permits to be obtained during this period.

Anglo American also reached agreement on a fixed 25-year iron ore port tariff with its port partner, LLX SA, in relation to the LLX Minas-Rio (LLX MR) iron ore port facility at Açu. The iron ore volumes associated with the first phase of the project will be subject to a net port tariff of approximately $5.15 per tonne (in 2013 terms) after taking into account Anglo American's shareholding in LLX MR ($7.10 per tonne gross). As part of the agreement to secure the long term tariff arrangements, Anglo American has agreed to fund a greater share of the development cost of the first phase of the port. This agreement is expected to result in additional capital expenditure attributable to Anglo American of approximately $525 million in relation to the port.

Studies for the expansion of the Minas-Rio project have continued during 2010 and the latest resource statement provides a total resource volume (Measured, Indicated and Inferred) of 5.3 billion tonnes, supporting the expansion of the project. The port tariff agreement also covers a long term tariff arrangement for all Anglo American's iron ore volumes beyond the first phase of the Minas-Rio project. The level of the expansion tariff will be dependent upon the capital cost to expand the port to accommodate those additional volumes and that capital cost will be determined in due course.

Kumba Iron Ore's Kolomela project in South Africa is well advanced and overall project progress reached 81% at 31 December 2010. The project remains on budget and on schedule to deliver initial production by the end of the first half of 2012, ramping up to full capacity in 2013. As at 31 December 2010, 22.6 Mt of waste material had been moved, 18.6 Mt of it during 2010.

The Mogalakwena North project reached steady state during the third quarter of 2010 (annual steady state 2011) and through optimisation projects will continually produce 600 kt per month of ore.

Dishaba East Upper project implementation commenced in 2007 and is on schedule to reach steady state production of 100 kozpa of platinum by 2012.

The concentrator at the Unki project in Zimbabwe was formally commissioned during the fourth quarter of 2010. At full capacity, Unki will supply 70 kozpa of refined platinum, a run rate expected to be reached in 2013.

SELECTED MAJOR PROJECTS

Completed in 2010

Sector	Project	Country	Completion date	Capex $m[1]	Production volume[2]
Platinum	MC Plant Capacity Expansion – phase 1	South Africa	Q2 2010	95	11 ktpa Waterval Converter Matte (WCM)
	Mainstream inert grind projects	South Africa	Q3 2010	149	Improve process recoveries

Approved

Sector	Project	Country	First production date	Full production date	Capex $m[1]	Production volume[2]
Platinum	Thembelani No. 2 Shaft	South Africa	2008	2018	316	Replace 115 kozpa refined platinum[3]
	Mogalakwena North	South Africa	2007	2010	822	350-400 kozpa refined platinum
	Twickenham	South Africa	2015	2019	911	180 kozpa refined platinum
	Unki Mine	Zimbabwe	2010	2013	459	70 kozpa refined platinum
	Khuseleka Ore Replacement	South Africa	2007	2015	187	Replace 101 kozpa refined platinum
	Base metals refinery expansion	South Africa	2011	2013	360	11 ktpa nickel
	Dishaba East Upper UG2	South Africa	2007	2012	219	100 kozpa refined platinum
Diamonds	Jwaneng – Cut 8	Botswana	2010	2024	3,000[4]	100 million carats
Copper[5]	Los Bronces expansion[6]	Chile	2011	2012	2,800	200 ktpa copper[7]
	Collahuasi phase 1	Chile	2011	2011	92	19 ktpa copper
Nickel	Barro Alto	Brazil	2011	2012	1,900	36 ktpa nickel
Iron Ore and Manganese	Minas-Rio phase 1	Brazil	2013	2014	5,034	26.5 Mtpa iron ore pellet feed (wet basis)[8]
	Kolomela (previously Sishen South)	South Africa	2012	2013	1,062	9.0 Mtpa iron ore
Thermal Coal	Zibulo (previously Zondagsfontein)	South Africa	2009	2012	517	6.6 Mtpa thermal

