AngloAmerican

Real Mining. Real People. Real Difference.

FACT BOOK 2011/12

What it takes: "It takes all of us, using our knowledge, skills and expertise to deliver value."

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.

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.


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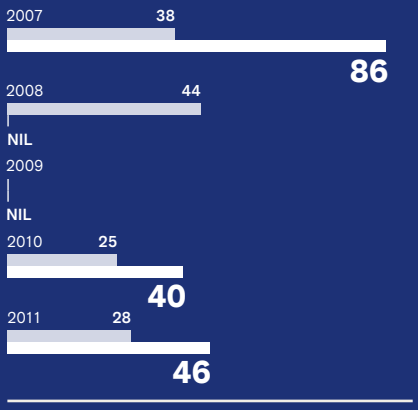
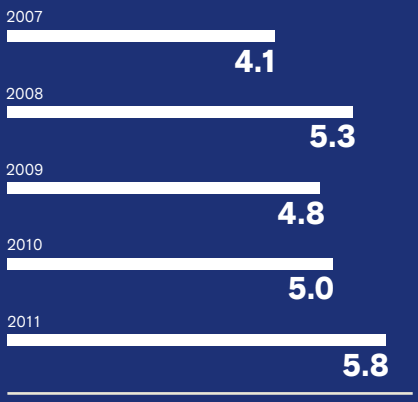
[1] The schedule for delivery of first production from projects refers to the information published in Anglo American's 2010 Annual Report.

What it takes: STRONG PERFORMANCE

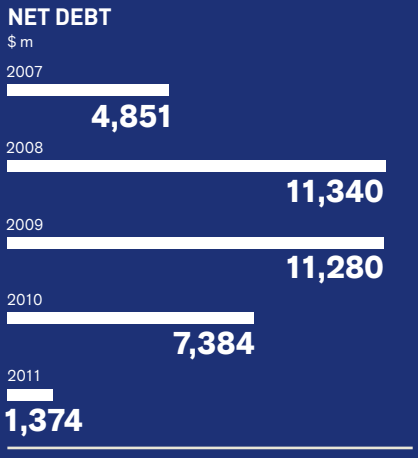
DIVIDENDS PER SHARE
Cents



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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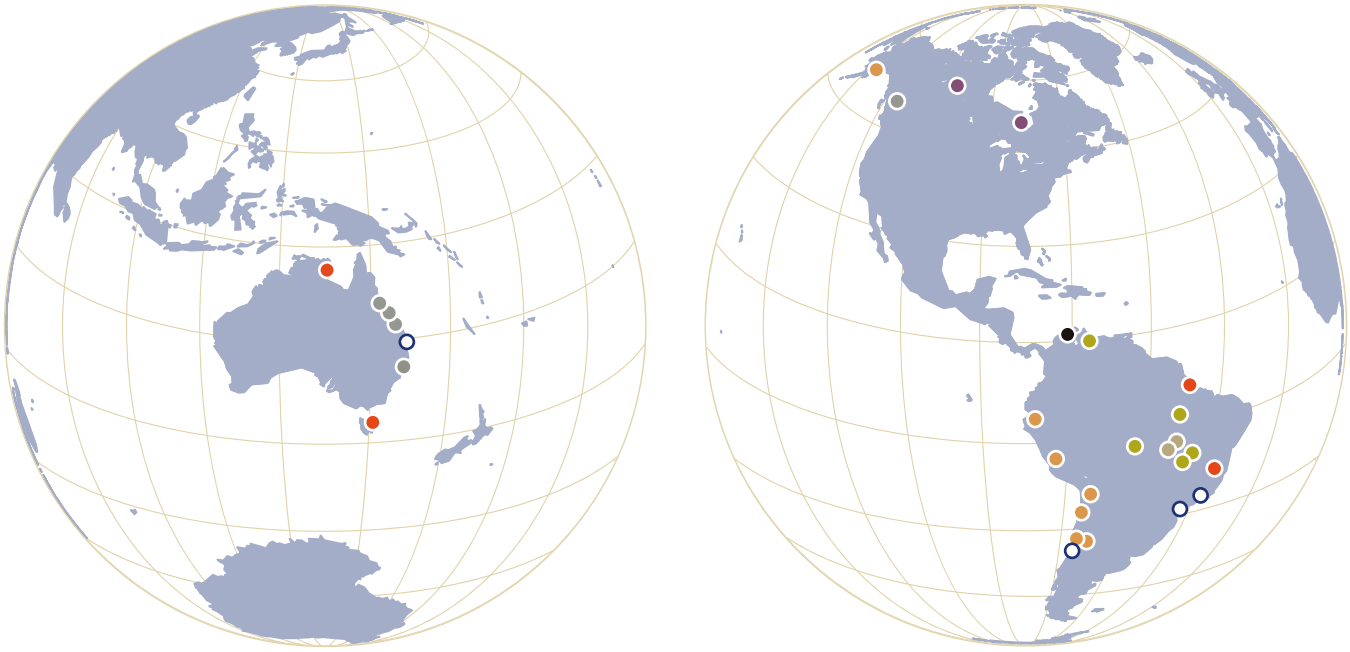
Go to a page in this or another publication

Visit our corporate website

What it takes:

SHARING KNOWLEDGE AND EXPERTISE ON A GLOBAL SCALE



	Bulk			Base metals
Business units	**IRON ORE AND MANGANESE**	**METALLURGICAL COAL**	**THERMAL COAL**	**COPPER**
	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.	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.	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.	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]	**8**	**3**	**9**	**5**
Share of Group operating profit	**$4,520m** **41%** 2010 **$3,681m, 38%**	**$1,189m** **11%** 2010 **$780m, 8%**	**$1,230m** **11%** 2010 **$710m, 7%**	**$2,461m** **22%** 2010 **$2,817m, 29%**
	For more information, see page 54 of the Annual Report 2011 or visit **www.angloamerican.com**	For more information, see page 60 of the Annual Report 2011 or visit **www.angloamerican.com**	For more information, see page 64 of the Annual Report 2011 or visit **www.angloamerican.com**	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

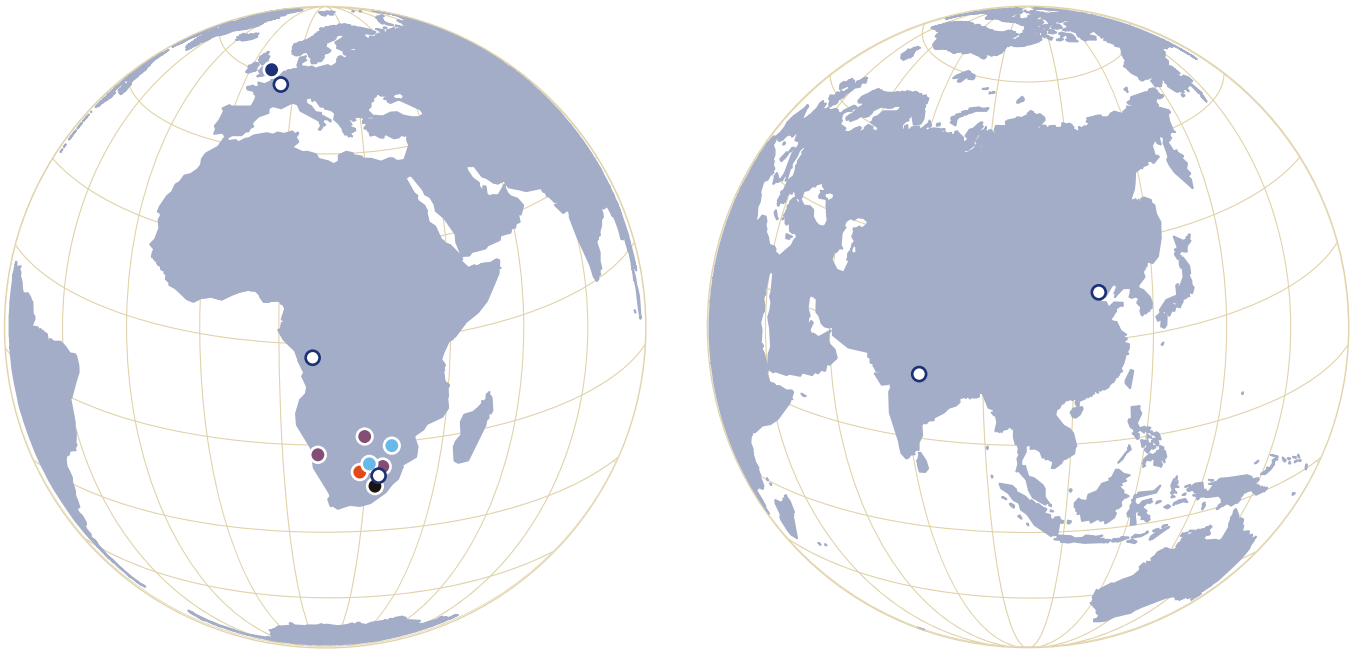
Beijing, China
Brisbane, Australia
Johannesburg, South Africa
Kinshasa, DRC
Luxembourg
New Delhi, India
Rio de Janeiro, Brazil
Santiago, Chile
São Paulo, Brazil

North America

Africa

South America

Australia and Asia



Precious

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**

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	Other interests	
Australia	**Australia**	
Callide	Dartbrook	83.3%
	Dawson	51%
Australia – other	Drayton	88.2%
Monash Energy Holdings Ltd	German Creek[2]	70%
	Jellinbah	23.3%
Canada	Moranbah North	88%
Peace River Coal	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	Other interests	
South Africa	**South Africa**	
Goedehoop	Mafube	50%
Greenside	Phola plant	50%
Isibonelo	Kriel[3]	73%
Kleinkopje	Zibulo[3]	73%
Landau		
New Denmark	**South Africa – other**	
New Vaal	Richards Bay Coal Terminal	24.2%
	Colombia	
	Carbones del Cerrejón	33.3%

Copper

Overall ownership: **100%**

100% owned	Other interests	
Mantos Blancos (Chile)	Chagres (Chile)	75.5%
Mantoverde (Chile)	El Soldado (Chile)	75.5%
Michiquillay (Peru)	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	Other interests	
Brazil	Loma de Níquel (Venezuela)	91.4%
Codemin		
Barro Alto		

(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	Other interests	
South Africa	**South Africa**	
Bathopele Mine	Union Section	85%
Khomanani Mine	Masa Chrome Company	74%
Thembelani Mine		
Khuseleka Mine	**Joint ventures or sharing agreements**	
Siphumelele Mine	Modikwa Platinum Joint Venture	50%
Tumela Mine	Kroondal Pooling and Sharing Agreement	50%
Dishaba Mine	Marikana Pooling and Sharing Agreement	50%
Mogalakwena Mine	Mototolo Joint Venture	50%
Western Limb Tailings Retreatment		
Waterval Smelter (including converting process)	**Associates**	
Mortimer Smelter	Bokoni	49%
Polokwane Smelter	Pandora	42.5%
Rustenburg Base Metals Refinery	Bafokeng-Rasimone	33%
Precious Metals Refinery	Anooraq	27%
Twickenham Mine	Johnson Matthey Fuel Cells	17.5%
Zimbabwe	**South Africa – Other**	
Unki Mine	Wesizwe Platinum Limited	13%
	Royal Bafokeng Platinum Limited	12.6%

De Beers[1]

Overall ownership: **45%**

100% owned		Other interests			
South Africa	**Canada**	**South Africa**		**Namibia**	
De Beers Group Services (Exploration and Services)	De Beers Canada	De Beers Consolidated Mines	74%[2]	Namdeb Holdings[4]	50%
De Beers Marine	Snap Lake	Venetia		Namdeb Diamond Company	
	Victor	Voorspoed		Mining Area No. 1	
Industrial Diamonds		Namaqualand mines[3]		Orange River Mines	
Element Six Technologies	**Trading and Marketing**	Kimberley Tailings		Elizabeth Bay	
	The Diamond Trading Company			Marine concessions	
	Forevermark	**Botswana**		De Beers Marine Namibia	
	Diamdel	Debswana	50%		
		Damtshaa		**Trading and Marketing**	
		Jwaneng		DTC Botswana	50%
		Orapa		Namibia DTC	50%
		Letlhakane			
				Industrial Diamonds	
				Element Six Abrasives	60%
				Diamond Jewellery Retail	
				De Beers Diamond Jewellers	50%

Other Mining and Industrial

Overall ownership: **100%**

100% owned	Other interests	
Phosphate products	**Aggregates and Building Materials**	
Copebrás (Brazil)	Tarmac Middle East	50%
Niobium	**Steel products**	
Catalão (Brazil)	Scaw Metals (South Africa)	74%
Aggregates and Building Materials		
Tarmac Quarry Materials		
Tarmac Building Products		

Other[5]

100% owned	Other interests	
Vergelegen (South Africa)	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

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.

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.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A STRATEGY THAT DELIVERS PERFORMANCE

01

02

"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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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
go to page 20
of the Annual Report 2011

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
go to page 24
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
go to page 32
of the Annual Report 2011

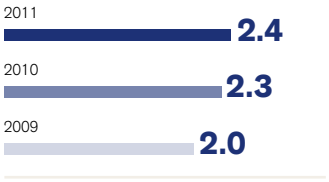
WELL POSITIONED NOW AND FOR THE FUTURE

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.

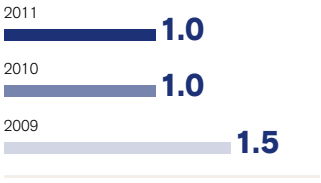
CAPEX: 4 strategic growth projects

$bn



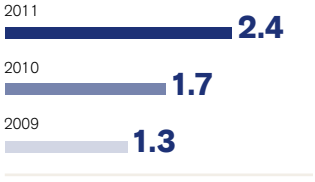
CAPEX: Other projects

$bn



CAPEX: Stay in business

$bn



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

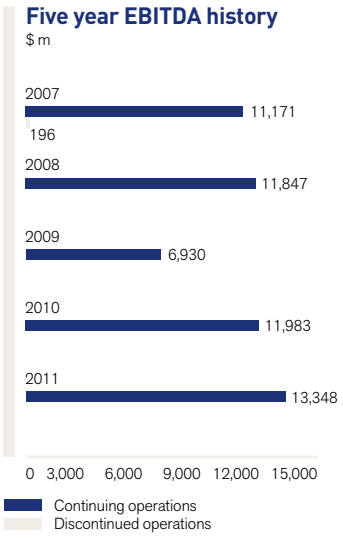
Future unapproved

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

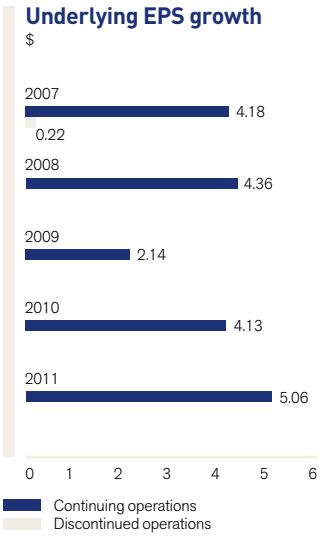
(1) Capital expenditure shown on 100% basis in nominal terms.
(2) Represents 100% of average incremental or replacement production, at full production, unless otherwise stated.
(3) Production represents average over the first 10 years of the project. Production over the first three years of the project 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

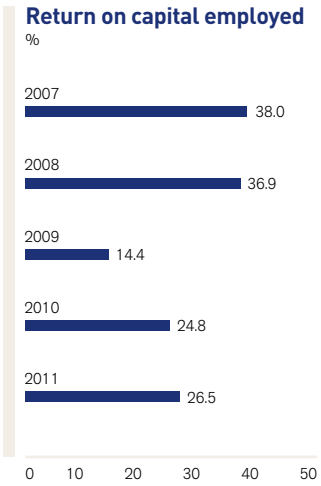
Five year EBITDA history



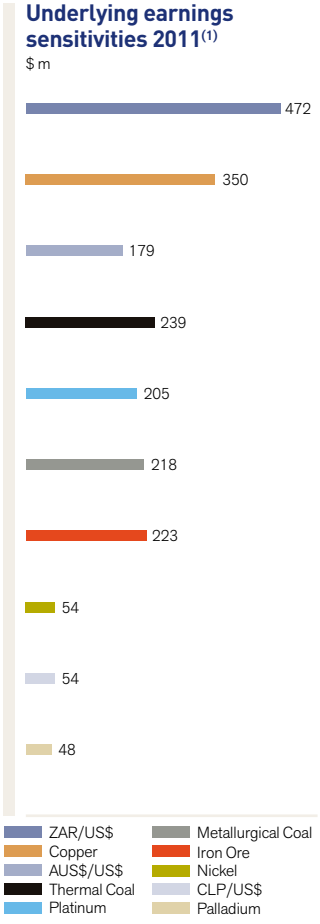
Underlying EPS growth



Return on capital employed

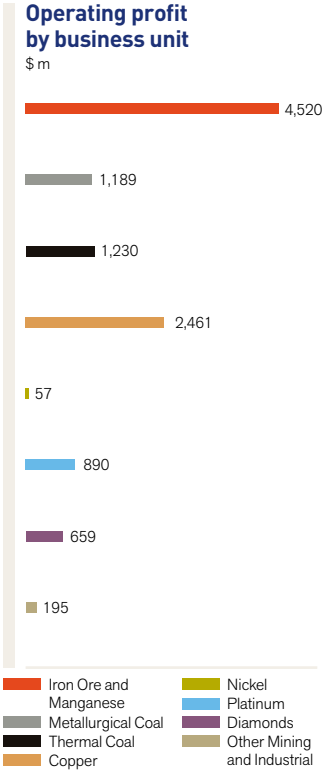


Underlying earnings sensitivities 2011[1]

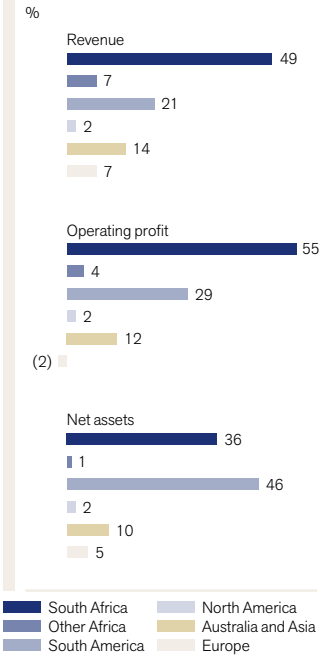


[1] Refers to 12 months to 31 December 2011. Excludes the effect of any hedging activities. Stated after tax at marginal rate. Sensitivities are the average of the positive and negative and reflect the impact of a 10% change in the average prices and exchange rates during 2011.

Operating profit by business unit



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.

ORE RESERVES AND MINERAL RESOURCES

The Ore Reserve and Mineral Resource estimates presented in this Annual Report are prepared in accordance with the Anglo American plc (AA plc) Reporting of Exploration Results, Mineral Resources and Ore Reserves standard. This standard requires that the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2004 edition (the JORC Code) be used as a minimum standard. Some Anglo American plc subsidiaries have a primary listing in South Africa where public reporting is carried out in accordance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (the SAMREC Code). The SAMREC Code is similar to the JORC Code and the Ore Reserve and Mineral Resource terminology appearing in this section follows the definitions in both the JORC (2004) and SAMREC (2007) Codes.

The information on Ore Reserves and Mineral Resources was prepared by or under the supervision of Competent Persons as defined in the JORC or SAMREC Codes. All Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking. All the Competent Persons consent to the inclusion in this report of the information in the form and context in which it appears. The names of the Competent Persons are lodged with the Anglo American plc Company Secretary and are available on request.

Anglo American Group companies are subject to a comprehensive programme of reviews aimed at providing assurance in respect of Ore Reserve and Mineral Resource estimates. The reviews are conducted by suitably qualified Competent Persons from within the Anglo American Group, or by independent consultants. The frequency and depth of the reviews is a function of the perceived risks and/or uncertainties associated with a particular Ore Reserve and Mineral Resource, the overall value thereof and time that has lapsed since an independent third party review has been conducted. Those operations/projects subject to independent third party reviews during the year are indicated in footnotes to the tables.

The JORC and SAMREC Codes require the use of reasonable economic assumptions. These include long-range commodity price forecasts which are prepared by in-house specialists largely using estimates of future supply and demand and long term economic outlooks. Ore Reserves are dynamic and are more likely to be affected by fluctuations in the prices of commodities, uncertainties in production costs, processing costs and other mining, legal, environmental, social and governmental factors which may impact the financial condition and prospects of the Group. Mineral Resource estimates also change and tend to be influenced mostly by new information pertaining to the understanding of the deposit and secondly by the conversion to Ore Reserves.

To accommodate the various factors that are important in the development of a classified Mineral Resource estimate, a scorecard approach can be used. Mineral Resource classification defines the confidence associated with different parts of the Mineral Resource. The confidence that is assigned refers collectively to the reliability of the Grade and Tonnage estimates. This reliability includes consideration for the fidelity of the base data, the geological continuity predicated by the level of understanding of the geology, the likely precision of the estimated grades and understanding of grade variability, as well as various other factors that may influence the confidence that can be placed on the Mineral Resource. Platinum, Nickel and Kumba Iron Ore have developed and applied their own scorecard approaches to the classification of Mineral Resources.

The estimates of Ore Reserves and Mineral Resources are stated as at 31 December 2011. Unless otherwise stated, Mineral Resources are additional to those resources which have been modified to produce the Ore Reserves and are reported on a dry tonnes basis. The figures in the tables have been rounded and, if used to derive totals and averages, could cause minor computational differences. Ore Reserves in the context of this Annual Report have the same meaning as 'Mineral Reserves' as defined by the SAMREC Code.

It is accepted that mine design and planning may include a portion of Inferred Mineral Resources. Inferred Mineral Resources in the Life of Mine Plan (LOMP) are described as 'Inferred (in LOMP)' separately from the remaining Inferred Mineral Resources described as 'Inferred (ex. LOMP)', as required. These resources are declared without application of any modifying factors.

The direct legal ownership that Anglo American holds in each operation and project is presented as the Attributable Percentage beside the name of each entity. Operations and projects which fall below the internal threshold for reporting (25% attributable interest) are excluded from the Ore Reserves and Mineral Resources estimates. A number of assets were disposed of during 2011 hence the following operations and projects are not reported in 2011: Black Mountain, Lisheen, Gamsberg and River Valley.

In South Africa, the Minerals and Petroleum Resources Development Act, Number 28 of 2002 (MPRDA) was implemented on 1 May 2004, and effectively transferred custodianship of the previously privately held mineral rights to the State. Mining companies were given up to two years to apply for prospecting permit conversions and five years to apply for mining licence conversions for existing operations.

A Prospecting Right is a new order right issued in terms of the MPRDA that is valid for up to five years, with the possibility of a further extension of three years, that can be obtained either by the conversion of existing Old Order Prospecting Rights or through new applications. An Exploration Right is identical to a Prospecting Right, but is commodity specific in respect of petroleum and gas and is valid for up to three years which can be renewed for a maximum of three periods not exceeding two years each.

A Mining Right is a new order right issued in terms of the MPRDA valid for up to 30 years obtained either by the conversion of an existing Old Order Mining Right, or as a new order right pursuant to the exercise of the exclusive right of the holder of a new order Prospecting Right, or pursuant to an application for a new Mining Right. A Production Right is identical to a Mining Right, but is commodity specific in respect of petroleum and gas.

In preparing the Ore Reserve and Mineral Resource statement for South African assets, Anglo American plc has adopted the following reporting principles in respect of Prospecting Rights and Mining Rights:

Where applications for new order Mining Rights and Prospecting Rights have been submitted and these are still being processed by the relevant regulatory authorities, the relevant Ore Reserves and Mineral Resources have been included in the statement.

Where applications for new order Prospecting Rights have been initially refused by the regulatory authorities, but are the subject of ongoing legal process and discussions with the relevant authorities and where Anglo American plc has reasonable expectations that the Prospecting Rights will be granted in due course, the relevant Mineral Resources have been included in the statement (any associated comments appear in the footnotes).

ESTIMATED ORE RESERVES[1] (PROVED + PROBABLE)

as at 31 December 2011

Detailed Proved and Probable figures appear on the referenced pages

KEY

Operation name (OP/OC/UG)[5]
100% ❶ (YY) ❷

❶ Anglo American attributable %
❷ Mine Life[6]

KUMBA IRON ORE (See page 33 for details)	Kolomela (OP) 48.2% (23)	Sishen (OP) 48.2% (18)	Thabazimbi (OP) 48.2% (4)					
Total Saleable Tonnes	203 Mt @ 64.7% Fe	744 Mt @ 65.0% Fe	8 Mt @ 63.1% Fe					
SAMANCOR MANGANESE (See page 35 for details)	GEMCO (OP)[2] 40.0% (12)	Mamatwan (OP) 29.6% (21)	Wessels (UG) 29.6% (48)					
Total ROM Tonnes	105.3 Mt @ 46.3% Mn	74.4 Mt @ 37.2% Mn	71.8 Mt @ 43.1% Mn					
METALLURGICAL COAL (See page 47 for details)	Callide (OC) 100% (25)	Capcoal (OC) 76.8% (25)	Capcoal (UG) 70.0% (12)	Dawson (OC) 51.0% (11)	Drayton (OC) 88.2% (5)	Foxleigh (OC) 70.0% (4)	Moranbah North (UG) 88.0% (18)	Trend (OC) 100% (13)
Total Saleable Tonnes[3]	**Thermal-Domestic:** 246.8 Mt @ 4,350 kcal/kg	**Metallurgical-Coking:** 28.6 Mt @ 7.0 CSN **Metallurgical-Other:** 72.1 Mt @ 6,980 kcal/kg **Thermal-Export:** 4.0 Mt @ 7,050 kcal/kg	**Metallurgical-Coking:** 42.7 Mt @ 9.0 CSN	**Metallurgical-Coking:** 27.5 Mt @ 7.5 CSN **Thermal-Export:** 101.0 Mt @ 6,500 kcal/kg	**Thermal-Export:** 17.3 Mt @ 6,260 kcal/kg	**Metallurgical-Other:** 14.8 Mt @ 6,840 kcal/kg	**Metallurgical-Coking:** 101.3 Mt @ 8.0 CSN	**Metallurgical-Coking:** 15.4 Mt @ 7.0 CSN **Thermal-Export:** 0.2 Mt @ 5,070 kcal/kg
THERMAL COAL (See page 61/2 for details)	Cerrejón (OC) 33.3% (20)	Goedehoop (UG&OC) 100% (11)	Greenside (UG) 100% (11)	Isibonelo (OC) 100% (14)	Kleinkopje (OC) 100% (13)	Kriel (UG&OC) 73.0% (14)	Landau (OC) 100% (9)	Mafube (OC) 50.0% (19)
Total Saleable Tonnes[3]	**Thermal-Export:** 778.7 Mt @ 6,290 kcal/kg	**Thermal-Export:** 45.9 Mt @ 6,220 kcal/kg	**Thermal-Export:** 27.8 Mt @ 6,200 kcal/kg	**Synfuel:** 69.9 Mt @ 4,590 kcal/kg	**Thermal-Export:** 29.3 Mt @ 6,170 kcal/kg **Thermal-Domestic:** 21.8 Mt @ 4,550 kcal/kg	**Thermal-Domestic:** 113.5 Mt @ 4,580 kcal/kg	**Thermal-Export:** 29.8 Mt @ 6,240 kcal/kg **Thermal-Domestic:** 5.0 Mt @ 4,340 kcal/kg	**Thermal-Export:** 33.8 Mt @ 6,210 kcal/kg **Thermal-Domestic:** 31.8 Mt @ 5,110 kcal/kg
THERMAL COAL (Continued)	New Denmark (UG) 100% (23)	New Vaal (OC) 100% (20)	Nooitgedacht 5 Seam (UG) 100% (1)	Zibulo (UG&OC) 73.0% (19)				
Total Saleable Tonnes[3]	**Thermal-Domestic:** 111.1 Mt @ 5,050 kcal/kg	**Thermal-Domestic:** 359.8 Mt @ 3,490 kcal/kg	**Metallurgical-Other:** 0.3 Mt @ 6,370 kcal/kg	**Thermal-Export:** 56.3 Mt @ 6,090 kcal/kg **Thermal-Domestic:** 35.4 Mt @ 4,770 kcal/kg				
COPPER (See page 77 for details)	Collahuasi (OP) 44.0% (68)	El Soldado (OP) 75.5% (23)	Los Bronces (OP) 75.5% (34)	Mantos Blancos (OP) 100% (10)	Mantoverde (OP) 100% (6)			
Total Contained Copper	**Heap Leach:** 224kt [35.4 Mt @ 0.63% TCu] **Flotation – direct:** 18,219kt [1,925.3 Mt @ 0.95% TCu] **Flotation – stockpile:** 4,596kt [935.2 Mt @ 0.49% TCu]	**Flotation:** 1,448kt [162.7 Mt @ 0.89% TCu] **Heap Leach:** 16kt [3.5 Mt @ 0.46% TCu]	**Flotation:** 9,261kt [1,498.4 Mt @ 0.62% TCu] **Dump Leach:** 2,235kt [683.7 Mt @ 0.33% TCu]	**Flotation:** 376kt [46.0 Mt @ 0.82% ICu] **Vat & Heap Leach:** 99kt [24.7 Mt @ 0.40% ASCu] **Dump Leach:** 119kt [51.7 Mt @ 0.23% ASCu]	**Heap Leach:** 248kt [42.7 Mt @ 0.58% ASCu] **Dump Leach:** 116kt [45.4 Mt @ 0.26% ASCu]			
NICKEL (See page 90 for details)	Barro Alto (OP) 100% (32)	Loma de Níquel (OP) 91.4% (4)	Niquelândia (OP) 100% (25)					
Total Contained Nickel	833kt [52.2 Mt @ 1.60% Ni]	68kt [4.6 Mt @ 1.48% Ni]	63kt [4.6 Mt @ 1.35% Ni]					
PLATINUM[4] (See page 109 for details)	Merensky Reef 79.8%	UG2 Reef 79.8%	Platreef 79.8%	Main Sulphide Zone 79.8%				
Total Contained PGE	18.5 Moz (4E)	89.9 Moz (4E)	67.7 Moz (4E)	4.7 Moz (4E)				
OMI – PHOSPHATES (See page 132 for details)	Copebrás (OP) 100% (41)							
Total ROM Tonnes	239.2 Mt @ 13.4% P_2O_5							
OMI – NIOBIUM (See page 133 for details)	Catalão (OP) 100% (4)							
Total Contained Product	45kt [4.3 Mt @ 1.03% Nb_2O_5]							

(1) Estimated Total Ore Reserves are the sum of Proved and Probable Ore Reserves (on an exclusive basis, i.e. Mineral Resources are reported as additional to Ore Reserves). Please refer to the detailed Business Units/Commodities Ore Reserve estimates tables for the individual Proved and Probable estimates. The Ore Reserve estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Ore Reserve estimates for operations in South Africa were compiled in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (The SAMREC Code, 2007).
The figures reported represent 100% of the Ore Reserves, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

(2) GEMCO Manganese grades are given as per washed ore samples and should be read with the respective yield of 54.7%.

(3) Total Saleable Tonnes represents the product tonnes produced quoted as metric tonnes on a Product moisture basis. The coal quality for Coal Reserves is quoted as either Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis or Crucible Swell Number (CSN). CV is rounded to the nearest 10 kcal/kg and CSN to the nearest 0.5 index. Coal quality parameters for the Coal Reserves for Metallurgical - Coking, Metallurgical - Other and Thermal - Export collieries meet the contractual specifications for Coking Coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Thermal - Domestic and Synfuels collieries meet the specifications of the individual supply contracts.
Metallurgical - Coking: High-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in the steel industry.
Metallurgical - Other: Semi-soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal.
Thermal - Export: Low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
Thermal - Domestic: Low- to high-volatile thermal coal primarily for domestic consumption for power generation.
Synfuel: Coal specifically for the domestic production of synthetic fuel and chemicals.

(4) Details of the individual operations appear in the Anglo American Platinum Annual Report.
The figures reported represent 100% of the Ore Reserves attributable to Anglo American Platinum unless otherwise noted.
4E is the sum of Platinum, Palladium, Rhodium and Gold.

(5) Mining method: OP = Open Pit, OC = Open Cast, UG = Underground.

(6) Mine Life is the extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.

ESTIMATED MINERAL RESOURCES[1] (MEASURED + INDICATED)

as at 31 December 2011

Detailed Measured, Indicated and Inferred figures appear on the referenced pages

KEY

Operation name (OP/OC/UG)[5] 100% -❶

❶ Anglo American attributable %

KUMBA IRON ORE (See page 33 for details)	**Kolomela (OP) 48.2%**	**Sishen (OP) 48.2%**	**Thabazimbi (OP) 48.2%**					
In-situ Tonnes	62.7 Mt @ 65.0% Fe	385.9 Mt @ 61.5% Fe	8.3 Mt @ 61.9% Fe					
IRON ORE BRAZIL (See page 34 for details)	**Amapá 70.0%**	**Itapanhoacanga 100%**	**Serra do Sapo 100%**	**Serro 100%**				
In-situ Tonnes[2]	**Canga:** 13.1 Mt @ 49.6% Fe **Colluvium:** 68.0 Mt @ 38.7% Fe **Friable Itabirite and Hematite:** 145.5 Mt @ 41.4% Fe	**Friable Itabirite and Hematite:** 244.2 Mt @ 41.7% Fe **Compact Itabirite:** 106.7 Mt @ 33.7% Fe	**Friable Itabirite and Hematite:** 1,839.8 Mt @ 37.5% Fe **Compact Itabirite:** 2,818.9 Mt @ 31.1% Fe	**Friable Itabirite and Hematite:** 9.5 Mt @ 63.6% Fe **Compact Itabirite:** Inferred only				
SAMANCOR MANGANESE (See page 35 for details)	**GEMCO (OP)[3] 40.0%**	**Mamatwan (OP) 29.6%**	**Wessels (UG) 29.6%**					
In-situ Tonnes	115.8 Mt @ 46.8% Mn	119.5 Mt @ 35.2% Mn	143.3 Mt @ 44.4% Mn					
METALLURGICAL COAL (See page 48 for details)	**Callide (OC) 100%**	**Capcoal (OC) 76.8%**	**Capcoal (UG) 70.0%**	**Dawson (OC) 51.0%**	**Drayton (OC) 88.2%**	**Foxleigh (OC) 70.0%**	**Moranbah North (UG) 88.0%**	**Trend (OC) 100%**
In-situ Tonnes[4]	525.7 Mt @ 4,870 kcal/kg	41.7 Mt @ 7,080 kcal/kg	144.3 Mt @ 6,680 kcal/kg	441.7 Mt @ 6,660 kcal/kg	14.7 Mt @ 6,850 kcal/kg	33.3 Mt @ 7,110 kcal/kg	76.9 Mt @ 6,640 kcal/kg	21.2 Mt @ 6,500 kcal/kg
THERMAL COAL (See page 63 for details)	**Cerrejón (OC) 33.3%**	**Goedehoop (UG&OC) 100%**	**Greenside (UG) 100%**	**Isibonelo (OC) 100%**	**Kleinkopje (OC) 100%**	**Kriel (UG&OC) 73.0%**	**Landau (OC) 100%**	**Mafube (OC) 50.0%**
In-situ Tonnes[4]	1,081.1 Mt @ 6,450 kcal/kg	155.4 Mt @ 5,470 kcal/kg	14.2 Mt @ 5,650 kcal/kg	20.9 Mt @ 5,210 kcal/kg	28.5 Mt @ 4,970 kcal/kg	19.3 Mt @ 5,060 kcal/kg	60.8 Mt @ 5,020 kcal/kg	9.9 Mt @ 5,210 kcal/kg
THERMAL COAL (Continued)	**New Denmark (UG) 100%**	**New Vaal (OC) 100%**	**Nooitgedacht 5 Seam (UG) 100%**	**Zibulo (UG&OC) 73.0%**				
In-situ Tonnes[4]	Inferred only	-	1.1 Mt @ 5,370 kcal/kg	320.6 Mt @ 4,910 kcal/kg				
COPPER (See page 78 for details)	**Collahuasi (OP) 44.0%**	**El Soldado (OP) 75.5%**	**Los Bronces (OP) 75.5%**	**Mantos Blancos (OP) 100%**	**Mantoverde (OP) 100%**			
Contained Copper	**Heap Leach:** 90kt [15.1 Mt @ 0.60% TCu] **Flotation – direct:** 5,704kt [630.1 Mt @ 0.91% TCu] **Flotation – stockpile:** 704kt [153.7 Mt @ 0.46% TCu]	**Flotation:** 315kt [40.7 Mt @ 0.77% TCu] **Heap Leach:** 1kt [0.2 Mt @ 0.71% TCu]	**Flotation:** 4,918kt [1,133.9 Mt @ 0.43% TCu] **Dump Leach:** Inferred only	**Flotation:** 738kt [116.0 Mt @ 0.64% ICu] **Vat & Heap Leach:** 111kt [24.5 Mt @ 0.45% ASCu] **Dump Leach:** 17kt [8.3 Mt @ 0.20% ASCu]	**Heap Leach:** 131kt [34.2 Mt @ 0.38% ASCu] **Dump Leach:** Inferred only			
NICKEL (See page 90 for details)	**Barro Alto (OP) 100%**	**Loma de Níquel (OP) 91.4%**	**Niquelândia (OP) 100%**					
Contained Nickel	171kt [13.2 Mt @ 1.30% Ni]	75kt [5.7 Mt @ 1.32% Ni]	75kt [6.0 Mt @ 1.25% Ni]					
PLATINUM[5] (See page 109 for details)	**Merensky Reef 79.8%**	**UG2 Reef 79.8%**	**Platreef 79.8%**	**Main Sulphide Zone 79.8%**				
Contained PGE	77.8 Moz (4E)	158.8 Moz (4E)	86.2 Moz (4E)	4.0 Moz (4E)				
OMI – PHOSPHATES (See page 132 for details)	**Copebrás (OP) 100%**							
In-situ Tonnes	64.2 Mt @ 11.9% P_2O_5							
OMI – NIOBIUM (See page 133 for details)	**Catalão (OP) 100%**							
Contained Product	35kt [2.8 Mt @ 1.22% Nb_2O_5]							

(1) Estimated Measured plus Indicated Resources are the sum of the Measured and Indicated Mineral Resources (on an exclusive basis, i.e. Mineral Resources are reported as additional to Ore Reserves). Please refer to the detailed Business Units/Commodities Mineral Resource estimates tables for the individual Measured, Indicated and Inferred estimates. The Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The Mineral Resource estimates for operations in South Africa were compiled in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (The SAMREC Code, 2007).
The figures reported represent 100% of the Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

(2) Tonnages are reported on a wet basis.

