What it takes:
DELIVERING ON OUR PROMISES

In 2011, we delivered three of our four strategic growth projects.

Our successful delivery of three major mining projects on or ahead of schedule during the year is a great achievement, and will contribute significant new volumes of iron ore, copper and nickel as the new operations continue to ramp up during 2012.


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BARRO ALTO

What we said we'd do

We would meet our scheduled production date for first metal from our $1.9 billion Barro Alto nickel project in Brazil by the end of the first quarter of 2011. The project would use proven metallurgical processing technology to ensure that we both met that date and experienced a relatively trouble-free ramp-up process thereafter. We planned that Barro Alto would more than double our Nickel business's ferronickel production.

What we did and what it means to the business

We delivered first metal in March 2011, on schedule. Barro Alto was the first of our four major strategic growth projects to begin production and will be a key contributor to Anglo American's 35% organic volume growth by 2014. The new nickel plant will reach its full production capacity at the beginning of 2013 and will average 41,000 tonnes per year of nickel over its first five years of full production, making use of our low risk and proven technology and rotary kiln electric furnace process.

LOS BRONCES

What we said we'd do

We would deliver the Los Bronces expansion project in Chile on time, producing first copper in the fourth quarter of 2011. The next phase, the ramping-up period, is scheduled to be completed by end-2012. The expansion will increase the mine's output by an average of 200,000 tonnes of copper per annum over the first 10 years, with highly attractive cash operating costs.

What we did and what it means to the business

We delivered first copper production in October 2011, on schedule[1]. The expansion of Los Bronces is expected to more than double (on average over the first three years of full production) the mine's existing output of 221,000 tonnes per year. We have a 12-month ramp-up period ahead until we reach full production, during which time we will be increasing processing plant throughput from 61,000 tonnes to 148,000 tonnes of ore per day. At peak production levels, Los Bronces is expected to be the fifth largest copper mine in the world, with reserves and resources that support a mine life of over 30 years and with further expansion potential.

KOLOMELA

What we said we'd do

We would commission Kolomela, a key element in our South African iron ore growth strategy, by the end of the first half of 2012. Thereafter, we would ramp up iron ore output to between 4 and 5 Mt during 2012, and reach full design capacity of 9 Mtpa in 2013.

What we did and what it means to the business

The successful commissioning of Kolomela – a new iron ore mine in South Africa's Northern Cape – was the third of our four major growth projects to be delivered in 2011. Kolomela was commissioned five months ahead of schedule, on budget and shipped its first product from the port of Saldanha to China in December 2011. This shipment is a significant milestone towards achieving the production ramp-up schedule of 4 to 5 Mt in 2012 and the expectation of reaching full production of 9 Mtpa in 2013. The commissioning of the Kolomela project is in line with our growth strategy of ramping our South African iron ore production up to 70 Mtpa by 2019.

Images

01 Nickel being poured at Barro Alto.

02 Safety technician Rodrigo Jordani Braga at viewing point at Barro Alto.

03 Holding tanks at Los Bronces' Confluencia plant.

04 Pulp thickener at Los Bronces' Confluencia facility.

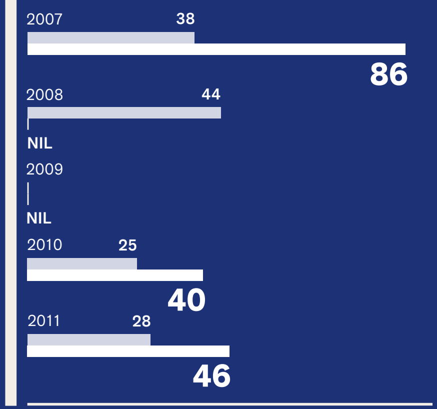
05 Graded iron ore being transported by conveyor to the load-out terminal at Kolomela.

06 Looking out over the mine from the top of the primary crusher at Kolomela.

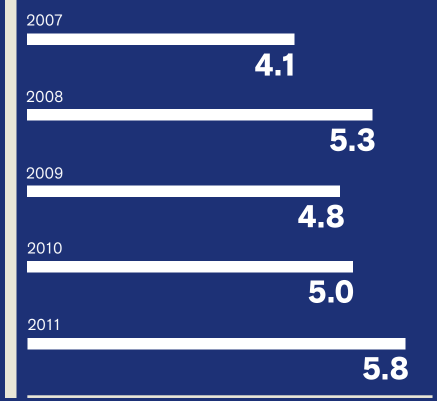
[1] The schedule for delivery of first production from projects refers to the information published in Anglo American's 2010 Annual Report.

What it takes:
STRONG PERFORMANCE

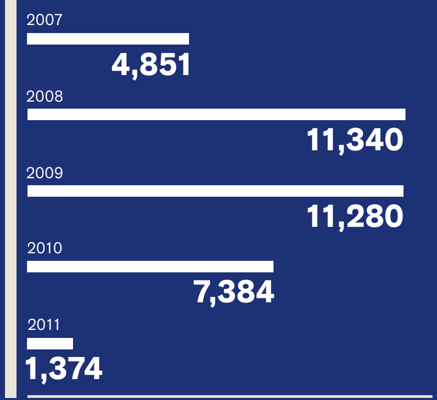
DIVIDENDS PER SHARE
Cents



CAPITAL EXPENDITURE
$ bn



NET DEBT
$ m



OPERATING PROFIT
(2010: $9.8 bn)

$11.1 bn

UNDERLYING EARNINGS
(2010: $5.0 bn)

$6.1 bn

UNDERLYING EARNINGS PER SHARE
(2010: $4.13)

$5.06

Operating profit includes attributable share of associates' operating profit (before attributable share of associates' interest, tax, and non-controlling interests) and is before special items and remeasurements, unless otherwise stated. See notes 2 and 4 to the financial statements for operating profit. For definition of special items and remeasurements, see note 5 to the financial statements. See note 13 to the financial statements for the basis of calculation of underlying earnings.