Future unapproved

Sector	Project	Country	First production date	Full production date	Production volume[2]
Platinum	Tumela No. 4 shaft	South Africa	2020	2026	271 kozpa refined platinum
Copper[5]	Quellaveco	Peru	2015	2016	225 ktpa copper
	Collahuasi expansion phase 2	Chile	2012	2012	20 ktpa copper[9]
	Michiquillay	Peru	2018	2019	155 ktpa copper[10]
	Pebble	US	TBD	TBD	175 ktpa copper
Nickel	Jacaré phase 1	Brazil	TBD	TBD	34 ktpa nickel
	Morro Sem Boné	Brazil	TBD	TBD	32 ktpa nickel
Iron Ore and Manganese	Sishen Expansion Project phase 1B	South Africa	2011	2012	0.7 Mtpa iron ore
	Sishen Expansion Project 2	South Africa	2015	2019	10.0 Mtpa iron ore
	Sishen Concentrate	South Africa	2015	2016	2.0 Mtpa iron ore
	Minas-Rio expansion	Brazil	TBD	TBD	TBD
Metallurgical Coal	Grosvenor	Australia	2013	2016	4.3 Mtpa metallurgical
	Drayton South	Australia	2015	2017	4.2 Mtpa thermal
	Moranbah South	Australia	2016	2019	TBD
Thermal Coal	Elders Project	South Africa	2016	2020	12.8 Mtpa thermal
	New Largo	South Africa	2013	2016	15 Mtpa thermal
	Cerrejón P500 P1	Colombia	2013	2015	8 Mtpa thermal
	Cerrejón P500 P2	Colombia	TBD	TBD	10-20 Mtpa thermal

(1) Capital expenditure shown on 100% basis in nominal terms. Platinum projects reflect approved capital expenditure.
(2) Represents 100% of average incremental or replacement production, at full production, unless otherwise stated.
(3) Thembalani No. 2 Shaft is currently under review.
(4) Debswana will invest $500 million in capital expenditure. Project investment, including capital expenditure, is likely to total $3 billion over the next 15 years. Total carats exposed are over the life of the expansion.
(5) Pebble will produce molybdenum and gold by-products, Michiquillay will produce molybdenum, gold and silver by-products and other projects will produce molybdenum and silver by-products.
(6) The February 2010 earthquake in Chile impacted the rate of progress and ultimate capital cost of the Los Bronces expansion project. Remedial actions have ensured the project remains on schedule for first production in Q4 2011. The expected cost of the project has subsequently been revised to $2.8 billion.
(7) Production represents average over first 10 years of the project. Production over the first three years of the project will average 278 ktpa.
(8) Capital expenditure, post-acquisition of Anglo American's shareholding in Minas-Rio, includes 100% of the mine and pipeline, and an attributable share of the port, as modified by the agreement with LLX SA and LLX Minas- Rio.
(9) Further phased expansions have the potential to increase production to 1 Mtpa.
(10) Expansion potential to 300 ktpa.

Metallurgical Coal took further steps to focus its business on high margin export products by progressing the Grosvenor and Drayton South feasibility studies. It is expected that a Board approval decision in relation to the development of the 4.3 Mtpa Grosvenor metallurgical coal project will be taken in the second quarter of 2012.

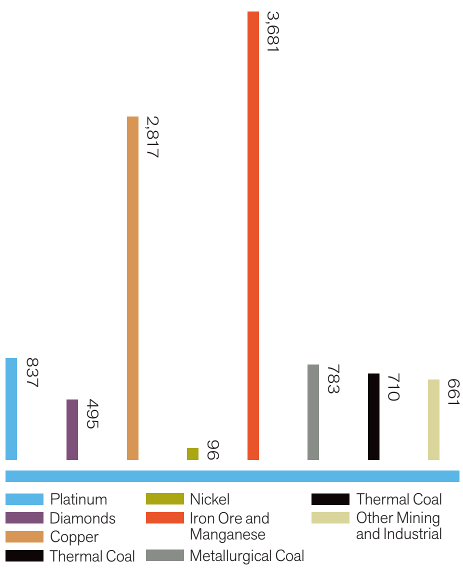
In South Africa, the $517 million Zibulo project is approaching completion, the opencast operation is at full production and the underground operation has four of eight production sections deployed. The washing plant, which is a 50:50 joint venture with BHP Billiton Energy Coal South Africa, is fully commissioned and is operating at 80% of planned monthly production. Completion of the man and materials shaft is expected to be in the second quarter of 2011. The feasibility study for the New Largo project started in 2010 and is expected to be completed in the first quarter of 2012.

Debswana commenced the $3 billion Cut-8 expansion project at Jwaneng mine during 2010. Cut-8 represents the largest ever mining investment in Botswana and is expected to extend the life of mine to at least 2025.