(3) GEMCO Manganese grades are given as per washed samples and should be read with the respective yield of 47.4%

(4) Coal Resources are quoted on a Mineable Tonnage In-Situ (MTIS) basis in million tonnes which are in addition to those resources which have been modified to produce the reported Coal Reserves. Coal Resources are on an in-situ moisture basis. The coal quality for the Coal Resources is quoted on an in-situ heat content as Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis. CV is rounded to the nearest 10 kcal/kg.

(5) Details of the individual operations appear in the Anglo American Platinum Annual Report. Merensky Reef and UG2 Reef Mineral Resources are estimated over a practical minimum mining width suitable for the deposit known as the 'Resource Cut'. The minimum mining width over which Mineral Resources are declared is 90cm. The 'Resource Cut' width takes cognisance of the mining method and geotechnical aspects in the hanging wall or footwall of the reef. The figures reported represent 100% of the Ore Reserves attributable to Anglo American Platinum unless otherwise noted. 4E is the sum of Platinum, Palladium, Rhodium and Gold.

(6) Mining method: OP = Open Pit, OC = Open Cast, UG = Underground.

DEFINITIONS

ORE RESERVES

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

A 'Proved Ore Reserve' is the economically mineable part of a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

A 'Probable Ore Reserve' is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.

MINERAL RESOURCES

A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.

COMMON TERMINOLOGY

Deposit

A deposit is a concentration (or occurrence) of material of possible economic interest, in or on the earth's crust, that may include mineralized material that cannot be estimated with sufficient confidence to be classified in the Inferred category. Portions of a deposit that do not have reasonable and realistic prospects for eventual economic extraction are not included in a Mineral Resource.

Inferred (in LOMP) / Inferred (ex. LOMP)

Inferred (in LOMP): Inferred Resources within the scheduled Life of Mine Plan (LOMP).
Inferred (ex. LOMP): The portion of Inferred Resources with reasonable prospects for eventual economic extraction not considered in the Life of Mine Plan (LOMP).

Mine Life

The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
This is the current view of the period of production based on current Ore Reserve tonnes and applicable mining rates.

Coal products

Metallurgical – Coking: High-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in the steel industry; quality measured as Crucible Swell Number (CSN).
Metallurgical – Other: Semi-soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal; quality measured by calorific value (CV).
Thermal – Export: Low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
Thermal – Domestic: Low- to high-volatile thermal coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).
Synfuel: Coal specifically for the domestic production of synthetic fuel and chemicals; quality measured by calorific value (CV).

GLOSSARY

MINING METHODS

OC: Open Cut
OP: Open Pit
UG: Underground

MASS UNITS

kt: kilotonne; metric system unit of mass equal to 1,000 metric tonnes
Moz: million troy ounces (a kilogram is equal to 32.1507 ounces; a troy ounce is equal to 31.1035 grams)
Mt: million tonnes, metric system unit of mass equal to 1,000 kilotonnes
MTIS: Mineable Tonnage In-Situ; quoted in million tonnes
mtpa: million tonnes per annum
ROM: Run Of Mine
tonnes: metric system unit of mass equal to 1,000 kilograms

GRADE UNITS (expressed on a moisture-free basis)

ASCu: Acid soluble copper (%)
CSN: Crucible Swell Number (CSN is rounded to the nearest 0.5 index)
CuEq: Copper equivalent based on long-term metal prices and taking into consideration the recovery of Copper, Gold and Molybdenum (%)
CV: Calorific Value (CV is rounded to the nearest 10 kcal/kg)
ICu: Insoluble copper, total copper less acid soluble copper (%)
kcal/kg: kilocalories per kilogram
TCu: Total copper (%)
4E PGE: The sum of Platinum, Palladium, Rhodium and Gold grades in grammes per tonne (g/t).
3E PGE: The sum of Platinum, Palladium and Gold grades in grammes per tonne (g/t)
% Cu: weight percent Copper
% Fe: weight percent Iron
% Mn: weight percent Manganese
% Mo: weight percent Molybdenum
% Ni: weight percent Nickel
% Nb_2O_5: weight percent Niobium pentoxide
% P_2O_5: weight percent Phosphorus pentoxide

PROCESSING METHODS

Dump Leach: A process similar to Heap Leaching, but usually applied to lower grade material. Rather than constructing a heap of material with a controlled grain size, the material grain sizes are as mined, similar to the situation found within a waste rock dump. This material is then irrigated with a leach solution that dissolves the valuable minerals, allowing recovery from the drained leach solution.

Flotation: A process for concentrating minerals based on their surface properties. Finely ground mineral is slurried with water and specific reagents that increase the water repellent nature of the valuable mineral and agitated with air. The water repellent mineral grains cling to froth bubbles that concentrate the mineral at the top of the flotation cell, from where it is mechanically removed.

Heap Leach: A process in which mineral-bearing rock is crushed and built into a designed heap. The heap is irrigated with a leach solution that dissolves the desirable mineral and carries it into a drain system from which solution is pumped and the mineral/elements of interest are recovered.

Vat Leach: A process whereby crushed rock containing valuable minerals is placed within vats. The vats are filled with a leach solution and the valuable mineral(s) dissolve. The leach solution is pumped to a recovery circuit and the vats are drained and emptied of the spent ore and recharged.

ORE TYPES

Banded Iron Formation: A chemical sedimentary rock consisting of silica and iron oxide. The rock texture is characteristically laminated or banded.

Canga: An iron rich rock formed where material weathered from an original iron ore deposit has been cemented by iron minerals.

Carbonatite Complex: A group of overlapping igneous intrusions of alkaline rocks including magmatic carbonate (sövite) rock. These complexes are frequently host to phosphate, niobium and rare-earth element deposits.

Colluvium: Loose, unconsolidated material that accumulates above the weathering iron ore bodies.

Ferruginous Laterite: An especially iron-rich laterite.

Hematite: An iron oxide mineral with the chemical formula Fe_2O_3.

Itabirite (Friable/Compact): Itabirite is a banded quartz hematite schist, very similar to banded iron formation in appearance and composition. Friable Itabirite is extensively weathered leading to disaggregation of the individual mineral grains comprising the rock. Compact Itabirite, previously known as Hard Itabirite, is the unweathered equivalent.

Laterite: A claylike soil horizon rich in iron and aluminium oxides that formed by weathering of igneous rocks under tropical conditions.

Main Sulphide Zone (MSZ): The Main Sulphide Zone is the principal host of Platinum Group Metals within the Great Dyke of Zimbabwe. The Main Sulphide Zone is a tabular zone of sulphide-bearing rock within the uppermost P1 Pyroxenite.

Merensky Reef (MR): One of the three major Platinum Group Metals bearing units within the Bushveld Complex. The Merensky Reef is located within the Upper Critical Zone of the Bushveld Complex and ranges in width from 0.8m to 4m. The Merensky Reef occurs at the interface between the Merensky Pyroxenite and the underlying anorthosite to norite. The Merensky Reef is characterised by the occurrence of one or more narrow chromitite stringers and frequently includes a coarse-grained pegmatoidal pyroxenite.

Oxide: Oxide ores are those found within close proximity to surface and whose mineralogy is dominated by oxidised species, including oxides and sulphates. Frequently, silicate minerals have broken down partially or completely to clay-rich species.

Platreef (PR): The Platreef is only present within the Northern Limb of the Bushveld Complex, in the vicinity of Polokwane, South Africa. The Platreef is a heterogenous unit dominated by felspathic pyroxenite, but including serpentinised pyroxenites and xenoliths of footwall rock. The Platreef dips steeply to the west and ranges in thickness between 60m and 200m. Platinum Group Metal mineralisation occurs disseminated within the Platreef and in frequent association with base-metal sulphides.

Porphyry (Copper): Large copper deposits hosted by intermediate felsic rocks. These deposits form close to large-scale subduction zones.

Saprolite: A decomposed clay-rich rock that has been weathered in place.

Sulphide: Sulphide ores contain sulphide minerals that have not been subjected to surface oxidation.

UG2 Reef (UG2): The UG2 Reef is located between 20m and 400m below the Merensky Reef and is the second chromitite unit within the Upper Group. The UG2 is typically a massive chromitite unit ranging in thickness from 0.6m to 1.2m. The hangingwall of the UG2 is a felspathic pyroxenite unit that may include several narrow chromitite stringers. The footwall of the UG2 is a coarse-grained pegmatoidal pyroxenite.


PROTOCOLOS
DE RISCOS
FATAIS
AngloAmerican

IRON ORE AND MANGANESE

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

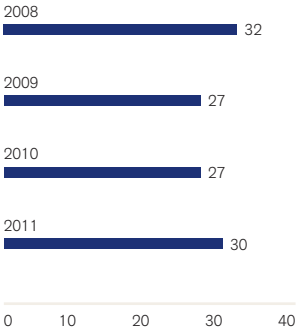
Iron ore is a key component in steel, the most widely used of all metals. Global steel consumption is forecast to grow in excess of 5% pa over the next three years.

Image
Construction of a pump station at the mine site of Minas-Rio iron ore project in Minas Gerais state, Brazil.

FINANCIAL HIGHLIGHTS

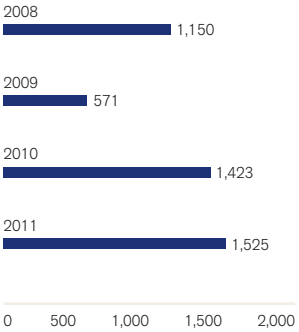
Share of Group net operating assets

%



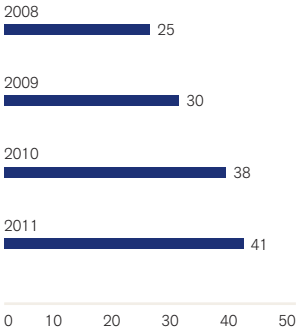
Underlying earnings

$ m



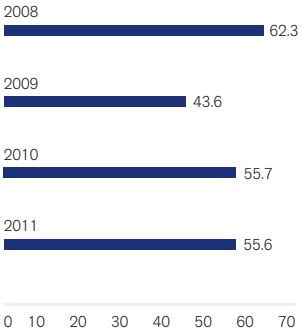
Share of Group operating profit

%



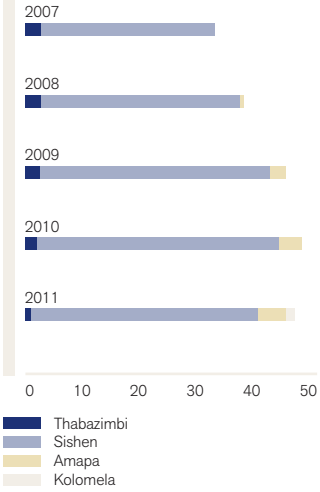
Operating margin

%



Group iron ore production

Mt



FINANCIAL DATA

$ million	2011	2010	2009	2008
Total turnover	**8,124**	**6,612**	**3,419**	**4,099**
Of which:				
Kumba Iron Ore	**6,717**	5,310	2,816	2,573
Iron Ore Brazil	**481**	319	–	–
Samancor	**926**	983	603	1,526
EBITDA	**4,733**	**3,856**	**1,593**	**2,625**
Of which:				
Kumba Iron Ore	**4,546**	3,514	1,562	1,632
Iron Ore Brazil	**(11)**	(73)	(135)	(5)
Samancor	**198**	415	166	998
Depreciation and amortisation	**213**	**175**	**104**	**71**
Operating profit before special items and remeasurements	**4,520**	**3,681**	**1,489**	**2,554**
Of which:				
Kumba Iron Ore	**4,397**	3,396	1,487	1,583
Iron Ore Brazil	**(42)**	(97)	(141)	(9)
Samancor	**165**	382	143	980
Operating special items and remeasurements	**(79)**	356	(1,139)	(620)
Operating profit after special items and remeasurements	**4,441**	**4,037**	**350**	**1,934**
Net interest, tax and non-controlling interests	**(2,995)**	**(2,258)**	**(918)**	**(1,404)**
Underlying earnings	**1,525**	**1,423**	**571**	**1,150**
Of which:				
Kumba Iron Ore	**1,462**	1,210	490	523
Iron Ore Brazil	**(81)**	(77)	(119)	(31)
Samancor	**144**	290	200	658
Net operating assets	**13,069**	**11,701**	**10,370**	**10,457**
Capital expenditure	**1,732**	**1,195**	**1,140**	**783**

01 Minas-Rio's pump station No. 2 under construction.

BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $3,681m)

$4,520m

SHARE OF GROUP OPERATING PROFIT
(2010: 38%)

41%

EBITDA
(2010: $3,856 m)

$4,733m

Financial highlights

$ million (unless otherwise stated)	2011	2010
Operating profit	**4,520**	3,681
Kumba Iron Ore	**4,397**	3,396
Iron Ore Brazil	**(42)**	(97)
Samancor	**165**	382
EBITDA	**4,733**	3,856
Net operating assets	**13,069**	11,701
Capital expenditure	**1,732**	1,195
Share of Group operating profit	**41%**	38%
Share of Group net operating assets	**30%**	27%

BUSINESS OVERVIEW

Our Iron Ore portfolio principally comprises a 65.2% shareholding in Kumba Iron Ore Limited (Kumba), a leading supplier of seaborne iron ore, and Iron Ore Brazil's 100% interest in Anglo Ferrous Minas-Rio Mineração S.A., a 49% shareholding in LLX Minas-Rio, which owns the port of Açu (currently under construction) from which iron ore from the Minas-Rio project will be exported (together, the Minas-Rio project), and a 70% interest in the Amapá iron ore system.

Kumba, listed on the Johannesburg Stock Exchange, produces a leading quality lump ore. Export ore is transported via the Sishen-Saldanha Iron Ore Export Channel to Saldanha Port. The rail and port operations are owned and operated by the South African parastatal Transnet. Kumba is well positioned to supply the high growth Asia-Pacific and Middle East markets and European steel markets in light of an expected decline in lump ore supplies from other sources.

Kumba operates three mines – Sishen mine in the Northern Cape, which produced 38.9 Mt of iron ore in 2011, Thabazimbi mine in Limpopo, with an output of 0.9 Mt, and Kolomela mine, also in the Northern Cape, which was brought into production during 2011 and produced 1.5 Mt during the year. In 2011, Kumba exported more than 85% of its total iron ore sales volumes of 43.6 Mt, with 68% of these exports destined for China and the remainder for Europe, Japan, South Korea and the Middle East.

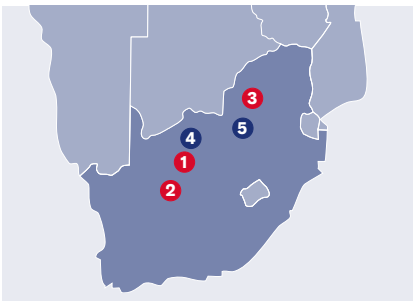
Our Minas-Rio iron ore project is located in the states of Minas Gerais and Rio de Janeiro and will include open pit mines and a beneficiation plant in Minas Gerais producing high grade pellet feed. On completion of Phase 1, ore will be transported through a 525 kilometre slurry pipeline to the port of Açu in Rio de Janeiro state. Amapá, in Amapá state in northern Brazil, continues to ramp up its pellet feed and sinter feed production, which reached 4.8 Mt in 2011, and is expected to produce 5.5 Mt in 2012.

Our Manganese interests consist of a 40% shareholding in Samancor Holdings, which owns Hotazel Manganese Mines and Metalloys, both in South Africa, and a 40% shareholding in each of the Australian-based operations Groote Eylandt Mining Company (GEMCO) and Tasmanian Electro Metallurgical Company (TEMCO), with BHP Billiton owning 60% and having management control. Samancor is the world's largest producer of seaborne manganese ore and is among the top three global producers of manganese alloy. Its operations produce a combination of ores, alloys and metal from sites in South Africa and Australia.

South Africa

Kumba operates three mines – Sishen in the Northern Cape, which produced 38.9 Mt of iron ore in 2011, Thabazimbi mine in Limpopo, with an output of 0.9 Mt, and Kolomela mine, also in the Northern Cape, which was bought into production during 2011 and produced 1.5 Mt during the year.

Samancor Manganese, which is the world's largest producer of seaborne manganese ore and is among the top three global producers of manganese alloy, is headquartered in South Africa.



1 65.2% Kumba Iron Ore – Sishen mine
2 65.2% Kumba Iron Ore – Kolmela mine
3 65.2% Kumba Iron Ore – Thabazimbi mine
4 40% Samancor Manganese – Hotazel
5 40% Samancor Manganese – Metalloys

South America

The Minas-Rio iron ore project is located in the states of Minas Gerais and Rio de Janeiro in Brazil and will include open pit mines and a beneficiation plant in Minas Gerais producing high grade pellet feed. On completion of Phase 1, ore will be transported through a slurry pipeline, over 500 km to the port of Açu in the state of Rio de Janeiro.

Amapá, located in Amapá state in northern Brazil, continues to ramp up its pellet feed and sinter feed production and produced 4.8 Mt in 2011, and is expected to produce 5.5 Mt in 2012.

1 100% Minas-Rio (Brazil)
2 70% Amapá (Brazil)
3 49% LLX Minas-Rio (Brazil)

Australia

The Australian Samancor Manganese operations consist of Groote Eylandt Mining Company (GEMCO), situated off the east coast of the Northern Territory of Australia, and Tasmanian Electro Metallurgical Company (TEMCO), which is based at Bell Bay, approximately 55 km from Launceston, Tasmania.

1 40% GEMCO
2 40% TEMCO

Key
- Open cut
- Port
- Other

INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Demand for iron ore globally is linked primarily to the state of the global steel industry and, more specifically, to the steel manufacturing sector in China. The country is the largest steel producer and consumer in the world and accounts for more than two-thirds of global seaborne iron ore imports.

In 2011, global steel production increased 6% to 1.5 billion tonnes (2010: 1.4 billion tonnes), of which 683 Mt were produced in China (2010: 637 Mt), an increase of 7% (2010: 11%). China's seaborne iron ore imports rose by 8% to 654 Mt (2010: 603 Mt). The balance of China's iron ore needs was met by domestic iron ore production, which was virtually unchanged at 301 Mt (on a rich ore equivalent basis).

Markets

Global steel demand growth continued to be driven by ongoing urbanisation and industrialisation in China. China is now the biggest steel producing country, accounting for approximately 45% of the global steel market. In early 2011, steel production in China reached record levels. However, the tightening in monetary policy to manage the inflationary pressures experienced in China since October 2010, led to credit liquidity constraints and a slower GDP growth rate in the second half of the year. This, coupled with margin compression as a result of higher raw material input costs and lower steel prices, led to a reduction in steel production rates and downstream steel destocking by end-users.

Steel demand and pricing in Europe has been subdued since April 2011, following concerns around the European sovereign debt crisis. Japanese steel production and prices were initially impacted by the earthquake and tsunami during the first quarter but recovered during the third quarter. However, as macro-economic uncertainty increased, this also weighed heavily on steel prices and demand in Japan towards the end of the year. As a result, European and Japanese steel producers started to implement production slowdowns in an attempt to stabilise steel markets. Consequently, iron ore offtake in these regions has slowed and China has been the target of diverted contractual tonnages from a number of suppliers. The combination of higher seaborne ore supplies and lower crude steel production during the second half of 2011, resulted in a sharp fall in index prices in the fourth quarter. Steel producers resumed sourcing of iron ore during November 2011, following a period of destocking, particularly in China. Index and spot iron ore pricing has now reached a support level provided by high cost Chinese domestic iron ore production.

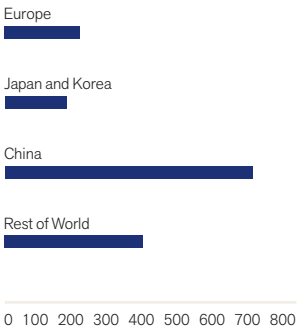
Underpinned by global steel production, prices for manganese ores have been under considerable pressure, particularly in the second half of 2011 on the back of a general oversupply in the market and a build-up of port inventories in China. Alloy conversion capacity continued to grow through the year, placing additional pressure on margins for all alloys, with some higher cost producers eventually idling capacity so as to cut losses.

01 Safety technician Daniel Cardoso Espindola (left) and security technician Wagno Luis Oliverira Assis, inspect a section of the Minas-Rio pipeline. At the end of 2011, more than 200 km of the 525 km pipeline that will carry iron ore to the port at Açu had been installed.

MARKET INFORMATION

2011 Global crude steel production

Mt



Source: AME

Iron ore price (FOB Australia)

(1) QAMOM is a pricing mechanism based on average quarter in arrears minus one month.

Source: Anglo American Commodity Research

2011 Iron ore production(1)

Total 1,825 Mt

- Western Europe 1.5%
- Other Europe and CIS 10.6%
- North America 5.9%
- South America 19.4%
- Africa 4.0%
- Asia 32.9%
- Oceania 25.7%

Source: CRU

(1) Apparent production of iron ore pellets, sinter fines and lump.

2011 Iron ore consumption(1)

Total 1,825 Mt

- Unaccounted imports/stock changes 2.6%
- Western Europe 6.7%
- Other Europe and CIS 9.1%
- North America 4.2%
- South America 3.5%
- Africa 0.8%
- Asia 72.5%
- Oceania 0.6%

Source: CRU

(1) Apparent consumption of iron ore pellets, sinter fines and lump.

STRATEGY AND GROWTH

STRATEGY AND GROWTH

Anglo American's core strategy is to grow our position in iron ore and to supply premium iron ore products against a background of declining quality global iron ore supplies. We have a unique iron ore resource profile, with extensive, high quality resource bases in South Africa and Brazil. Significant future growth will come from Minas-Rio (including expansion potential) and expansion at Kolomela.

Kumba seeks to sustainably maximise total shareholder value by enhancing the value of its current operations through the implementation of its asset optimisation programmes, capturing value across the value chain through its commercial and logistics strategy, executing its growth projects and ensuring that it has the organisational resources and capabilities to execute its strategy.

Kumba plans to grow its business organically in order to achieve production of 80 to 90 Mtpa of iron ore by 2020, 70 Mtpa from South Africa and the remainder from other countries in Africa.

Minas-Rio will capture a significant part of the high growth pellet feed market with its premium product featuring high iron content and low contaminants. Phase 1 of the Minas-Rio project will produce 26.5 Mtpa, with first production scheduled after completion and commissioning of the project, which is anticipated in the second half of 2013. During the year, civil works commenced at the beneficiation plant, tailings dam earthworks progressed in line with the project schedule, while good progress was made in installing the 525 kilometre slurry pipeline. Further expansion potential is supported by the 2011 resource estimate of 5.8 billion tonnes (Measured, Indicated and Inferred), and further resource potential is considered to exist. While focus has been on Phase 1 construction, studies for the expansion of the project, including consideration of the optimal production profile, continue to be evaluated.

Kolomela, which was brought into commercial production during December 2011, is expected to produce at design capacity 9 Mtpa of iron ore. With initial production of 1.5 Mt during 2011, the mine is on track to produce between 4 and 5 Mt in its ramping-up phase in 2012, before producing at full design capacity in 2013.

Projects

Excellent progress was made at Kolomela mine, which was delivered five months ahead of schedule and within budget. Kolomela is ramping up well and is on track to produce between 4 Mt and 5 Mt in 2012, before producing at full design capacity of 9 Mtpa in 2013.

Kumba's stated South African growth target of producing 70 Mtpa by 2019 is intact:

- 9 Mtpa will come from Kolomela in 2013
- 15 Mtpa to be delivered from other projects in the Northern Cape Province
- 5 Mtpa potential from projects in the Limpopo Province.

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 unexpected 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 assessing various options 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 2011 resource statement (total resource volume (Measured, Indicated and Inferred)) of 5.8 billion tonnes, support the expansion of the project.

The second expansion of the GEMCO operation in the Northern Territory of Australia (GEEP2 project) was approved in May 2011. This follows the successful completion of the GEMCO Expansion Phase 1 (GEEP1) project in January 2010.

The first phase expansion confirmed GEMCO's status as the world's largest and lowest cost producer of manganese ore. This second expansion, which is expected to be completed in late 2013, will further enhance GEMCO's competitive advantages and create additional options for growth. The $280 million GEEP2 project (Anglo American's 40% share: $112 million) will increase GEMCO's beneficiated product capacity from 4.2 Mtpa to 4.8 Mtpa through the introduction of a dense media circuit by-pass facility. The expansion will also address infrastructure constraints by increasing road and port capacity to 5.9 Mtpa, creating 1.1 Mtpa of latent capacity for future expansions.

PROJECT PIPELINE – KEY PROJECTS

Kolomela

Overall capex: $1,062m

Country
South Africa

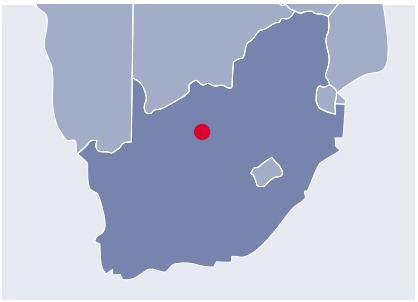
Ownership*
48.3%

Production volume
9 Mtpa iron ore

Full project capex
$1,062m

Full production
Q1 2013

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.



Minas-Rio phase 1

Overall capex: $5,034m(1)

Country
Brazil

Ownership
100%

Production volume
26.5 Mtpa iron ore pellet feed (wet basis)

Full project capex
$5,034m(1)

First production
H2 2013

The Minas-Rio iron ore project in Brazil is expected to produce 26.5 Mtpa of iron ore in its first phase and made good progress during 2011. 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 pipeline 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 specialist 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.

Sishen B grade project (unapproved)

Overall capex: TBD

Country
South Africa

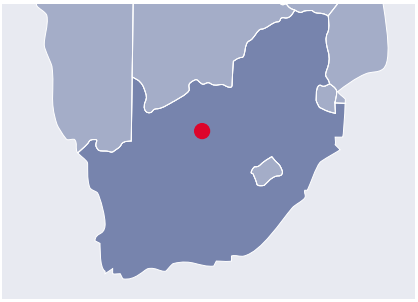
Ownership*
48.3%

Production volume
6 Mtpa iron ore

Full project capex
TBD

Full production
2017

Sishen production will be increased by up to 6 Mtpa with the development of Sishen B Grade Project 2 (B Grade). B Grade will use the additional material available in the definition of the larger optimised pit shell, supplemented by material that became available with the refinement of the Sishen product range. The increased mining activity required to mine the larger pit will in part be utilised by beneficiating the low Fe grade portion of the material resulting in some of the waste being reclassified as ore.



(1) 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 LLXSA and LLX Minas-Rio. Capital expenditure is under review to contain the capital increase to approximately 15% of the current guidance.

* Kumba Iron Ore owns 74% of Sishen, Thabazimbi and Kolomela. Anglo American plc through its 65% ownership in Kumba effectively owns 48.3% of Sishen.

PRODUCTION DATA

	2011	2010	2009	2008	2007
Kumba Iron Ore[1] – tonnes					
Lump	**25,445,100**	25,922,300	25,300,000	22,042,000	19,043,000
Fines	**15,822,500**	17,462,600	16,643,000	14,657,000	13,357,000
	41,267,600	**43,384,900**	**41,943,000**	**36,699,000**	**32,400,000**
Amapá[2] – tonnes					
Sinter feed	**1,401,000**	2,136,900	576,100	128,000	–
Pellet feed	**3,420,500**	1,892,500	2,077,100	584,000	–
	4,821,500	**4,029,400**	**2,653,200**	**712,000**	**–**
Total iron ore production	**46,089,100**	**47,414,300**	**44,596,200**	**37,411,000**	**32,400,000**
Samancor[3] – tonnes					
Manganese ore	**2,786,600**	2,952,800	1,570,000	2,704,000	2,411,000
Manganese alloy[4]	**300,500**	312,000	129,000	306,000	310,000

(1) Kolomela reached commercial production on 1 December 2011. Costs associated with 984,700 tonnes of production (2010: nil) have been capitalised before commercial production was reached.
(2) Production from Amapá is included from 5 August 2008. Amapá production for full year 2008 was 1.2 Mt. At 31 December 2009 Amapá was not in commercial production and therefore to this date all revenue and related costs were capitalised. Commercial production commenced on 1 January 2010.
(3) Saleable production.
(4) Production includes Medium Carbon Ferro Manganese.

01 Looking out from Kolomela's primary crusher over the rest of the plant, with the blending beds on the left.

IRON ORE

Ore Reserve and Mineral Resource estimates as at 31 December 2011

KUMBA IRON ORE

The Ore Reserve and Mineral Resource estimates were compiled in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (The SAMREC Code, 2007). The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

Kumba Iron Ore – Operations ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Saleable product 2011 Mt	Saleable product 2011 %Fe	Saleable product 2010 Mt	Saleable product 2010 %Fe
Kolomela Mine (OP)[1]	48.2	23		Mt	Mt	%Fe	%Fe	Mt	%Fe	Mt	%Fe
			Proved	109.7	118.5	64.9	64.5	110	65.0	118	64.5
			Probable	93.7	84.0	64.3	64.1	94	64.4	84	64.1
			Total	**203.4**	**202.4**	**64.6**	**64.3**	**203**	**64.7**	**202**	**64.3**
Sishen Mine (OP)[2]	48.2	18				%Fe	%Fe				
			Proved	525.8	576.3	58.9	59.8	393	65.0	439	65.5
			Probable	458.1	500.6	59.3	58.7	351	65.1	366	65.1
			Total	**983.9**	**1,077.0**	**59.1**	**59.3**	**744**	**65.0**	**805**	**65.3**
Thabazimbi Mine (OP)[3]	48.2	4				%Fe	%Fe				
			Proved	2.7	9.0	61.4	61.1	2	63.2	8	62.6
			Probable	7.7	4.9	60.4	60.6	6	63.0	4	61.9
			Total	**10.4**	**13.9**	**60.7**	**61.0**	**8**	**63.1**	**12**	**62.3**

Kumba Iron Ore – Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010
Kolomela Mine (OP)[4]	48.2		Mt	Mt	%Fe	%Fe
		Measured	46.6	49.1	65.0	65.1
		Indicated	16.1	20.0	65.1	65.0
		Measured and Indicated	**62.7**	**69.2**	**65.0**	**65.1**
		Inferred (in LOMP)	45.9	35.1	64.3	65.7
		Inferred (ex. LOMP)	53.7	47.7	62.7	62.5
		Total Inferred	**99.6**	**82.7**	**63.4**	**63.9**
Sishen Mine (OP)[5]	48.2				%Fe	%Fe
		Measured	111.1	127.0	61.3	59.4
		Indicated	274.8	410.5	61.6	58.5
		Measured and Indicated	**385.9**	**537.5**	**61.5**	**58.7**
		Inferred (in LOMP)	173.4	17.9	49.1	59.7
		Inferred (ex. LOMP)	217.2	116.2	53.8	59.6
		Total Inferred	**390.6**	**134.1**	**51.7**	**59.6**
Thabazimbi Mine (OP)[6][7]	48.2				%Fe	%Fe
		Measured	1.1	3.4	61.1	61.8
		Indicated	7.2	1.2	62.0	61.2
		Measured and Indicated	**8.3**	**4.6**	**61.9**	**61.6**
		Inferred (in LOMP)	3.0	0.9	61.8	61.9
		Inferred (ex. LOMP)	3.9	0.9	61.8	61.5
		Total Inferred	**6.9**	**1.8**	**61.8**	**61.7**

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Kumba Iron Ore – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010
Phoenix Project[7]	48.2		Mt	Mt	%Fe	%Fe
		Inferred	11.3	–	63.0	–

Mining method: OP = Open Pit. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
The tonnage is quoted as dry metric tonnes and abbreviated as Mt for million tonnes.
The Mineral Resources are constrained by a resource pit shell, which defines the spatial limits of eventual economic extraction.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.
The Zandrivierspoort Project is not reported as Anglo American's shareholding is below the internal threshold for reporting. Details of this project are presented in the Kumba Iron Ore Annual Report.

(1) **Kolomela Mine – Ore Reserves:** The increase is primarily due to production which has been offset by a lowering of the cut-off grade applied during the Life of Mine Plan scheduling to equalise plant feed grade in the initial years which previously exceeded client quality specifications. A revision of the Mineral Resource classification using a quantitative scorecard approach was carried out in 2011 and impacts on the Ore Reserve classification. The calculated 2011 Mine Life excludes Inferred Resources.

(2) **Sishen Mine – Ore Reserves:** The net decrease is due to production as well as a revision of the Life of Mine schedule necessitated by a downgrade of Banded Iron Formation Mineral Resources. The impact of this reduction was offset by blending in lower quality material that in the previous Life of Mine Plan remained on run-of-mine stockpiles after the Mine Life ran out and were considered as mining losses. Inclusion of this material has been confirmed by economic studies. The calculated 2011 Mine Life excludes Inferred Resources.

(3) **Thabazimbi Mine – Ore Reserves:** The decrease is due to a revision of the geological interpretations, geological modelling and subsequent Mineral Resource estimation, the effects of which were carried through to the Ore Reserves, especially in the Kumba mining area.

(4) **Kolomela Mine – Mineral Resources:** The net increase is primarily the result of geological model refinements undertaken in 2011 to consider a structural re-interpretation conducted for the ore bodies scheduled in the Life of Mine Plan by an external structural geology expert. 3.6 Mt of the Inferred Mineral Resources are extrapolated Inferred Mineral Resources as opposed to the rest being interpolated Inferred Mineral Resources.

(5) **Sishen Mine – Mineral Resources:** The significant increase in Mineral Resources can primarily be attributed to a re-allocation of Banded Iron Formation lower grade iron ore (Jig beneficiation feed) Mineral Resources to an Inferred status to appropriately reflect the uncertainty in grade estimates associated with historical selective high grade sampling practices. This caused a decrease in the overall average grade above the 40% Fe cut-off.

(6) **Thabazimbi Mine – Mineral Resources:** The primary contributing factor to the increase in Mineral Resources was a significant increase in the long term forward looking iron ore price, which is converted to a revenue factor to derive an optimistic pit shell which spatially defines eventual economic extraction for the Kumba Iron Ore Group. This had the effect of converting Mineral Inventory into Mineral Resources, especially at the Kumba mining area. The increase was offset by the revised geological model which resulted in Mineral Resource write-offs, particularly at the Kumba mining area as well as Mineral Resource classification downgrading to consider the fact that Thabazimbi Mine mainly relies on percussion drilling to define Mineral Resources as compared to other Kumba operations which use a combination of percussion and core drilling, with the latter a large portion of the data used for Mineral Resource grade estimations.

(7) **Phoenix Project:** The Phoenix Project addresses possible or potential beneficiation opportunities for the Hematite ore (reported as Vanderbijl Pit Hematite in 2010 for the ring-fenced Vanderbijl mining area) in combination with other low grade material in the same area (not reported in 2010). The total Hematite Mineral Resource for this project has been reclassified as Inferred, primarily due to the low confidence associated with the historical information currently considered in the project resource definition.

Assumption with respect to Mineral Tenure

Sishen Mine: On 21 December 2011 judgment was delivered in the North Gauteng High Court regarding the status of the Mining Rights at the Sishen Mine. The High Court held that, upon the conversion of Sishen Iron Ore Company's (SIOC) Old Order Mining Right relating to the Sishen Mine properties in 2008, SIOC became the exclusive holder of a converted Mining Right for iron ore and quartzite in respect of the Sishen Mine properties. Accordingly, Kumba Iron Ore Group attributable percentage in SIOC increased to 73.9% in 2011. As a consequence, the Anglo American plc attributable percentage in Sishen Mine increases to 48.2%. On 3 February 2012 both the South African Department of Mineral Resources, as well as Imperial Crown Trading 289 (Pty) Ltd, submitted applications seeking leave to appeal against the High Court order.

IRON ORE

Ore Reserve and Mineral Resource estimates as at 31 December 2011

IRON ORE BRAZIL

The Minas Rio project is located in the state of Minas Gerais, Brazil and will include open pit mines and a beneficiation plant producing high grade pellet feed which will be transported, through a slurry pipeline, over 500km to the Port of Açu in the state of Rio de Janeiro. The project will largely be based on the two main deposits of Serra do Sapo and Itapanhoacanga. Two ore types, Friable and Compact Itabirite, have been identified at Serra do Sapo and Itapanhoacanga. Only the friable material is being considered for Phase 1 of the project. The planned annual capacity of Phase 1 is 26.5 Mtpa of iron ore pellet feed (wet tonnes), for start up during in the second half of 2013.

The Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Mineral Resources. Rounding of figures may cause computational discrepancies.

Iron Ore Brazil – Operations

MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010
Amapá (OP)[1][2]	70.0		Mt	Mt	%Fe	%Fe
Canga		Measured	2.6	–	54.2	–
		Indicated	10.5	12.0	48.5	53.1
		Measured and Indicated	**13.1**	**12.0**	**49.6**	**53.1**
		Inferred	1.3	3.9	41.5	45.1
Colluvium		Measured	12.0	13.5	40.4	41.9
		Indicated	56.0	34.3	38.3	40.5
		Measured and Indicated	**68.0**	**47.9**	**38.7**	**40.9**
		Inferred	18.6	25.8	34.7	35.6
Friable Itabirite and Hematite		Measured	33.5	14.7	40.5	44.5
		Indicated	112.0	78.9	41.7	42.6
		Measured and Indicated	**145.5**	**93.7**	**41.4**	**42.9**
		Inferred	26.0	54.5	40.1	40.3

Iron Ore Brazil – Projects

MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010
Itapanhoacanga (OP)[3][4]	100		Mt	Mt	%Fe	%Fe
Friable Itabirite and Hematite		Measured	25.0	25.0	42.5	42.5
		Indicated	219.2	219.2	41.6	41.6
		Measured and Indicated	**244.2**	**244.2**	**41.7**	**41.7**
		Inferred	74.7	74.7	41.7	41.7
Compact Itabirite		Measured	10.9	10.9	33.2	33.2
		Indicated	95.8	95.8	33.8	33.8
		Measured and Indicated	**106.7**	**106.7**	**33.7**	**33.7**
		Inferred	43.9	43.9	33.2	33.2
Serra do Sapo (OP)[3][5]	100				%Fe	%Fe
Friable Itabirite and Hematite		Measured	561.3	502.7	35.3	37.8
		Indicated	1,278.5	1,070.0	38.5	37.2
		Measured and Indicated	**1,839.8**	**1,572.6**	**37.5**	**37.4**
		Inferred	165.1	275.8	36.3	39.9
Compact Itabirite		Measured	565.0	497.7	31.0	31.5
		Indicated	2,253.9	1,819.8	31.1	31.0
		Measured and Indicated	**2,818.9**	**2,317.5**	**31.1**	**31.1**
		Inferred	477.3	709.2	31.1	30.2
Serro (OP)[3][6]	100				%Fe	%Fe
Friable Itabirite and Hematite		Measured	–	–	–	–
		Indicated	9.5	9.5	63.6	63.6
		Measured and Indicated	**9.5**	**9.5**	**63.6**	**63.6**
		Inferred	74.2	74.2	35.3	35.3
Compact Itabirite		Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred	308.2	308.2	31.6	31.6

Mining method: OP = Open Pit.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Amapá – Mineral Resources:** The cut-off grade used is 25% Fe. Assays are on a dry basis. Tonnages are reported on a wet basis with an average moisture content of 11.3 wt% for Canga, 10.5 wt% for Colluvium and 9.9 wt% for Friable Itabirite and Hematite ore. Mineral Resources increase due to new in-fill drilling information and the inclusion of the Dragão area. The classification methodology was also refined during 2011. Additional metallurgical studies will be completed to assess the viability of processing Hydrothermally Altered Itabirite (ZAH) and Magnetite-bearing carbonated rock (RCB).