'Tonnes' are metric tons, 'Mt' denotes million tonnes, 'kt' denotes thousand tonnes and 'koz' denotes thousand ounces; '$' and 'dollars' denote US dollars and 'cents' denotes US cents.

Net debt includes related hedges and net debt in disposal groups. See note 31 to the financial statements.

For more information please refer to the Financial Statements section of the Annual Report 2011.

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Visit our corporate website

CONTENTS

What it takes:

SHARING KNOWLEDGE AND EXPERTISE ON A GLOBAL SCALE

Business units

Bulk

IRON ORE AND MANGANESE

We are in the top five of the world's iron ore producers, with a large high quality resource base in South Africa and Brazil.

Iron ore is a 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.

Average number of employees ('000s)[1]: 8

Share of Group operating profit: $4,520m

41%

2010
$3,681m, 38%

For more information, see page 54 of the Annual Report 2011 or visit **www.angloamerican.com**

METALLURGICAL COAL

Metallurgical Coal is the second biggest Australian metallurgical coal producer and the No. 3 global exporter of metallurgical coal.

Anglo American is an active partner in diverse clean coal energy initiatives.

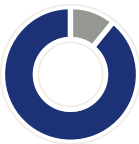
Metallurgical coal is the key raw material for 70% of the world's steel industry. Demand is driven by economic, industrial and steel growth.

Average number of employees ('000s)[1]: 3

Share of Group operating profit: $1,189m

11%

2010
$780m, 8%



For more information, see page 60 of the Annual Report 2011 or visit **www.angloamerican.com**

THERMAL COAL

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

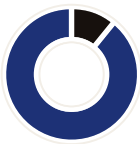
About 5.1 billion tonnes of thermal coal are produced globally each year. Around 40% of all electricity generated globally is powered by thermal coal.

Average number of employees ('000s)[1]: 9

Share of Group operating profit: $1,230m

11%

2010
$710m, 7%



For more information, see page 64 of the Annual Report 2011 or visit **www.angloamerican.com**

Base metals

COPPER

Copper has interests in six operations in Chile. These comprise the 75.5% owned Los Bronces and El Soldado mines and the Chagres smelter, the 100% owned Mantos Blancos and Mantoverde mines, and a 44% interest in the Collahuasi mine.

Copper is used mainly in wire and cable, brass, tubing and pipes, air conditioning and refrigeration.

Average number of employees ('000s)[1]: 5

Share of Group operating profit: $2,461m

22%

2010
$2,817m, 29%

For more information, see page 68 of the Annual Report 2011 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 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.
(3) De Beers' results are shown as share of associate's operating profit.

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

NICKEL

Nickel has three operating assets, all producing ferronickel: the world class Barro Alto mine, now in its ramp-up phase, and Codemin, both in Brazil; and Loma de Níquel in Venezuela.

Approximately two-thirds of nickel is used in the production of stainless steel. Just over 20% is used to make other types of steel and for super-alloys, which can withstand extreme temperatures.

2

$57m

1%

2010
$96m, 1%

For more information, see page 72 of the Annual Report 2011 or visit **www.angloamerican.com**

Precious

PLATINUM

Platinum owns the largest platinum reserves in the world and is the largest primary producer of platinum, accounting for some 40% of newly mined supply.

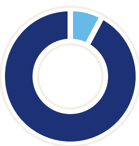
Platinum and other platinum group metals (PGMs) are primarily used in autocatalysts and jewellery. They are also employed in the chemical, electrical, electronic, glass and petroleum industries and in medical applications.

55

$890m

8%

2010
$837m, 9%



For more information, see page 76 of the Annual Report 2011 or visit **www.angloamerican.com**

DIAMONDS

De Beers is the world's leading diamond company and generates about 35% of global rough diamond production from its operations in Botswana, South Africa, Namibia and Canada.

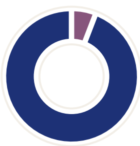
The largest diamond jewellery market is the US, followed by China, Japan and India.

16[(2)]

$659m[(3)]

6%

2010
$495m, 5%



For more information, see page 80 of the Annual Report 2011 or visit **www.angloamerican.com**

Other Mining and Industrial

OTHER MINING AND INDUSTRIAL

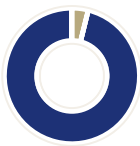
Subject to regulatory approvals, Anglo American's programme to divest of its businesses not considered core to the Group has largely been completed. Catalão (niobium) and Copebrás (phosphates) are both considered core to the Group and are reported within the Other Mining and Industrial segment.

16

$195m

2%

2010
$664m, 7%



For more information, see page 84 of the Annual Report 2011 or visit **www.angloamerican.com**

AN OVERVIEW OF THE BUSINESS

as at 31 December 2011

Iron Ore and Manganese

Kumba Iron Ore (South Africa)	65.2%
Minas-Rio (Brazil)	100%
Amapá (Brazil)	70%
LLX Minas-Rio (Brazil)[1]	49%
Samancor (South Africa and Australia)	40%

Metallurgical Coal

Overall ownership: **100%**

100% owned

Australia
Callide

Australia – other
Monash Energy Holdings Ltd

Canada
Peace River Coal

Other interests

Australia	
Dartbrook	83.3%
Dawson	51%
Drayton	88.2%
German Creek[2]	70%
Jellinbah	23.3%
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
Isibonelo
Kleinkopje
Landau
New Denmark
New Vaal