MEASURING OUR PERFORMANCE
FINANCIAL HIGHLIGHTS

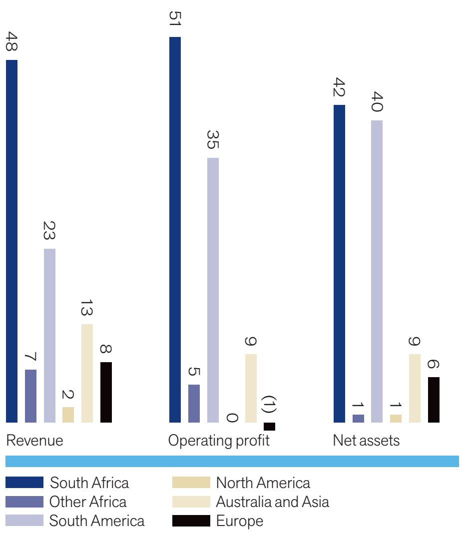
OPERATING PROFIT BY BUSINESS UNIT

$m



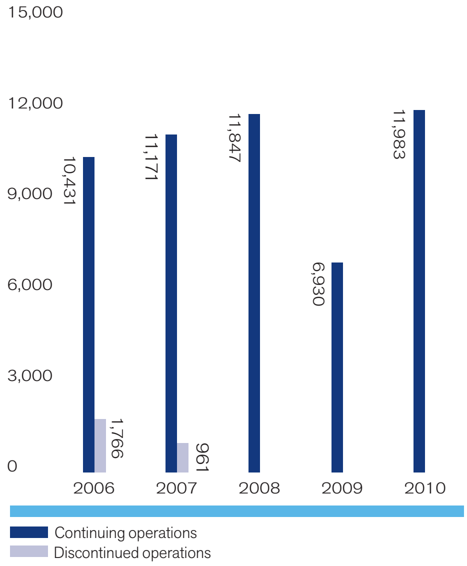
GEOGRAPHICAL SPLIT OF REVENUE, OPERATING PROFIT AND NET ASSETS 2010

%



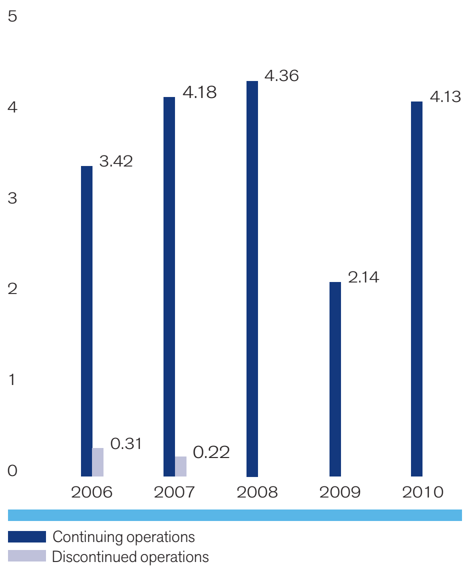
FIVE YEAR EBITDA HISTORY

$m



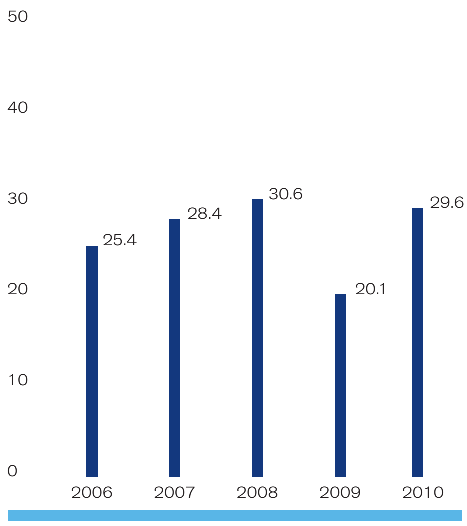
UNDERLYING EPS GROWTH

$



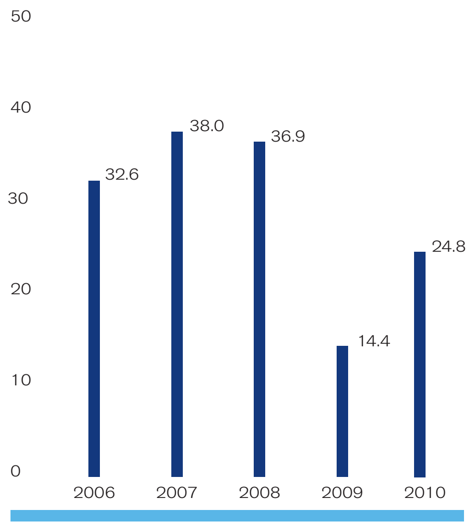
OPERATING MARGIN

%



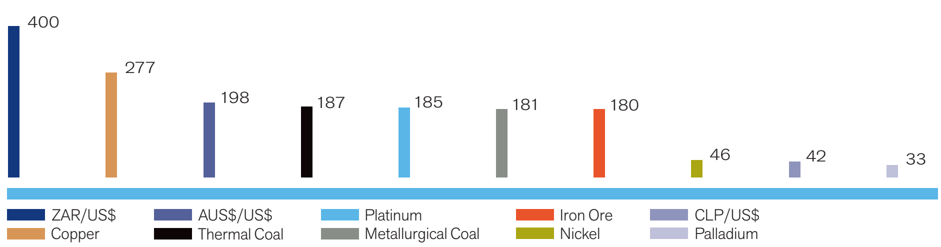
RETURN ON CAPITAL EMPLOYED

%



UNDERLYING EARNINGS SENSITIVITIES 2010[(1)]

$m



(1) Refers to 12 months to 31 December 2010. Excludes the effect of any hedging activities. Stated after tax at marginal rate. Sensitivities are the average of the positive and negative and reflect the impact of a 10% change in the average prices and exchange rates during 2010.

KEY FINANCIAL DATA

$ million (unless otherwise stated)	2010	2009	2008	2007	2006[1]	2005[1]	2004[1]
Group revenue including associates	**32,929**	24,637	32,964	30,559	29,404	24,872	22,610
Less: Share of associates' revenue	**(4,969)**	(3,779)	(6,653)	(5,089)	(4,413)	(4,740)	(5,429)
Group revenue	**27,960**	20,858	26,311	25,470	24,991	20,132	17,181
Operating profit including associates before special items and remeasurements	**9,763**	4,957	10,085	9,590	8,888	5,549	3,832
Special items and remeasurements (excluding financing and tax special items and remeasurements)	**1,727**	(208)	(330)	(227)	24	16	556
Net finance costs (including financing special items and remeasurements), tax and non-controlling interests of associates	**(423)**	(313)	(783)	(434)	(398)	(315)	(391)
Total profit from operations and associates	**11,067**	4,436	8,972	8,929	8,514	5,250	3,997
Net finance costs (including financing special items and remeasurements)	**(139)**	(407)	(401)	(108)	(71)	(220)	(385)
Profit before tax	**10,928**	4,029	8,571	8,821	8,443	5,030	3,612
Income tax expense (including special items and remeasurements)	**(2,809)**	(1,117)	(2,451)	(2,693)	(2,518)	(1,208)	(765)
Profit for the financial year – continuing operations	**8,119**	2,912	6,120	6,128	5,925	3,822	2,847
Profit for the financial year – discontinued operations	**–**	–	–	2,044	997	111	1,094
Profit for the financial year – total Group	**8,119**	2,912	6,120	8,172	6,922	3,933	3,941
Non-controlling interests	**(1,575)**	(487)	(905)	(868)	(736)	(412)	(440)
Profit attributable to equity shareholders of the Company	**6,544**	2,425	5,215	7,304	6,186	3,521	3,501
Underlying earnings[2] – continuing operations	**4,976**	2,569	5,237	5,477	5,019	3,335	2,178
Underlying earnings[2] – discontinued operations	**–**	–	–	284	452	401	506
Underlying earnings[2] – total Group	**4,976**	2,569	5,237	5,761	5,471	3,736	2,684
Earnings per share (US$) – continuing operations	**5.43**	2.02	4.34	4.04	3.51	2.35	1.84
Earnings per share (US$) – discontinued operations	**–**	–	–	1.54	0.70	0.08	0.60
Earnings per share (US$) – total Group	**5.43**	2.02	4.34	5.58	4.21	2.43	2.44