(2) **Amapá:** Friable Itabirite and Hematite includes Friable Itabirite, Altered Friable Itabirite and Friable Hematite. The Mineral Resources comprise the Mário Cruz, Mário Cruz Leste, Martelo, Taboca, Taboca Leste, Vila do Meio, Vila do Meio Leste and Dragão areas.

(3) **Minas Rio Project – Mineral Resources:** The cut-off grade used is 25% Fe. Assays are on a dry basis. Tonnages are reported on a wet basis with an average moisture content of 4.2 wt% for Friable ore. Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, High Alumina Itabirite, Soft Hematite and Canga.
The Minas Rio Project comprises the following sub-areas: Itapanhoacanga, Serra do Sapo and Serro.

(4) **Itapanhoacanga:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, Soft Hematite and Hard Hematite.

(5) **Serra do Sapo:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite, High Alumina Itabirite, Soft Hematite and Canga. The Mineral Resources increase due to new information obtained from infill drilling in the North Domain (100x100m) and deep drill holes as well as a refinement to the geotechnical model resulting in new geotechnical domains and slope angles. The classification methodology was also refined during 2011. The Canga material (Indicated: 34.5 Mt at 60.6% Fe; Inferred: 6.8 Mt at 56.5% Fe) is included and supported by geometallurgical tests.

(6) **Serro:** Friable Itabirite and Hematite includes Friable Itabirite, Semi-Compact Itabirite and Hard Hematite (9.5 Mt @ 63.6% Fe).

Audits related to the generation of the Mineral Resource statements were carried out by independent consultants during 2011 at the following operations and projects:
Amapá.

MANGANESE

Ore Reserve and Mineral Resource estimates as at 31 December 2011

SAMANCOR MANGANESE

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) and The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2007) as applicable. The figures reported represent 100% of the Ore Reserves and Mineral Resources (source: BHP Billiton). Rounding of figures may cause computational discrepancies.

Samancor Manganese – Operations		Mine		Tonnes		Grade		Yield	
ORE RESERVES	Attributable %	Life	Classification	**2011**	2010	**2011**	2010	**2011**	2010
GEMCO (OP)[1]	40.0	12		Mt	Mt	%Mn	%Mn	%	%
			Proved	79.4	63.2	46.5	46.9	54.8	50.7
			Probable	25.9	42.0	45.6	46.4	54.2	47.6
			Total	**105.3**	**105.2**	**46.3**	**46.7**	**54.7**	**49.5**
Hotazel Manganese Mines	29.6					%Mn	%Mn		
Mamatwan (OP)[2]		21	Proved	43.9	48.9	37.3	37.2		
			Probable	30.5	32.0	37.1	37.0		
			Total	**74.4**	**80.9**	**37.2**	**37.1**		
Wessels (UG)[3]		48	Proved	4.1	5.0	44.0	45.1		
			Probable	67.7	76.4	43.0	42.9		
			Total	**71.8**	**81.4**	**43.1**	**43.1**		

Samancor Manganese – Operations			Tonnes		Grade		Yield	
MINERAL RESOURCES	Attributable %	Classification	**2011**	2010	**2011**	2010	**2011**	2010
GEMCO (OP)[4]	40.0		Mt	Mt	%Mn	%Mn	%	%
		Measured	87.0	67.0	47.1	46.3	47.4	44.4
		Indicated	28.7	45.5	46.0	45.9	47.6	43.9
		Measured and Indicated	**115.8**	**112.4**	**46.8**	**46.2**	**47.4**	**44.2**
		Inferred	49.4	38.9	43.9	43.3	47.8	45.2
Hotazel Manganese Mines	29.6				%Mn	%Mn		
Mamatwan (OP)[5]		Measured	64.8	68.9	35.7	35.6		
		Indicated	54.7	54.7	34.5	34.6		
		Measured and Indicated	**119.5**	**123.6**	**35.2**	**35.2**		
		Inferred	4.2	4.2	34.4	34.4		
Wessels (UG)[6]		Measured	13.8	14.6	46.0	45.9		
		Indicated	129.5	128.4	44.2	44.2		
		Measured and Indicated	**143.3**	**143.0**	**44.4**	**44.4**		
		Inferred	–	–	–	–		

THE MINERAL RESOURCES INCLUDE ORE RESERVES

Samancor Gabon – Projects			Tonnes		Grade		Yield	
MINERAL RESOURCES	Attributable %	Classification	**2011**	2010	**2011**	2010	**2011**	2010
Franceville Project – Beniomi[7]	40.0		Mt	Mt	%Mn	%Mn	%	%
Plaquette Ore		Measured	11.0	11.0	36.1	36.1	72.0	72.0
		Indicated	6.6	6.6	36.1	36.1	74.4	74.4
		Measured and Indicated	**17.5**	**17.5**	**36.1**	**36.1**	**72.9**	**72.9**
		Inferred	2.9	2.9	36.1	36.1	71.8	71.8
Transition Ore		Measured	4.1	4.1	24.3	24.3	73.1	73.1
		Indicated	2.4	2.4	24.5	24.5	75.1	75.1
		Measured and Indicated	**6.5**	**6.5**	**24.4**	**24.4**	**73.8**	**73.8**
		Inferred	5.0	5.0	24.2	24.2	68.4	68.4
Franceville Project – Bordeaux[7]	40.0				%Mn	%Mn		
Plaquette Ore		Measured	4.6	4.6	36.4	36.4	72.0	72.0
		Indicated	0.8	0.8	36.1	36.1	67.8	67.8
		Measured and Indicated	**5.4**	**5.4**	**36.4**	**36.4**	**71.4**	**71.4**
		Inferred	0.8	0.8	36.8	36.8	69.5	69.5
Transition Ore		Measured	2.3	2.3	24.7	24.7	74.0	74.0
		Indicated	0.5	0.5	24.1	24.1	70.3	70.3
		Measured and Indicated	**2.8**	**2.8**	**24.6**	**24.6**	**73.3**	**73.3**
		Inferred	1.8	1.8	25.1	25.1	67.1	67.1

Mining method: OP = Open Pit, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **GEMCO – Ore Reserves:** Production during 2011 has been balanced by the inclusion of additional G Quarry Ore Reserves. Manganese grades are given as per washed ore samples and should be read together with their respective yields.

(2) **Mamatwan – Ore Reserves:** The decrease is primarily due to production depletion and the re-running of the resource model. A Section 102 application has been approved by the South African Department of Mineral Resources to amend the Mamatwan Mining Rights area to include the Ntsimbintle Prospecting Right.

(3) **Wessels – Ore Reserves:** The decrease is primarily due to a revised Upper Body pillar design, redefinition of mining areas as per Life of Mine Plan and updating of geological and mining losses. A Section 102 application has been approved by the South African Department of Mineral Resources to amend the Wessels Mining Rights area to include the Ntsimbintle Prospecting Right. The Wessels and Ntsimbintle Lower Body Mineral Resources and Ore Reserves, which were previously declared separately, are therefore combined and declared as a single Ore Reserve and a single Mineral Resource respectively.

(4) **GEMCO – Mineral Resources:** The change is primarily due to the inclusion of additional resource definition drilling data, resulting in the upgrade in confidence of a large proportion of Indicated to Measured Mineral Resources and the inclusion of Inferred Resources from the Eastern Exploration Areas into the Mineral Resource statement.

(5) **Mamatwan – Mineral Resources:** A cut-off grade of 35% Mn is used to declare Mineral Resources within the M, C and N Zones at Mamatwan. Mineral Resources have also been declared from the X Zone, using a cut-off of 35% Mn, however, the Top Cut Resources comprising a total of 42.3 Mt are declared above a cut-off of 28% Mn.

(6) **Wessels – Mineral Resources:** A new Mineral Resource model was developed during 2010 and this model has resulted in the increase in Mineral Resource after consideration of depletion.

(7) **Beniomi and Bordeaux:** Mn grades are for +0.15mm screen size fraction and should be read together with their respective tonnage yields. The feasibility phase study for the establishment of a 300 ktpa mine in Franceville, Gabon, commenced in July 2010 and the study is expected to be completed in the first quarter of FY2012. The pre-feasibility phase study for phase 2 to increase the production capacity to 1.8 mtpa is expected to commence in the second quarter of FY2012. However, the Gabon Mining Concession and Mining Convention remain subject to ongoing negotiation. No Ore Reserves are yet reportable.

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.

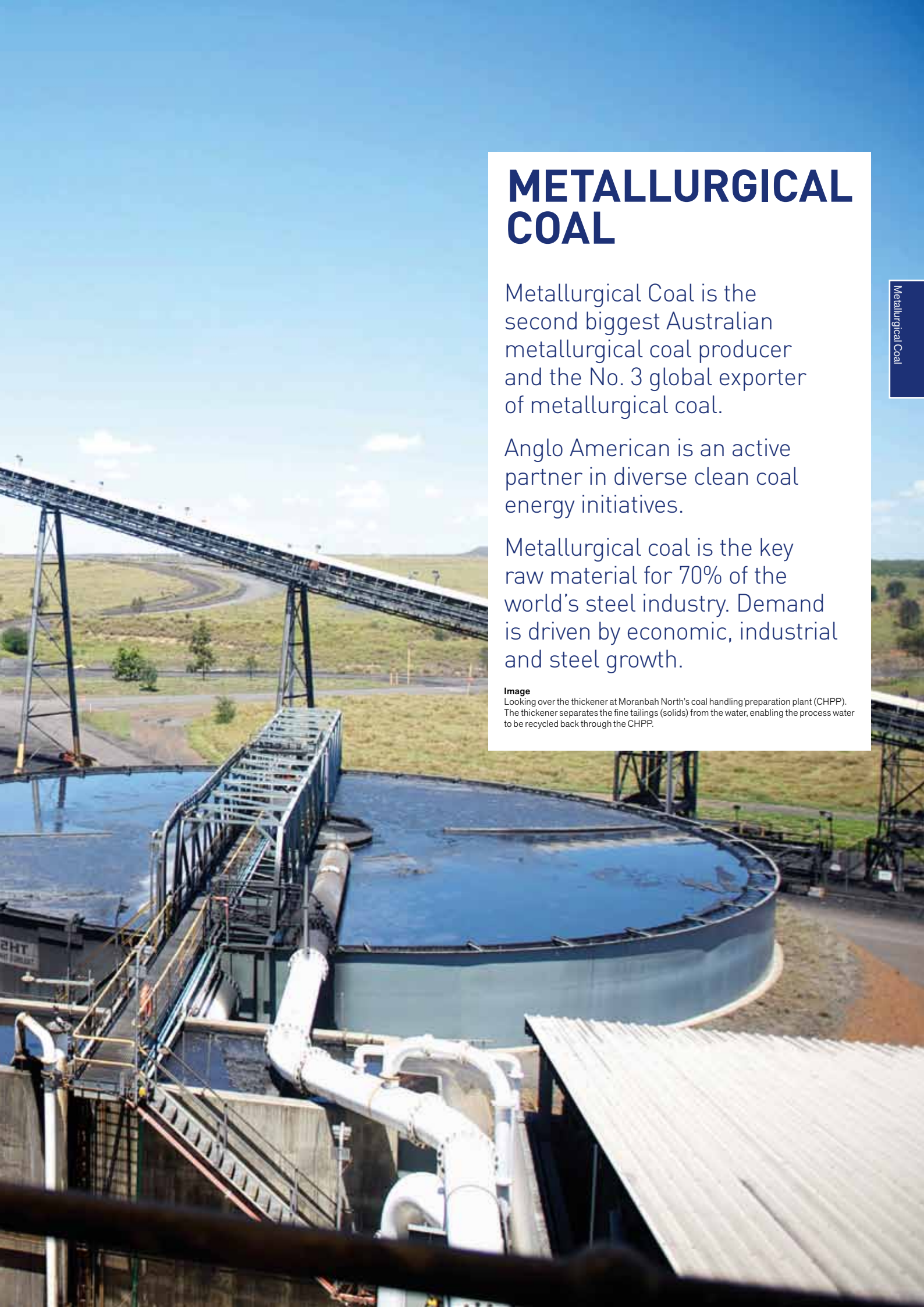
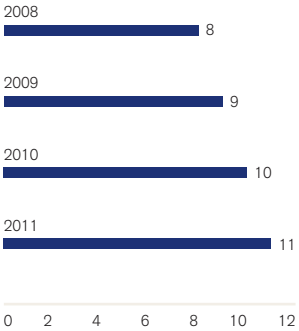


Image
Looking over the thickener at Moranbah North's coal handling preparation plant (CHPP). The thickener separates the fine tailings (solids) from the water, enabling the process water to be recycled back through the CHPP.

FINANCIAL HIGHLIGHTS[1]

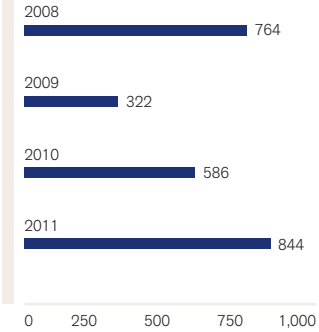
Share of Group net operating assets

%



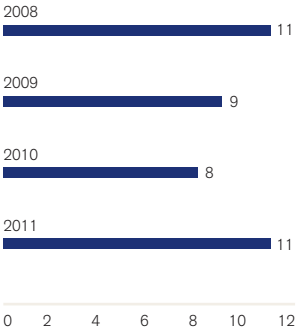
Underlying earnings

$ m



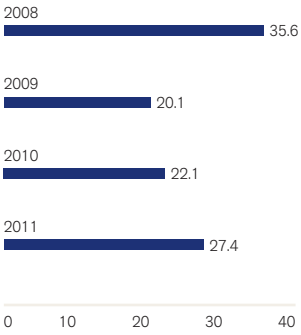
Share of Group operating profit

%



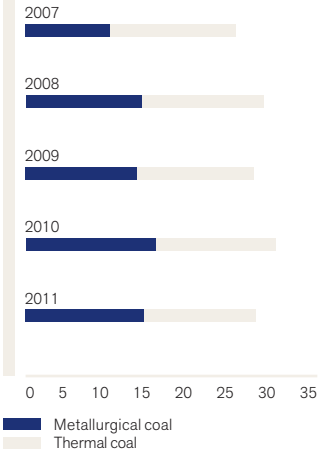
Operating margin

%



Anglo American coal production from Metallurgical Coal

Mt



[1] Following a strategic review during the year, Peace River Coal is now managed as part of the Metallurgical Coal business unit, and accordingly is presented as part of the Metallurgical Coal segment. It was previously reported within the Other Mining and Industrial reporting segment. Comparatives for 2010 have been reclassified to align with 2011 presentation.

FINANCIAL DATA[1]

$ million	2011	2010	2009	2008
Turnover				
Subsidiaries/Joint Ventures	**3,975**	3,264	2,075	2,949
Associates	**372**	258	164	170
Total turnover	**4,347**	**3,522**	**2,239**	**3,119**
Of which:				
Australia	**4,068**	3,377	2,239	3,119
Canada	**279**	145	–	–
Projects and corporate	**–**	–	–	–
EBITDA	**1,577**	**1,134**	**706**	**1,319**
Of which:				
Australia	**1,526**	1,147	729	1,353
Canada	**82**	18	–	–
Projects and corporate	**(31)**	(31)	(23)	(34)
Depreciation and amortisation	**388**	**354**	**255**	**209**
Operating profit before special items and remeasurements	**1,189**	**780**	**451**	**1,110**
Of which:				
Australia	**1,161**	814	474	1,144
Canada	**59**	(3)	–	–
Projects and corporate	**(31)**	(31)	(23)	(34)
Operating special items and remeasurements	**–**	23	(28)	(22)
Operating profit after special items and remeasurements	**1,189**	**803**	**423**	**1,088**
Net interest, tax and non-controlling interests	**(345)**	(194)	(129)	**(346)**
Underlying earnings	**844**	**586**	**322**	**764**
Of which:				
Australia	**831**	616	345	797
Canada	**44**	1	–	–
Projects and corporate	**(31)**	(31)	(23)	(33)
Net operating assets	**4,692**	**4,332**	**3,407**	**2,669**
Capital expenditure	**695**	**235**	**96**	**467**

[1] Following a strategic review during the year, Peace River Coal is now managed as part of the Metallurgical Coal business unit, and accordingly is presented as part of the Metallurgical Coal segment. It was previously reported within the Other Mining and Industrial reporting segment. Comparatives for 2010 been reclassified to align with 2011 presentation.

01

01 Grading of coal at the Moranbah North CHPP.

BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $780 m)

$1,189 m

SHARE OF GROUP OPERATING PROFIT
(2010: 8%)

11%

EBITDA
(2010: $1,134 m)

$1,577 m

Financial highlights

$ million (unless otherwise stated)	2011	2010[1]
Operating profit	**1,189**	780
EBITDA	**1,577**	1,134
Net operating assets	**4,692**	4,332
Capital expenditure	**695**	235
Share of Group operating profit	**11%**	8%
Share of Group net operating assets	**11%**	10%

[1] Following a strategic review during the year, Peace River Coal is now managed as part of the Metallurgical Coal business unit and accordingly is presented as part of the Metallurgical Coal segment. It was previously reported within the Other Mining and Industrial reporting segment. Comparatives have been reclassified to align with current year presentation.

BUSINESS OVERVIEW

Anglo American is Australia's second largest metallurgical coal producer and third largest global exporter of metallurgical coal.

Our coal operations in Australia are based on the east coast, from where Metallurgical Coal serves a range of customers throughout Asia and the Indian sub-continent, Europe and South America. Our metallurgical coal operation in Canada, Peace River Coal, mainly serves customers in Europe, Japan and South America.

Metallurgical Coal operates six mines in Australia: one wholly owned, and five in which it has a controlling interest. Five of the mines are located in Queensland's Bowen Basin: Moranbah North (metallurgical coal), Capcoal (metallurgical and thermal coal), Foxleigh (metallurgical coal), Dawson (metallurgical and thermal coal) and Callide (thermal coal). Drayton mine (thermal coal) is in the Hunter Valley, New South Wales. All of the mines are in well established locations and have direct access to rail and port facilities at Dalrymple Bay and Gladstone in Queensland and Newcastle in New South Wales.

Moranbah North is an underground longwall mining operation with a mining lease covering 100 km^2. Coal is mined from the Goonyella Middle Seam, approximately 200 metres below the surface. The mine produces around 4.5 Mt (attributable) of high fluidity, hard coking coal for steel manufacturing. Production in 2011, however, was 2.5 Mt (attributable), primarily due to the effect that flooding had on the site early in the year. Methane-rich seam gas is supplied to a power station at Moranbah North, thereby reducing the mine's carbon dioxide equivalent (CO_2e) emissions by around 1.3 Mtpa.

Capcoal operates two underground mines and an open cut mine. Together, they produced around 5.0 Mt (attributable) of hard coking coal, pulverised coal injection (PCI) and thermal coal in 2011. Capcoal also supplies methane-rich seam gas to Energy Developments Limited's power station, contributing to Queensland's power grid, while reducing the mine's CO_2e emissions by 0.8 Mt.

Foxleigh is an open cut operation and produced 1.4 Mt (attributable) of high quality PCI coal in 2011. The mine is engaged in an asset optimisation process to increase production.

Dawson is an open cut operation, which in 2011, produced 7.7 Mt in total (3.9 Mt attributable) of coking and thermal coal.

Peace River Coal is an open cut operation, which produced 0.9 Mt of metallurgical coal in the year. In 2011, Anglo American acquired the remaining non-controlling interest in Peace River Coal in British Columbia, Canada. Currently the Trend mine is operational with significant growth opportunities being explored for the complex.

Metallurgical Coal owns an effective 23% interest in the Jellinbah and Lake Vermont mines in Queensland; both are metallurgical coal producers.

In 2011, Metallurgical Coal's mines produced an attributable 14.2 Mt of metallurgical coal, all for export, and 13.4 Mt of thermal coal, of which 46% was exported.

Metallurgical Coal's resource base totals some 3.6 billion tonnes of coal. This includes high quality greenfield metallurgical coal resources close to existing infrastructure.

Our Metallurgical Coal operations

Australia

Thermal

1. 100% Callide
2. 88% Drayton

Metallurgical

3. 51% Dawson Complex
4. 70% Foxleigh
5. 70% German Creek*
6. 23% Jellinbah
7. 88% Moranbah North

* The German Creek operation includes both Capcoal Open Cut and Underground operations.

Canada

Metallurgical

- 100% Peace River Coal*

* Peace River Coal includes Trend Mine and the Roman Mountain and Belcourt Saxon (50%) projects.

Key

- Open Cut
- Underground

Reserves and Resources

Reserves (Operations excl. Jellinbah)[1]

Proved 474.9 Mt
Probable 335.1 Mt

Resources (Operations and Projects)[2]

Measured 1,920.3 Mt
Indicated 1,541.8 Mt

Source: Anglo American

(1) Includes Australian Metallurgical (Coking & Other) and Thermal (Export & Domestic) Coal Reserves (excl. Jellinbah) and Canadian Metallurgical (Coking) and Thermal (Export) Coal Reserves. The figures reported represent 100% of the ROM Coal Reserves and Coal Resources; the percentage attributable to Anglo American plc is stated separately on pages 41 and 47. Coal Reserves are additional to Coal Resources.

(2) Coal Resources for Operations are reported as additional to Coal Reserves.

INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Metallurgical coal, composed of coking coal and PCI coal, is a key raw material for blast furnace steel production. Blast furnace-produced hot metal represents approximately 70% of global crude steel production[1], making metallurgical coal an important raw material.

Global metallurgical coal supply of around 1 billion tonnes is mainly consumed in the country of origin. China is the biggest consumer of metallurgical coal, consuming approximately 700 Mt in 2010[2]. As a result of its substantial domestic production, however, China only relies on imported coal for approximately 8% of its total requirement. In 2011, the international seaborne metallurgical coal market comprised some 250 Mt, the major destinations being Japan, China, India, South Korea, Brazil and Taiwan, as well as many countries in Europe. Historically, Australia has supplied two-thirds of the seaborne metallurgical coal market; flood related constraints, however, limited the country's global contribution to below 60% in 2011.

The market has traditionally comprised predominantly long term annually priced contracts. A shift to shorter term pricing in 2011, however, saw the majority of contracts priced on a quarterly basis, with a growing volume being priced monthly.

[1] World Steel association, Steel Statistical Yearbook, July 2011.
[2] CRU Metallurgical Coke Outlook – November 2011.

Markets

Anglo American weighted average achieved FOB price ($/tonne)	2011	2010
Export metallurgical coal	**251**	177
Export thermal coal	**101**	87
Domestic thermal coal	**34**	33

Attributable sales volumes ('000 tonnes)	2011	2010
Export metallurgical coal	**13,983**	15,729
Export thermal coal	**6,274**	6,384
Domestic thermal coal	**7,455**	8,342

Despite short term macro-economic uncertainties and monetary tightening measures in China impacting steel production in the second half of the year, metallurgical coal supply shortages due to wet weather and industrial disruptions resulted in a strong metallurgical coal market for most of 2011. Record quarterly prices were settled across all metallurgical coal categories in the April to June 2011 quarter, resulting in overall 2011 average prices being well above historical levels.

Anglo American led the industry's metallurgical coal quarterly price settlements in three consecutive quarters during 2011, providing a well-supported market reference for premium hard coking coals and PCI coals. The majority of Anglo American's metallurgical coal sales were placed against term contracts with quarterly negotiated price settlements.

01 Excavator loading coal on to a load haul truck in the open pit at Foxleigh mine.

MARKET INFORMATION

Global seaborne metallurgical coal exports

Total 249.5 Mt

- Australia 55%
- USA 24%
- Canada 12%
- Russia 3%
- Indonesia 2%
- China 1%
- Other 3%

Source: GTIS, CRU, Wood Mackenzie and AME

Global seaborne metallurgical coal imports

Total 249.5 Mt

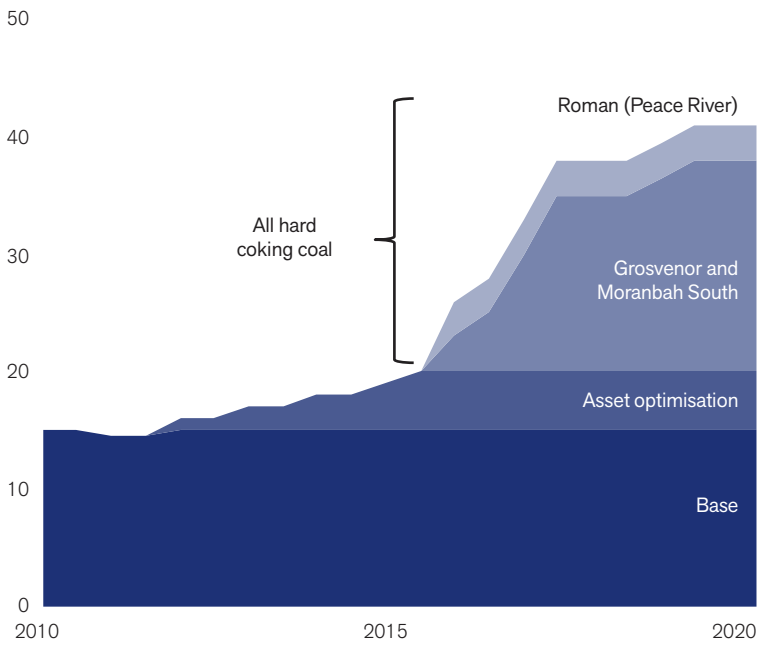
- Japan 24%
- Europe 17%
- China 17%
- India 13%
- South Korea 12%
- Brazil 8%
- Taiwan 4%
- Other 3%
- Turkey 2%

Source: GTIS, CRU, Wood Mackenzie and AME

Metallurgical coal growth

Advanced stage projects only

Mt



Source: Anglo American. All figures on Anglo American equity basis.

STRATEGY AND GROWTH

STRATEGY AND GROWTH

Emerging markets, particularly in the Asia-Pacific region, are likely to remain the driving force behind metallurgical coal demand, both in the short and long term. In light of this, Metallurgical Coal's strategy is to significantly increase the value of the business by optimising existing operations and to develop new operations to supply mainly high margin export metallurgical coal. Four specific programmes have been developed to implement this strategy:

- A structured programme of asset optimisation is designed to deliver industry-best operational performance over the existing asset base.
- An attractive and well developed organic growth pipeline aims to triple high value metallurgical coal production over the next decade. Growth opportunities include several advanced projects at the feasibility or pre-feasibility stage, as well as a long pipeline of additional opportunities. The high quality hard coking coal advanced opportunities include the Grosvenor Phase 1 and Phase 2 and Moranbah South projects in Queensland and the Roman expansion project in British Columbia. The export thermal advanced projects include Drayton South and Dartbrook in New South Wales. Anglo American has also received preferred respondent status of 30 Mtpa dedicated port capacity at Abbot Point in Queensland, with several other logistics options secured, such as dedicated trains, to underpin its industry leading growth plans.
- We are exiting from low margin domestic thermal coal production. The operations at Drayton in New South Wales have been upgraded and, since September 2011, all production has been converted to higher margin export products. A process is under way to divest the Callide mine. Once Callide has been disposed of, Metallurgical Coal will be solely an export business.
- In line with increasing demand from the steelmaking industry in both existing and emerging markets, Metallurgical Coal is realising increased value from developing superior specialised product offerings tailored to individual customers in the steel sector.

Methane is highly concentrated at many of our metallurgical coal mines in Australia. Our coal business in Australia has invested more than $120 million over the last five years to abate 8 Mt of emissions using available commercial scale technologies.

These include initiatives such as the Moranbah North and Capcoal power stations. By capturing methane, which would otherwise be vented, these power stations prevent 2.1 Mt of CO_2e emissions from entering the atmosphere each year and generate 75 MW of electricity (equivalent to taking about 580,000 cars off the road).

Furthermore, Metallurgical Coal is a cornerstone investor in Australia-based MBD Energy, which is expected to commence trials of its leading-edge carbon capture and conversion technology, using algal synthesisers, at three of Australia's biggest greenhouse gas-emitting, coal fired power plants.

Projects

In December 2011, the development of the $1.7 billion, 5 Mtpa Grosvenor Phase 1 metallurgical coal project was approved. This represents the first phase of our investment programme in Australia to grow our high margin, hard coking coal production. Grosvenor's first development coal will be produced in 2013, with full commercial production expected in 2016. Advanced stage project studies continue at Moranbah South, Dartbrook and Drayton South in Australia, and also at Roman in Canada to achieve our objective of tripling hard coking coal production by 2020 to meet expected growth in demand for both metallurgical and thermal coal. Negotiations continue on the proposed divestment of the Callide mine as part of Metallurgical Coal's strategy to exit the low margin domestic thermal coal business. Callide primarily supplies domestic power stations in Queensland, producing 8.0 Mt of thermal coal in 2011, with expansion potential from its resource base of more than 800 million tonnes.

PROJECT PIPELINE – KEY PROJECTS

Grosvenor Phase 1 (approved)

Overall capex: $1,700m

Country
Australia

Ownership
100%

Incremental production
5.0 Mtpa metallurgical coal

Full project capex
$1,700m

Full production
2016

In December 2011, the development of the $1.7 billion, 5 Mtpa Grosvenor Phase 1 metallurgical coal project was approved. The greenfield Grosvenor project is situated immediately to the south of Anglo American's Moranbah North metallurgical coal mine and is expected to produce 5 Mtpa of metallurgical coal from its underground longwall operation over a projected life of 26 years.

Grosvenor Phase 2 (unapproved)

Overall capex: TBD

Country
Australia

Ownership
100%

Incremental production
6.0 Mtpa metallurgical coal

Full project capex
TBD

Full production
2017

Grosvenor Phase 2, currently at the pre-feasibility stage, will expand on the Grosvenor Phase 1 project by adding a second longwall. Grosvenor Phase 2 is expected to produce 6 Mtpa of metallurgical coal over a projected life of 25 years, with full production expected in 2017.

Drayton South (unapproved)

Overall capex: TBD

Country
Australia

Ownership
88.2%

Incremental production
4.0 Mtpa thermal coal

Full project capex
TBD

Full production
2015

Drayton South will replace mining capacity at Drayton mine, leveraging existing site infrastructure and the coal handling processing plant.

Moranbah South (unapproved)

Overall capex: TBD

Country
Australia

Ownership
50%

Incremental production
12.0 Mtpa metallurgical coal

Full project capex
TBD

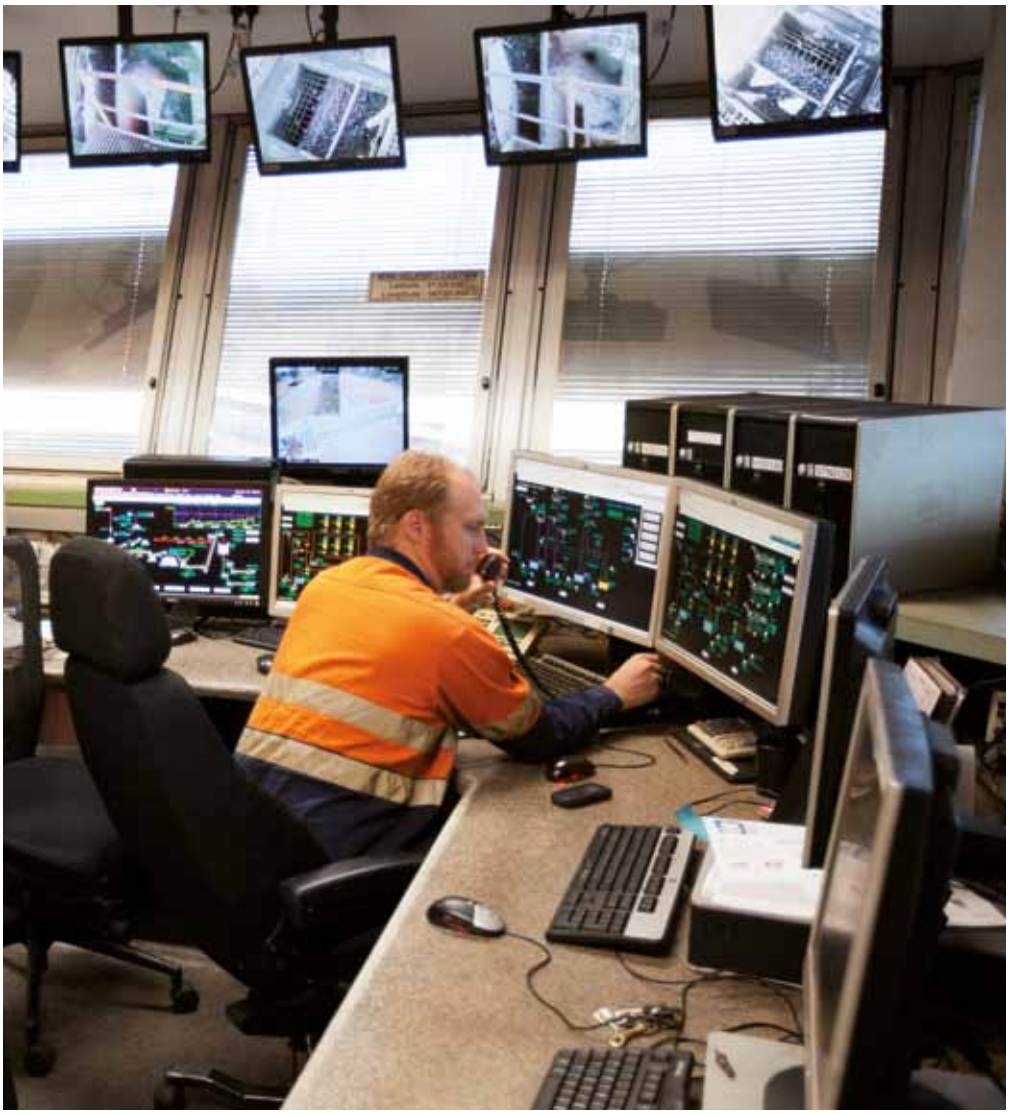
Full production
2019

Moranbah South is a potential new mine located in the north Bowen Basin of Queensland and, once commissioned, is expected to produce 12 Mtpa of metallurgical coal from two longwalls.

PRODUCTION DATA

Production (tonnes)	2011	2010	2009	2008	2007
Metallurgical Coal segment					
Australia					
Export Metallurgical	**13,253,400**	14,701,800	12,622,600	13,144,900	10,145,400
Thermal	**13,426,500**	14,460,500	14,051,800	14,696,300	15,059,300
Canada					
Export Metallurgical	**936,300**	868,000	718,300	772,400	–
Total Metallurgical Coal segment [1]	**27,616,200**	**30,030,300**	**27,392,700**	**28,613,600**	**25,204,700**
Australia					
Callide	**8,038,700**	8,515,600	8,766,400	9,582,700	10,031,100
Drayton	**3,991,900**	4,206,000	3,630,200	3,711,500	3,902,700
Capcoal	**5,047,900**	5,460,300	4,598,900	5,621,900	4,115,700
Jellinbah	**1,829,600**	1,792,500	1,745,800	1,033,900	891,800
Moranbah North	**2,450,100**	3,937,800	2,581,000	3,181,500	3,211,600
Dawson	**3,904,600**	3,584,900	3,756,200	3,537,200	3,051,800
Foxleigh	**1,417,100**	1,665,700	1,595,900	1,172,500	–
Canada					
Peace River Coal	**936,300**	868,000	718,300	772,400	–
Total	**27,616,200**	**30,030,300**	**27,392,700**	**28,613,600**	**25,204,700**

[1] In 2011, Peace River Coal was classified from Other Mining and Industrial to align with internal management reporting. Comparatives have been reclassified to align with 2011 presentation.



01 The highly automated control room at Moranbah North.

METALLURGICAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

METALLURGICAL COAL

The Coal Reserve and Coal Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Coal Reserves and Coal Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies. Anglo American Metallurgical Coal comprises export metallurgical and thermal coal operations located in Australia and Canada.