Other interests

South Africa	
Mafube	50%
Phola plant	50%
Kriel[3]	73%
Zibulo[3]	73%
South Africa – other	
Richards Bay Coal Terminal	24.2%
Colombia	
Carbones del Cerrejón	33.3%

Copper

Overall ownership: **100%**

100% owned

Mantos Blancos (Chile)
Mantoverde (Chile)
Michiquillay (Peru)

Other interests

Chagres (Chile)	75.5%
El Soldado (Chile)	75.5%
Los Bronces (Chile)	75.5%
Collahuasi (Chile)	44%
Palabora (South Africa)	16.8%
Quellaveco (Peru)	81.9%
Pebble (US)	50%

Nickel

Overall ownership: **100%**

100% owned

Brazil
Codemin
Barro Alto

Other interests

Loma de Níquel (Venezuela)	91.4%

(1) Owns the port of Açu (currently under construction).
(2) The German Creek operation includes both Capcoal Open Cut and Underground operations.
(3) Kriel and Zibulo form part of the Anglo American Inyosi Coal black economic empowerment (BEE) company of which Anglo American owns 73%.

Platinum

Overall ownership: **79.8%**

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%
Masa Chrome Company	74%
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%
Associates	
Bokoni	49%
Pandora	42.5%
Bafokeng-Rasimone	33%
Anooraq	27%
Johnson Matthey Fuel Cells	17.5%
South Africa – Other	
Wesizwe Platinum Limited	13%
Royal Bafokeng Platinum Limited	12.6%

De Beers[1]

Overall ownership: **45%**

100% owned

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

Industrial Diamonds
Element Six Technologies

Canada
De Beers Canada
Snap Lake
Victor

Trading and Marketing
The Diamond Trading Company
Forevermark
Diamdel

Other interests

South Africa	
De Beers Consolidated Mines	74%[2]
Venetia	
Voorspoed	
Namaqualand mines[3]	
Kimberley Tailings	
Botswana	
Debswana	50%
Damtshaa	
Jwaneng	
Orapa	
Letlhakane	

Namibia	
Namdeb Holdings[4]	50%
Namdeb Diamond Company	
Mining Area No. 1	
Orange River Mines	
Elizabeth Bay	
Marine concessions	
De Beers Marine Namibia	
Trading and Marketing	
DTC Botswana	50%
Namibia DTC	50%
Industrial Diamonds	
Element Six Abrasives	60%
Diamond Jewellery Retail	
De Beers Diamond Jewellers	50%

Other Mining and Industrial

Overall ownership: **100%**

100% owned

Phosphate products
Copebrás (Brazil)

Niobium
Catalão (Brazil)

Aggregates and Building Materials
Tarmac Quarry Materials
Tarmac Building Products

Other interests

Aggregates and Building Materials	
Tarmac Middle East	50%
Steel products	
Scaw Metals (South Africa)	74%

Other[5]

100% owned

Vergelegen (South Africa)

Other interests

Exxaro Resources (southern Africa and Australia)	9.8%

(1) An independently managed associate.
(2) 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 BEE entity which holds the remaining 26% after providing certain financial guarantees on its behalf during 2010.
(3) In May 2011 De Beers announced that it had entered into an agreement to sell Namaqualand mines.
(4) In November 2011 the Government of the Republic of Namibia and De Beers restructured their mining partnership, creating a 50/50 holding company, Namdeb Holdings (Pty) Limited, with full ownership of Namdeb Diamond Company (Pty) Limited and De Beers Marine Namibia (Pty) Limited (now trading as Debmarine Namibia). All mining licences transferred to the newly formed company.
(5) Included within Corporate Activities and Unallocated Costs segment.

HISTORY AND TIMELINE

1800

1871
Diamonds discovered at Kimberley, South Africa.

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.

1990

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

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.

2006
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%.

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

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.

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

2009
Sale of remaining 11.3% stake in AngloGold Ashanti.

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.

2010

2010
Anglo American completes the sale of its interests in five undeveloped coal assets in Australia for cash proceeds of A$577 million (approximately US$577 million).

Sale completed 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.

Announcement of sale of the Group's Zinc portfolio to Vedanta for a consideration of $1,338 million.

Sale agreed of Moly-Cop and AltaSteel to OneSteel Limited for a total consideration of $932 million on a debt and cash free basis. Moly-Cop and AltaSteel were previously managed as part of the wider Scaw Metals Group.

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.

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.

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.

Anglo American along with their joint venture partners, BHP Billiton and Xstrata, approved the expansion of Cerrejón, its 33% owned coal mine in La Guajira, Colombia. The US$1.3 billion expansion project will increase Cerrejón's production and export capacity by 8 mtpa to 40 mtpa.

Anglo American announces that it has acquired 100% ownership of Peace River Coal Limited Partnership ('PRC'), which comprises the Trend metallurgical coal mine and various exploration leases in British Columbia, Canada, through the acquisition of the 25.17% interest in PRC that it did not already own.

Anglo American and CHL Holdings Limited to announce their agreement for Anglo American to acquire an incremental interest in De Beers, increasing Anglo American's current 45% shareholding in the world's leading diamond company to up to 85% for a total cash consideration of US$5.1 billion, subject to adjustment as provided for in the agreement.

Anglo American announces the completion of its sale of a 24.5% interest in Anglo American Sur SA ('AAS'), comprising certain of Anglo American's copper assets in Chile, to Mitsubishi Corporation ('Mitsubishi') for

01 Welders using grinders at Superporto du Açu.

02 Circe Malo-Lalande, project geophysicist, LT Squid Sakatti.

03 SAG mill under construction in the new Confluencia grinding plant that forms part of the Los Bronces expansion project in Chile.