Underlying earnings per share (US$) – continuing operations	**4.13**	2.14	4.36	4.18	3.42	2.30	1.52
Underlying earnings per share (US$) – discontinued operations	**–**	–	–	0.22	0.31	0.28	0.35
Underlying earnings per share (US$) – total Group	**4.13**	2.14	4.36	4.40	3.73	2.58	1.87
Ordinary dividend per share (US cents)	**65.0**	–	44.0	124.0	108.0	90.0	70.0
Special dividend per share (US cents)	**–**	–	–	–	67.0	33.0	–
Weighted average basic number of shares outstanding (million)	**1,206**	1,202	1,202	1,309	1,468	1,447	1,434
EBITDA[3] – continuing operations	**11,983**	6,930	11,847	11,171	10,431	7,172	5,359
EBITDA[3] – discontinued operations	**–**	–	–	961	1,766	1,787	1,672
EBITDA[3] – total Group	**11,983**	6,930	11,847	12,132	12,197	8,959	7,031
EBITDA interest cover[4] – total Group	**42.0**	27.4	28.3	42.0	45.5	20.0	18.5
Operating margin (before special items and remeasurements) – total Group	**29.6%**	20.1%	30.6%	28.4%	25.4%	18.5%	14.7%
Ordinary dividend cover (based on underlying earnings per share) – total Group	**6.4**	–	9.9	3.5	3.5	2.9	2.7
Balance sheet							
Intangible assets and property, plant and equipment	**42,126**	37,974	32,551	25,090	25,632	33,368	35,816
Other non-current assets and investments[5]	**9,852**	7,303	7,607	9,271	8,258	5,585	5,547
Working capital	**2,385**	2,168	861	1,966	3,096	3,538	3,543
Other net current liabilities[5]	**(785)**	(272)	(840)	(911)	(1,430)	(1,429)	(611)
Other non-current liabilities and obligations[5]	**(8,757)**	(8,487)	(7,567)	(6,387)	(5,826)	(8,491)	(8,339)
Cash and cash equivalents and borrowings[6]	**(7,038)**	(11,046)	(11,051)	(5,170)	(3,244)	(4,993)	(8,243)
Net assets classified as held for sale	**188**	429	195	471	641	–	–
Net assets	**37,971**	28,069	21,756	24,330	27,127	27,578	27,713
Non-controlling interests	**(3,732)**	(1,948)	(1,535)	(1,869)	(2,856)	(3,957)	(4,588)
Equity attributable to equity shareholders of the Company	**34,239**	26,121	20,221	22,461	24,271	23,621	23,125
Total capital[7]	**45,355**	39,349	33,096	29,181	30,258	32,558	35,806
Cash flows from operations – continuing operations	**9,924**	4,904	9,579	9,375	9,012	5,963	3,857
Cash flows from operations – discontinued operations	**–**	–	–	470	1,045	1,302	1,434
Cash flows from operations – total Group	**9,924**	4,904	9,579	9,845	10,057	7,265	5,291
Dividends received from associates and financial asset investments – continuing operations	**285**	639	659	311	251	468	380
Dividends received from associates and financial asset investments – discontinued operations	**–**	–	–	52	37	2	16
Dividends received from associates and financial asset investments – total Group	**285**	639	659	363	288	470	396
Return on capital employed[8] – total Group	**24.8%**	14.4%	36.9%	38.0%	32.6%	18.8%	16.9%
EBITDA/average total capital[7] – total Group	**28.3%**	19.1%	38.0%	40.8%	38.8%	26.2%	21.3%
Net debt to total capital (gearing)[9]	**16.3%**	28.7%	34.3%	16.6%	10.3%	15.3%	22.6%