Metallurgical Coal – Australia Operations

COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	ROM Tonnes[3] 2011	ROM Tonnes[3] 2010	Yield[4] 2011	Yield[4] 2010	Saleable Tonnes[3] 2011	Saleable Tonnes[3] 2010	Saleable Quality[5] 2011	Saleable Quality[5] 2010
Callide (OC)	100	25		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Thermal – Domestic			Proved	199.9	130.6	98.0	98.1	195.8	128.1	4,380	3,740
			Probable	52.0	90.6	98.0	99.5	51.0	90.1	4,250	3,890
			Total	**251.9**	**221.2**	**98.0**	**98.7**	**246.8**	**218.2**	**4,350**	**3,800**
Capcoal (OC)	76.8	25								CSN	CSN
Metallurgical – Coking			Proved	77.1	84.7	20.4	21.2	16.3	18.7	7.0	7.0
			Probable	72.5	72.5	16.4	16.8	12.3	12.3	6.5	6.5
			Total	**149.5**	**157.1**	**18.5**	**19.2**	**28.6**	**31.0**	**7.0**	**7.0**
										kcal/kg	kcal/kg
Metallurgical – Other			Proved			46.3	44.3	37.0	39.0	6,970	6,970
			Probable			46.5	46.7	35.0	35.0	6,990	6,990
			Total			**46.4**	**45.4**	**72.1**	**74.0**	**6,980**	**6,980**
										kcal/kg	kcal/kg
Thermal – Export			Proved			2.8	3.0	2.3	2.7	7,060	7,060
			Probable			2.3	2.3	1.7	1.7	7,030	7,030
			Total			**2.6**	**2.7**	**4.0**	**4.4**	**7,050**	**7,050**
Capcoal (UG)	70.0	12								CSN	CSN
Metallurgical – Coking			Proved	40.6	45.7	73.7	72.9	31.6	35.2	9.0	9.0
			Probable	14.7	14.7	72.0	72.0	11.2	11.2	9.0	9.0
			Total	**55.3**	**60.4**	**73.2**	**72.7**	**42.7**	**46.3**	**9.0**	**9.0**
Dawson (OC)	51.0	11								CSN	CSN
Metallurgical – Coking			Proved	15.0	17.9	19.9	22.1	3.1	4.0	7.5	7.5
			Probable	149.0	156.0	16.0	17.7	24.5	28.4	7.5	7.5
			Total	**163.9**	**173.8**	**16.4**	**18.2**	**27.5**	**32.4**	**7.5**	**7.5**
										kcal/kg	kcal/kg
Thermal – Export			Proved			65.2	61.3	10.0	11.2	6,500	6,500
			Probable			59.4	57.6	90.9	92.4	6,500	6,500
			Total			**59.9**	**58.0**	**101.0**	**103.7**	**6,500**	**6,500**
Drayton (OC)	88.2	5								kcal/kg	kcal/kg
Thermal – Export			Proved	3.2	4.2	75.3	76.7	2.4	3.2	6,260	6,260
			Probable	19.7	24.3	75.6	76.7	14.9	18.6	6,260	6,260
			Total	**22.9**	**28.5**	**75.6**	**76.7**	**17.3**	**21.8**	**6,260**	**6,260**
Foxleigh (OC)	70.0	4								kcal/kg	kcal/kg
Metallurgical – Other			Proved	4.1	5.8	79.3	76.9	3.5	4.8	6,940	6,960
			Probable	13.7	14.7	77.2	76.8	11.3	12.0	6,810	6,810
			Total	**17.8**	**20.5**	**77.7**	**76.8**	**14.8**	**16.8**	**6,840**	**6,850**
Moranbah North (UG)	88.0	18								CSN	CSN
Metallurgical – Coking			Proved	114.8	116.8	76.4	76.9	92.6	94.8	8.0	8.0
			Probable	11.3	13.1	72.7	72.3	8.7	10.0	8.0	8.0
			Total	**126.1**	**130.0**	**76.1**	**76.4**	**101.3**	**104.8**	**8.0**	**8.0**
Australia Metallurgical – Coking	77.5			Mt	Mt	Plant %	Plant %	Mt	Mt	CSN	CSN
			Proved	454.6	405.5	68.2	62.3	143.5	152.7	8.0	8.0
			Probable	332.8	385.8	35.8	29.6	56.6	61.9	7.5	7.5
			Total	**787.4**	**791.4**	**59.0**	**52.4**	**200.1**	**214.5**	**8.0**	**8.0**
Australia Metallurgical – Other	75.6									kcal/kg	kcal/kg
			Proved			49.1	34.0	40.5	43.7	6,970	6,970
			Probable			54.0	48.3	46.3	47.1	6,940	6,940
			Total			**51.7**	**40.8**	**86.8**	**90.8**	**6,960**	**6,960**
Australia Thermal – Export	57.1									kcal/kg	kcal/kg
			Proved			57.3	55.0	14.7	17.1	6,550	6,540
			Probable			60.7	59.9	107.5	112.7	6,480	6,470
			Total			**60.3**	**59.2**	**122.2**	**129.8**	**6,480**	**6,480**
Australia Thermal – Domestic	100									kcal/kg	kcal/kg
			Proved			98.0	98.1	195.8	128.1	4,380	3,740
			Probable			98.0	99.5	51.0	90.1	4,250	3,890
			Total			**98.0**	**98.7**	**246.8**	**218.2**	**4,350**	**3,800**

Metallurgical Coal – Canada Operations

COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	ROM Tonnes[3] 2011	ROM Tonnes[3] 2010	Yield[4] 2011	Yield[4] 2010	Saleable Tonnes[3] 2011	Saleable Tonnes[3] 2010	Saleable Quality[5] 2011	Saleable Quality[5] 2010
Trend (OC)	100	13		Mt	Mt	ROM %	ROM %	Mt	Mt	CSN	CSN
Metallurgical – Coking			Proved	20.3	20.4	65.0	64.6	13.9	13.9	7.0	7.0
			Probable	2.3	2.4	61.7	62.2	1.5	1.5	7.0	7.0
			Total	**22.6**	**22.8**	**64.7**	**64.4**	**15.4**	**15.4**	**7.0**	**7.0**
										kcal/kg	kcal/kg
Thermal – Export			Proved			0.7	0.7	0.1	0.2	5,070	5,300
			Probable			1.1	1.1	0.0	0.0	5,070	5,300
			Total			**0.7**	**0.7**	**0.2**	**0.2**	**5,070**	**5,300**

Mining method: OC = Open Cut, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
For the multi-product operations, the ROM tonnage figures apply to each product.
The Saleable tonnage cannot be calculated directly from the ROM reserve tonnage using the air dried yields as presented since the difference in moisture content is not taken into account.
Attributable percentages for country totals are weighted by Saleable tonnes and should not be directly applied to the ROM tonnage.
Additional footnotes appear at the end of the section.

Metallurgical – Coking refers to a high-, medium- or low-volatile semi-soft, soft or hard coking coal primarily for blending and use in the steel industry; quality measured as Crucible Swell Number (CSN).
Metallurgical – Other refers to semi-soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal; quality measured by calorific value (CV).
Thermal – Export refers to low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
Thermal – Domestic refers to low- to high-volatile thermal coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).

METALLURGICAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Metallurgical Coal – Australia Operations

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011 MTIS[6]	Tonnes 2010 MTIS[6]	Coal Quality 2011 kcal/kg[7]	Coal Quality 2010 kcal/kg[7]
Callide	100					
		Measured	260.7	220.0	4,940	4,870
		Indicated	265.1	324.0	4,810	4,790
		Measured and Indicated	**525.7**	**543.9**	**4,870**	**4,820**
		Inferred (in LOMP)[8]	15.3	12.1	4,240	4,260
Capcoal (OC)	76.8	Measured	13.8	13.8	7,080	7,080
		Indicated	27.9	27.9	7,080	7,080
		Measured and Indicated	**41.7**	**41.7**	**7,080**	**7,080**
		Inferred (in LOMP)[8]	36.6	36.6	6,710	6,710
Capcoal (UG)	70.0	Measured	76.3	76.3	6,730	6,730
		Indicated	68.0	68.0	6,620	6,620
		Measured and Indicated	**144.3**	**144.3**	**6,680**	**6,680**
		Inferred (in LOMP)[8]	0.3	0.3	6,630	6,630
Dawson	51.0	Measured	163.1	163.1	6,670	6,670
		Indicated	278.6	278.6	6,660	6,660
		Measured and Indicated	**441.7**	**441.7**	**6,660**	**6,660**
		Inferred (in LOMP)[8]	103.5	103.5	6,870	6,870
Drayton	88.2	Measured	2.4	2.4	6,870	6,870
		Indicated	12.3	12.3	6,850	6,850
		Measured and Indicated	**14.7**	**14.7**	**6,850**	**6,850**
		Inferred (in LOMP)[8]	0.4	0.4	6,050	6,050
Foxleigh	70.0	Measured	17.3	17.3	7,130	7,130
		Indicated	16.1	16.1	7,090	7,090
		Measured and Indicated	**33.3**	**33.3**	**7,110**	**7,110**
		Inferred (in LOMP)[8]	7.0	7.0	6,830	6,830
Moranbah North	88.0	Measured	55.7	39.5	6,670	6,630
		Indicated	21.3	20.4	6,570	6,500
		Measured and Indicated	**76.9**	**59.9**	**6,640**	**6,590**
		Inferred (in LOMP)[8]	0.1	0.2	6,980	6,680
Australia – Mine Leases	77.3	Measured	589.2	532.3	5,940	5,960
		Indicated	689.2	747.3	5,970	5,870
		Measured and Indicated	**1,278.4**	**1,279.6**	**5,960**	**5,910**
		Inferred (in LOMP)[8]	163.3	160.2	6,580	6,630

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Canada Operations

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011 MTIS[6]	Tonnes 2010 MTIS[6]	Coal Quality 2011 kcal/kg[7]	Coal Quality 2010 kcal/kg[7]
Trend (OC)	100					
		Measured	15.9	15.9	6,500	6,500
		Indicated	5.3	5.3	6,500	6,500
		Measured and Indicated	**21.2**	**21.2**	**6,500**	**6,500**
		Inferred (in LOMP)[8]	1.4	1.4	6,500	6,500

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Australia Projects

COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	ROM Tonnes[3] 2011 Mt	ROM Tonnes[3] 2010 Mt	Yield[4] 2011 ROM %	Yield[4] 2010 ROM %	Saleable Tonnes[3] 2011 Mt	Saleable Tonnes[3] 2010 Mt	Saleable Quality[5] 2011 CSN	Saleable Quality[5] 2010 CSN
Grosvenor	100	21									
Metallurgical – Coking			Proved	76.1	63.3	66.2	64.9	53.2	43.3	8.5	8.5
			Probable	62.6	49.9	65.2	64.3	43.1	33.8	8.0	8.0
			Total	**138.7**	**113.2**	**65.7**	**64.6**	**96.3**	**77.2**	**8.5**	**8.5**

Metallurgical Coal – Australia Projects

COAL RESOURCES[6][8]	Attributable %[2]	Classification	Tonnes 2011 MTIS[6]	Tonnes 2010 MTIS[6]	Coal Quality 2011 kcal/kg[7]	Coal Quality 2010 kcal/kg[7]
Dartbrook	83.3					
		Measured	386.1	386.1	5,720	5,720
		Indicated	24.8	24.8	5,460	5,460
		Measured and Indicated	**410.9**	**410.9**	**5,700**	**5,700**
Drayton South	88.2	Measured	405.7	405.7	6,580	6,580
		Indicated	173.4	173.4	6,540	6,540
		Measured and Indicated	**579.2**	**579.2**	**6,570**	**6,570**
Grosvenor	100	Measured	145.1	168.5	6,420	6,410
		Indicated	72.5	55.3	6,550	6,430
		Measured and Indicated	**217.6**	**223.8**	**6,460**	**6,410**
Moranbah South	50.0	Measured	191.5	146.4	6,050	6,030
		Indicated	307.1	325.4	6,350	6,300
		Measured and Indicated	**498.6**	**471.7**	**6,230**	**6,220**
Theodore	51.0	Measured	–	–	–	–
		Indicated	258.5	258.5	6,260	6,260
		Measured and Indicated	**258.5**	**258.5**	**6,260**	**6,260**
Australia – Projects	73.9	Measured	1,128.4	1,106.7	6,180	6,180
		Indicated	836.3	837.4	6,350	6,320
		Measured and Indicated	**1,964.7**	**1,944.1**	**6,250**	**6,240**

METALLURGICAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Metallurgical Coal – Australia Operations and Projects

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
Total	75.2		MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
		Measured	1,717.6	1,638.9	6,090	6,110
		Indicated	1,525.5	1,584.7	6,180	6,110
		Measured and Indicated	**3,243.1**	**3,223.6**	**6,130**	**6,110**
		Inferred (in LOMP)[8]	172.8	196.0	6,570	6,590

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Metallurgical Coal – Canada Projects

COAL RESOURCES[6][8]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
Belcourt Saxon	50.0		MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
		Measured	166.7	166.7	6,500	7,000
		Indicated	4.3	4.3	6,500	7,000
		Measured and Indicated	**171.0**	**171.0**	**6,500**	**7,000**
Roman Mountain	100	Measured	20.0	20.0	6,640	6,970
		Indicated	6.8	6.8	6,660	6,970
		Measured and Indicated	**26.7**	**26.7**	**6,650**	**6,970**
Canada – Projects	56.8	Measured	186.7	186.7	6,510	7,000
		Indicated	11.0	11.0	6,600	6,980
		Measured and Indicated	**197.7**	**197.7**	**6,520**	**7,000**

Metallurgical Coal – Canada Operations and Projects

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
Total	61.0		MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
		Measured	202.7	202.7	6,510	6,960
		Indicated	16.3	16.3	6,570	6,830
		Measured and Indicated	**219.0**	**219.0**	**6,520**	**6,950**
		Inferred (in LOMP)[8]	1.4	1.4	6,500	6,920

(1) Coal Reserves are quoted on a Run Of Mine (ROM) reserve tonnage basis which represents the tonnes delivered to the plant. Saleable reserve tonnage represents the product tonnes produced.
Coal Reserves (ROM and Saleable) are on the applicable moisture basis.

(2) Attributable (%) refers to 2011 only. For the 2010 Reported and Attributable figures, please refer to the 2010 Annual Report.

(3) The tonnage is quoted as metric tonnes. ROM tonnages on an As Delivered moisture basis, and Saleable tonnages on a Product moisture basis.

(4) Yield – ROM % represents the ratio of Saleable reserve tonnes to ROM reserve tonnes and is quoted on a constant moisture basis or on an air dried to air dried basis whereas Plant % is based on the 'Feed to Plant' tonnes. The product yields (ROM %) for Proved, Probable and Total are calculated by dividing the individual Saleable reserves by the total ROM reserves per classification.

(5) The coal quality for the Coal Reserves is quoted as either Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis or Crucible Swell Number (CSN).
Coal quality parameters for the Coal Reserves for Coking, Other Metallurgical and Export Thermal collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Domestic Power and Domestic Synfuels collieries meet the specifications of the individual supply contracts.
CV is rounded to the nearest 10 kcal/kg and CSN to the nearest 0.5 index.

(6) Coal Resources are quoted on a Mineable Tonnage In-Situ (MTIS) basis in million tonnes which are in addition to those resources which have been modified to produce the reported Coal Reserves.
Coal Resources are on an in-situ moisture basis.

(7) The coal quality for the Coal Resources is quoted on an in-situ heat content as Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis.
CV is rounded to the nearest 10 kcal/kg.

(8) Inferred (in LOMP) refers to Inferred Coal Resources that are included in the life of mine extraction schedule of the respective collieries and are not reported as Coal Reserves. Inferred Coal Resources outside the Life of Mine Plan but within the mine lease area are not reported due to the uncertainty attached to such resources in that it cannot be assumed that all or part of the Inferred Resource will necessarily be upgraded to Indicated or Measured categories through continued exploration, such Inferred Resources do not necessarily meet the requirements of reasonable prospects for eventual economic extraction, particularly in respect of future mining and processing economics.

Jellinbah is not reported as Anglo American's shareholding is below the internal threshold for reporting. Monash Energy's resources have been removed from the 2011 report following the cancellation of their tenure near Flynn in the Latrobe Valley, Victoria. Anglo American is in liaison with the Victorian Government regarding the cancellation.
Estimates for the following operations were updated by depletion and new geological models and revised Life of Mine Plans are scheduled for 2012: Capcoal (OC), Capcoal (UG), Dawson and Foxleigh.

Summary of material changes (±10%) at reporting level

Callide: Increase in Coal Reserves mainly due to conversion of resources to reserves following re-estimation based on a revised Life of Mine Plan.
Drayton: Decrease in Coal Reserves due to production.
Moranbah North: Increase in Coal Resources resulting from changes in mine design (wider panels and shorter blocks).
Trend: Estimates by depletion due to time constraints following incorporation of Peace River Coal into Anglo American Metallurgical Coal (AAMC).
Minor differences in coal qualities are as a result of a detailed review of available quality data and subsequent update to the appropriate default quality values.
Grosvenor: Increase in Coal Reserves as a result of additional drilling information and model update as part of the requirements for a Feasibility Study and conversion of resources to reserves.
Moranbah South: Increase in Coal Resources due to new exploration data incorporated into the geological model, including a new mine plan as part of Pre-Feasibility study.
Belcourt Saxon: Minor differences in coal qualities are as a result of a detailed review of available quality data and subsequent update to the appropriate default quality values.
Roman Mountain: Minor differences in coal qualities are as a result of a detailed review of available quality data and subsequent update to the appropriate default quality values.

Assumption with respect to Mineral Tenure

Callide: A Mining Lease Application has been lodged for the northern part of the Kilburnie area and AAMC has reasonable expectation that it will be granted. A Mining Lease Application has been lodged for the Amy's Find area as an extension to the existing mining area at The Hut and AAMC has reasonable expectation that it will be granted.
Foxleigh: A Mining Lease Application has been submitted for part of the Plains area, and an application for the remainder together with the associated Environmental Impact Statement (EIS) will be submitted in early 2012. AAMC has reasonable expectation that both will be granted.
Grosvenor: A Mining Lease Application has been submitted and AAMC has a reasonable expectation that it will granted; land purchase is currently in progress.

Reviews by independent third parties were carried out in 2011 on the following operations and projects:
Foxleigh, Moranbah North and Grosvenor.


DANGER

THERMAL COAL

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

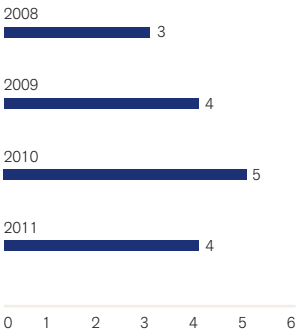
About 5.1 billion tonnes of thermal coal are produced globally each year. Around 40% of all electricity generated globally is powered by thermal coal.

Image
In South Africa, Greenside colliery supplies thermal coal to both the domestic and export markets. In 2011, the mine produced 2.85 Mt of coal.

FINANCIAL HIGHLIGHTS

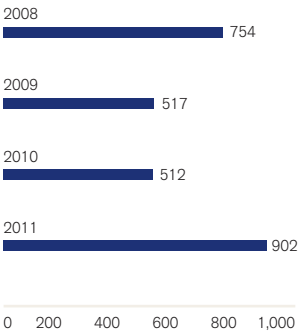
Share of Group net operating assets

%



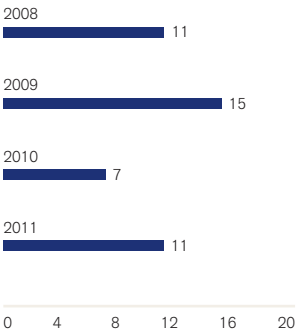
Underlying earnings

$ m



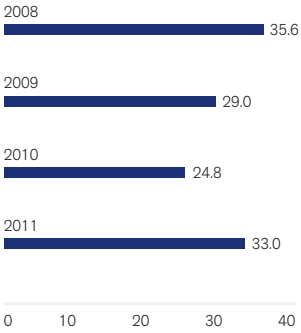
Share of Group operating profit

%



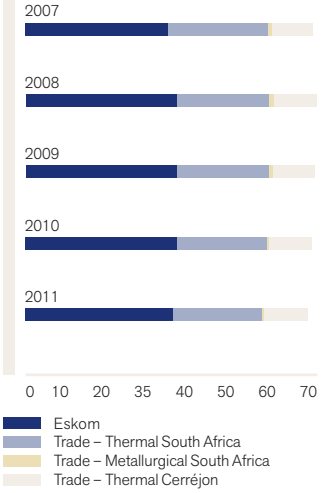
Operating margin

%



Anglo American coal production from Thermal Coal

Mt



FINANCIAL DATA

$ million	2011	2010	2009	2008
Turnover				
Subsidiaries	**2,642**	2,105	1,748	2,210
Joint ventures	**–**	–	–	–
Associates	**1,080**	761	742	841
Total turnover	**3,722**	**2,866**	**2,490**	**3,051**
Of which:				
South Africa	**2,642**	2,105	1,748	2,210
South America	**1,080**	761	742	841
EBITDA	**1,410**	**872**	**875**	**1,200**
Of which:				
South Africa	**902**	539	550	814
South America	**535**	358	352	419
Projects and corporate	**(27)**	(25)	(27)	(33)
Depreciation and amortisation	**180**	**162**	**154**	**293**
Operating profit before special items and remeasurements	**1,230**	**710**	**721**	**1,078**
Of which:				
South Africa	**775**	426	442	736
South America	**482**	309	305	375
Projects and corporate	**(27)**	(25)	(26)	(33)
Operating special items and remeasurements	**1**	(2)	(6)	2
Operating profit after special items and remeasurements	**1,231**	**708**	**715**	**1,080**
Net interest, tax and non-controlling interests	**(328)**	**(198)**	**(204)**	**(324)**
Underlying earnings	**902**	**512**	**517**	**754**
Of which:				
South Africa	**611**	314	328	543
South America	**318**	223	215	243
Projects and corporate	**(27)**	(25)	(26)	(32)
Net operating assets	**1,886**	**2,111**	**1,707**	**1,018**
Capital expenditure	**190**	**274**	**400**	**365**

01 A geologist checks and programs a mobile pit wall stability radar device at New Vaal Colliery.

BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $710m)

$1,230 m

SHARE OF GROUP OPERATING PROFIT
(2010: 7%)

11%

EBITDA
(2010: $872 m)

$1,410 m

Financial highlights

$ million (unless otherwise stated)	2011	2010
Operating profit	**1,230**	710
South Africa	**775**	426
Colombia	**482**	309
Projects and corporate	**(27)**	(25)
EBITDA	**1,410**	872
Net operating assets	**1,886**	2,111
Capital expenditure	**190**	274
Share of Group operating profit	**11%**	7%
Share of Group net operating assets	**4%**	5%

BUSINESS OVERVIEW

Thermal Coal operates in South Africa and is a joint partner in Cerrejón, Colombia. In South Africa, Thermal Coal wholly owns and operates nine mines and has a 50% interest in the Mafube colliery and Phola washing plant. Six of the mines collectively supply 22 Mtpa of thermal coal to both export and local markets. New Vaal, New Denmark and Kriel collieries are domestic product operations supplying 30 Mtpa of thermal coal to Eskom, the state-owned power utility. Isibonelo mine produces 5 Mtpa of thermal coal for Sasol Synthetic Fuels, the coal-to-liquids producer, under a 20 year supply contract.

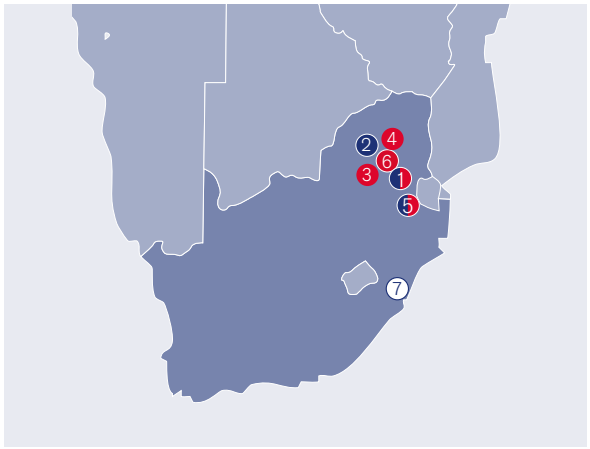
Anglo American Inyosi Coal, a broad-based black economic empowerment (BEE) company valued at approximately $1 billion, is 73% held by Anglo American; the remaining 27% is held by Inyosi, a BEE consortium led by the Pamodzi and Lithemba consortia (66%), with the Women's Development Bank and a community trust holding the remaining equity. Anglo American Inyosi Coal, in turn, owns Kriel colliery, the new Zibulo multi-product colliery and the greenfield projects of Elders, New Largo and Heidelberg.

Thermal Coal's South African operations currently route all export thermal coal through the Richards Bay Coal Terminal (RBCT), in which it has a 24.17% shareholding, to customers throughout the Med-Atlantic and Asia-Pacific regions. Within South Africa, 62% of total sales tonnes are made to the Eskom power utility, of which the majority are on long term (i.e. life of mine) cost-plus contracts. A further 8% is sold to Sasol and 2% supplied to industrial sector consumers. The remaining 28% is exported through RBCT.

In South America, Anglo American, BHP Billiton and Xstrata each own a one-third shareholding in Cerrejón, Colombia's largest thermal coal exporter. This opencast operation currently has a 32 Mtpa production capacity (10.7 Mtpa attributable). In 2011, an expansion was approved to increase this capacity to 40 Mtpa (13.3 Mtpa attributable). Cerrejón owns and operates its own rail and deep water port facilities and sells into the export thermal and pulverised coal injection (PCI) coal markets.

Our Thermal Coal export operations

Map excludes Domestic and Synfuel operations



South Africa

- 1 100% Goedehoop
- 2 100% Greenside
- 3 100% Kleinkopje
- 4 100% Landau
- 5 73% Zibulo
- 6 50% Mafube
- 7 27.5% Richards Bay Coal Terminal

South America

- 1 33% Cerrejón (Colombia)

Key

- Open Cast
- Other
- Underground

Mine Life[1] and Total Reserves and Resources

Reserves (Operations)[2]

- Proved 1,512.1 Mt
- Probable 436.5 Mt

Resources (Operations and Projects)[3]

- Measured 2,308.3 Mt
- Indicated 1,416.6 Mt

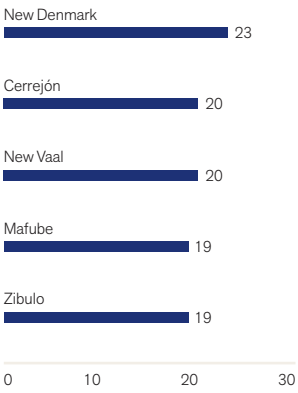
(1) Mine Life = the extraction period in years for scheduled Ore Reserves comprising Proved and Provable Reserves only.

(2) Includes Colombian Thermal (Export) and South African Thermal (Export & Domestic), Metallurgical (Other) and Synfuel Coal Reserves. The figures reported represent 100% of the ROM Coal Reserves and Coal Resources; the percentage attributable to Anglo American plc is stated separately on pages 55, 61 and 62. Coal Reserves are additional to Coal Resources.

(3) Coal Resources for Operations are reported as additional to Coal Reserves.

Five longest life operations

Years



Source: Anglo American

INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Coal is the most abundant source of fossil fuel energy in the world, considerably exceeding known reserves of oil and gas. The bulk of all coal produced worldwide is thermal coal, which is used as a fuel for power generation and other industries, notably the cement sector. In 2011, seaborne thermal coal demand accounted for approximately 790 Mt and was supplied from many countries, with coal producers operating in a highly competitive global marketplace.

Thermal coal usage is driven by the demand for electricity and is influenced by the price of competing fuels, such as oil and gas and, increasingly, the cost of carbon. Global thermal coal demand is also affected by the availability of alternative generating technologies, including gas, nuclear, hydro-electricity and renewables. The market for export thermal coal is further impacted by the varying degrees of privatisation and deregulation in electricity markets, with customers focused on securing the lowest cost fuel supply in order to produce power at a competitive price. This has resulted in a move away from longer term towards shorter term contracts priced against various coal price indices, which has given rise to the development of an increasingly active financial market for hedging and derivative instruments. The extent to which these pricing instruments are used, however, varies from region to region.

Markets

Anglo American weighted average achieved FOB price ($/tonne)	2011	2010
RSA export thermal coal	**114.27**	82.49
RSA domestic thermal coal	**21.36**	18.42
Colombian export thermal coal	**101.01**	72.69

Attributable sales volumes ('000 tonnes)	2011	2010
RSA export thermal coal	**16,532**	16,347
RSA domestic thermal coal	**40,136**	41,323
Colombian export thermal coal	**10,685**	10,461

The Asia-Pacific region started the year with severe weather interruptions in Australia and Indonesia, disrupting coal exports and driving Newcastle thermal coal FOB[1] prices to a post-2008 high of $136/t during January and averaging $121/t for the year (2010: $99/t). The earthquake and tsunami which struck Japan in March 2011 damaged the country's Pacific coast coal-fired power plants and transmission infrastructure. Although this event immediately reduced Japan's thermal coal requirements, India and China imported significantly more thermal coal during 2011, some 25% and 15% respectively above 2010 volumes, which increased overall demand in the Asia-Pacific region by approximately 8%. During the final quarter of 2011, the market weakened, as the earlier upsurge in international thermal coal prices and increased exports from Indonesia softened demand. Australian FOB prices subsequently stabilised in December at $110/t.

The Med-Atlantic region was impacted by the political upheaval and ensuing geo-political tensions that affected several North African and Middle Eastern countries, which led to an increase in global energy prices and improved thermal coal's competitiveness compared with gas-powered electricity generation. This was a contributing factor to a forecast 8% increase in thermal coal imports into the Atlantic region during 2011 and added support to South African FOB[2] export prices, which averaged $116/t in the year (2010: $92/t).

A warm start to the northern hemisphere winter, continued economic uncertainty within Europe and increased exports from the US, Colombia and South Africa adversely affected market sentiment during the fourth quarter. This placed pressure on seaborne thermal coal prices, which for South African exports settled at $104/t (FOB) during December.

01 Load haul vehicle operator Tami Xaba at Isibonelo colliery.

MARKET INFORMATION

2011 thermal coal supply[1]

Total 790.5 Mt

- Western Europe 0.4%
- Other Europe and CIS 12.8%
- North America 5.3%
- South America 10.6%
- Africa and Middle East 8.4%
- Asia 41.9%
- Oceania 20.6%

Source: Wood Mackenzie

[1] Seaborne, traded.

2011 thermal coal demand[1]

Total 790.5 Mt

- Western Europe 19.5%
- Other Europe and CIS 0.3%
- North America 2.4%
- South America 1.5%
- Africa and Middle East 2.7%
- Asia 73.5%
- Oceania 0.1%

Source: Wood Mackenzie

[1] Seaborne, traded.

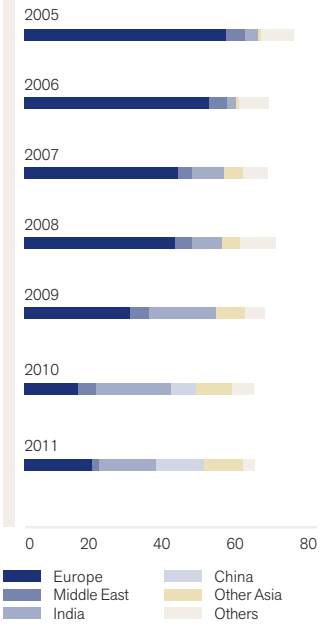
Top ten exporters of thermal coal in 2011

- Xstrata plc 49Mt 6.4%
- PT Bumi Resources Tbk 42Mt 5.5%
- Siberian Coal Energy Company (SUEK) 34Mt 4.4%
- PT Adaro Energy Tbk 34Mt 4.4%
- BHP Billiton Limited 32Mt 4.2%
- Anglo American plc 32Mt 4.1%
- Drummond Company Inc 23Mt 3.0%
- Ugol'naya kom. Kuzbassrazrezugol' OAO 23Mt 3.0%
- Banpu Public Company Ltd 21Mt 2.7%
- Tata Power Company Ltd 18Mt 2.4%
- Others 458Mt 59.8%

Source: AME

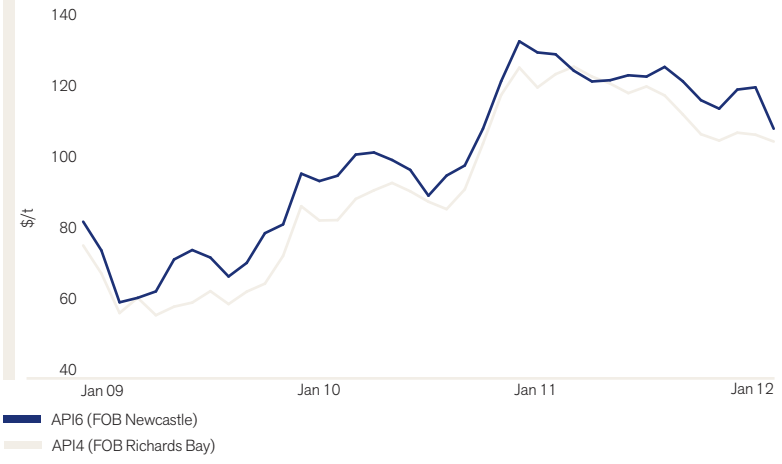
Export thermal coal from South Africa

Mt



Market price analysis

(Shown to March 2012)



STRATEGY AND GROWTH

STRATEGY AND GROWTH

Thermal Coal is focused on supplying the electricity generation and industrial sectors from large, low cost coal basins, with a global growth strategy that targets participation in the most attractive export markets. We have a diverse, high quality asset portfolio in South Africa and Colombia and aim to continue being a long term, reliable supplier. We also actively participate in the pursuit of cleaner coal solutions for the world's energy needs through the development of new technologies in areas such as clean coal, carbon capture and storage, algal sequestration and methane-drainage flaring.

Thermal Coal is expanding its current position in the export market, while maintaining a significant position in the domestic market in South Africa. We plan to deliver on this ambition through our extensive portfolio of expansion projects, supported by targeted acquisitions.

Anglo American has approved investment into the expansion at Cerrejón Phase 1 to increase the port and logistics chain capacity to reach 40 Mtpa (100% basis). Phase 2 of this expansion project has the potential to increase production to 50 to 60 Mtpa, which may require a river diversion in order to access additional reserves. Thermal Coal is currently completing its feasibility study on New Largo, identified by Eskom as a primary coal supplier to its Kusile power station, now under construction.

In 2010, there was a marked swing from the Med-Atlantic to the Asia-Pacific market, resulting in India boosting its status as a substantial and growing market for South Africa-sourced coal. Close to 70% of South Africa's coal exports were destined for the Asia-Pacific market in 2011. In the longer term, growth in global thermal coal demand is expected to outpace growth in world energy demand. According to BP's 2011 Statistical Review of World Energy, thermal coal's share of the global energy mix rose to 29.6% in 2010, up from 25.6% in 2001 and the highest since 1970.

In October 2010, Anglo American announced that it planned to dispose of its Kleinkopje colliery in Mpumalanga, South Africa. Thermal Coal then conducted a rigorous and competitive disposal process, which took more than 10 months to complete. Despite significant initial interest in the asset, this did not translate into any acceptable offers being received by the closing date of June 2011. As a result, in August 2011, Anglo American announced its decision to terminate the sale process, and established a high-level project team to optimise the configuration of the mine to ensure its continued operation and improve performance.

In addition to developing operations in its existing geographies, Thermal Coal is constantly evaluating potential opportunities in new regions which are well placed to service its growing markets.

Projects

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

Also in South Africa, the New Largo project, currently at feasibility stage, has two main elements: a new opencast mine and a conveyor which will run from an existing coal plant to an Eskom power station. The operation plans to mine domestic thermal coal and Thermal Coal is currently negotiating a coal supply agreement with Eskom for delivery into its Kusile power station. Initial coal from the mine is expected in 2015.

In Colombia, Phase 1 of the Cerrejón P500 expansion project, to increase production by 8 Mtpa, 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. As at the end of 2011, the project was on schedule and on budget.

01 The coal plant at Cerrejón in Colombia. During the year investment plans were approved to increase Cerrejón's port and logistics chain capacity to 40 Mtpa.

PROJECT PIPELINE – KEY PROJECTS

Zibulo (previously Zondagsfontein)

Overall capex: $517m (100%)

Country
South Africa

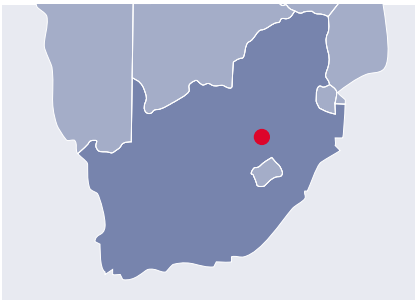
Ownership
73% Anglo American

Production volume
6.6 Mtpa thermal (100%)

Full project capex
$517m (100%)

Full production
Q4 2012

The Zibulo project consists of an underground mine and double-stage washing plant producing an export thermal and middlings product. The washing plant is a 50:50 joint venture with BHP Billiton Energy Coal South Africa. The project reached commercial operating levels in the fourth quarter of 2011, ahead of schedule.



Elders multi-product project

Overall capex: TBD

Country
South Africa

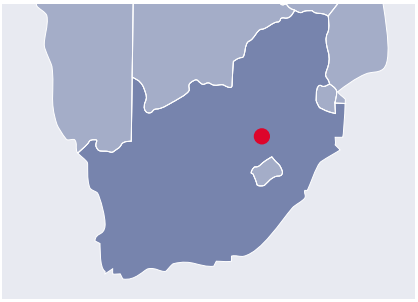
Ownership
73% Anglo American

Production volume
3.0 Mtpa thermal (100%)

Full project capex
TBD

Full production
2019

The previously classified Elders opencast and underground projects have now been combined and is being evaluated as a multi-product underground mine, producing a lower grade export and middlings product.



New Largo

Overall capex: TBD

Country
South Africa

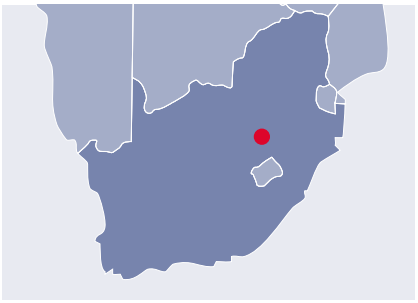
Ownership
73% Anglo American

Production volume
13 Mtpa thermal (domestic, 100%)

Full project capex
TBD

Full production
2017

The New Largo project, currently at feasibility stage, has two main elements: a new opencast mine and a conveyor which will run from an existing coal plant to an Eskom power station. The operation plans to mine domestic thermal coal and Thermal Coal is currently negotiating a coal supply agreement with Eskom for delivery into its Kusile power station. Initial coal is expected in 2015.



Cerrejón P500 Phase 1

Overall capex: $1,311m (100%)

Country
Colombia

Ownership
33% Anglo American

Production volume
8 Mtpa thermal (100%)

Full project capex
$1,311m (100%)

Full production
2015

P500 – Phase 1 project is an expansion of current production from 32 Mtpa to 40 Mtpa at full production. The increase in tonnage will be achieved by systematically eliminating bottle necks and constraints in the production, processing and transportation of coal. The project 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.