04 Exploration geologist Esmé Tristram examines copper bearing ore near Los Sulfatos, high in the Chilean Andes.

05 Conveyor at the Kolomela mine.

06 Haul trucks transporting kimberlite ore from the pit to the primary crusher at Orapa mine in South Africa.

US$5.39 billion. Anglo American's transaction with Mitsubishi has enabled Anglo American to realise an attractive valuation for a minority stake in AAS, valuing 100% of AAS at US$22 billion. AAS includes the Los Bronces and El Soldado copper mines and the Chagres copper smelter. The transaction is unconditional and was completed immediately following agreement of the terms of the transaction. Following this transaction, Anglo American holds a 75.5% interest in AAS.

First copper production was delivered on schedule from the Los Bronces expansion project in central Chile. The expansion of Los Bronces is expected to more than double (on average over the first three years of full production) the mine's existing production of 221,000 tonnes per year(1) and is the second of our four major strategic growth projects to begin production during 2011.

Approval given for the greenfield Grosvenor metallurgical coal project, situated immediately to the south of Anglo American's Moranbah North mine. The mine is expected to produce 5 Mtpa of metallurgical coal from its underground longwall operation, with capital expenditure forecast at US$1.7 billion(2) on a nominal basis.

The successful commissioning of Kolomela – a new 9 Mtpa iron ore mine in South Africa's Northern Cape – was the third of our four major growth projects to be delivered during 2011. Kolomela was commissioned on budget and five months ahead of schedule.

2012 (to 30 April)

Anglo American announced the final stage of the $1.4 billion Scaw Metals Group divestment with the sale of Scaw South Africa (Pty) Ltd., a leading South Africa based integrated steel maker, to an investment consortium led by the Industrial Development Corporation of South Africa ('IDC') and Anglo American's partners in Scaw South Africa (Pty) Ltd, being Izingwe Holdings (Pty) Limited, Shanduka Resources (Pty) Limited and the Southern Palace Group of Companies (Pty) Limited, for a total consideration of R3.4 billion ($440 million) on a debt and cash free basis.

This transaction follows the sale of Scaw's international businesses, Moly-Cop and AltaSteel, to Onesteel in December 2010 for a total consideration of $932 million on a debt and cash free basis. In aggregate, the total consideration achieved from the sale of all Scaw's businesses has amounted to $1.4 billion on a debt and cash free basis.

(1) 2010 production from Los Bronces.

(2) Capital expenditure for the Grosvenor project is forecast at US$1.7 billion on a nominal basis. The majority of the capital expenditure will be incurred in Australian dollars and therefore assumes certain projected exchange rates.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A STRATEGY THAT DELIVERS PERFORMANCE


01


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"Our four strategic elements drive Anglo American towards our aim of being 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."

Cynthia Carroll Chief Executive

01 At the Sakatti exploration site in northern Finland, geophysicist Circé Malo-Lalande (left) discusses data obtained from our Ground Electromagnetic Superconducting Quantum Interference Device (EMSQUID) with Anglo American chief executive Cynthia Carroll.

02 Barro Alto: Safety technician Rodrigo Jordani Braga at the plant's viewing point.

03 Metallurgical Coal's head of operations Dieter Haage (right) and Joy Mining site manager Manie Swanepoel at Moranbah North's longwall.

04 Fishermen working in Corral de los Chanchos Bay, off the town of Chañaral in Chile, where our new desalination plant, which will serve the Mantoverde copper mine, will secure a sustainable water supply, while protecting the ocean environment.

05 Apprentices gain experience carrying out essential maintenance in Metallurgical Coal's Dawson mine workshops in Queensland, Australia. Before starting the job, a comprehensive risk management assessment is undertaken, which incorporates extensive safety measures, including isolation and lock-out procedures.

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.

HIGHLIGHTS OF THE YEAR

- We successfully delivered three of our four strategic mining growth projects on or ahead of schedule during the year: the Barro Alto nickel operation in Brazil, the Los Bronces copper expansion in Chile and the Kolomela iron ore mine in South Africa.
- We also made good progress during the year at the Minas-Rio iron ore project in Brazil, the fourth of our strategic growth projects. We are continuing to manage a number of challenges in a high inflationary Brazilian mining environment. To mitigate these challenges, we are implementing various measures including acceleration activities within the previously announced 15% capital expenditure increase, to target first ore on ship in the second half of 2013.
- In December 2011, we announced the approval of the Grosvenor metallurgical coal project in the Bowen Basin of Queensland, Australia. This greenfield project is expected to produce 5 Mtpa of metallurgical coal from its underground longwall operation over a projected life of 26 years with capital expenditure forecast at $1.7 billion.
- Beyond our organic growth programme, we took the unique opportunity in November to acquire the Oppenheimer family's shareholding in De Beers, taking our interest in the world's leading diamond company to up to 85%.

For more information **go to page 16** of the Annual Report 2011

"The technology we have developed this year has been vital in the delivery of our strategic growth projects. This has been a very exciting year for Anglo American."

Brian Beamish Group Director of Mining and Technology

For more information on technology and innovation, visit
www.angloamerican.com

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04


05


ORGANISING – EFFICIENTLY AND EFFECTIVELY

In two vital areas of our business – asset optimisation (AO) and procurement – we have beaten our own expectations. The initial aim of capturing $1 billion of value for each initiative originally covered the entire Group. By the 2011 year end, however, we had exceeded our targets in respect of both AO and procurement, each of which has delivered benefits of more than $1 billion from core businesses alone over the past three years.