(1) Comparatives for 2006, 2005 and 2004 were adjusted in the 2007 Annual Report to reclassify amounts relating to discontinued operations where applicable.

(2) Underlying earnings is net profit attributable to equity shareholders, adjusted to remove the effect of special items and remeasurements and any related tax and non-controlling interests.

(3) EBITDA is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates.

(4) EBITDA interest cover is EBITDA divided by net finance costs, excluding other net financial income, exchange gains and losses on monetary assets and liabilities, unwinding of discount relating to provisions and other non-current liabilities, financing special items and remeasurements, and including attributable share of associates' net interest expense.

(5) Comparatives for 2008, 2007, 2006 and 2005 were adjusted in the 2009 Annual Report in accordance with IAS 1 *Presentation of Financial Statements – Improvements* to reclassify non-hedge derivatives whose expected settlement date was more than one year from the period end from current to non-current.

(6) This differs from the Group's measure of net debt as it excludes the net cash/(debt) of disposal groups (2010: $59 million; 2009: $48 million; 2008: $8 million; 2007: $(69) million; 2006: $(80) million; 2005: nil; 2004: nil) and excludes related hedges (2010: net liabilities of $405 million; 2009: net liabilities of $285 million; 2008: net liabilities of $297 million; 2007: net assets of $388 million; 2006: net assets of $193 million; 2005: nil; 2004: nil). For more detail see note 31 Consolidated cash flow analysis.

(7) Total capital is net assets excluding net debt.

(8) Return on capital employed is calculated as total operating profit before impairments for the year divided by the average of total capital less other investments and adjusted for impairments.

(9) Net debt to total capital is calculated as net debt (including related hedges) divided by total capital. Comparatives are presented on a consistent basis.