PRODUCTION DATA

Production (tonnes)	2011	2010	2009	2008	2007
South Africa					
Eskom	**35,296,000**	36,403,400	36,225,100	36,158,100	34,064,000
Thermal (non-Eskom)	**21,388,100**	21,612,000[1]	22,185,900[1]	22,286,800	23,952,400
Metallurgical	**323,400**	436,500	747,100	971,900	1,143,700
South Africa Total	**57,007,500**	**58,451,900[1]**	**59,158,100[1]**	**59,416,800**	**59,160,100**
South America[2]					
Thermal	**10,751,700**	10,060,100	10,189,600	10,410,300	9,875,400
Total Thermal Coal segment	**67,759,200**	**68,512,000[1]**	**69,347,700[1]**	**69,827,100**	**69,035,500**
South Africa					
Bank	**–**	–	–	–	51,900
Greenside	**2,853,100**	3,425,000	3,294,600	3,401,100	3,314,900
Goedehoop	**5,200,800**	6,026,200	6,905,000	7,449,400	8,456,200
Isibonelo	**4,338,200**	4,569,100	5,061,900	5,152,100	5,001,000
Kriel	**8,151,700**	9,526,100	11,161,700	10,344,400	11,210,100
Kleinkopje	**4,400,600**	4,423,600	4,414,000	4,545,600	3,490,700
Landau	**4,171,200**	4,085,800	4,231,500	4,089,300	4,058,200
New Denmark	**4,812,600**	5,051,600	3,728,900	5,272,500	5,134,700
New Vaal	**17,399,700**	17,235,300	17,553,700	17,034,400	17,119,500
Nooitgedacht	**–**	–	475,000	454,600	565,700
Mafube	**2,313,100**	2,447,700	2,212,800	1,673,400	757,200
Zibulo	**3,366,500**	1,661,500	119,000	–	–
Total	**57,007,500**	**58,451,900[1]**	**59,158,100[1]**	**59,416,800**	**59,160,100**
South America[2]					
Carbones Del Cerrejón	**10,751,700**	10,060,100	10,189,600	10,410,300	9,875,400
Total	**10,751,700**	**10,060,100**	**10,189,600**	**10,410,300**	**9,875,400**

[1] Zibulo reached commercial production on 1 October 2011. Revenue and related costs associated with 2,155 kt (2010: 1,662 kt) of production have been capitalised before commercial production was reached. The 2,155 kt includes Eskom coal of 633 kt (2010: 765 kt) and export thermal coal production of 1,522 kt (2010: 897 kt).

[2] South American production excludes Carbones del Guasare which was identified as non-core in 2009.

01 The incline conveyor and 6,000 tonne silo at the newly commissioned Zibulo mine.

THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

THERMAL COAL

The Coal Reserve and Coal Resource estimates were compiled in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (The SAMREC Code, 2007) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as applicable. The figures reported represent 100% of the Coal Reserves and Coal Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies. Anglo American Thermal Coal comprises the dominantly export and domestic thermal coal operations, located in Colombia and South Africa.

Thermal Coal – Colombia Operations				ROM Tonnes[3]		Yield[4]		Saleable Tonnes[3]		Saleable Quality[5]	
COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	2011	2010	2011	2010	2011	2010	2011	2010
Cerrejón (OC)	33.3	20		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Thermal – Export			Proved	718.8	659.0	96.8	95.2	695.5	634.8	6,300	6,230
			Probable	86.0	64.1	96.8	95.3	83.2	61.7	6,240	6,230
			Total	**804.8**	**723.1**	**96.8**	**95.2**	**778.7**	**696.5**	**6,290**	**6,230**
Colombia Thermal – Export	33.3									kcal/kg	kcal/kg
			Proved	718.8	659.0	96.8	95.2	695.5	634.8	6,300	6,230
			Probable	86.0	64.1	96.8	95.3	83.2	61.7	6,240	6,230
			Total	**804.8**	**723.1**	**96.8**	**95.2**	**778.7**	**696.5**	**6,290**	**6,230**

Thermal Coal – South Africa Operations				ROM Tonnes[3]		Yield[4]		Saleable Tonnes[3]		Saleable Quality[5]	
COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	2011	2010	2011	2010	2011	2010	2011	2010
Goedehoop (UG&OC)	100	11		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Thermal – Export			Proved	37.4	46.8	53.0	53.9	20.2	25.7	6,230	6,220
			Probable	48.6	45.6	51.7	55.0	25.6	25.6	6,210	6,220
			Total	**86.0**	**92.4**	**52.3**	**54.4**	**45.9**	**51.3**	**6,220**	**6,220**
Greenside (UG)	100	11								kcal/kg	kcal/kg
Thermal – Export			Proved	25.8	37.3	58.1	58.6	15.5	22.7	6,200	6,190
			Probable	21.9	2.3	53.9	62.8	12.3	1.5	6,190	6,190
			Total	**47.8**	**39.6**	**56.2**	**58.8**	**27.8**	**24.2**	**6,200**	**6,190**
Isibonelo (OC)	100	14								kcal/kg	kcal/kg
Synfuel			Proved	69.9	74.9	100	100	69.9	74.9	4,590	4,640
			Probable	–	–	–	–	–	–	–	–
			Total	**69.9**	**74.9**	**100**	**100**	**69.9**	**74.9**	**4,590**	**4,640**
Kleinkopje (OC)	100	13								kcal/kg	kcal/kg
Thermal – Export			Proved	64.5	77.5	35.9	37.1	23.7	29.0	6,170	6,220
			Probable	12.0	12.3	45.9	45.8	5.6	5.7	6,180	6,240
			Total	**76.4**	**89.8**	**37.5**	**38.3**	**29.3**	**34.7**	**6,170**	**6,220**
										kcal/kg	kcal/kg
Thermal – Domestic			Proved			33.8	31.7	21.8	24.9	4,550	4,460
			Probable			–	–	–	–	–	–
			Total			**28.5**	**27.4**	**21.8**	**24.9**	**4,550**	**4,460**
Kriel (UG&OC)	73.0	14								kcal/kg	kcal/kg
Thermal – Domestic			Proved	46.0	61.2	100	100	46.0	61.2	4,790	4,800
			Probable	67.5	69.6	100	100	67.5	69.6	4,430	4,450
			Total	**113.5**	**130.8**	**100**	**100**	**113.5**	**130.8**	**4,580**	**4,610**
Landau (OC)	100	9								kcal/kg	kcal/kg
Thermal – Export			Proved	36.4	44.7	48.5	50.7	17.8	23.0	6,240	6,250
			Probable	24.4	24.7	48.5	48.7	11.9	12.2	6,230	6,250
			Total	**60.7**	**69.4**	**48.5**	**50.0**	**29.8**	**35.2**	**6,240**	**6,250**
										kcal/kg	kcal/kg
Thermal – Domestic			Proved			8.8	8.5	3.2	3.8	4,550	4,100
			Probable			7.3	8.5	1.8	2.1	3,970	4,400
			Total			**8.2**	**8.5**	**5.0**	**6.0**	**4,340**	**4,210**
Mafube (OC)	50.0	19								kcal/kg	kcal/kg
Thermal – Export			Proved	24.8	30.1	46.5	49.0	11.6	14.8	6,220	6,270
			Probable	66.6	–	33.1	–	22.2	–	6,210	–
			Total	**91.3**	**30.1**	**36.7**	**49.0**	**33.8**	**14.8**	**6,210**	**6,270**
										kcal/kg	kcal/kg
Thermal – Domestic			Proved			27.1	23.1	6.8	6.9	5,460	5,490
			Probable			37.3	–	25.0	–	5,010	–
			Total			**34.5**	**23.1**	**31.8**	**6.9**	**5,110**	**5,490**
New Denmark (UG)	100	23								kcal/kg	kcal/kg
Thermal – Domestic			Proved	30.2	40.4	100	100	30.2	40.4	4,880	4,930
			Probable	80.9	92.9	100	100	80.9	92.9	5,120	5,070
			Total	**111.1**	**133.3**	**100**	**100**	**111.1**	**133.3**	**5,050**	**5,030**

THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Thermal Coal – South Africa Operations continued

COAL RESERVES[1]	Attributable %[2]	Mine Life	Classification	ROM Tonnes[3] 2011	ROM Tonnes[3] 2010	Yield[4] 2011	Yield[4] 2010	Saleable Tonnes[3] 2011	Saleable Tonnes[3] 2010	Saleable Quality[5] 2011	Saleable Quality[5] 2010
New Vaal (OC)	100	20		Mt	Mt	ROM %	ROM %	Mt	Mt	kcal/kg	kcal/kg
Thermal – Domestic			Proved	371.8	397.5	93.4	93.4	359.8	384.6	3,490	3,490
			Probable	–	–	–	–	–	–	–	–
			Total	**371.8**	**397.5**	**93.4**	**93.4**	**359.8**	**384.6**	**3,490**	**3,490**
Nooitgedacht 5 Seam (UG)	100	1								kcal/kg	kcal/kg
Metallurgical – Other			Proved	0.4	1.2	63.6	28.4	0.3	0.4	6,370	6,280
			Probable	–	–	–	–	–	–	–	–
			Total	**0.4**	**1.2**	**63.6**	**28.4**	**0.3**	**0.4**	**6,370**	**6,280**
Zibulo (UG&OC)	73.0	19								kcal/kg	kcal/kg
Thermal – Export			Proved	86.1	–	49.4	–	43.0	–	6,090	–
			Probable	28.6	111.9	46.1	41.0	13.3	46.3	6,070	6,320
			Total	**114.7**	**111.9**	**48.6**	**41.0**	**56.3**	**46.3**	**6,090**	**6,320**
										kcal/kg	kcal/kg
Thermal – Domestic			Proved			29.8	–	26.4	–	4,820	–
			Probable			30.4	35.6	8.9	40.9	4,640	4,990
			Total			**29.9**	**35.6**	**35.4**	**40.9**	**4,770**	**4,990**
South Africa Thermal – Export	85.6			Mt	Mt	Plant %	Plant %	Mt	Mt	kcal/kg	kcal/kg
			Proved	793.3	811.7	48.2	49.3	131.8	115.7	6,170	6,230
			Probable	350.5	359.3	45.9	46.6	90.9	91.3	6,190	6,280
			Total	**1,143.8**	**1,171.0**	**47.0**	**48.1**	**222.7**	**207.0**	**6,180**	**6,250**
South Africa Thermal – Domestic	91.7									kcal/kg	kcal/kg
			Proved			86.9	90.2	494.2	522.0	3,850	3,830
			Probable			87.2	86.2	184.1	205.5	4,820	4,840
			Total			**86.8**	**88.9**	**678.4**	**727.5**	**4,110**	**4,120**
South Africa Synfuel	100									kcal/kg	kcal/kg
			Proved			100	100	69.9	74.9	4,590	4,640
			Probable			–	–	–	–	–	–
			Total			**100**	**100**	**69.9**	**74.9**	**4,590**	**4,640**
South Africa Metallurgical – Other	100									kcal/kg	kcal/kg
			Proved			63.6	28.4	0.3	0.4	6,370	6,280
			Probable			–	–	–	–	–	–
			Total			**63.6**	**28.4**	**0.3**	**0.4**	**6,370**	**6,280**

Thermal Coal – Operations

TOTAL COAL RESERVES[1]	Attributable %[2]	Classification	ROM Tonnes[3] 2011	ROM Tonnes[3] 2010	Yield[4] 2011	Yield[4] 2010	Saleable Tonnes[3] 2011	Saleable Tonnes[3] 2010	Saleable Quality[5] 2011	Saleable Quality[5] 2010
Thermal – Export	44.9		Mt	Mt	Plant %	Plant %	Mt	Mt	kcal/kg	kcal/kg
		Proved	1,512.1	1,470.7	89.1	88.1	827.3	750.5	6,280	6,230
		Probable	436.5	423.3	70.2	66.2	174.2	153.1	6,210	6,260
		Total	**1,948.6**	**1,894.0**	**85.7**	**84.4**	**1,001.4**	**903.6**	**6,270**	**6,230**
Thermal – Domestic	91.7								kcal/kg	kcal/kg
		Proved			86.9	90.2	494.2	522.0	3,850	3,830
		Probable			87.2	86.2	184.1	205.5	4,820	4,840
		Total			**86.8**	**88.9**	**678.4**	**727.5**	**4,110**	**4,120**
Synfuel	100								kcal/kg	kcal/kg
		Proved			100	100	69.9	74.9	4,590	4,640
		Probable			–	–	–	–	–	–
		Total			**100**	**100**	**69.9**	**74.9**	**4,590**	**4,640**
Metallurgical – Other	100								kcal/kg	kcal/kg
		Proved			63.6	28.4	0.3	0.4	6,370	6,280
		Probable			–	–	–	–	–	–
		Total			**63.6**	**28.4**	**0.3**	**0.4**	**6,370**	**6,280**

Mining method: OC = Open Cast, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
For the multi-product operations, the ROM tonnage figures apply to each product.
The Saleable tonnage cannot be calculated directly from the ROM reserve tonnage using the air dried yields as presented since the difference in moisture content is not taken into account.
Attributable percentages for country totals are weighted by Saleable tonnes and should not be directly applied to the ROM tonnage.
Additional footnotes appear at the end of the section.

Thermal – Export refers to low- to high-volatile thermal coal primarily for export in the use of power generation; quality measured by calorific value (CV).
Thermal – Domestic refers to low- to high-volatile thermal coal primarily for domestic consumption for power generation; quality measured by calorific value (CV).
Synfuel refers to a coal specifically for the domestic production of synthetic fuel and chemicals; quality measured by calorific value (CV).
Metallurgical – Other refers to semi-soft, soft, hard, semi-hard or anthracite coal, other than Coking Coal, such as pulverized coal injection (PCI) or other general metallurgical coal for the export or domestic market with a wider range of properties than Coking Coal; quality measured by calorific value (CV).

THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Thermal Coal – Colombia Operations

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Cerrejón	33.3	Measured	907.2	870.4	6,460	6,420
		Indicated	173.9	194.4	6,370	6,490
		Measured and Indicated	**1,081.1**	**1,064.8**	**6,450**	**6,430**
		Inferred (in LOMP)[8]	69.2	47.7	6,750	6,910
Colombia – Mine Leases	33.3	Measured	907.2	870.4	6,460	6,420
		Indicated	173.9	194.4	6,370	6,490
		Measured and Indicated	**1,081.1**	**1,064.8**	**6,450**	**6,430**
		Inferred (in LOMP)[8]	69.2	47.7	6,750	6,910

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Thermal Coal – South Africa Operations

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Goedehoop	100	Measured	79.8	111.2	5,470	5,460
		Indicated	75.6	79.9	5,480	5,280
		Measured and Indicated	**155.4**	**191.1**	**5,470**	**5,380**
		Inferred (in LOMP)[8]	–	–	–	–
Greenside	100	Measured	11.4	–	5,700	–
		Indicated	2.8	–	5,430	–
		Measured and Indicated	**14.2**	**–**	**5,650**	**–**
		Inferred (in LOMP)[8]	–	13.0	–	5,470
Isibonelo	100	Measured	–	–	–	–
		Indicated	20.9	20.3	5,210	5,360
		Measured and Indicated	**20.9**	**20.3**	**5,210**	**5,360**
		Inferred (in LOMP)[8]	–	–	–	–
Kleinkopje	100	Measured	28.5	30.2	4,970	5,020
		Indicated	–	–	–	–
		Measured and Indicated	**28.5**	**30.2**	**4,970**	**5,020**
		Inferred (in LOMP)[8]	–	–	–	–
Kriel	73.0	Measured	9.0	7.4	5,290	5,240
		Indicated	10.2	18.4	4,860	4,810
		Measured and Indicated	**19.3**	**25.8**	**5,060**	**4,930**
		Inferred (in LOMP)[8]	–	–	–	–
Landau	100	Measured	26.5	30.4	4,810	5,730
		Indicated	34.3	41.7	5,180	4,600
		Measured and Indicated	**60.8**	**72.1**	**5,020**	**5,080**
		Inferred (in LOMP)[8]	–	–	–	–
Mafube	50.0	Measured	2.5	79.9	5,090	5,320
		Indicated	7.4	–	5,250	–
		Measured and Indicated	**9.9**	**79.9**	**5,210**	**5,320**
		Inferred (in LOMP)[8]	17.0	–	5,170	–
New Denmark	100	Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred (in LOMP)[8]	17.0	18.6	5,310	5,220
New Vaal	100	Measured	–	–	–	–
		Indicated	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**
		Inferred (in LOMP)[8]	–	–	–	–
Nooitgedacht 5 Seam	100	Measured	1.1	1.1	5,370	4,990
		Indicated	–	–	–	–
		Measured and Indicated	**1.1**	**1.1**	**5,370**	**4,990**
		Inferred (in LOMP)[8]	–	–	–	–
Zibulo	73.0	Measured	136.3	79.7	4,950	4,980
		Indicated	184.2	174.6	4,880	4,870
		Measured and Indicated	**320.6**	**254.3**	**4,910**	**4,900**
		Inferred (in LOMP)[8]	29.3	43.7	5,470	5,400
South Africa – Mine Leases	84.7	Measured	295.2	339.9	5,120	5,290
		Indicated	335.4	334.9	5,080	4,960
		Measured and Indicated	**630.6**	**674.8**	**5,100**	**5,130**
		Inferred (in LOMP)[8]	63.3	75.4	5,350	5,370

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Thermal Coal – Operations

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Total	52.2	Measured	1,202.4	1,210.3	6,130	6,100
		Indicated	509.3	529.2	5,520	5,520
		Measured and Indicated	**1,711.7**	**1,739.5**	**5,950**	**5,930**
		Inferred (in LOMP)[8]	132.4	123.0	6,080	5,970

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

THERMAL COAL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Thermal Coal – South Africa Projects

COAL RESOURCES[6][8]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Elders	73.0					
		Measured	218.1	207.9	5,110	4,980
		Indicated	107.9	30.8	5,400	5,390
		Measured and Indicated	**326.0**	**238.6**	**5,210**	**5,030**
Kriel Block F	100	Measured	–	–	–	–
		Indicated	62.8	62.8	5,310	5,310
		Measured and Indicated	**62.8**	**62.8**	**5,310**	**5,310**
Kriel East	73.0	Measured	81.5	81.5	4,940	4,940
		Indicated	36.0	36.0	4,950	4,950
		Measured and Indicated	**117.5**	**117.5**	**4,940**	**4,940**
New Largo	73.0	Measured	484.9	350.8	4,300	4,400
		Indicated	159.3	286.0	3,920	4,230
		Measured and Indicated	**644.3**	**636.8**	**4,210**	**4,320**
Nooitgedacht 2+4 Seam	100	Measured	34.7	55.5	5,310	5,330
		Indicated	10.6	3.4	5,450	5,300
		Measured and Indicated	**45.3**	**59.0**	**5,340**	**5,330**
South Rand	73.0	Measured	78.6	78.9	4,850	4,870
		Indicated	168.1	142.2	4,770	4,840
		Measured and Indicated	**246.7**	**221.1**	**4,800**	**4,850**
Vaal Basin	100	Measured	208.2	128.9	3,980	3,730
		Indicated	362.5	149.3	4,140	4,000
		Measured and Indicated	**570.7**	**278.2**	**4,080**	**3,870**
South Africa – Projects	82.1	Measured	1,106.0	903.5	4,520	4,580
		Indicated	907.2	710.5	4,500	4,490
		Measured and Indicated	**2,013.2**	**1,613.9**	**4,510**	**4,540**

Thermal Coal – Operations and Projects

COAL RESOURCES[6]	Attributable %[2]	Classification	Tonnes 2011	Tonnes 2010	Coal Quality 2011	Coal Quality 2010
			MTIS[6]	MTIS[6]	kcal/kg[7]	kcal/kg[7]
Total	68.4					
		Measured	2,308.3	2,113.8	5,360	5,450
		Indicated	1,416.6	1,239.7	4,860	4,930
		Measured and Indicated	**3,724.9**	**3,353.5**	**5,170**	**5,260**
		Inferred (in LOMP)[8]	132.4	123.0	6,080	5,970

THE COAL RESOURCES ARE REPORTED AS ADDITIONAL TO COAL RESERVES.

Attributable percentages for country totals are weighted by Measured and Indicated MTIS.

(1) Coal Reserves are quoted on a Run Of Mine (ROM) reserve tonnage basis which represents the tonnes delivered to the plant. Saleable reserve tonnage represents the product tonnes produced. Coal Reserves (ROM and Saleable) are on the applicable moisture basis.
(2) Attributable (%) refers to 2011 only. For the 2010 Reported and Attributable figures, please refer to the 2010 Annual Report.
(3) The tonnage is quoted as metric tonnes. ROM tonnages on an As Delivered moisture basis, and Saleable tonnages on a Product moisture basis.
(4) Yield – ROM % represents the ratio of Saleable reserve tonnes to ROM reserve tonnes and is quoted on a constant moisture basis or on an air dried to air dried basis whereas Plant % is based on the 'Feed to Plant' tonnes. The product yields (ROM %) for Proved, Probable and Total are calculated by dividing the individual Saleable reserves by the total ROM reserves per classification.
(5) The coal quality for the Coal Reserves is quoted as either Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis. Coal quality parameters for the Coal Reserves for Coking, Other Metallurgical and Export Thermal collieries meet the contractual specifications for coking coal, PCI, metallurgical coal, steam coal and domestic coal. Coal quality parameters for the Coal Reserves for Domestic Power and Domestic Synfuels collieries meet the specifications of the individual supply contracts. CV is rounded to the nearest 10 kcal/kg.
(6) Coal Resources are quoted on a Mineable Tonnage In-Situ (MTIS) basis in million tonnes which are in addition to those resources which have been modified to produce the reported Coal Reserves. Coal Resources are on an in-situ moisture basis.
(7) The coal quality for the Coal Resources is quoted on an in-situ heat content as Calorific Value (CV) using kilo-calories per kilogram (kcal/kg) units on a Gross As Received (GAR) basis. CV is rounded to the nearest 10 kcal/kg.
(8) Inferred (in LOMP) refers to Inferred Coal Resources that are included in the life of mine extraction schedule of the respective collieries and are not reported as Coal Reserves. Inferred Coal Resources outside the Life of Mine Plan but within the mine lease area are not reported due to the uncertainty attached to such resources in that it cannot be assumed that all or part of the Inferred Resource will necessarily be upgraded to Indicated or Measured categories through continued exploration, such Inferred Resources do not necessarily meet the requirements of reasonable prospects for eventual economic extraction, particularly in respect of future mining and processing economics.

Summary of material changes (±10%) at reporting level

Cerrejón: Increase in Coal Reserves due to conversion of Resources resulting from changes in mine design to enable expansion from 32 mtpa to 40 mtpa.
Goedehoop: Decrease in Coal Resources resulting from the transfer of Resources to Deposit due to re-evaluation of market potential, limited washability data and remnant blocks which have been removed from the mine plan.
Greenside: Increase in Coal Reserves primarily due to conversion of Resources as result of increased geological confidence. Increase in Coal Resources as a result of model update and interpretation.
Kleinkopje: Decrease in Coal Reserves resulting from the removal of the pre-mined 3A East 2 & 1 seam from the mine plan, which was transferred to Deposit due changes in economic assumptions and the transfer of virgin 3A East 4 seam to Greenside Colliery.
Kriel: Decrease in Coal Reserves primarily due to production. Decrease in Coal Resources attributed to re-evaluation of mini-pits and removal of remnant blocks due to lack of accessibility.
Landau: Decrease in Coal Reserves primarily due to production. Decrease in Coal Resource primarily due to Concept study on Landau Life Extension which resulted in additional surface and environmental changes being considered.
Mafube: Following the submission of the Mining Right Application, Nooitgedacht 2 seam Resources were converted to Probable Reserve. Inferred Resources in Mine Lease were moved to Inferred (in LOMP). The conversion to reserves resulted in the increase of Mine Life from 6 to 19 years. Inferred Resources in Mine Plan comprise of 15% of the Reserves, however these Resources are outside of the five year horizon. Drilling is planned to reduce proportion to below 10% by mid 2012.
New Denmark: Decrease in Coal Reserves primarily due to transfer of Resources to Deposit resulting from change in the reserve thickness cut-off parameter, previously applied a standard 1.5 m cut-off, now applying the mining layout and practical equipment limits. Consequently Mine Life has been reduced from 27 to 23 years.
Nooitgedacht: Decrease in 5 seam Coal Reserves primarily due to production. Decrease in 2 and 4 seam Coal Resources attributed to reclassification of resources using an alternative methodology.
Zibulo: Increase in Coal Resources due to upgrade of Zondagsfontein West resources resulting from increased drilling and geological confidence. Inferred Resources in Mine Plan comprise 12% of the Reserves, however these Resources are outside of the five year horizon. Drilling is planned to reduce proportion to below 10% by mid 2012.
Elders: Upgrade of Coal Resources resulting from additional drilling and washability data.
South Rand: Upgrade of Coal Resources resulting from additional drilling.
Vaal Basin: Increase in Coal Resources as estimates are now based on raw qualities due to proven lack of export potential. There are significantly more boreholes with raw qualities, hence resource categories were upgraded.

Assumption with respect to Mineral Tenure

Cerrejón: Reserves are estimated for the area defined by the current approved Mining Right which expires in 2033. In order to exploit the Coal Resources, a renewal will be applied for at the appropriate time, Anglo American Thermal Coal has reasonable expectation that such renewal will not be withheld.
Mafube: Application for conversion to a Mining Right has been submitted; in addition the environmental permitting applications will be submitted in 2012 as per legislative requirements. There is a reasonable expectation that such conversion will not be withheld.
New Largo: The New Largo Mining Right Application was submitted in April 2011. The relevant South African Departments responsible for approvals, as well as key stakeholders, have been actively engaged with regard to the Colliery's potential impacts on wetlands. There is a reasonable expectation that such conversion will not be withheld.

Royalty Payment

South Africa: Royalty payments commenced in February 2010 in accordance with the Royalties Act (No. 28 of 2008) and have been taken into consideration in economic assessment of the reserves.

Reviews by independent third parties were carried out in 2011 on the following operations and project areas:
Goedehoop, Greenside, Mafube and New Denmark.

01 Members of the Survey Team at Greenside Colliery, South Africa, in conversation in the survey office.


KONECRANES

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.

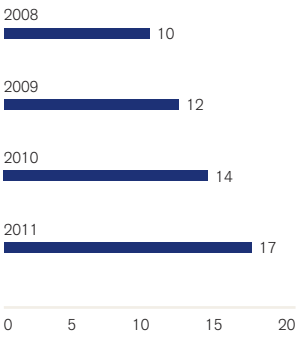
Copper is used mainly in wire and cable, brass, tubing and pipes, air conditioning and refrigeration.

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

FINANCIAL HIGHLIGHTS

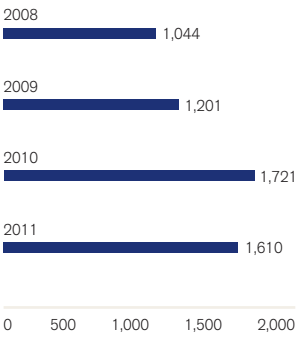
Share of Group net operating assets

%



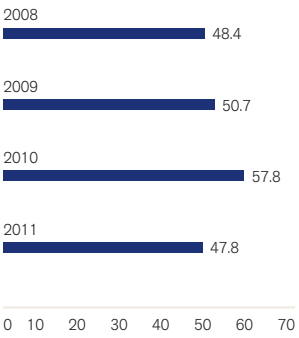
Underlying earnings

$ m



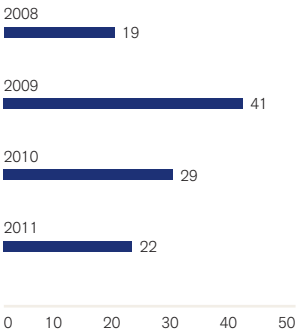
Operating margin

%



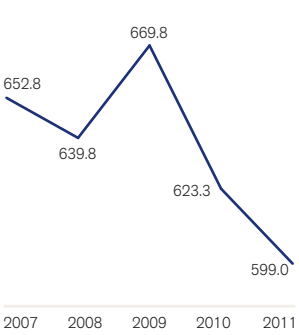
Share of Group operating profit

%



Copper production from Copper business unit

'000 kt



FINANCIAL DATA

$ million	2011	2010	2009	2008
Turnover				
Collahuasi	**1,688**	1,729	1,411	1,134
Anglo American Sur	**2,320**	2,075	1,723	1,965
Anglo American Norte	**1,136**	1,073	833	808
Projects and Corporate	**–**	–	–	–
Total turnover	**5,144**	**4,877**	**3,967**	**3,907**
EBITDA				
Collahuasi	**1,052**	1,276	952	682
Anglo American Sur	**1,247**	1,263	994	1,265
Anglo American Norte	**641**	661	408	288
Projects and Corporate	**(190)**	(114)	(100)	(131)
Total EBITDA	**2,750**	**3,086**	**2,254**	**2,104**
Depreciation and amortisation	**289**	**269**	**244**	**212**
Operating profit before special items and remeasurements				
Collahuasi	**957**	1,186	880	613
Anglo American Sur	**1,092**	1,125	862	1,157
Anglo American Norte	**606**	624	369	255
Projects and Corporate	**(194)**	(118)	(101)	(133)
Total operating profit before special items and remeasurements	**2,461**	**2,817**	**2,010**	**1,892**
Operating special items and remeasurements	**(1)**	15	104	(67)
Operating profit after special items and remeasurements	**2,460**	**2,832**	**2,114**	**1,825**
Net interest, tax and non-controlling interests	**(851)**	**(1,096)**	**(809)**	**(848)**
Underlying earnings				
Collahuasi	**617**	738	663	367
Anglo American Sur	**746**	685	444	699
Anglo American Norte	**444**	419	197	113
Projects and Corporate	**(197)**	(121)	(103)	(135)
Total underlying earnings	**1,610**	**1,721**	**1,201**	**1,044**
Net operating assets	**7,643**	**6,291**	**4,763**	**3,148**
Capital expenditure	**1,570**	**1,530**	**1,123**	**808**

01

01 Chagres Smelter Division, Chile: the casting wheel where molten copper is poured into moulds to form copper anodes.

BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $2,817 m)

$2,461m

SHARE OF GROUP OPERATING PROFIT
(2010: 29%)

22%

EBITDA
(2010: $3,086 m)

$2,750m

Financial highlights

$ million (unless otherwise stated)	2011	2010
Operating profit	**2,461**	2,817
EBITDA	**2,750**	3,086
Net operating assets	**7,643**	6,291
Capital expenditure	**1,570**	1,530
Share of Group operating profit	**22%**	29%
Share of Group net operating assets	**17%**	14%

Our copper operations

South America
1 44% Collahuasi (Chile)
2 75.5% Los Bronces (Chile)
3 75.5% El Soldado (Chile)
4 75.5% Chagres (Chile)
5 100% Mantos Blancos (Chile)
6 100% Mantoverde (Chile)
7 81.9% Quellaveco Project (Peru)
8 100% Michiquillay Project (Peru)

North America
○ 50% Pebble project

Key
● Open Pit
○ Other

BUSINESS OVERVIEW

We have interests in six copper operations in Chile. The Mantos Blancos and Mantoverde mines are wholly owned and we hold a 75.5% interest in Anglo American Sur (AA Sur), which includes the Los Bronces and El Soldado mines and the Chagres smelter. We have a 44% shareholding in the Collahuasi mine (the other shareholders are Xstrata, with 44%, and a Mitsui consortium, holding the balance of 12%). The mines also produce associated by-products such as molybdenum and silver.

In addition, we have interests in two projects in Peru (a controlling interest in Quellaveco and Michiquillay) and a 50% interest in the Pebble project in Alaska.

INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Copper's principal use is in the wire and cable markets because of the metal's electrical conductivity and corrosion resistance. Applications that make use of copper's electrical conductivity, such as wire (including the wiring used in buildings), cables and electrical connectors, make up approximately 60% of total demand. Copper's corrosion-resistant qualities find numerous applications, particularly plumbing pipe and roof sheeting, in the construction industry, which accounts for a further 20% of demand. Copper's thermal conductivity also makes it suitable for use in heat transfer applications such as air conditioning and refrigeration, which constitute some 10% of total demand. Other applications include structural and aesthetic uses.

Copper mining is an attractive industry, with a moderate concentration of customers and suppliers, and relatively good average profitability over the long term. Producers are price-takers; hence, opportunities for product differentiation are limited, either at the concentrate or metal level. Access to quality orebodies, located in regions providing stable political, social and regulatory support for responsible, sustainable mining, should continue to be the key factor distinguishing project returns and mine profitability. With no fundamental technological shifts expected in the short to medium term, forecast long term demand is likely to be underpinned by robust growth in copper's electrical uses, particularly wire and cable in construction, automobiles and electricity infrastructure. The key growth area will continue to be the developing world, led by China and, in the longer term, India, where industrialisation and urbanisation on a huge scale continue to propel copper demand growth, and where copper consumption per capita is still well below that of the advanced economies.

What has really distinguished copper in recent times – as reflected in its strong price performance – has been its underperformance on the supply side, which is supporting more robust fundamentals for the metal. Copper mine output has suffered disproportionately from a range of constraints on output, including a long term decline in ore grades, slow ramp-ups at new projects, strikes, technical failures and adverse weather.

Constraints on the supply side are likely to prove a structural feature of the market, driven by continuing declines in ore grades at maturing existing operations and new projects, a lack of capital investment and under-exploration in the industry, as well as political and environmental challenges in many current and prospective copper areas.

The industry is capital intensive and is likely to become more so as high grade surface deposits are exhausted and deeper and/or lower grade deposits are developed. This, combined with the need to develop infrastructure in new geographies, requires greater economies of scale in order to be commercially viable. Scarcity of water in some countries, for example in Chile and Peru, is also necessitating the construction of capital and energy intensive desalination plants.

During the period 2000–2008, China increased its share of first-use refined metal consumption from 12% to an estimated 28% and grew further to approximately 37% in 2009 and 2010. Growth in Chinese consumption continued in 2011, while demand elsewhere fell sharply.

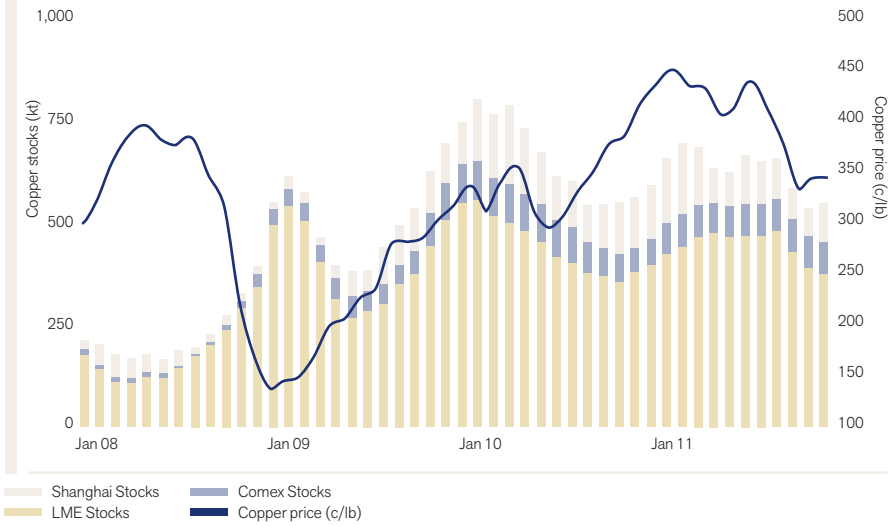
Markets

Average price	2011	2010
Average market prices (c/lb)	**400**	342
Average realised prices (c/lb)	**378**	355

Copper prices increased strongly during the first half of the year, and reached a record (nominal) high of 460c/lb as demand increased and supply remained constrained. However, as concerns grew over the outlook for the world economy, the price moved off this peak and was more volatile in the second half of the year as Europe's sovereign debt crisis continued to affect sentiment.

After dropping sharply in September, the copper price recovered during subsequent months to end the year at 343c/lb, representing a decrease of 25% from its February high. For the full year, the realised price averaged 378c/lb, a 6% increase compared with 2010. This included a negative provisional price adjustment for 2011 of $278 million, versus a net positive adjustment in the prior year of $195 million.

Copper stocks and price

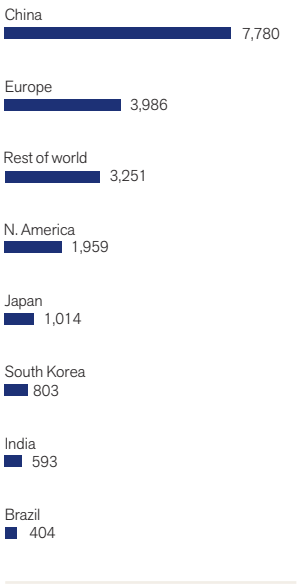


Source: Anglo American Commodity Research

MARKET INFORMATION

Leading copper consumers

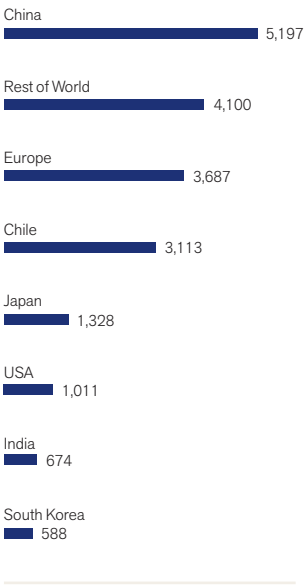
(2011 refined copper consumption)
2011 World total: 19,931kt
kt



Source: Brook Hunt – a Wood Mackenzie company

Leading copper refining countries

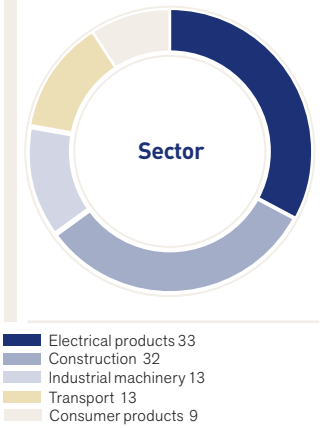
(2011 mine production)
2011 World Total: 19,698 kt
kt copper, including production from scrap



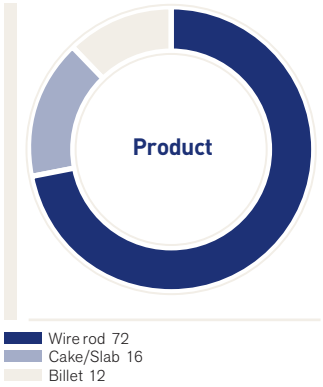
Source: Brook Hunt, a Wood Mackenzie company

Global copper consumption

end use in 2011
%



Source: Brook Hunt – a Wood Mackenzie company



Source: Brook Hunt – a Wood Mackenzie company

STRATEGY AND GROWTH

STRATEGY AND GROWTH

The Los Bronces expansion project successfully delivered first production in the fourth quarter of 2011. Following the forecast 12 month ramp-up, the Group's copper production, including the attributable share of the Collahuasi joint venture, will increase to more than 900,000 tpa. Additional growth in the medium term will come from the Quellaveco project, and from Collahuasi, where a pre-feasibility study into further expansion continues. We are also continuing to evaluate development options for the Michiquillay resource and Pebble, with concept and pre-feasibility studies under way at both projects.