HIGHLIGHTS OF THE YEAR

- $2.2 billion of sustainable AO benefits delivered from our businesses.
- The operation review (OR) process, initiated in 2010, got under way at various sites at all the business units; the ORs are a collaborative effort, creating teams that are able to identify value improvement opportunities and leverage our global best practice across the Group's complete mining value chain.
- AO knowledge and principles are being embedded within the business through a comprehensive change management programme.
- $1.3 billion in procurement benefits were delivered by our businesses.
- A new corporate centre-led supply chain organisation model enabled more effective management of purchased materials and services; it is already operating in the top quartile of its peer group.
- Around three-quarters of Anglo American's total procurement spend of more than $13 billion a year is in developing countries.

For more information
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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.

HIGHLIGHTS OF THE YEAR

- In November 2011, Platinum announced details of Project Alchemy – a R3.5 billion ($430 million) community economic empowerment transaction that will provide equity ownership to certain host communities around four operations that have not previously benefited from Platinum's extensive broad based black economic empowerment transactions, as well as key labour sending areas. The mine host communities that are set to benefit are those around Twickenham, Mogalakwena, Amandelbult and Rustenburg. Platinum has been involved in the upliftment of its mine host communities for a number of years and this transaction will help to develop self-sustaining communities that are not solely dependent on mining.
- The Barro Alto operation, consisting of the mine and the newly constructed nickel processing plant, has an exemplary safety record and was recently recognised as the safest mine in Brazil. The mine has operated for almost seven years – 2,509 days – without a single lost time injury. The project was completed with a benchmark LTIFR of 0.04.

For more information
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of the Annual Report 2011

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.

HIGHLIGHTS OF THE YEAR

- At the end of December 2011, 51% of Anglo American employees at management level in South Africa were 'historically disadvantaged South Africans'. We believe we are now well placed to achieve the enhanced targets for 2014 set out in South Africa's revised Mining Charter.
- During 2011, we invested $79 million (2.2% of total employee costs) in direct training activities, and supported over 3,000 bursars, apprentices, graduates and other trainees.
- We are now in a position where more than 90% of employees in southern Africa check their HIV status every year. Regular HIV counselling and testing (HCT) ensures that we achieve early diagnosis of HIV infection and timely access to care.

For more information
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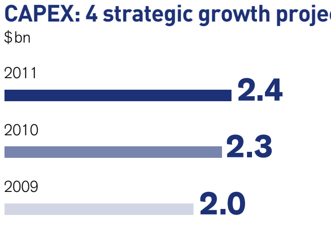
of the Annual Report 2011

WELL POSITIONED NOW AND FOR THE FUTURE

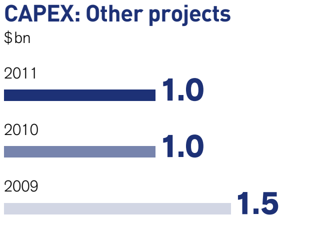
IN BRIEF

- **Nine major projects completed or in commissioning during 2011.**
- **Grosvenor – a 5 Mtpa hard coking coal project approved.**
- **Cerrejón P500 Phase 1 – to increase export thermal coal production by 8 Mtpa (100% basis) – approved.**

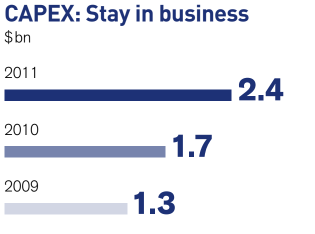
CAPEX: 4 strategic growth projects



CAPEX: Other projects



CAPEX: Stay in business



THREE MAJOR NEW MINING OPERATIONS DELIVERED ON OR AHEAD OF SCHEDULE

Anglo American commissioned three major new mining operations during 2011 – the Kolomela iron ore mine in South Africa, the Los Bronces copper expansion in Chile and the Barro Alto nickel mine in Brazil. The Group's world class pipeline of projects spans its core commodities and is expected to deliver organic production growth of 35% by 2014 from those projects that have been commissioned during 2011 and those that are approved and currently in development.

During 2011, the Board approved a number of growth projects, including the 5 Mtpa Grosvenor metallurgical coal project in Queensland, Australia and the Collahuasi Phase 2 expansion in Chile. Beyond the near term, Anglo American is progressing towards approval decisions in relation to the development of further high quality growth projects, including the 225,000 tpa Quellaveco copper project in Peru. Submission to the Board for approval is expected for the Quellaveco project once the necessary permits are obtained. Together with a number of other medium and longer term projects, Anglo American has the potential to double production through its $98 billion pipeline of more than 85 approved and unapproved projects.

The Barro Alto nickel project in Brazil delivered its first metal in March 2011. Barro Alto is ramping up towards full production capacity, which it is expected to reach at the beginning of 2013. This project makes use of proven technology and will produce an average of 36,000 tpa of nickel in full production (41,000 tpa over the first five years), more than doubling production from our Nickel business, with a competitive cost position in the lower half of the cost curve.

The Los Bronces copper expansion project in Chile delivered its first production on schedule in October 2011. Production at Los Bronces is expected to more than double, increasing by an average of 278 ktpa over the first three years of full production and an average of 200 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, reserves and resources that support a mine life of over 30 years, and with further expansion potential.

Kumba's Kolomela project in South Africa shipped its first lump iron ore from the port of Saldanha to China in December 2011, five months ahead of schedule. Kolomela is situated 80 km to the south of Kumba's world class Sishen mine and, when full production is achieved in 2013, will produce 9 Mtpa of high quality seaborne iron ore, with further potential for expansion.