In Chile, we are conducting extensive exploration in the prospective Los Bronces district and at the West Wall project in the Valparaíso region, in which Anglo American and Xstrata each has a 50% interest.

In November 2011, entirely in accordance with its rights, Anglo American announced the completion of the sale of a 24.5% stake in Anglo American Sur (AA Sur), comprising a number of the Group's copper assets in Chile, to Mitsubishi Corporation LLC (Mitsubishi) for $5.39 billion in cash. This transaction highlighted the inherent value of AA Sur as a world class, tier one copper business with extensive reserves and resources and significant further growth options from its exploration discoveries, valuing AA Sur at $22 billion on a 100% basis.

There is continuing litigation between Anglo American and Codelco in respect of the option agreement between them relating to AA Sur (described fully in note 34 to the financial statements). Anglo American will continue to defend its rights vigorously, while remaining open to working with Codelco to reach a settlement that recognises the strength of Anglo American's legal position and protects the interests of Anglo American's shareholders.

The sale demonstrated our commitment to delivering value for shareholders. Anglo American remains fully committed to its major inward investment programme in its Chilean business and to continuing its significant social and community investment programme in Chile.

As announced in September 2011, we are participating in a sales process to dispose of our effective 16.8% interest in Palabora Mining Company. A review of this investment in the second half of 2011 concluded that the asset was no longer of sufficient scale to suit the Group's investment strategy.

Projects

The delivery of first copper production from the Los Bronces expansion was achieved on schedule in the fourth quarter of 2011. The ramp-up period is expected to take 12 months before full production is reached, during which time processing plant throughput will increase from 61,000 tonnes to 148,000 tonnes of ore per day. The expansion will increase the mine's output by an average of 200,000 tonnes of copper per annum over the first 10 years.

At Collahuasi, an expansion project to increase concentrator plant capacity to 150,000 tonnes of ore per day, to yield an additional 19,000 tonnes of copper a year over the estimated life of mine, was commissioned in the fourth quarter of 2011. A further project to raise throughput to 160,000 tonnes of ore per day, resulting in an annual average copper production increment of 20,000 tonnes of copper over the mine's estimated life, is under way and is expected to be commissioned in 2013. A pre-feasibility study is also in progress to evaluate options for the next phases of major expansion at Collahuasi, with potential to increase production up to 1 Mt of copper a year.

In Peru, Anglo American is focused on obtaining the necessary permits for the Quellaveco project to progress to Board approval. Early-stage work is continuing at the Michiquillay project and drilling relating to the geological exploration programme has recommenced after completion of discussions with the local communities. It is envisaged that the Michiquillay project will move to the pre-feasibility stage following the completion of drilling analysis and orebody modelling.

Activity at the Pebble project in Alaska continues with the focus on completing the pre-feasibility study by late 2012 and targeting production early in the next decade. An environmental baseline document highlighting key scientific and socio-economic data was delivered to government agencies in late 2011.

PROJECT PIPELINE – KEY PROJECTS

Los Bronces expansion

Overall capex: $2,800m

Country
Chile

Ownership
75.5%

Incremental production
200,000 tonnes per annum of copper (average over first 10 years)

Full project capex
$2,800m

Full production
Q4 2012

The delivery of first copper production from the Los Bronces expansion was achieved on schedule[1] in the fourth quarter of 2011. The ramp-up period is expected to take 12 months before full production is reached, during which time processing plant throughput will increase from 61 ktpd to 148 ktpd, increasing average copper production in the first 10 years by around 200 ktpa, plus molybdenum and silver by-products, consolidating the operation's low cost curve position. The project scope includes a new grinding plant connected to the main site by a 4.4 km conveyor belt, together with a 52 km ore slurry pipeline to the existing Cu-Mo flotation plant at Las Tortolas. The life of mine at Los Bronces is greater than 30 years, with significant exploration upside, making Los Bronces a truly world class operation.

Collahuasi Phase 1 and 2

Overall capex: $148m and $212m

Country
Chile

Ownership
44%

Incremental production
19,000 tonnes per annum of copper for Phase 1 and 20,000 tonnes per annum of copper for Phase 2

Full project capex (100% basis)
$148m and $212m respectively

Full production
2012 and 2014 respectively

The Collahuasi mine in Northern Chile is located at 4,400 metres above sea level (masl). The first phase of a number of potential expansion projects was commissioned in the fourth quarter of 2011. Phase 1 will increase sulphide processing capacity to 150 kt per day, yielding an additional 19 ktpa of copper over the estimated life of mine. The Phase 2 expansion project to increase sulphide processing capacity to 160 kt per day was approved in March 2011. The Phase 2 expansion will produce an annual average increment of 20,000 tonnes of copper over the estimated life of the mine and is expected to be commissioned in 2013. A pre-feasibility study is also in progress to evaluate options for the next phases of expansion at Collahuasi, with potential to increase production up to 1 Mt of copper a year.

Quellaveco (unapproved)

Overall capex: TBD

Country
Peru

Ownership
81.9%

Total production of mine when project ramps up to full production (100% basis)
up to 225,000 tonnes per annum of copper (average over first 10 years)

Full project capex (100% basis)
TBD

Full production
2017

The greenfield Quellaveco project is located in Southern Peru at 3,500 masl. The project is currently at the feasibility stage, with potential start up in 2016. Production is forecast at 225 ktpa of copper, with molybdenum and silver by-products. Once at full capacity, the operation is expected to be in the lower half of the cost curve.

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

Michiquillay (unapproved) — Overall capex: TBD

Country
Peru

Ownership
100%

Total production of mine when project ramps up to full production
187,000 tonnes per annum of copper (with expansion potential to 300 ktpa)

Full project capex
TBD

Full production
2020

Michiquillay was acquired in 2007 in a government privatisation. Early stage work continues. The drilling relating to the geological exploration programme has recommenced after completion of discussions with the local communities. It is currently envisaged that the project will move to the pre-feasibility stage following the completion of drilling analysis and ore body modelling.

Pebble (unapproved) — Overall capex: TBD

Country
US

Ownership
50%

Total production of mine when project ramps up to full production (100% basis)
up to 350,000 tonnes per annum of copper, 12 ktpa molybdenum and 600 kozpa gold

Full project capex
TBD

Full production
TBD

Pebble is a 50:50 joint venture located in Alaska, USA. The project has the potential to be large scale, producing up to 350 ktpa copper, plus significant gold and molybdenum by-products. The operation is expected to be in the lower half of the cost curve once at full production. Activity continues with focus on completing the pre-feasibility study by late 2012 and targeting production early in the next decade. An environmental baseline document highlighting key scientific and socio-economic data was delivered to government agencies in late 2011. Environmental issues remain a key priority.

01 Taking topographical measurements at Confluencia, with the new stockpile building in the background.

PRODUCTION DATA

Production (tonnes)	2011	2010	2009	2008	2007
Collahuasi (attributable basis)					
Copper cathode	**15,900**	17,100	19,000	21,700	25,600
Copper in concentrate	**183,600**	204,700	216,800	182,600	173,300
Total copper production for Collahuasi	**199,500**	**221,800**	**235,800**	**204,300**	**198,900**
Anglo American Sur					
Los Bronces copper cathode	**38,400**	42,600	45,500	43,700	46,400
Los Bronces copper in sulphate	**4,600**	4,100	2,900	2,100	1,900
Los Bronces copper in concentrate	**178,800**	174,700	190,000	190,000	182,900
Total copper production for Los Bronces	**221,800**	**221,400**	**238,400**	**235,800**	**231,200**
El Soldado copper cathode	**5,000**	4,700	4,200	6,700	7,500
El Soldado copper in concentrate	**41,900**	35,700	37,200	43,100	65,300
Total copper production for El Soldado	**46,900**	**40,400**	**41,400**	**49,800**	**72,800**
Chagres Smelter					
Copper blister/anode	**138,200**	137,900	137,700	146,100	164,100
Copper blister/anode (third party)	**–**	–	2,500	1,000	–
Acid	**487,500**	466,700	457,600	486,600	493,400
Total copper production from Anglo American Sur[1]	**268,700**	**261,800**	**282,300**	**286,600**	**304,000**
Anglo American Norte					
Mantos Blancos copper cathode	**36,000**	39,100	46,200	39,600	48,700
Mantos Blancos copper in concentrate	**36,100**	39,500	44,000	46,800	40,200
Total copper production for Mantos Blancos	**72,100**	**78,600**	**90,200**	**86,400**	**88,900**
Mantoverde – copper cathode	**58,700**	61,100	61,500	62,500	61,000
Total copper production from Anglo American Norte[1]	**130,800**	**139,700**	**151,700**	**148,900**	**149,900**
Total Copper segment copper production	**599,000**	**623,300**	**669,800**	**639,800**	**652,800**

(1) Includes total concentrate, cathode and copper in sulphate production and blister/anode produced from third party.

01 In the Confluencia area of Los Bronces, this overland conveyor transports new coarse ore to a stockpile, from where the ore is fed to the SAG mill.

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Ore Reserve and Mineral Resource estimates as at 31 December 2011

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The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

Copper – Operations ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained metal 2011	Contained metal 2010
Collahuasi (OP)[1]	44.0	68		Mt	Mt	%Cu	%Cu	kt	kt
Oxide and Mixed (TCu)			Proved	0.0	0.1	0.60	1.66	0	2
Heap Leach			Probable	35.4	29.3	0.63	0.66	224	193
			Total	**35.4**	**29.4**	**0.63**	**0.66**	**224**	**195**
Sulphide (TCu)			Proved	285.0	286.6	1.07	1.04	3,042	2,985
Flotation – direct feed			Probable	1,640.3	1,366.8	0.93	0.95	15,177	12,968
			Total	**1,925.3**	**1,653.4**	**0.95**	**0.96**	**18,219**	**15,952**
Low Grade Sulphide (TCu)			Proved	–	–	–	–	–	–
Flotation – stockpile			Probable	935.2	775.9	0.49	0.51	4,596	3,924
			Total	**935.2**	**775.9**	**0.49**	**0.51**	**4,596**	**3,924**
El Soldado (OP)	75.5	23				%Cu	%Cu		
Sulphide (TCu)			Proved	95.4	84.2	0.96	1.00	915	843
Flotation[2]			Probable	67.3	52.4	0.79	0.83	533	433
			Total	**162.7**	**136.6**	**0.89**	**0.93**	**1,448**	**1,276**
Oxide (TCu)			Proved	–	1.9	–	0.81	–	16
Heap Leach[3]			Probable	3.5	3.5	0.46	0.52	16	18
			Total	**3.5**	**5.4**	**0.46**	**0.62**	**16**	**33**
Los Bronces (OP)[4]	75.5	34				%Cu	%Cu		
Sulphide (TCu)			Proved	899.6	712.9	0.69	0.73	6,208	5,205
Flotation[5]			Probable	598.8	794.5	0.51	0.55	3,054	4,370
			Total	**1,498.4**	**1,507.4**	**0.62**	**0.64**	**9,261**	**9,575**
Sulphide (TCu)			Proved	486.6	384.4	0.35	0.37	1,703	1,421
Dump Leach[6]			Probable	197.1	350.1	0.27	0.29	532	1,015
			Total	**683.7**	**734.5**	**0.33**	**0.33**	**2,235**	**2,436**
Mantos Blancos (OP)	100	10				%Cu	%Cu		
Sulphide (ICu)			Proved	26.3	16.2	0.83	0.88	218	143
Flotation[7]			Probable	19.7	29.6	0.80	0.84	157	249
			Total	**46.0**	**45.8**	**0.82**	**0.85**	**376**	**392**
Oxide (ASCu)			Proved	8.3	6.2	0.54	0.53	45	33
Vat and Heap Leach[8]			Probable	16.3	15.6	0.33	0.30	54	47
			Total	**24.7**	**21.8**	**0.40**	**0.37**	**99**	**80**
Oxide (ASCu)			Proved	2.1	2.3	0.18	0.19	4	4
Dump Leach[9]			Probable	49.6	57.2	0.23	0.23	115	134
			Total	**51.7**	**59.5**	**0.23**	**0.23**	**119**	**138**
Mantoverde (OP)	100	6				%Cu	%Cu		
Oxide (ASCu)			Proved	33.3	36.5	0.59	0.57	196	208
Heap Leach[10]			Probable	9.5	15.3	0.55	0.55	52	84
			Total	**42.7**	**51.8**	**0.58**	**0.56**	**248**	**292**
Oxide (ASCu)			Proved	27.2	29.1	0.24	0.24	65	70
Dump Leach[11]			Probable	18.2	22.1	0.28	0.28	51	62
			Total	**45.4**	**51.2**	**0.26**	**0.26**	**116**	**132**

Mining method: OP = Open Pit. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
TCu = total copper, ICu = insoluble copper (total copper less acid soluble copper), ASCu = acid soluble copper.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Collahuasi:** The increase in Ore Reserves is due to a combination of conversion from Mineral Resources to Ore Reserves due to new information and higher Long Term metal prices resulting in changes to the pit designs for Rosario along with a decrease in overall cut-off grade (0.34%-0.30%TCu). The sub-product average estimated grade for molybdenum is 0.022% for Ore Reserves and the average estimated grade for Mineral Resources is 0.021%.

(2) **El Soldado – Sulphide (Flotation):** Changes in Ore Reserves are primarily due to economic assumptions (increase in metal price) resulting in the addition of a new phase 7 to the Life of Mine Plan which is supported by new drilling information from the 'Manto Rojo' area leading to conversion of Mineral Resources to Ore Reserves. Other changes influencing the increase in Ore Reserves include the closure of the underground operations in November 2010, resulting in the re-allocation of Ore Reserves from underground to the revised open-pit. Mineral Resources decreased due to conversion to Ore Reserves as a result of the change in the Life of Mine Plan. This was partially offset by a gain as a result of the increase in the Long Term Copper price and new Information.

(3) **El Soldado – Oxide (Heap Leach):** The decrease in Ore Reserves is primarily due to production. The Mineral Resources decrease due to conversion to Ore Reserves.

(4) **Los Bronces:** The sub-product average estimated grade for molybdenum is 0.014% for the total Ore Reserves quoted and the average estimated grade for Mineral Resources is 0.008%.

(5) **Los Bronces – Sulphide (Flotation):** The decrease in Ore Reserves is due to production and changes in the reserve model as a result of the 2010–11 infill drilling programme. Mineral Resources increase due to an increase in the Long Term metal prices and new information included within the Mineral Resource model.

(6) **Los Bronces – Sulphide (Dump Leach):** The decrease in Ore Reserves is primarily due to production and changes in the reserves model due to new drilling information, which was partially offset by conversion of Mineral Resources to Ore Reserves.

(7) **Mantos Blancos – Sulphide (Flotation):** While there are no significant changes in Ore Reserves, the increase in Mineral Resources is mainly due to the change in economic assumptions (increase in Long Term metal price) and new drilling information at Argentina deposit.

(8) **Mantos Blancos – Oxide (Vat and Heap Leach):** The increase in Ore Reserves is due to increased Long Term metal prices resulting in changes to cut-off grade criteria and the inclusion of new drilling information in oxide pits. The increase in Long Term metal price also accounts for the increase in the Mineral Resources.

(9) **Mantos Blancos – Oxide (Dump Leach):** The decrease in Ore Reserves is primarily due to production. The increase in Mineral Resources is primarily due to the addition of inferred stockpile material primarily from Phase 2 of the Mercedes Dump, followed by old vat tailings from other sources such as 'Banquedaño' Dump.

(10) **Mantoverde – Oxide (Heap Leach):** The decrease in Ore Reserves is primarily due to production and losses associated with a change in model estimation methodology for Kuroki heap material. These losses were partially offset by the addition of Kuroki phase 3 due to the purchase of the Laura-Laurita-Las Casas property. The effects of the increased metal price are offset by higher costs (acid, energy) which result in a decrease in the Mineral Resources. The decrease was partially offset by the re-allocation of Ore Reserves to Mineral Resources at Llano Sur due to higher strip ratios.

(11) **Mantoverde – Oxide (Dump Leach):** The decrease in Ore Reserves is primarily due to production, while the decrease in Mineral Resources is primarily driven by the increase in process and mining costs (acid, energy, contractor mining) resulting in the loss of satellite oxide pits and smaller resource increments.

(12) **Copper Resources:** A test of reasonable eventual economic extraction is applied through consideration of an optimised pit shell. Materials outside the optimised shell that have potential of eventual economic extraction via underground means are included in the Mineral Resource statement.

Audits related to the generation of the Ore Reserve and Mineral Resource statements were carried out by independent consultants during 2011 at the following operations:
El Soldado, Los Bronces, Mantos Blancos and Mantoverde.

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Ore Reserve and Mineral Resource estimates as at 31 December 2011

Copper – Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained metal 2011	Contained metal 2010
Collahuasi (OP)[1][12]	44.0		Mt	Mt	%Cu	%Cu	kt	kt
Oxide and Mixed (TCu)		Measured	–	–	–	–	–	–
Heap Leach		Indicated	15.1	10.5	0.60	0.61	90	64
		Measured and Indicated	**15.1**	**10.5**	**0.60**	**0.61**	**90**	**64**
		Inferred (in LOMP)	3.9	10.2	0.62	0.84	24	86
		Inferred (ex. LOMP)	0.3	9.4	0.61	0.72	2	68
		Total Inferred	**4.2**	**19.7**	**0.62**	**0.78**	**26**	**153**
Sulphide (TCu)		Measured	1.2	2.6	0.78	0.75	9	19
Flotation – direct feed		Indicated	628.9	411.2	0.91	0.92	5,694	3,787
		Measured and Indicated	**630.1**	**413.8**	**0.91**	**0.92**	**5,704**	**3,806**
		Inferred (in LOMP)	660.6	567.7	0.99	0.99	6,532	5,602
		Inferred (ex. LOMP)	1,944.6	2,329.8	0.91	0.93	17,676	21,736
		Total Inferred	**2,605.3**	**2,897.5**	**0.93**	**0.94**	**24,208**	**27,338**
Low Grade Sulphide (TCu)		Measured	1.2	3.7	0.44	0.45	5	17
Flotation – stockpile		Indicated	152.5	151.1	0.46	0.47	698	703
		Measured and Indicated	**153.7**	**154.7**	**0.46**	**0.47**	**704**	**720**
		Inferred (in LOMP)	579.0	234.4	0.44	0.49	2,564	1,153
		Inferred (ex. LOMP)	736.8	909.8	0.46	0.47	3,414	4,273
		Total Inferred	**1,315.8**	**1,144.2**	**0.45**	**0.47**	**5,978**	**5,426**
El Soldado (OP)[12]	75.5				%Cu	%Cu		
Sulphide (TCu)		Measured	21.9	27.8	0.82	0.73	180	203
Flotation[2]		Indicated	18.8	17.0	0.72	0.67	135	114
		Measured and Indicated	**40.7**	**44.8**	**0.77**	**0.71**	**315**	**317**
		Inferred (in LOMP)	20.9	17.5	0.81	0.81	169	142
		Inferred (ex. LOMP)	12.7	22.3	0.71	0.61	90	136
		Total Inferred	**33.6**	**39.8**	**0.77**	**0.70**	**260**	**278**
Oxide (TCu)		Measured	0.1	0.3	0.75	0.82	1	2
Heap Leach[3]		Indicated	0.1	0.2	0.69	0.78	1	2
		Measured and Indicated	**0.2**	**0.5**	**0.71**	**0.80**	**1**	**4**
		Inferred (in LOMP)	–	0.2	–	0.66	–	1
		Inferred (ex. LOMP)	0.1	0.5	0.69	0.74	0	3
		Total Inferred	**0.1**	**0.7**	**0.69**	**0.72**	**0**	**5**
Los Bronces (OP)[4][12]	75.5				%Cu	%Cu		
Sulphide (TCu)		Measured	211.1	118.2	0.45	0.48	950	567
Flotation[5]		Indicated	922.9	1,030.0	0.43	0.42	3,968	4,326
		Measured and Indicated	**1,133.9**	**1,148.1**	**0.43**	**0.43**	**4,918**	**4,893**
		Inferred (in LOMP)	83.7	68.0	0.58	0.54	485	367
		Inferred (ex. LOMP)	3,115.6	2,853.4	0.39	0.38	12,151	10,843
		Total Inferred	**3,199.3**	**2,921.4**	**0.39**	**0.38**	**12,636**	**11,210**
Sulphide (TCu)		Measured	–	–	–	–	–	–
Dump Leach[6]		Indicated	–	–	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**	**–**	**–**
		Inferred (in LOMP)	114.4	108.4	0.26	0.26	298	282
		Inferred (ex. LOMP)	–	–	–	–	–	–
		Total Inferred	**114.4**	**108.4**	**0.26**	**0.26**	**298**	**282**
Mantos Blancos (OP)[12]	100				%Cu	%Cu		
Sulphide (ICu)		Measured	47.8	16.4	0.75	0.75	359	123
Flotation[7]		Indicated	68.1	101.8	0.56	0.63	379	642
		Measured and Indicated	**116.0**	**118.2**	**0.64**	**0.65**	**738**	**765**
		Inferred (in LOMP)	2.7	0.8	0.57	0.78	16	6
		Inferred (ex. LOMP)	27.8	8.3	0.55	0.57	153	47
		Total Inferred	**30.5**	**9.1**	**0.55**	**0.59**	**168**	**53**
Oxide (ASCu)		Measured	14.1	5.8	0.47	0.43	66	25
Vat and Heap Leach[8]		Indicated	10.5	16.6	0.43	0.42	45	70
		Measured and Indicated	**24.5**	**22.4**	**0.45**	**0.42**	**111**	**95**
		Inferred (in LOMP)	1.9	0.6	0.53	0.38	10	2
		Inferred (ex. LOMP)	3.3	3.5	0.47	0.44	16	15
		Total Inferred	**5.2**	**4.1**	**0.49**	**0.43**	**26**	**18**
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach[9]		Indicated	8.3	–	0.20	–	17	–
		Measured and Indicated	**8.3**	**–**	**0.20**	**–**	**17**	**–**
		Inferred (in LOMP)	65.8	0.3	0.23	0.17	154	1
		Inferred (ex. LOMP)	–	13.0	–	0.24	–	31
		Total Inferred	**65.8**	**13.3**	**0.23**	**0.24**	**154**	**32**
Mantoverde (OP)[12]	100				%Cu	%Cu		
Oxide (ASCu)		Measured	21.1	22.3	0.36	0.33	76	74
Heap Leach[10]		Indicated	13.1	25.8	0.42	0.35	55	90
		Measured and Indicated	**34.2**	**48.1**	**0.38**	**0.34**	**131**	**164**
		Inferred (in LOMP)	0.6	0.7	0.53	0.50	3	3
		Inferred (ex. LOMP)	0.9	2.5	0.29	0.31	3	8
		Total Inferred	**1.5**	**3.2**	**0.38**	**0.35**	**6**	**11**
Oxide (ASCu)		Measured	–	–	–	–	–	–
Dump Leach[11]		Indicated	–	–	–	–	–	–
		Measured and Indicated	**–**	**–**	**–**	**–**	**–**	**–**
		Inferred (in LOMP)	0.9	2.3	0.22	0.22	2	5
		Inferred (ex. LOMP)	–	–	–	–	–	–
		Total Inferred	**0.9**	**2.3**	**0.22**	**0.22**	**2**	**5**

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

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Ore Reserve and Mineral Resource estimates as at 31 December 2011

Copper – Projects ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained metal 2011	Contained metal 2010
Quellaveco (OP)[1]	81.9	28		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)			Proved	701.8	701.8	0.65	0.65	4,562	4,562
Flotation			Probable	214.6	214.6	0.63	0.63	1,352	1,352
			Total	**916.4**	**916.4**	**0.65**	**0.65**	**5,914**	**5,914**

Copper – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained metal 2011	Contained metal 2010
Quellaveco (OP)[1]	81.9		Mt	Mt	%Cu	%Cu	kt	kt
Sulphide (TCu)		Measured	196.8	196.8	0.40	0.40	787	787
Flotation		Indicated	627.0	627.0	0.45	0.45	2,822	2,822
		Measured and Indicated	**823.8**	**823.8**	**0.44**	**0.44**	**3,609**	**3,609**
		Inferred (in LOMP)	8.1	8.1	0.72	0.72	58	58
		Inferred (ex. LOMP)	174.9	174.9	0.44	0.44	770	770
		Total Inferred	**183.0**	**183.0**	**0.45**	**0.45**	**828**	**828**
Mantoverde Sulphide Project[2]	100				%Cu	%Cu		
Sulphide (TCu)		Measured	109.8	81.1	0.67	0.68	736	552
Flotation		Indicated	34.2	37.8	0.63	0.68	216	257
		Measured and Indicated	**144.0**	**119.0**	**0.66**	**0.68**	**951**	**809**
		Inferred	44.3	53.1	0.65	0.64	288	340
Pebble (OP/UG)[3][4][5][6][7]	50.0				%Cu	%Cu		
Cu-Au-Mo Porphyry		Measured[4]	507.9	510.0	0.34	0.34	1,715	1,734
		Indicated[5]	4,761.0	4,890.0	0.46	0.46	21,739	22,494
		Measured and Indicated	**5,268.8**	**5,400.0**	**0.45**	**0.45**	**23,454**	**24,228**
		Inferred[6]	2,709.5	2,840.0	0.32	0.32	8,587	9,088
Los Sulfatos[8]	75.5				%Cu	%Cu		
Sulphide (TCu)		Inferred	1,200	1,200	1.46	1.46	17,520	17,520
San Enrique Monolito[9]	75.5				%Cu	%Cu		
Sulphide (TCu)		Inferred	900	900	0.81	0.81	7,290	7,290
West Wall[10]	50.0				%Cu	%Cu		
Sulphide (TCu)		Inferred	750	750	0.54	0.54	4,050	4,050

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Mining method: OP = Open Pit, UG = Underground. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Quellaveco:** During 2011 no new drilling was completed at Quellaveco project, therefore Ore Reserves and Mineral Resources remain unchanged. The sub-product estimated grade for molybdenum is 0.019% for Ore Reserves, while the average estimated grade for Mineral Resources is 0.016%.
(2) **Mantoverde Sulphide Project:** Drilling information, a higher copper price and an acquisition of Laura-Laurita-Las Casas sector resulted in the increase of Mineral Resources.
(3) **Pebble:** The Mineral Resources are based on drilling to May 2009 and a block model finalised in December 2009. Reported Mineral Resources fall within a volume defined by resource price estimates and are based on a cut-off grade of 0.40% CuEq. Calculation of copper equivalent (CuEq) is based on Long Term metal prices and takes into consideration the recovery of Copper, Gold and Molybdenum. At a cut-off of 0.60% CuEq the estimate of Measured Resources is 278 Mt at 0.40% Cu, 0.42 g/t Au, 0.020% Mo while the estimate of Indicated Resources is 3,319 Mt at 0.55% Cu, 0.42 g/t Au, 0.030% Mo.
(4) **Pebble co-product estimated grades 2011 (Measured):** Gold 0.36g/t, Molybdenum 0.018%, CuEq average grade 0.66%.
(5) **Pebble co-product estimated grades 2011 (Indicated):** Gold 0.37g/t, Molybdenum 0.027%, CuEq average grade 0.85%.
(6) **Pebble co-product estimated grades 2011 (Inferred):** Gold 0.31g/t, Molybdenum 0.026%, CuEq average grade 0.67%.
(7) **Pebble:** The property comprises 2,042 located Alaska State mineral claims which total 209,996 acres (84,982 hectares) and which are currently valid.
(8) **Los Sulfatos:** The development of 'Tunel Sur', an 8km exploration tunnel that provides safe access to continue drilling the deposit, was completed in 2011. During 2012 drill stations are planned to be excavated, whilst further exploration and resource drilling is expected to start in 2013. The reported resources include mineralisation inside a 1% nominal copper grade cut-off envelope down to the current drillhole depths of 1,000 metres below surface. The test for reasonable prospects of eventual economic extraction is based on an underground operation.
(9) **San Enrique Monolito:** The test for reasonable prospects of eventual economic extraction is based on an underground operation.
(10) **West Wall:** The test for reasonable prospects of eventual economic extraction is based on an open pit operation to a depth of 600m below surface.

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.

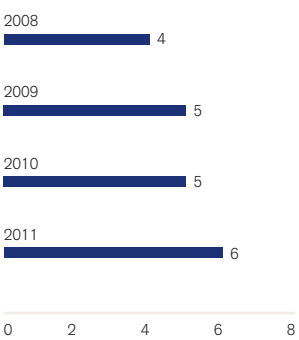
Approximately two-thirds of nickel is used in the production of stainless steel. Just over 20% is used to make other types of steel and for super-alloys, which can withstand extreme temperatures.

Image
Nickel being poured at the new Barro Alto plant, which produced its first metal in March 2011.

FINANCIAL HIGHLIGHTS

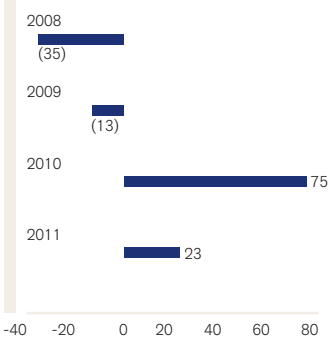
Share of Group net operating assets

%



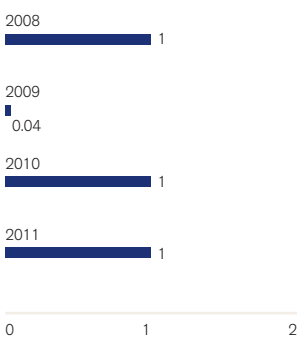
Underlying earnings

$ m



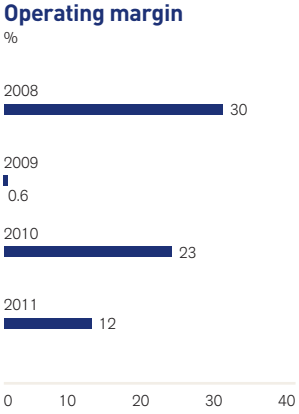
Share of Group operating profit

%



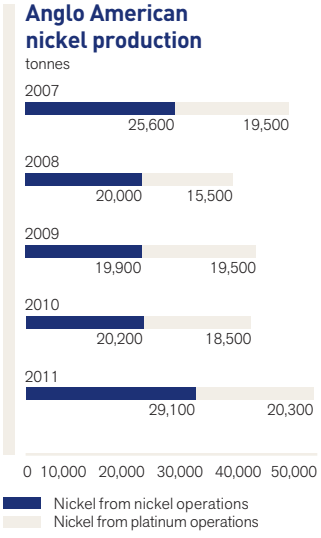
Operating margin

%



Anglo American nickel production

tonnes



FINANCIAL DATA

$ million	2011	2010	2009	2008
Turnover				
Codemin	**203**	195	157	198
Loma de Níquel	**285**	231	191	210
Projects and Corporate	**–**	–	–	–
Total turnover	**488**	**426**	**348**	**408**
EBITDA				
Codemin	**77**	83	49	132
Loma de Níquel	**86**	82	11	48
Projects and Corporate	**(79)**	(43)	(32)	(30)
Total EBITDA	**84**	**122**	**28**	**150**
Depreciation and amortisation	**27**	**26**	**(26)**	**(27)**
Operating profit before special items and remeasurements				
Codemin	**73**	76	41	123
Loma de Níquel	**66**	65	(7)	30
Projects and Corporate	**(82)**	(45)	(32)	(30)
Total operating profit before special items and remeasurements	**57**	**96**	**2**	**123**
Operating special items and remeasurements	**(72)**	(51)	(88)	(130)
Operating profit after special items and remeasurements	**(15)**	**45**	**(86)**	**(7)**
Net interest, tax and non-controlling interests	**(34)**	**(21)**	**(15)**	**(158)**
Underlying earnings				
Codemin	**52**	48	24	94
Loma de Níquel	**29**	55	17	(97)
Projects and Corporate	**(58)**	(28)	(54)	(32)
Total underlying earnings	**23**	**75**	**(13)**	**(35)**
Net operating assets	**2,535**	**2,334**	**1,787**	**1,401**
Capital expenditure	**398**	**525**	**554**	**530**

01

01 At Barro Alto, ore is heated at very high temperatures in these two 185 metre rotary kilns in a process known as calcining, which removes moisture and water crystals from the nickel bearing ore and starts the metallurgical process.

BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $96 m)

$57m

SHARE OF GROUP OPERATING PROFIT
(2010: 1%)

1%

EBITDA
(2010: $122 m)

$84m

Financial highlights

$ million (unless otherwise stated)	2011	2010
Operating profit	**57**	96
EBITDA	**84**	122
Net operating assets	**2,535**	2,334
Capital expenditure	**398**	525
Share of Group operating profit	**1%**	1%
Share of Group net operating assets	**6%**	5%

BUSINESS OVERVIEW

Nickel has three ferronickel operations: Codemin and Barro Alto in Brazil and Loma de Níquel in Venezuela. Within the business unit's portfolio there are also two promising unapproved projects, Jacaré and Morro Sem Boné, both in Brazil, and exploration projects in Finland, Canada and Australia.

01

01 Ladles awaiting installation in the refinery at Barro Alto, which in its first nine months of operation since being commissioned at the end of March 2011 produced 6,200 tonnes of nickel.

INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Nickel's main use is as an alloying metal, along with chromium and other metals, in the production of stainless and heat resistant steel. Approximately two-thirds of nickel is used to manufacture stainless steel and just over 20% in other steel and non-ferrous alloys. Ferronickel's main use is in the manufacturing of stainless steel, with more than 95% used for this purpose.

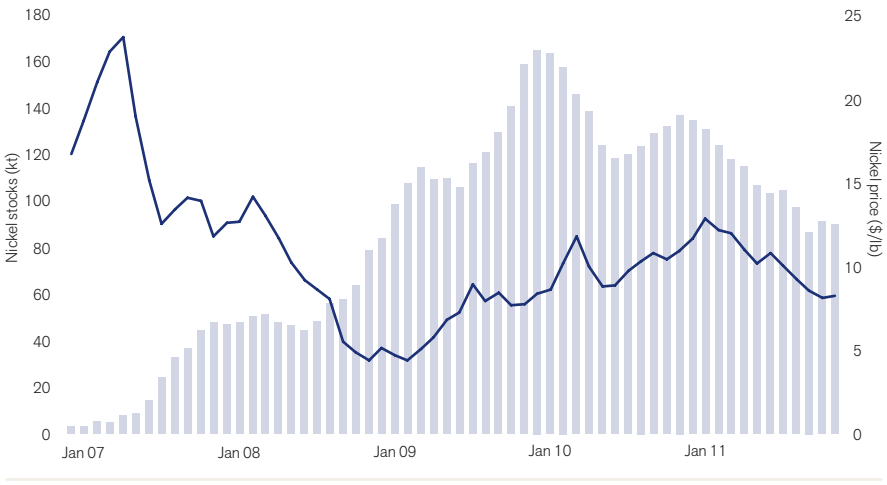
There are two main types of nickel deposits: sulphides and laterites. Sulphide ore contains a significant number of by-products such as gold, silver, copper and platinum group metals, which generate processing credits, but the cost of mining this type of ore tends to be higher as underground mining is necessary. Laterites can be mined by open pit methods, with resultant lower mining costs, however, processing costs are higher. Sulphide nickel production has been decreasing in the last two decades; in 2011 almost 50% of global production came from sulphides, down from 70% in 1993. We consider the future of the nickel industry to lie mainly in the economic exploitation of laterite deposits.

In the first half of 2011, the nickel market was in deficit by approximately 33,000 tonnes as demand increased on the back of restocking by the stainless steel industry, while supply remained constrained owing to a series of unexpected mine disruptions and continued delays to new projects. The situation reversed in the second half of the year as supply increased following the ramping-up of several greenfield projects and the reactivation and expansion of existing operations. Uncertainty around the European economic situation and a slowdown in Chinese stainless steel production negatively impacted demand, and the market was broadly in balance for the full year.

Global ferronickel production increased to 378,000 tonnes in 2011 from 336,000 tonnes in 2010 – a 13% increase. Once again, China dominated global nickel demand, accounting for approximately 42%, a 14% increase when compared with the previous year.

Nickel prices fell sufficiently to have a real impact on costly nickel pig iron (NPI) run rates, encouraging stainless steel producers in China to switch back to refined metal and ferronickel. Chinese importers have pushed nickel ore stocks to new historical highs as demand from NPI producers wanes.

Nickel stocks and prices



Source: Anglo American Commodity Research

Markets

Average nickel price (c/lb)	2011	2010
Average market price (LME, cash)	1,035	989
Average realised price (c/lb)	1,015	986

The average market nickel price was 5% higher than in 2010. During the first half of the year the nickel price was supported by demand growth from the stainless steel industry and a supply gap owing to mine disruptions and delays to a number of projects. The price peaked in February above 1,310c/lb. However, prices softened considerably in the second half, reflecting ongoing concern around uncertainty over the near term outlook for the global economy, softer summer demand in the northern hemisphere, higher supply from new projects (including Barro Alto) and higher NPI production. As a consequence, the nickel price fell to a low of under 770c/lb in November, before closing the year at 829c/lb.

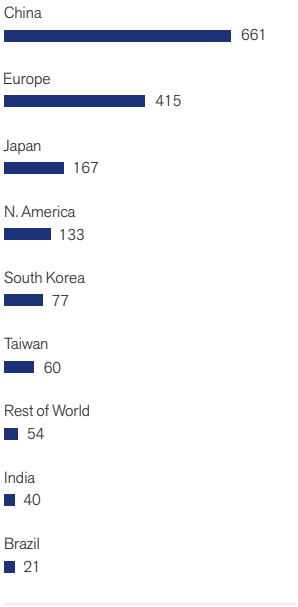
The market was broadly in balance in 2011; global nickel consumption increased by around 7%, while supply increased by around 12%.