The Minas-Rio iron ore project in Brazil is expected to produce 26.5 Mtpa of iron ore in its first phase and has made good progress during the year. Minas-Rio secured a number of major licences and permits during the year; the offshore and onshore works at the port are on schedule; more than 90% of land access has been secured along the 525 km pipeline route and more than 200 km of pipe has been installed; and the civil works at the beneficiation plant are well under way. As with other complex greenfield mining projects, a number of irregular issues, such as the discovery of caves at the beneficiation plant site which require specialised assessment, continue to cause delays to the work scheduling, in addition to outstanding land access and an evolving permitting environment. Minas-Rio is implementing various measures to manage these challenges in a high inflationary Brazilian mining environment, including acceleration activities within the previously announced 15% capital increase, to target first ore on ship in the second half of 2013.

Pre-feasibility studies for the second phase of the Minas-Rio iron ore project commenced during 2011 and, although still under way, the studies, together with the current resource statement (total resource volume (Measured, Indicated and Inferred)) of 5.8 billion tonnes, support the expansion of the project.

The greenfield Grosvenor project is situated immediately to the south of Anglo American's Moranbah North metallurgical coal mine in the Bowen Basin of Queensland, Australia. The mine is expected to produce 5 Mtpa of metallurgical coal from its underground longwall operation over a projected life of 26 years and to benefit from operating costs in the lower half of the cost curve. A pre-feasibility study for expansion by adding a second longwall at Grosvenor is under way.

The 6.6 Mtpa Zibulo mine in South Africa reached commercial operating levels in the fourth quarter of 2011, ahead of schedule.

In Colombia, Phase 1 of the Cerrejón P500 expansion project, to increase production by 8 Mtpa (100% basis), was approved by Cerrejón's three shareholders in the third quarter of 2011. First coal is targeted during the fourth quarter of 2013, with the project expected to achieve full production at the end of 2015.

The Unki project in Zimbabwe was handed over to operations in January 2011 and reached steady state production of 120,000 tonnes milled per month during the fourth quarter of 2011, a year ahead of schedule.

In Botswana, Debswana's Jwaneng mine Cut-8 extension project is progressing satisfactorily, largely on schedule and on budget.

SELECTED MAJOR PROJECTS

Completed/In commissioning in 2011

Sector	Project	Country	Commissioning date	Capex $m[1]	Production volume[2]
Iron Ore and Manganese	Kolomela	South Africa	Q4 2011	1,062	9.0 Mtpa iron ore
Thermal Coal	Zibulo	South Africa	Q4 2011	517	6.6 Mtpa thermal
Copper	Los Bronces expansion	Chile	Q4 2011	2,800	200 ktpa copper[3]
	Collahuasi Phase 1	Chile	Q4 2011	148	19 ktpa copper
Nickel	Barro Alto	Brazil	Q1 2011	1,900	36 ktpa nickel [4]
Platinum	Unki	Zimbabwe	Q4 2011	459	70 kozpa refined platinum
	Mogalakwena North	South Africa	H2 2011	822	350–400 kozpa refined platinum
	Base metals refinery expansion	South Africa	Q3 2011	360	11 ktpa nickel
	Dishaba East Upper UG2	South Africa	H2 2011	219	100 kozpa refined platinum

Approved

Sector	Project	Country	First production date	Full production date	Capex $m[1]	Production volume[2]
Iron Ore and Manganese	Minas-Rio Phase 1	Brazil	2013	2014	5,034	26.5 Mtpa iron ore pellet feed (wet basis)[5]
	Groote Eylandt Expansion Project (GEEP 2)[6]	Australia	2013	2013	280	0.6 Mtpa manganese ore
Metallurgical Coal	Grosvenor Phase 1	Australia	2013	2016	1,700	5.0 Mtpa metallurgical
Thermal Coal	Cerrejón P500 Phase 1	Colombia	2013	2015	1,311	8.0 Mtpa thermal
Copper	Collahuasi expansion Phase 2	Chile	2013	2014	212	20 ktpa copper[7]
Platinum	Twickenham	South Africa	2015	2019	1,248	180 kozpa refined platinum
	Khuseleka Ore Replacement	South Africa	2007	2015	187	Replace 101 kozpa refined platinum
	Bathopele Phase 4	South Africa	2009	2012	67	65 kozpa refined platinum
	Bathopele Phase 5	South Africa	2013	2018	230	139 kozpa
Diamonds	Jwaneng – Cut 8	Botswana	2017	2021[8]	3,000[9]	100 million carats
Other Mining and Industrial	Boa Vista Fresh Rock	Brazil	2013	2014	173 [10]	2.7 ktpa additional niobium in product

Future unapproved

Sector	Project	Country	First production date	Full production date	Production volume[2]
Iron Ore and Manganese	Sishen Expansion Project phase 1B	South Africa	2013	2014	0.75 Mtpa iron ore
	Sishen B Grade	South Africa	2016	2017	6.0 Mtpa iron ore
	Sishen Concentrates	South Africa	2017	2019	1.1 Mtpa iron ore
	Kolomela Expansion	South Africa	2017	2019	6.0 Mtpa iron ore
	Minas-Rio expansion	Brazil	TBD	TBD	TBD
Metallurgical Coal	Grosvenor Phase 2	Australia	2015	2017	6.0 Mtpa metallurgical
	Drayton South	Australia	2015	2015	4.0 Mtpa thermal
	Moranbah South	Australia	2016	2019	12.0 Mtpa metallurgical
Thermal Coal	Elders Multi-product Project	South Africa	2017	2019	3.0 Mtpa thermal
	New Largo	South Africa	2015	2017	13.0 Mtpa thermal
	Cerrejón P500 P2	Colombia	TBD	TBD	10–20 Mtpa thermal
Copper	Quellaveco	Peru	2016	2017	225 ktpa copper
	Michiquillay	Peru	2019	2020	187 ktpa copper[11]
	Collahuasi expansion Phase 3	Chile	TBD	TBD	469 ktpa
	Pebble	US	TBD	TBD	175 ktpa[12]
Nickel	Jacaré	Brazil	TBD	TBD	TBD
Platinum	Tumela Conglomerate	South Africa	2020	2026	271 kozpa refined platinum
Diamonds	Gahcho Kué	Canada	TBD	TBD	TBD
	Venetia UG[13]	South Africa	TBD	TBD	TBD

(1) Capital expenditure shown on 100% basis in nominal terms.
(2) Represents 100% of average incremental or replacement production, at full production, unless otherwise stated.
(3) Production represents average over the first 10 years of the project. Production over the first three years of the project will average 278 ktpa.
(4) Average production of 36 ktpa over the full production years; a new mine plan will extend the life of Barro Alto with lower production in the additional years.
(5) 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. Capital expenditure is under review to contain the capital increase to approximately 15% of the guidance.
(6) Subject to conditions precedent being fulfilled.
(7) Further phased expansions have the potential to increase production to 1 Mtpa.
(8) Waste stripping at Cut-8, an extension to Jwaneng mine, began in 2010. Carat recovery will commence in 2017, with Cut-8 reaching full production when Cut-7 ore is exhausted in 2021.
(9) Debswana is investing $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 extension.
(10) Capital estimate subject to review.
(11) Expansion potential to 300 ktpa.
(12) Pebble will produce molybdenum and gold by-products and other projects will produce molybdenum and silver by-products.
(13) A feasibility study is scheduled for consideration by De Beers Consolidated Mines (DBCM) board in 2012.

FINANCIAL HIGHLIGHTS

Five year EBITDA history

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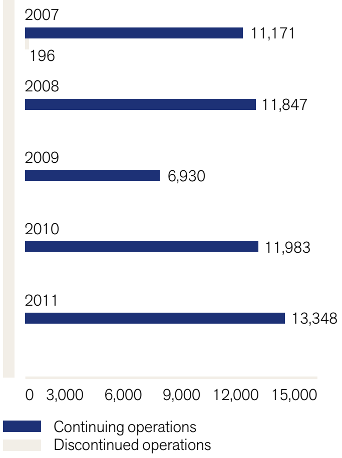

Underlying EPS growth

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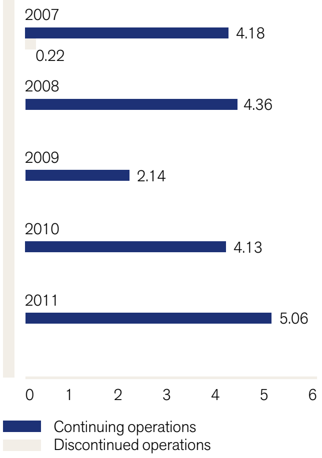
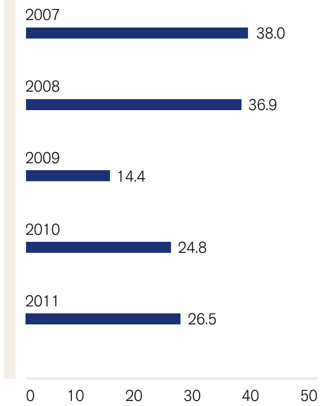


Return on capital employed

%



Underlying earnings sensitivities 2011[1]

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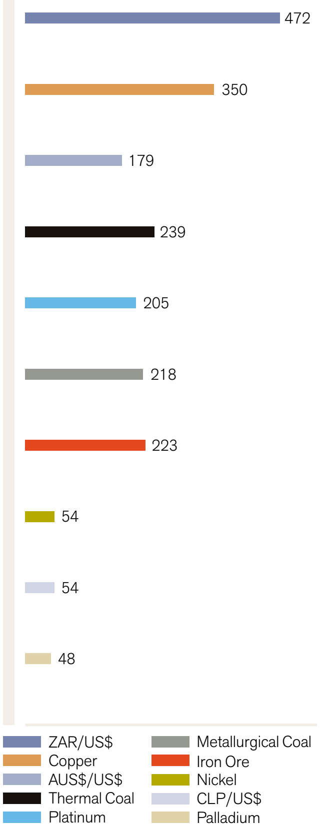
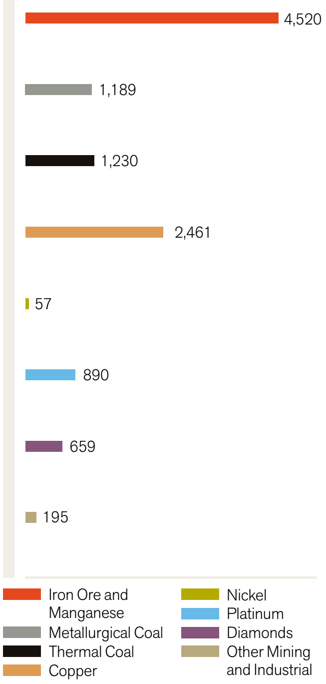


[1] Refers to 12 months to 31 December 2011. Excludes the effect of any hedging activities. Stated after tax at marginal rate. Sensitivities are the average of the positive and negative and reflect the impact of a 10% change in the average prices and exchange rates during 2011.