China continued to be a key consumer of nickel in 2011, contributing more than 40% of global stainless steel production in the year. Nickel consumption growth in China is expected to outpace other markets in 2012, although the North American market may surprise on the upside, while demand in Europe and the rest of Asia is expected to decrease.

MARKET INFORMATION

Leading nickel consumers

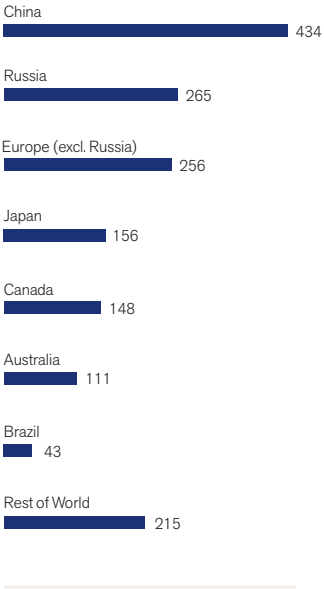
(2011 refined nickel consumption)
2011 World total: 1,629 kt
kt contained Ni



Source: Brook Hunt – a Wood Mackenzie company

Leading nickel refinery production by country

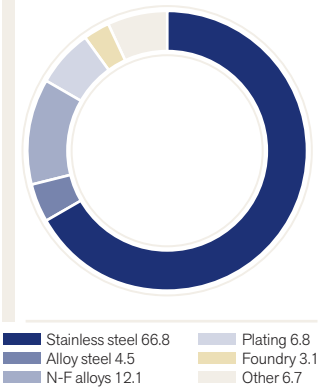
2011 World total 1,628 kt
kt



Source: Brook Hunt – a Wood Mackenzie company

Global nickel consumption by first use

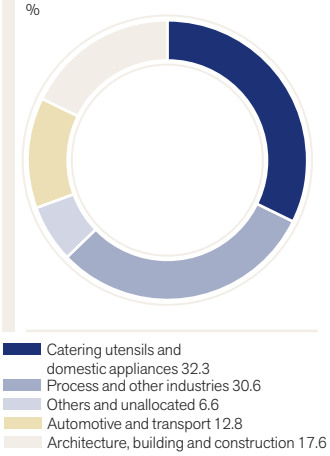
%



Source: Brook Hunt – a Wood Mackenzie company

Global stainless steel product consumption by end use

%



Source: Brook Hunt – a Wood Mackenzie company

STRATEGY AND GROWTH

STRATEGY AND GROWTH

Nickel's core strategy is to be a major, low cost ferronickel producer by the effective management of existing assets, continued focus on asset optimisation delivery and value maximisation through the development of world class deposits and evaluation of acquisition opportunities.

First metal from the Barro Alto ferronickel operation was produced on schedule in March 2011. Barro Alto has the potential to be one of the top five ferronickel operations in the world and its continued successful ramp-up is a key strategic goal. The new nickel plant will have a competitive cost position and a new marketing strategy has been implemented to leverage Group expertise and take advantage of the increased production.

Nickel's commitment to increasing competitiveness is demonstrated by investment in a research project called ARNi. The project is developing a hydrometallurgical process to treat laterite deposits economically.

A pilot plant was commissioned in January 2011, and two leach pilot campaigns were run using ore from the nickel laterite deposit at Jacaré. These campaigns showed that the leach technology worked better than anticipated, and successfully produced a nickel and cobalt intermediate product with very good recoveries. The pilot also produced high quality design data which will enable us to scale up to demonstration and commercial plants.

The technical success during 2011 has laid the foundation for ARNi as a technically and environmentally viable competitor for nickel laterite leaching. The financial viability of the process will be evaluated during the course of 2012.

01 Production operator Edineia Liberato Pereira at Barro Alto's ore preparation plant.

PROJECT PIPELINE – KEY PROJECTS

Barro Alto

Overall capex: $1,900m

Country
Brazil

Ownership
100%

Incremental production
36,000 tonnes per annum of nickel[1]

Full project capex
$1,900m

Full production
Q1 2013

The Barro Alto project is located in the state of Goias, Brazil, approximately 170 km from Anglo American's existing Codemin nickel operation. The project was approved in December 2006 and first metal was produced on schedule in March 2011 at a capital cost of $1.9 billion. Average production will be 36 ktpa[1] of nickel (41 ktpa over the first five years), more than doubling production from our Nickel business. Once at full production, the operation is expected to be in the lower half of the cash cost curve. Conventional smelter-refinery technology will be used to process the saprolite ore to produce ferro-nickel, which is a technology already used by Anglo American at its existing nickel operations.

Jacaré (unapproved)

Overall capex: TBD

Country
Brazil

Ownership
100%

Incremental production
more than 35,000 tonnes per annum of nickel

Full project capex
TBD

First production date
TBD

The Jacaré project is located in Brazil and, at full production, is expected to operate in the lower half of the cost curve. Phase 1 of the project could potentially deliver 35 ktpa of nickel, with Phase 2 potentially delivering a further 50 ktpa with cobalt by-products.

Morro Sem Boné (unapproved)

Overall capex: TBD

Country
Brazil

Ownership
100%

Incremental production
~30,000 tonnes per annum of nickel

Full project capex
TBD

First production
TBD

Morro Sem Boné is located in Brazil and is expected to operate in the lower half of the cost curve.

[1] 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.

PRODUCTION DATA

Production (tonnes)	2011	2010	2009	2008	2007
Codemin					
Ore mined[1]	**549,900**	493,900	547,700	498,400	539,300
Ore processed	**562,900**	488,300	512,000	475,900	522,600
Ore grade processed (% Ni)	**1.9**	1.9	2.1	2.1	2.1
Production	**9,500**	**8,500**	**9,500**	**9,100**	**9,900**
Loma de Níquel					
Ore mined	**1,302,600**	714,200	822,700	811,000	1,183,200
Ore processed	**1,014,200**	798,000	641,800	676,800	1,096,100
Ore grade processed (% Ni)	**1.5**	1.6	1.6	1.6	1.6
Production	**13,400**	**11,700**	**10,400**	**10,900**	**15,700**
Barro Alto[2]					
Ore mined	**978,000**	723,600	–	–	–
Ore processed	**456,500**	–	–	–	–
Ore grade processed (% Ni)	**2.0**	–	–	–	–
Production	**6,200**	**–**	**–**	**–**	**–**
Total Nickel segment nickel production	**29,100**	**20,200**	**19,900**	**20,000**	**25,600**
Platinum nickel production[3]	**20,300**	**18,500**	**19,500**	**15,500**	**19,200**
Total attributable nickel production	**49,400**	**38,700**	**39,400**	**35,500**	**44,800**

(1) Represents ore mined at Barro Alto for processing at Codemin.
(2) Barro Alto is not currently in commercial production and therefore all revenue and related costs associated with 6,200 tonnes (2010: nil) of production have been capitalised.
(3) Northam Platinum Limited was transferred to a disposal group in September 2007. Production information excludes Northam Platinum Limited. Northam Platinum Limited was sold on 20 August 2008.

01

01 (Left to right) Production technicians Valério Vieiru de Souza and Eliel de Castro in the control room at Barro Alto.

NICKEL

Ore Reserve and Mineral Resource estimates as at 31 December 2011

NICKEL

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

Nickel – Operations ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained metal 2011	Contained metal 2010
Barro Alto (OP)[1]	100	32		Mt	Mt	%Ni	%Ni	kt	kt
Laterite			Proved	21.2	16.0	1.66	1.75	352	279
			Probable	31.0	31.6	1.55	1.65	481	520
			Total	**52.2**	**47.5**	**1.60**	**1.68**	**833**	**798**
Loma de Níquel (OP)[2]	91.4	4				%Ni	%Ni		
Laterite			Proved	2.1	3.9	1.53	1.54	32	60
			Probable	2.5	5.8	1.44	1.44	36	83
			Total	**4.6**	**9.7**	**1.48**	**1.48**	**68**	**143**
Niquelândia (OP)[3]	100	25				%Ni	%Ni		
Laterite			Proved	3.7	5.8	1.35	1.29	50	74
			Probable	0.9	1.9	1.33	1.24	12	24
			Total	**4.6**	**7.7**	**1.35**	**1.28**	**63**	**98**

Nickel – Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained metal 2011	Contained metal 2010
Barro Alto (OP)[1]	100		Mt	Mt	%Ni	%Ni	kt	kt
Laterite		Measured	7.8	9.1	1.42	1.50	111	137
		Indicated	5.3	9.8	1.12	1.22	59	119
		Measured and Indicated	**13.2**	**18.9**	**1.30**	**1.35**	**171**	**256**
		Inferred (in LOMP)	45.4	45.5	1.51	1.51	686	685
		Inferred (ex. LOMP)	16.2	17.1	1.20	1.18	194	202
		Total Inferred	**61.6**	**62.6**	**1.43**	**1.42**	**880**	**887**
Loma de Níquel (OP)[2]	91.4				%Ni	%Ni		
Laterite		Measured	1.8	0.5	1.37	1.43	24	7
		Indicated	3.9	1.5	1.30	1.37	51	21
		Measured and Indicated	**5.7**	**2.0**	**1.32**	**1.39**	**75**	**28**
		Inferred (in LOMP)	0.1	0.1	1.38	1.78	2	2
		Inferred (ex. LOMP)	1.5	1.1	1.38	1.59	21	18
		Total Inferred	**1.7**	**1.3**	**1.38**	**1.61**	**23**	**20**
Niquelândia (OP)[3]	100				%Ni	%Ni		
Laterite		Measured	2.9	1.0	1.26	1.25	37	12
		Indicated	3.1	2.2	1.24	1.24	39	27
		Measured and Indicated	**6.0**	**3.2**	**1.25**	**1.24**	**75**	**40**
		Inferred (in LOMP)	–	–	–	–	–	–
		Inferred (ex. LOMP)	–	–	–	–	–	–
		Total Inferred	**–**	**–**	**–**	**–**	**–**	**–**

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Nickel – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained metal 2011	Contained metal 2010
Jacaré[4]	100		Mt	Mt	%Ni	%Ni	kt	kt
Ferruginous Laterite		Measured	6.3	0.5	1.15	1.19	72	6
		Indicated	53.8	96.8	1.21	1.18	653	1,144
		Measured and Indicated	**60.1**	**97.3**	**1.21**	**1.18**	**726**	**1,149**
		Inferred	125.0	73.9	1.17	1.15	1,468	850
Saprolite		Measured	–	–	–	–	–	–
		Indicated	39.6	33.9	1.49	1.52	589	517
		Measured and Indicated	**39.6**	**33.9**	**1.49**	**1.52**	**589**	**517**
		Inferred	81.9	83.7	1.39	1.37	1,138	1,149

Mining method: OP = Open Pit. Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Barro Alto:** The increase in Ore Reserves is as a result of the application of a higher metal price resulting in updated mining factors allowing the inclusion of lower grade blocks. The increased high-grade production, higher mining rate and therefore higher dilution also contributed to the decrease in overall grade. The decrease in Mineral Resources is as a result of conversion to Ore Reserves due to infill drilling leading to an updated geological model. Mineral Resources are quoted above a 0.9% Ni cut-off and below an iron content of 30% Fe. The Mineral Resources include 7.2 Mt of Ferruginous Laterite at an average grade of 1.18% Ni.

(2) **Loma de Níquel:** The decrease in Ore Reserves is primarily due to re-allocation of Ore Reserves to Mineral Resources as a result of the final pit being redesigned and constrained within the concession areas covered by the relevant permits. Production accounts for 1.6 Mt of the decrease in Ore Reserves. The Mineral Resources increased solely as a result of re-allocation of Ore Reserves to Mineral Resources. Refer to note 5 in the Financial statements. The mining concessions are due for renewal in November 2012. Mineral Resources include all mineralisation inside a saprolite envelope defined by Nickel and Iron grade boundaries (>0.80% Ni and <35% Fe).

(3) **Niquelândia:** The decrease in Ore Reserves is a result of increased mining and processing costs within the latest mine plan developed for Niquelândia and the re-allocation of Ore Reserves to Mineral Resources, increasing the Mineral Resources. Mineral Resources are quoted above a 0.9% Ni cut-off and below an Iron content of 30% Fe. Codemin is the Ferro-Nickel smelter adjacent to the Niquelândia Mine.

(4) **Jacaré:** The overall increase in the Ferruginous Laterite and Saprolite Mineral Resources is due to the completion of a drilling campaign, the results of which have been included in the current Mineral Resource model with a new classification methodology applied. In addition to the Resource pit shell developed for the Concept Study and use of a cut-off of 1.3% Ni, a minimum mineralised width of 1m must be present to allow material to be categorised as higher-grade Saprolite Mineral Resource. The Plano de Aproveitamento Economico (PAE) is currently under consideration by Brazil's Departamento Nacional de Produção Mineral (DNPM). The Saprolite Resources tabulated are a combination of higher-grade resources (>1.3% Ni) that are expected to feed a pyrometallurgical treatment facility and lower-grade resources (1.3% – 0.9% Ni) that could be used to neutralise the acid in the proposed hydrometallurgical treatment of the Ferruginous Laterite material while still recovering Nickel in the process.

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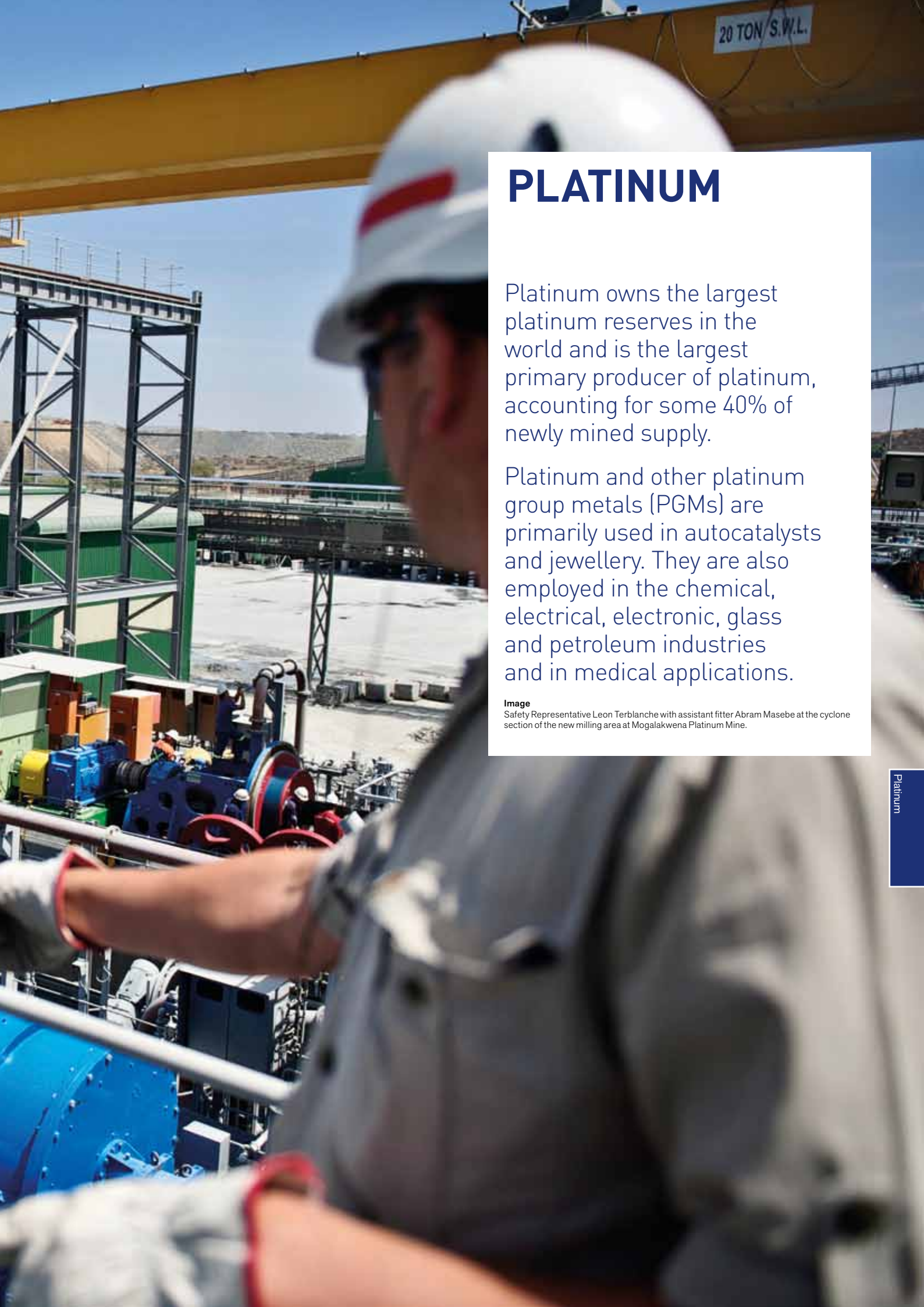
01 Inside the dispatch area at Barro Alto.

02 Digger driver Erailde Belo Macedo at the primary crusher in Barro Alto plant.


VERLINDE



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.

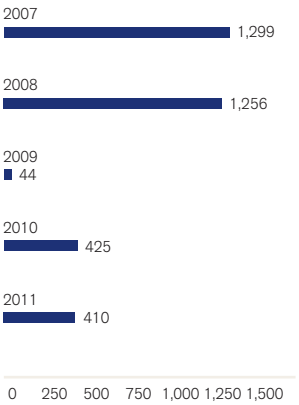
Platinum and other platinum group metals (PGMs) are primarily used in autocatalysts and jewellery. They are also employed in the chemical, electrical, electronic, glass and petroleum industries and in medical applications.

Image
Safety Representative Leon Terblanche with assistant fitter Abram Masebe at the cyclone section of the new milling area at Mogalakwena Platinum Mine.

FINANCIAL HIGHLIGHTS

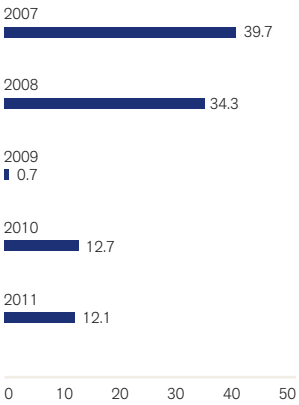
5 year underlying earnings

$ m



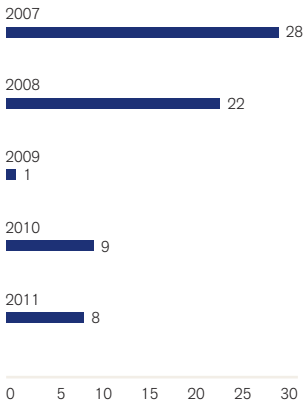
Operating margin

%



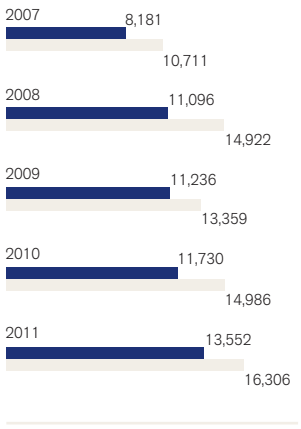
Share of Group operating profit

%



Platinum operating costs

ZAR/ounce



Cash operating cost per equivalent refined Pt ounce*

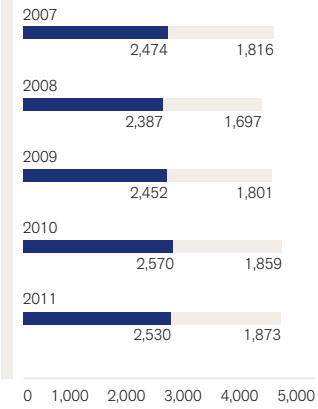
Cost of sales per total Pt ounce sold†

* Cash operating cost per equivalent refined Pt ounce excludes ounces from purchased concentrate and associated costs

† Total Pt ounces sold = refined Pt ounces sold plus Pt ounces sold in concentrate

Platinum production*

Ounces (thousand)



Platinum

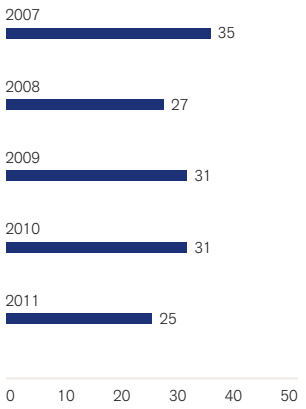
Palladium, rhodium and gold

* Excludes share of Northern Platinum Limited

Excludes production of nickel and copper

Share of Group net operating assets

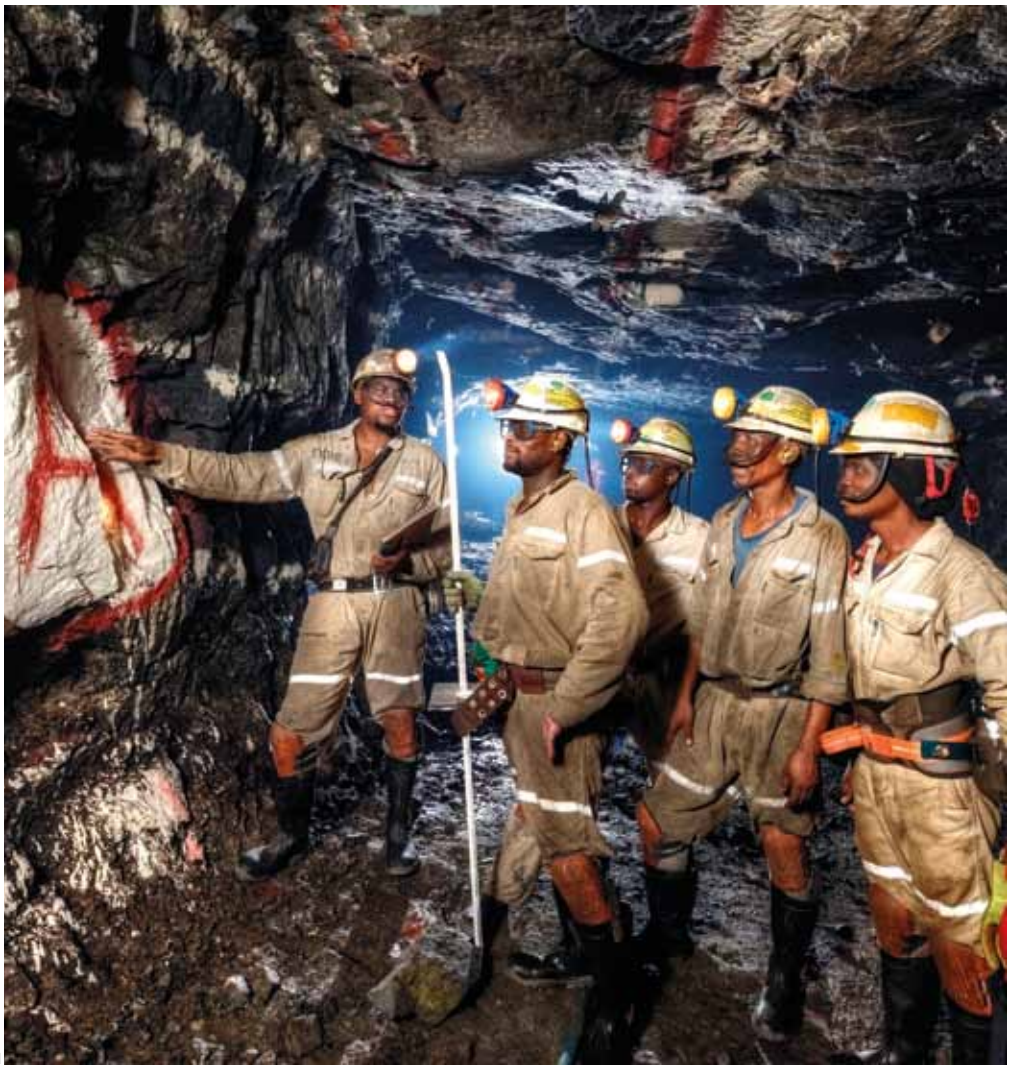
%



FINANCIAL DATA

Total refined production	2011	2010	2009	2008	2007
Platinum (troy ounces)	**2,530,100**	2,569,900	2,451,600	2,386,600	2,474,000
Palladium (troy ounces)	**1,430,700**	1,448,500	1,360,500	1,318,800	1,389,700
Rhodium (troy ounces)	**337,600**	328,900	349,900	299,300	328,800
Nickel (tonnes)	**20,300**	18,500	19,500	15,500	19,200

Turnover ($m)	2011	2010	2009	2008	2007
Subsidiaries and joint ventures	**7,090**	6,365	4,488	6,288	6,673
Associates	**269**	237	47	39	116
Total turnover	**7,359**	**6,602**	**4,535**	**6,327**	**6,789**
EBITDA	**1,672**	**1,624**	**677**	**2,675**	**3,155**
Depreciation and amortisation	**782**	**787**	**645**	**506**	**458**
Operating profit before special items and remeasurements	**890**	**837**	**32**	**2,169**	**2,697**
Operating special items and remeasurements	**(6)**	(72)	(104)	(19)	–
Operating profit after special items and remeasurements	**884**	**765**	**(72)**	**2,150**	**2,697**
Net interest, tax and non-controlling interests	**(480)**	**(412)**	**12**	**(913)**	**(1,398)**
Total underlying earnings	**410**	**425**	**44**	**1,256**	**1,299**
Net operating assets	**11,191**	**13,478**	**12,141**	**9,045**	**9,234**
Capital expenditure	**970**	**1,011**	**1,150**	**1,563**	**1,479**



01

01 (Left to right) At the Bathopele mine, miner Sydney Mabale explains the safety marking system to LHD operator Phillemon Molemi, sweeper Kenneth Xhantini, and LHD operators Petrick Semalkhe and Annanias Makgala.

BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $837 m)

$890 m

SHARE OF GROUP OPERATING PROFIT
(2010: 9%)

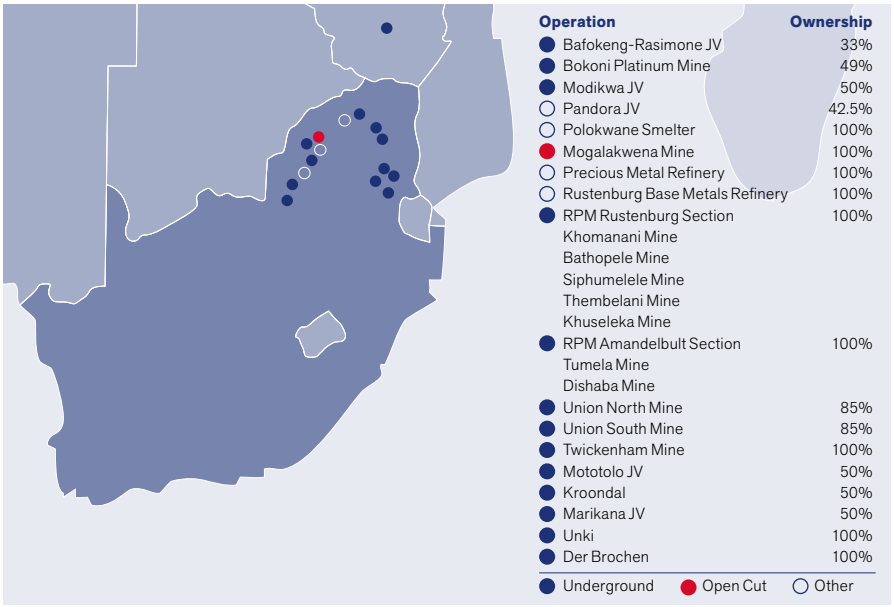
8%

EBITDA
(2010: $1,624 m)

$1,672 m

Financial highlights

$ million (unless otherwise stated)	2011	2010
Operating profit	**890**	837
EBITDA	**1,672**	1,624
Net operating assets	**11,191**	13,478
Capital expenditure	**970**	1,011
Share of Group operating profit	**8%**	9%
Share of Group net operating assets	**25%**	31%



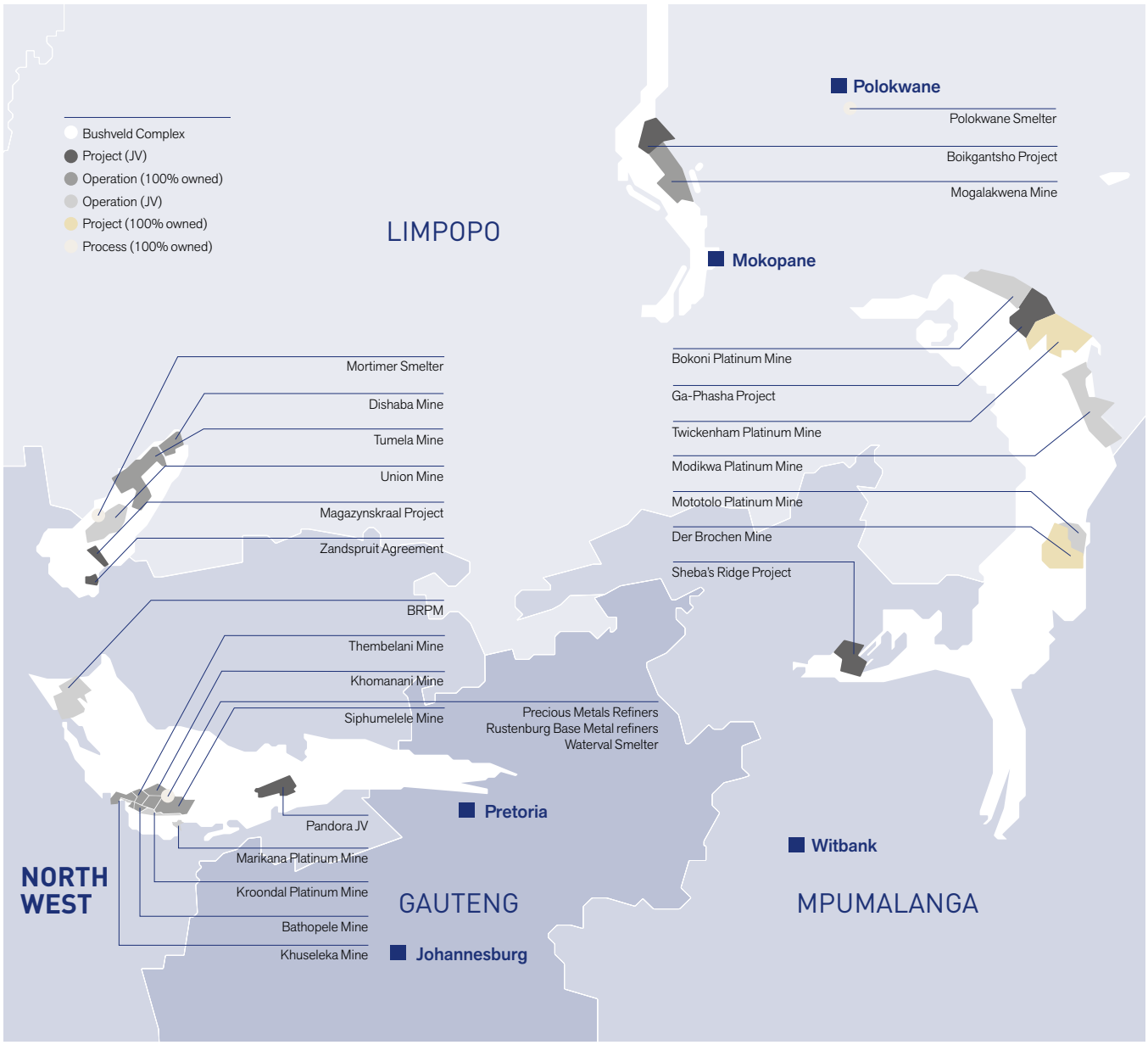
BUSINESS OVERVIEW

Our Platinum business, based in South Africa, is the world's leading primary producer of platinum, accounting for around 40% of global output. Platinum mines, processes and refines the entire range of platinum group metals (PGMs): platinum, palladium, rhodium, ruthenium, iridium and osmium. Base metals such as nickel, copper and cobalt sulphate are important secondary products and are significant contributors to earnings.

Platinum's operations exploit the world's richest reserve of PGMs, known as the Bushveld Complex, which contains PGM-bearing Merensky, UG2 and Platreef ores. The company's access to an excellent portfolio of Ore Reserves ensures it is well placed to be the world's major platinum producer for many years to come.

Platinum wholly owns 10 mining operations currently in production, a tailings re-treatment facility, three smelters, a base metals refinery and a precious metals refinery. Each mine operates its own concentrator facilities, with smelting and refining of the output being undertaken at Rustenburg Platinum Mines' (RPM) metallurgical facilities.

Platinum's 100% owned mining operations now consist of the five mines at Rustenburg Section – Khomanani, Bathopele, Siphumelele, Thembelani and Khuseleka; Amandelbult Section's two mines, Tumela and Dishaba, as well as Mogalakwena and Twickenham mines and the new Unki mine in Zimbabwe. Union Mine is 85% held, with a black economic empowerment (BEE) partner, the Bakgatla-Ba-Kgafela traditional community, holding the remainder.



Platinum also has 50:50 joint ventures with a BEE consortium, led by African Rainbow Minerals, at Modikwa platinum mine; and with XK Platinum Partnership in respect of the Mototolo mine. In addition, Platinum has 50:50 pooling and sharing agreements with Aquarius Platinum covering the shallow reserves of the Kroondal and Marikana mines and portions of the reserves at Thembelani and Khuseleka. Platinum is in partnership with Royal Bafokeng Resources, and has a 33% shareholding in the combined Bafokeng-Rasimone platinum mine (BRPM) and Styldrift properties.

During 2010, the listing of Royal Bafokeng Platinum (RB Plat) was completed successfully. Platinum, through RPM, holds 12.6% of RB Plats' issued share capital. The listing was a landmark transaction marking the fulfilment of Platinum's commitment towards facilitating the creation of an independently controlled and managed, black-empowered PGM producer.

INDUSTRY OVERVIEW

MARKET INFORMATION

INDUSTRY OVERVIEW

PGMs have a wide range of industrial and high technology applications. Demand for platinum is driven primarily by its use in autocatalysts to control emissions from both gasoline and diesel engine vehicles, and in jewellery. These uses are responsible for 70% of total net platinum consumption. PGMs, however, have a wide range of other applications, predominantly in the chemical, electronic, medical, glass and petroleum industries.

The platinum jewellery market requires constant promotion and development. Our Platinum business is the major funder and supporter of the Platinum Guild International (PGI), which plays a key role in encouraging demand for platinum and in establishing new platinum jewellery markets. Since 2000, China has been the leading platinum jewellery market, followed by Europe, Japan and North America.

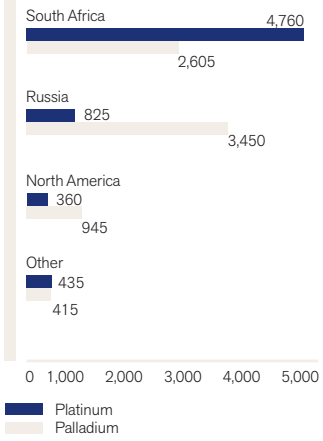
Industrial applications for platinum are driven by technology and, especially in the case of autocatalysts, by legislation. With the rapid spread of exhaust emissions legislation, more than 94% of new vehicles now have autocatalysts fitted. The intensifying stringency of emissions legislation will drive growth in PGM demand.

Palladium's principal application, accounting for about 45% of demand, is in autocatalysts. The metal is also used in electronic components, dental alloys and, more recently, has become an emerging jewellery metal in markets such as China. Palladium demand is expected to continue to increase in 2012, particularly given the volume of gasoline vehicles being produced by emerging market countries such as China, India and Brazil.

Rhodium is an important metal in autocatalytic activity, which accounts for nearly 80% of net demand. Increased stocks of rhodium in the autocatalyst sector, coupled with increased supplies from South Africa, are likely to keep the market in surplus in the short to medium term.

Geographical PGM supply

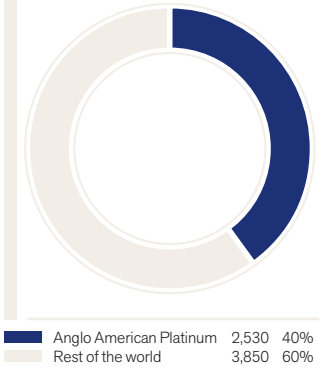
Ounces (thousand)



Source: Anglo American Platinum

2011 Share of world platinum production

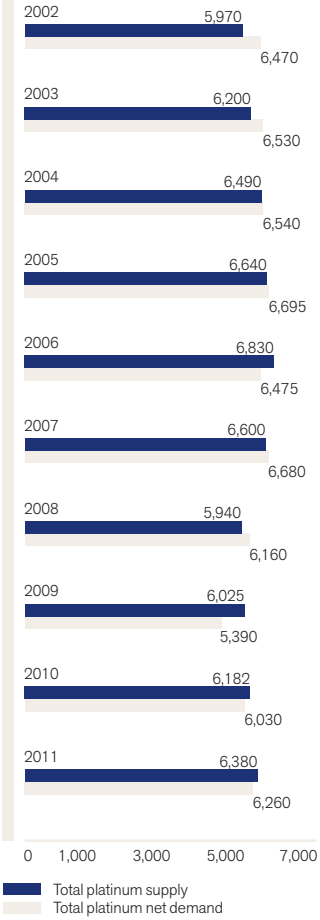
Ounces (thousand)
Total 6,380



Source: Anglo American Platinum

Platinum supply and demand

Ounces (thousand)



Source: Johnson Matthey and Anglo American Platinum

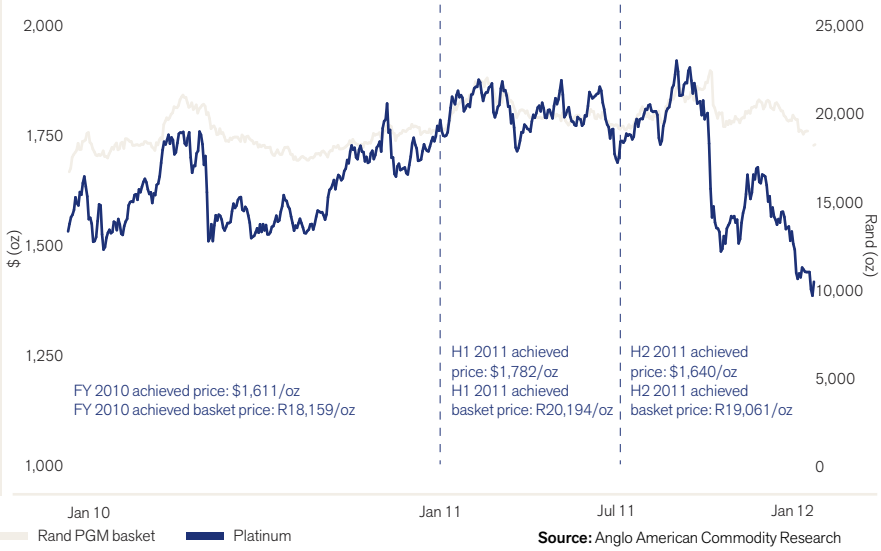
2011 Platinum end use

(Gross demand)
%

Autocatalyst 39.1%
Jewellery 30.5%
Investment 6.1%
Industrial 24.3%

Source: Johnson Matthey 2011 Interim Review

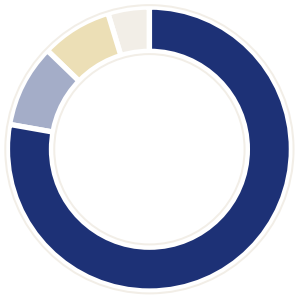
Platinum price



Source: Anglo American Commodity Research

2011 Rhodium end use

(Gross demand)
%



Autocatalyst 77.9%
Glass 9.4%
Chemical 8.0%
Other 4.7%

Source: Johnson Matthey 2011 Interim Review

2011 Share of world palladium production

Ounces (thousand)
Total 7,415

Anglo American Platinum	1,431	19%
Rest of the world	5,984	81%

Source: Anglo American Platinum

2011 Palladium end use

(Gross demand)
%

Autocatalyst 66.5%
Jewellery 6.1%
Investment (2.4%)
Industrial 29.8%

Source: Johnson Matthey 2011 Interim Review

STRATEGY AND GROWTH

STRATEGY AND GROWTH

Our objective is to maintain Platinum's position as the leading primary producer of platinum. We are doing so in two principal ways: first, through managing costs as a priority, by improving productivity, increasing efficiency and through the effective management of supply chain and procurement costs; secondly, through continuing to develop the market for PGMs and to expand production into that growth opportunity.