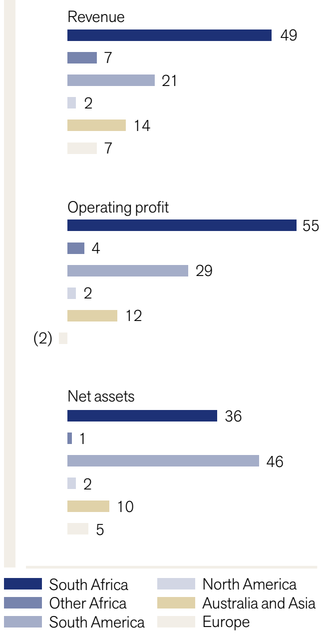
Operating profit by business unit

$ m



Geographical split of revenue, operating profit and net assets 2011

%



KEY FINANCIAL DATA

US$ million (unless otherwise stated)	2011	2010	2009	2008	2007	2006[1]	2005[1]	2004[1]
Group revenue including associates	**36,548**	32,929	24,637	32,964	30,559	29,404	24,872	22,610
Less: Share of associates' revenue	**(5,968)**	(4,969)	(3,779)	(6,653)	(5,089)	(4,413)	(4,740)	(5,429)
Group revenue	**30,580**	27,960	20,858	26,311	25,470	24,991	20,132	17,181
Operating profit including associates before special items and remeasurements	**11,095**	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)	**(44)**	1,727	(208)	(330)	(227)	24	16	556
Net finance costs (including financing special items and remeasurements), tax and non-controlling interests of associates	**(452)**	(423)	(313)	(783)	(434)	(398)	(315)	(391)
Total profit from operations and associates	**10,599**	11,067	4,436	8,972	8,929	8,514	5,250	3,997
Net finance income/(costs) (including financing special items and remeasurements)	**183**	(139)	(407)	(401)	(108)	(71)	(220)	(385)
Profit before tax	**10,782**	10,928	4,029	8,571	8,821	8,443	5,030	3,612
Income tax expense (including special items and remeasurements)	**(2,860)**	(2,809)	(1,117)	(2,451)	(2,693)	(2,518)	(1,208)	(765)
Profit for the financial year – continuing operations	**7,922**	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	**7,922**	8,119	2,912	6,120	8,172	6,922	3,933	3,941
Non-controlling interests	**(1,753)**	(1,575)	(487)	(905)	(868)	(736)	(412)	(440)
Profit attributable to equity shareholders of the Company	**6,169**	6,544	2,425	5,215	7,304	6,186	3,521	3,501
Underlying earnings[2] – continuing operations	**6,120**	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	**6,120**	4,976	2,569	5,237	5,761	5,471	3,736	2,684
Earnings per share (US$) – continuing operations	**5.10**	5.43	2.02	4.34	4.04	3.51	2.35	1.84
Earnings per share (US$) – discontinued operations	**–**	–	–	–	1.54	0.70	0.08	0.60
Earnings per share (US$) – total Group	**5.10**	5.43	2.02	4.34	5.58	4.21	2.43	2.44
Underlying earnings per share (US$) – continuing operations	**5.06**	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	**5.06**	4.13	2.14	4.36	4.40	3.73	2.58	1.87
Ordinary dividend per share (US cents)	**74.0**	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)	**1,210**	1,206	1,202	1,202	1,309	1,468	1,447	1,434
EBITDA[3] – continuing operations	**13,348**	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	**13,348**	11,983	6,930	11,847	12,132	12,197	8,959	7,031
EBITDA interest cover[4] – total Group	**n/a**	42.0	27.4	28.3	42.0	45.5	20.0	18.5
Operating margin (before special items and remeasurements) – total Group	**30.4%**	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	**6.8**	6.4	–	9.9	3.5	3.5	2.9	2.7
Balance sheet								
Intangible assets and property, plant and equipment	**42,871**	42,126	37,974	32,551	25,090	25,632	33,368	35,816
Other non-current assets and investments[5]	**10,269**	9,852	7,303	7,607	9,271	8,258	5,585	5,547
Working capital	**2,093**	2,385	2,168	861	1,966	3,096	3,538	3,543
Other net current liabilities[5]	**(1,683)**	(785)	(272)	(840)	(911)	(1,430)	(1,429)	(611)
Other non-current liabilities and obligations[5]	**(9,220)**	(8,757)	(8,487)	(7,567)	(6,387)	(5,826)	(8,491)	(8,339)
Cash and cash equivalents and borrowings[6]	**(1,141)**	(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	**43,189**	37,971	28,069	21,756	24,330	27,127	27,578	27,713
Non-controlling interests	**(4,097)**	(3,732)	(1,948)	(1,535)	(1,869)	(2,856)	(3,957)	(4,588)
Equity attributable to equity shareholders of the Company	**39,092**	34,239	26,121	20,221	22,461	24,271	23,621	23,125
Total capital[7]	**44,563**	45,355	39,349	33,096	29,181	30,258	32,558	35,806
Cash flows from operations – continuing operations	**11,498**	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	**11,498**	9,924	4,904	9,579	9,845	10,057	7,265	5,291
Dividends received from associates and financial asset investments – continuing operations	**403**	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	**403**	285	639	659	363	288	470	396
Return on capital employed[8] – total Group	**26.5%**	24.8%	14.4%	36.9%	38.0%	32.6%	18.8%	16.9%
EBITDA/average total capital[7] – total Group	**29.7%**	28.3%	19.1%	38.0%	40.8%	38.8%	26.2%	21.3%
Net debt to total capital (gearing)[9]	**3.1%**	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 profit attributable to equity shareholders of the Company before special items and remeasurements and is therefore presented after net finance costs, income tax and non-controlling interests.

(3) EBITDA is operating profit before special items and 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, which in 2011 results in a net finance income and therefore the ratio is not applicable.

(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 (2011: nil; 2010: $59 million; 2009: $48 million; 2008: $8 million; 2007: $(69) million; 2006: $(80) million; 2005: nil; 2004: nil) and excludes related hedges (2011: net liabilities of $233 million; 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). See note 31 to the financial statements.

(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.