During 2011, unit cost management proved to be challenging, though costs were contained at R13,552 per equivalent refined platinum ounce. Unit costs are expected to increase with inflation in 2012. Productivity is expected to increase from 2011 levels of 6.32m^2 to an average of 6.8m^2.

Platinum's strategic plan, based on our current view that the market will be adequately supplied, should improve the company's cost position, taking it from the upper half to the lower half of the cost curve. Platinum is steadily improving the reliability of its production capability and continues to entrench cost management throughout the business as a long term and sustainable culture. This will help ensure that Platinum is well positioned to extract optimal value from its assets as the market recovery continues. At the same time, there will continue to be an unremitting focus on safety as Platinum pursues its zero harm objective.

Project capital spend is now directly related to long term ounce requirements. This has led to a reduction in the rate of spend, and all previously deferred projects have been reviewed and are now incorporated into the business's growth for value strategy. Platinum aims to spend R8.8 billion ($1.1 billion) of capital in 2012, excluding capitalised interest.

Platinum is involved in developing mining activity for PGMs on the Great Dyke of Zimbabwe, the second largest repository of platinum after the Bushveld Complex. We are focusing exploration work in Zimbabwe on new projects in the Great Dyke, as well as establishing extensions to the Unki resource base for potential future projects.

01 A Komatsu Haul truck, Mogalakwena Platinum Mine, South Africa.

PROJECT PIPELINE – KEY PROJECTS

Khuseleka ore replacement

Overall capex: $187m

Country
South Africa

Ownership
100% Anglo American Platinum

Replacement production
94,000 Pt. oz per annum

Full project capex
$187m

Full production
Merensky in Q1 2015, UG2 in 2022

The Khuseleka ore replacement project aims to replenish diminishing Merensky Reef output and to supplement existing UG2 Reef output at that shaft by extending the existing decline shaft. The associated project infrastructure includes three ventilation shafts, which were completed in 2010. Merensky Reef development is 99% complete. However, the UG2 Reef development is only 67% complete, against a planned rate of 73% owing to worse than anticipated geological conditions and the doubling of development to allow for ventilation requirements.

Thembelani

Overall capex: $342m

Country
South Africa

Ownership
100% Anglo American Platinum

Replacement production
115,000 Pt. oz per annum

Full project capex
$342m

Full production
Project suspended pending studies for optimal way forward

The Thembelani No 2 shaft project is designed to replace Merensky Reef output at Thembelani, in line with the overall strategy for the Rustenburg mining right area to maximise Merensky production where possible. The Thembelani Merensky replacement project consists of the No 2 main shaft for miners and materials, a ventilation shaft and a series of declines from 28 level to 38 level, including the infrastructure needed to access the Merensky Reef only. Production from the early levels (27/29) started in 2008, and about 47,000 ounces have been produced. The capital development and equipping of 29 level is almost complete. The ventilation shaft has been sunk to its bottom 31 station and is complete. Initial Ore Reserve development from the ventilation shaft commenced in 2011 for early access to the 30 and 31 levels. This was enabled by the commissioning of temporary hoisting facilities in the ventilation shaft. Bulk infrastructure – such as the refrigeration plant, consumer substation, 1-kV substation and 3-kV yard – was also commissioned in 2011. The main shaft is now sunk to 33 level (1,117 m below surface) and station cutting is under way, with 28 and 32 levels having been completed. The project has been suspended (except for shaft sinking to 34L) while studies are underway to improve economic viability above the group hurdle rate.

Dishaba East Upper UG2

Overall capex: $219m

Country
South Africa

Ownership
100% Anglo American Platinum

Incremental production
100,000 Pt. oz per annum

Full project capex
$219m

Full production
Q4 2013

The East Upper UG2 project utilises existing Merensky reef infrastructure at Dishaba No 2 shaft to access the UG2 Reef horizon. The project started in 2007 and was completed in 2011. The backfill project which began in 2004, but was deferred in 2008, recommenced in 2011. Poor ground conditions at 18 level and lower, require backfilling before mining can be executed safely.

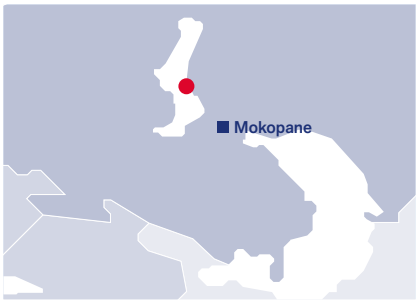
PROJECT PIPELINE – KEY PROJECTS continued

Mogalakwena North

Overall capex: $829m

Country
South Africa
Ownership
100% Anglo American Platinum
Incremental and replacement production
350–400,000 Pt. oz per annum
Full project capex
$829m
Full production
2010

The Mogalakwena North project, aimed at increasing milling capacity at the mine, was approved in 2006. Concentrator optimisation was largely completed during 2011, including the development and optimisation of the tailings storage facilities. This project involved the relocation of a number of villages and the resettlement of 957 families. While most people agreed to relocate in 2008, some villagers resisted the move. Assisted by an independent facilitator, in 2010 the company engaged with the community and its legal adviser in order to find an amicable solution to the issue. A final position by the resisting community is imminent.

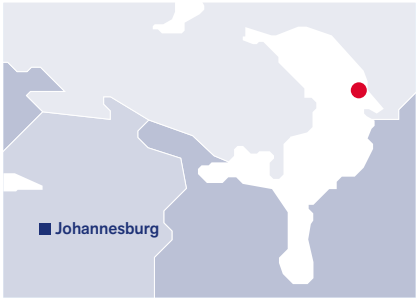


Twickenham

Overall capex: $1,232m

Country
South Africa
Ownership
100% Anglo American Platinum
Replacement production
191, 500 Pt. oz per annum
Full project capex
$1,232m
Full production
2019

The Twickenham project is central to unlocking value for Anglo American Platinum in the Eastern Limb. Major construction work in 2011 included the installation of underground conveyors, chairlifts, surface workshops, and water clarifiers. Rock removal infrastructure has been constructed on level 1. The horizontal development utilising hydro-power equipment will start in the second quarter of 2012. A new, revised investment proposal for mining and infrastructure has been approved after the three year deferral that accompanied recent unfavourable global economic conditions. The complete Twickenham project investment approval is anticipated for the fourth quarter of 2012, and will include a concentrator that is currently at feasibility stage. Development ore is being stockpiled and the concentrator is planned for commissioning in 2016, in line with the project's production plan. The Twickenham project is planned to reach mining steady state of 3 million tonnes of ore mined per annum in 2019.



Base Metals Refinery (BMR)

Overall capex: $360m

Country
South Africa
Ownership
100% Anglo American Platinum
Incremental production
11,000 tonnes per annum of nickel
Full project capex
$360m
Full production
Q3 2012

The objective of the BMR expansion project is to expand the refinery's nickel production capacity from 21.5 to 33 ktpa nickel (Ni) cathode. The project makes allowances for the corresponding increase in copper cathode production as well as the concomitant increase in the production of cobalt sulphate and sodium sulphate. The expansion will be achieved through changes to the process technology as well as capacity expansion through the installation of new equipment. A critical project objective includes maximising re-use of existing assets and minimising process interruption during execution. The BMR expansion project which commenced in the second half of 2007, was restarted in January 2010, following a deferment period. The first Ni cathode from the new automated nickel tank house was produced in March 2011, while chemical changeover completion was achieved during the fourth quarter of 2011. Operational optimisation is under way.

Unki Platinum Mine

Overall capex: $459m

Country
South Africa
Ownership
100% Anglo American Platinum
Incremental production
70 000 Pt. oz per annum refined platinum
Full project capex
$459m
Full production
Q4 2013

Unki is situated near Gweru, on Zimbabwe's Great Dyke and is a 120,000 tonne per month operation. The mine was developed as a mechanised, trackless bord-and-pillar mine. Underground access is obtained through a twin decline shaft system, one being utilised for the transport of personnel and material, and the other for ore conveyance. Both decline shafts are now on reef, with strike belts from eight mining sections transferring ore directly onto the main decline shaft conveyor. Run-of-mine ore is being treated at the newly established 120,000 tonne per month concentrator plant, which reached steady state operation ahead of plan in the third quarter of 2011. It exceeded its planned ramp up profile, producing 51,600 equivalent refined platinum ounces in 2011.

Bathopele Platinum Mine phase 4

Overall capex: $76m

Country
South Africa

Ownership
100% Anglo American Platinum

Incremental production
108 000 Pt. oz per annum refined platinum

Full project capex
$76m

Full production
Q3 2012

Bathopele Mine is situated in the North West province of South Africa, near the town of Rustenburg and within the Western Limb of the Bushveld Igneous Complex. The mine operates under a mining right covering a total area of 17 square kilometres. Bathopele currently consists of 2 declines namely East and Central which have been established to exploit the UG2 reserves at 280 000 tons per month. Phase 4 is an ore replacement project and a natural progression of the previous phases (1 to 3) and employs a proven mine method. It is a fully mechanised operation that mines the UG2 horizon exclusively. Two types of mechanised equipment are utilised namely Low Profile (LP) and Extra Low Profile (XLP) equipment. The mining layout applied in the LP section is Bord and Pillar and in the XLP section, breast mining layout is applied. The project commenced in 2008 and plans to reach steady state in 2012.

Bathopele Platinum Mine phase 5

Overall capex: $1,232m

Country
South Africa

Ownership
100% Anglo American Platinum

Replacement production
136 000 Pt. oz per annum refined platinum

Full project capex
$236m

Full production
Q2 2018

Bathopele Mine is situated in the North West province of South Africa, near the town of Rustenburg and within the Western Limb of the Bushveld Igneous Complex. The mine operates under a mining right covering a total area of 17 square kilometres. Bathopele currently consists of 2 declines namely East and Central which have been established to exploit the UG2 reserves at 280 000 tons per month. Phase 5 is an ore replacement project and a natural progression of the previous phases (1 to 4) and employs a proven mine method. It is a fully mechanised operation that mines the UG2 horizon exclusively. Two types of mechanised equipment are utilised namely Low Profile (LP) and Extra Low Profile (XLP) equipment. The mining layout applied in the LP section is Bord and Pillar and in the XLP section, breast mining layout is applied. The project was approved for implementation in December 2011 and plans to reach steady state in 2018. The scope of the project includes exploitation of UG2 to Bathopele Mine's boundaries by way of extension to the existing Central and East Shafts and makes provision for a new sub-outcrop decline (West Shaft) which is configured per existing declines and connected to Central Shaft by way of an upgraded roadway (3 West Roadway).

01 Construction of the new Rustenburg Base Metals Refiners tankhouse.

PRODUCTION DATA

Total Refined Production

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**2,530.1**	2,569.9	2,451.6	2,386.6	2,474.0
Palladium	000 oz	**1,430.7**	1,448.5	1,360.5	1,318.8	1,389.7
Rhodium	000 oz	**337.6**	328.9	349.9	299.3	328.8
Gold	000 oz	**105.1**	81.3	90.9	78.5	97.9
PGMs	000 oz	**4,887.4**	4,936.9	4,751.2	4,530.8	4,787.1
Nickel	000 tonnes	**20.3**	18.5	19.5	15.5	19.2
Copper	000 tonnes	**12.8**	10.9	11.2	8.8	11.0

Bathopele mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**118.3**	141.6	133.6	112.6	116.3
Palladium	000 oz	**65.8**	81.8	73.9	62.7	66.9
Rhodium	000 oz	**20.9**	24.7	25.9	19.6	22.0
Gold	000 oz	**1.3**	1.4	1.5	1.2	1.6
PGMs	000 oz	**243.2**	292.8	278.0	228.9	240.1
Nickel	000 tonnes	**0.3**	0.3	0.3	0.2	0.2
Copper	000 tonnes	**0.1**	0.1	0.1	0.1	0.2
Cash operating costs	R/oz equivalent refined Pt	**13,168**	10,748	10,647	10,386	7,735

Khomanani mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**102.2**	101.1	105.5	91.3	101.1
Palladium	000 oz	**47.9**	47.2	47.4	39.5	46.5
Rhodium	000 oz	**10.8**	9.7	11.1	7.8	9.2
Gold	000 oz	**4.4**	4.0	4.6	3.8	5.8
PGMs	000 oz	**179.7**	174.6	183.1	152.0	170.2
Nickel	000 tonnes	**0.7**	0.7	0.7	0.5	1.1
Copper	000 tonnes	**0.4**	0.4	0.5	0.4	0.6
Cash operating costs	R/oz equivalent refined Pt	**15,698**	13,911	12,659	11,622	9,600

Thembelani mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**106.4**	97.6	79.3	71.1	85.3
Palladium	000 oz	**55.3**	52.1	40.6	36.9	46.5
Rhodium	000 oz	**15.5**	14.1	13.0	11.1	14.0
Gold	000 oz	**2.7**	2.0	2.1	1.4	2.3
PGMs	000 oz	**205.9**	190.1	155.6	140.1	165.9
Nickel	000 tonnes	**0.6**	0.5	0.5	0.3	0.5
Copper	000 tonnes	**0.3**	0.2	0.2	0.1	0.4
Cash operating costs	R/oz equivalent refined Pt	**14,776**	13,126	13,972	13,839	10,839

Khuseleka mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**133.0**	131.7	157.0	172.8	225.8
Palladium	000 oz	**65.6**	65.0	76.0	82.7	114.9
Rhodium	000 oz	**16.6**	15.2	22.0	21.4	29.8
Gold	000 oz	**4.6**	4.2	5.2	5.1	9.1
PGMs	000 oz	**245.5**	239.1	293.0	315.6	412.2
Nickel	000 tonnes	**0.8**	0.9	1.0	1.1	1.8
Copper	000 tonnes	**0.5**	0.5	0.5	0.6	1.0
Cash operating costs	R/oz equivalent refined Pt	**15,958**	13,477	13,118	11,806	8,619

PRODUCTION DATA continued

Siphumelele mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**100.9**	96.2	110.6	119.8	167.9
Palladium	000 oz	**43.3**	42.0	51.2	57.9	81.9
Rhodium	000 oz	**7.5**	7.2	13.1	14.9	19.9
Gold	000 oz	**5.8**	4.6	4.3	3.4	7.6
PGMs	000 oz	**163.9**	156.8	197.2	219.6	295.5
Nickel	000 tonnes	**0.8**	0.7	0.7	0.6	1.4
Copper	000 tonnes	**0.6**	0.5	0.4	0.3	0.7
Cash operating costs	R/oz equivalent refined Pt	**13,492**	12,663	13,297	14,901	10,681

Tumela mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**284.4**	303.0	293.8	314.5	408.5
Palladium	000 oz	**129.7**	140.8	133.6	149.2	201.4
Rhodium	000 oz	**46.5**	45.9	46.9	43.2	58.8
Gold	000 oz	**4.4**	4.5	5.9	6.3	11.1
PGMs	000 oz	**543.0**	566.0	549.7	585.2	781.7
Nickel	000 tonnes	**0.8**	1.0	1.1	1.2	2.3
Copper	000 tonnes	**0.4**	0.5	0.5	0.6	1.2
Cash operating costs	R/oz equivalent refined Pt	**12,308**	9,870	9,245	8,743	5,973

Dishaba mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**161.9**	156.4	150.1	146.7	165.4
Palladium	000 oz	**72.6**	71.8	67.3	68.1	78.1
Rhodium	000 oz	**20.8**	19.3	19.1	13.9	15.7
Gold	000 oz	**4.8**	3.7	4.9	5.3	7.5
PGMs	000 oz	**291.1**	278.0	267.3	252.9	290.3
Nickel	000 tonnes	**0.8**	0.8	0.9	1.0	1.5
Copper	000 tonnes	**0.4**	0.4	0.5	0.5	0.8
Cash operating costs	R/oz equivalent refined Pt	**13,125**	11,717	10,291	9,644	6,921

Union mine

85% owned from 1 December 2006 (100% statistics shown)

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**273.1**	304.0	291.9	309.0	309.6
Palladium	000 oz	**116.7**	134.5	127.3	139.7	145.1
Rhodium	000 oz	**47.2**	46.6	49.4	47.1	51.3
Gold	000 oz	**3.4**	3.5	4.5	4.6	5.3
PGMs	000 oz	**515.4**	566.0	550.7	576.3	608.6
Nickel	000 tonnes	**0.6**	0.8	0.9	1.0	1.3
Copper	000 tonnes	**0.3**	0.3	0.4	0.4	0.6
Cash operating costs	R/oz equivalent refined Pt	**13,263**	11,179	10,268	9,379	8,187

Union North mine

85% owned (100% statistics shown)

Refined production	unit	2011
Platinum	000 oz	**98.3**
Palladium	000 oz	**42.0**
Rhodium	000 oz	**16.6**
Gold	000 oz	**1.3**
PGMs	000 oz	**184.8**
Nickel	000 tonnes	**0.2**
Copper	000 tonnes	**0.1**
Cash operating costs	R/oz equivalent refined Pt	**13,795**

Union South mine

85% owned (100% statistics shown)

Refined production	unit	2011
Platinum	000 oz	**174.8**
Palladium	000 oz	**74.7**
Rhodium	000 oz	**30.5**
Gold	000 oz	**2.1**
PGMs	000 oz	**330.7**
Nickel	000 tonnes	**0.4**
Copper	000 tonnes	**0.2**
Cash operating costs	R/oz equivalent refined Pt	**12,963**

Mogalakwena mine

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**312.8**	272.3	233.3	177.4	162.5
Palladium	000 oz	**320.6**	283.2	249.9	184.5	167.4
Rhodium	000 oz	**20.7**	16.5	17.4	11.2	11.5
Gold	000 oz	**41.4**	29.0	31.0	21.0	17.4
PGMs	000 oz	**676.4**	589.1	520.2	384.5	354.2
Nickel	000 tonnes	**10.1**	8.5	9.1	5.6	3.9
Copper	000 tonnes	**6.6**	5.6	5.8	3.5	2.4
Cash operating costs	R/oz equivalent refined Pt	**12,662**	12,426	11,710	14,234	9,341

Unki Mine (Zimbabwe)

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**50.8**	–	–	–	–
Palladium	000 oz	**33.9**	–	–	–	–
Rhodium	000 oz	**2.9**	–	–	–	–
Gold	000 oz	**4.9**	–	–	–	–
PGMs	000 oz	**90.1**	–	–	–	–
Nickel	000 tonnes	**0.8**	–	–	–	–
Copper	000 tonnes	**0.9**	–	–	–	–
Cash operating costs	R/oz equivalent refined Pt	**15,087**	–	–	–	–

Twickenham platinum mine project

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**0.9**	3.6	7.5	9.9	8.8
Palladium	000 oz	**0.7**	3.2	7.2	10.1	8.8
Rhodium	000 oz	**0.3**	0.6	1.6	1.7	1.3
Gold	000 oz	**–**	0.1	0.2	0.3	0.3
PGMs	000 oz	**2.6**	8.5	19.0	24.1	20.2
Nickel	000 tonnes	**–**	–	–	–	–
Copper	000 tonnes	**–**	–	–	–	–
Cash operating costs	R/oz equivalent refined Pt	**4,506**	60,773	21,662	21,724	14,670

Modikwa platinum mine

50:50 JV with Aquarius Platinum (South Africa)

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**129.8**	134.9	135.3	131.2	114.6
Palladium	000 oz	**117.5**	127.1	128.0	124.9	114.0
Rhodium	000 oz	**25.0**	24.1	27.2	24.0	23.1
Gold	000 oz	**3.5**	2.9	3.7	3.7	3.7
PGMs	000 oz	**311.8**	328.0	331.8	320.5	297.0
Nickel	000 tonnes	**0.5**	0.5	0.6	0.6	0.6
Copper	000 tonnes	**0.4**	0.3	0.3	0.4	0.4
Cash operating costs	R/oz equivalent refined Pt	**14,881**	13,569	13,740	13,859	11,782

Kroondal platinum mine pooling-and-sharing agreement

50:50 JV with Aquarius Platinum (South Africa)

Refined production (mined and purchased)	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**217.6**	266.7	230.7	196.3	128.8
Palladium	000 oz	**106.4**	132.4	110.8	94.0	63.5
Rhodium	000 oz	**41.2**	43.1	40.5	30.4	22.6
Gold	000 oz	**1.7**	1.9	2.0	1.3	1.2
PGMs	000 oz	**445.9**	522.7	458.7	371.8	267.0
Nickel	000 tonnes	**0.3**	0.4	0.4	0.3	0.2
Copper	000 tonnes	**0.1**	0.1	0.1	0.1	0.1
Cash operating costs	R/oz equivalent refined Pt	**14,093**	11,031	10.437	9,441	6,524

Marikana platinum mine pooling-and-sharing agreement

50:50 JV with Aquarius Platinum (South Africa)

Refined production (mined and purchased)	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**48.7**	53.3	38.2	32.8	22.4
Palladium	000 oz	**22.8**	25.1	16.7	14.2	9.6
Rhodium	000 oz	**8.1**	7.7	6.6	4.6	3.0
Gold	000 oz	**0.5**	0.4	0.4	0.3	0.3
PGMs	000 oz	**92.1**	104.9	71.3	60.1	41.8
Nickel	000 tonnes	**0.1**	0.1	0.1	0.1	–
Copper	000 tonnes	**–**	0.1	–	–	–
Cash operating costs	R/oz equivalent refined Pt	**16,384**	13,633	11,037	13,405	10,306

PRODUCTION DATA continued

Mototolo platinum mine

50:50 JV with XK Platinum Partnership

Refined production (mined and purchased)	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**115.1**	110.5	106.3	83.9	92.6
Palladium	000 oz	**66.8**	65.0	61.5	48.9	55.3
Rhodium	000 oz	**17.8**	18.7	17.2	13.5	13.8
Gold	000 oz	**1.8**	1.5	1.6	1.1	1.4
PGMs	000 oz	**234.9**	231.9	214.9	175.3	182.4
Nickel	000 tonnes	**0.3**	0.3	0.3	0.2	0.3
Copper	000 tonnes	**0.1**	0.1	0.1	0.1	0.1
Cash operating costs	R/oz equivalent refined Pt	**11,800**	10,392	9,132	8,648	6,076

Western limb tailings retreatment

100% owned

Refined production	unit	2011	2010	2009	2008	2007
Platinum	000 oz	**43.0**	43.3	32.4	41.8	44.1
Palladium	000 oz	**13.2**	13.9	10.4	13.6	16.9
Rhodium	000 oz	**2.1**	1.9	1.8	2.2	3.6
Gold	000 oz	**4.3**	3.6	3.8	4.4	4.6
PGMs	000 oz	**65.5**	65.3	50.9	66.0	77.3
Nickel	000 tonnes	**0.2**	0.3	0.2	0.2	0.3
Copper	000 tonnes	**0.2**	0.2	0.2	0.2	0.2
Cash operating costs	R/oz equivalent refined Pt	**10,251**	9,110	9,621	8,331	6,805

PLATINUM GROUP METALS

Ore Reserve and Mineral Resource estimates as at 31 December 2011

PLATINUM

The Ore Reserve and Mineral Resource estimates were compiled in compliance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, (The SAMREC Code, 2007). Operations and Projects outside South Africa were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. Details of the individual operations appear in Anglo American Platinum's Annual Report. Merensky Reef and UG2 Reef Mineral Resources are reported over an economic and mineable cut appropriate to the specific reef. The figures reported represent 100% of the Mineral Resources and Ore Reserves attributable to Anglo American Platinum Limited unless otherwise noted. Rounding of figures may cause computational discrepancies.

Anglo American plc's interest in Anglo American Platinum Limited is 79.8%.

Platinum – South Africa Operations		Tonnes[1]		Grade[2]		Contained metal[3]		Contained metal[3]	
ORE RESERVES	Classification	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Merensky Reef[4][5]		Mt	Mt	4E PGE	4E PGE	4E tonnes	4E tonnes	4E Moz	4E Moz
	Proved	63.9	89.2	5.05	4.97	322.7	443.5	10.4	14.3
	Probable	49.1	51.0	5.16	5.05	253.4	257.7	8.1	8.3
	Total	**113.0**	**140.2**	**5.10**	**5.00**	**576.2**	**701.3**	**18.5**	**22.5**
UG2 Reef[4][6]	Proved	390.7	425.9	4.10	4.14	1,600.7	1,762.2	51.5	56.7
	Probable	250.0	204.2	4.78	4.72	1,194.1	963.3	38.4	31.0
	Total	**640.7**	**630.2**	**4.36**	**4.33**	**2,794.8**	**2,725.4**	**89.9**	**87.6**
Platreef[7]	Proved	538.8	381.3	2.84	2.93	1,532.3	1,118.5	49.3	36.0
	Proved primary ore stockpile[8]	20.0	11.7	1.71	1.96	34.3	23.0	1.1	0.7
	Probable	166.5	216.3	3.24	2.68	539.9	579.4	17.4	18.6
	Total	**725.4**	**609.3**	**2.90**	**2.82**	**2,106.6**	**1,720.9**	**67.7**	**55.3**
All Reefs	Proved	1,013.4	908.1	3.44	3.69	3,490.1	3,347.2	112.2	107.6
	Probable	465.7	471.5	4.27	3.82	1,987.4	1,800.4	63.9	57.9
	Total[9]	**1,479.1**	**1,379.7**	**3.70**	**3.73**	**5,477.5**	**5,147.6**	**176.1**	**165.5**
Tailings[10]	Proved	–	–	–	–	–	–	–	–
	Probable	18.9	21.8	0.86	1.13	16.2	24.6	0.5	0.8
	Total	**18.9**	**21.8**	**0.86**	**1.13**	**16.2**	**24.6**	**0.5**	**0.8**

Platinum – Zimbabwe Operations		Tonnes[1]		Grade[2]		Contained metal[3]		Contained metal[3]	
ORE RESERVES	Classification	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Main Sulphide Zone[11]		Mt	Mt	4E PGE	4E PGE	4E tonnes	4E tonnes	4E Moz	4E Moz
	Proved	15.0	14.3	3.68	3.69	55.2	52.9	1.8	1.7
	Probable	23.7	27.3	3.85	3.82	91.2	104.4	2.9	3.4
	Total	**38.7**	**41.7**	**3.79**	**3.78**	**146.5**	**157.3**	**4.7**	**5.1**

(1) **Tonnage:** Quoted as dry metric tonnes.
(2) **Grade:** 4E PGE is the sum of Platinum, Palladium, Rhodium and Gold grades in grammes per tonne (g/t). The reported grades are as delivered for treatment.
(3) **Contained Metal:** Contained Metal is presented in metric tonnes and million troy ounces (Moz).
(4) **Merensky Reef and UG2 Reef:** The pay limits built into the basic mining equation are directly linked to the 2012 Business plan. The pay limit is based on Cost 4 which consists of 'Direct Cash Cost' (on and off mine), 'Other Indirect Costs' and 'Stay in Business Capital' (on and off mine). The reserve pay-limit varies across all operations between 1.8g/t and 3.7g/t (4E PGE). The range is a function of various factors including depth of the ore body, geological complexity, infrastructure and economic parameters.
(5) **Merensky Reef:** The global Ore Reserve 4E ounce content decreased primarily due to re-allocation of previously reported Ore Reserves back to Mineral Resources as a result of changes in economic assumptions and extraction strategy at Thembelani Mine (-17.7 Mt / -2.9 Moz) and portions of the 4-shaft area at Tumela Mine (-3.2 Mt / -0.6 Moz). In addition, changes in reserve classification for portions of Tumela's 4-shaft area contribute to the Proved Ore Reserve tonnage decrease as Proved Ore Reserves have been re-classified as Probable Ore Reserves.
(6) **UG2 Reef:** The global Ore Reserve 4E ounce content increased primarily due to conversion of Mineral Resources to Ore Reserves at Thembelani Mine (+26.0 Mt / +3.5 Moz) and Siphumelele Mine (+9.2 Mt / +0.9 Moz) with additional contributions from Union, Twickenham and Khomanani Mines. However, the UG2 Ore Reserves were negatively influenced due to changes in extraction strategy for portions of Tumela's 4-shaft area which resulted in the re-allocation of previously reported Ore Reserves back to Mineral Resources (-19.6 Mt / -2.8 Moz).
(7) **Platreef:** The Ore Reserves 4E ounce content (inclusive of Proved primary ore stockpiles) increased due to additional drilling and re-evaluation at Mogalakwena South (+118.6 Mt / +13.0 Moz), previously this area was not considered for conversion to Ore Reserves. The Mine Life has been extended significantly as a result. For Mogalakwena North, Central and South (previously known as Zwartfontein North) the 4E pay limit is 1.0 g/t. For Sandsloot and Zwartfontein South the pay limit is unchanged at 1.7 g/t.
(8) **Platreef stockpiles:** Mined ore being held for long-term future treatment. These are reported separately as Proved Ore Reserves and aggregated into the summation tabulations.
(9) **Alternative units – All Reefs Total:** Tonnage in million short tons (Mton) and associated grade in troy ounces per short ton (oz/ton) for 2011 is:
Total – 1,630.4 Mton (2010: 1,520.8 Mton)
Total – 0.108 oz/ton (2010: 0.109 oz/ton)
(10) **Tailings:** Operating tailings dams cannot be geologically assessed and therefore are not reported as part of the Ore Reserves. At Rustenburg mines a dormant dam has been evaluated and the tailings form part of the Ore Reserves statement. Tailings dam Ore Reserves are reported separately as Ore Reserves and are not aggregated to the global Ore Reserve summation.
(11) **Main Sulphide Zone:** The Main Sulphide Zone within the Great Dyke of Zimbabwe is the orebody mined at Unki Mine. The Ore Reserves for the Main Sulphide Zone relate to the Unki East mine only. Anglo American Platinum owns an effective 100% interest in Southridge Limited.

PLATINUM GROUP METALS

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Platinum – South Africa Operations		Tonnes[1]		Grade[2]		Contained metal[3]		Contained metal[3]	
MINERAL RESOURCES	Classification	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Merensky Reef[4][5]		Mt	Mt	4E PGE	4E PGE	4E tonnes	4E tonnes	4E Moz	4E Moz
	Measured	162.1	152.5	5.57	5.53	903.7	843.1	29.1	27.1
	Indicated	273.5	254.2	5.54	5.54	1,515.4	1,408.8	48.7	45.3
	Measured and Indicated	**435.6**	**406.7**	**5.55**	**5.54**	**2,419.1**	**2,251.9**	**77.8**	**72.4**
	Inferred (in LOMP)	22.7	30.6	8.05	8.22	182.7	251.3	5.9	8.1
	Inferred (ex. LOMP)	547.1	584.9	5.08	5.28	2,778.8	3,089.0	89.3	99.3
	Total Inferred	**569.8**	**615.5**	**5.20**	**5.43**	**2,961.5**	**3,340.3**	**95.2**	**107.4**
UG2 Reef[4][6]	Measured	391.9	408.4	5.33	5.42	2,090.5	2,213.6	67.2	71.2
	Indicated	547.2	521.0	5.21	5.48	2,849.6	2,853.1	91.6	91.7
	Measured and Indicated	**939.1**	**929.4**	**5.26**	**5.45**	**4,940.1**	**5,066.7**	**158.8**	**162.9**
	Inferred (in LOMP)	9.0	25.1	4.97	4.95	44.9	124.0	1.4	4.0
	Inferred (ex. LOMP)	660.1	735.4	5.23	5.55	3,449.4	4,080.0	110.9	131.2
	Total Inferred	**669.1**	**760.5**	**5.22**	**5.53**	**3,494.3**	**4,204.0**	**112.3**	**135.2**
Platreef[7]	Measured	219.1	110.3	2.38	2.38	522.0	262.3	16.8	8.4
	Indicated	980.9	860.1	2.20	2.19	2,158.3	1,883.2	69.4	60.5
	Measured and Indicated	**1,199.9**	**970.3**	**2.23**	**2.21**	**2,680.3**	**2,145.5**	**86.2**	**69.0**
	Inferred (in LOMP)	10.0	90.0	4.15	2.96	41.3	266.6	1.3	8.6
	Inferred (ex. LOMP)	1,575.5	1,110.1	2.12	1.80	3,344.8	1,993.6	107.5	64.1
	Total Inferred	**1,585.5**	**1,200.1**	**2.14**	**1.88**	**3,386.0**	**2,260.2**	**108.9**	**72.7**
All Reefs	Measured	773.1	671.2	4.55	4.95	3,516.2	3,319.0	113.0	106.7
	Indicated	1,801.5	1,635.3	3.62	3.76	6,523.3	6,145.1	209.7	197.6
	Measured and Indicated[8]	**2,574.7**	**2,306.4**	**3.90**	**4.10**	**10,039.5**	**9,464.1**	**322.8**	**304.3**
	Inferred (in LOMP)	41.7	145.7	6.45	4.41	268.9	642.0	8.6	20.6
	Inferred (ex. LOMP)	2,782.7	2,430.5	3.44	3.77	9,572.9	9,162.5	307.8	294.6
	Total Inferred	**2,824.4**	**2,576.1**	**3.48**	**3.81**	**9,841.8**	**9,804.5**	**316.4**	**315.2**
Tailings[9]	Measured	87.6	87.6	1.08	1.08	94.3	94.3	3.0	3.0
	Indicated	17.9	0.4	1.13	0.89	20.2	0.4	0.6	0.0
	Measured and Indicated	**105.5**	**88.1**	**1.09**	**1.08**	**114.5**	**94.7**	**3.7**	**3.0**
	Inferred (in LOMP)	–	–	–	–	–	–	–	–
	Inferred (ex. LOMP)	–	–	–	–	–	–	–	–
	Total Inferred	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Platinum – Zimbabwe Operations		Tonnes[1]		Grade[2]		Contained metal[3]		Contained metal[3]	
MINERAL RESOURCES	Classification	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Main Sulphide Zone[10]		Mt	Mt	4E PGE	4E PGE	4E tonnes	4E tonnes	4E Moz	4E Moz
	Measured	8.7	8.7	4.15	4.12	36.0	35.7	1.2	1.1
	Indicated	21.2	19.2	4.13	4.17	87.5	80.2	2.8	2.6
	Measured and Indicated	**29.8**	**27.9**	**4.14**	**4.16**	**123.5**	**116.0**	**4.0**	**3.7**
	Inferred (in LOMP)	14.2	14.2	4.19	4.19	59.5	59.6	1.9	1.9
	Inferred (ex. LOMP)	35.5	35.5	4.09	4.09	144.9	144.8	4.7	4.7
	Total Inferred	**49.6**	**49.7**	**4.12**	**4.12**	**204.4**	**204.5**	**6.6**	**6.6**

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Tonnage:** Quoted as dry metric tonnes.

(2) **Grade:** 4E PGE is the sum of Platinum, Palladium, Rhodium and Gold grades in grammes per tonne (g/t).
3E PGE is the sum of Platinum, Palladium and Gold grades in grammes per tonne (g/t).

(3) **Contained Metal:** Contained Metal is presented in metric tonnes and million troy ounces (Moz).

(4) **Merensky Reef and UG2 Reef:** The Mineral Resources are estimated over a practical minimum mining width suitable for the deposit known as the 'Resource Cut'. The minimum mining width over which Mineral Resources are declared is 90cm. The 'Resource Cut' width takes cognisance of the mining method and geotechnical aspects in the hanging wall or footwall of the reef. The delineation of the Resources that meet the requirements of reasonable expectation of eventual economic extraction has been defined using the modifying factors as defined in the SAMREC code. These include but are not limited to mineability, geological complexity, processability and economic factors relevant to Anglo American Platinum. The minimum resource grades per reef and per operation are in all instances greater than the Cost 4 pay limit. Investigations conducted in 2011 to determine maximum mining depths related to virgin rock temperatures have been concluded. A virgin rock temperature of 75° Celsius is currently considered to be the limit to mining given anticipated technology, metal prices and energy costs. The affected portions of the Inferred Mineral Resources within the Mining Rights of Tumela Mine, Twickenham Mine and Ga-Phasha PGM Project are therefore re-classified as Deposit within the Anglo American Platinum's portfolio (-128.7 Mt / -26.1 Moz).
During 2011 Wesizwe Platinum issued additional shares which diluted Anglo American Platinum's attributable share in Wesizwe Platinum to 13% (from the previous 26.6%). As a result Anglo American Platinum can no longer apply equity accounting but has to reflect the investment as an asset held for sale valued at market value (-27.0 Mt / -4.6 Moz).

(5) **Merensky Reef:** The decrease in Mineral Resources is primarily due to previously reported Mineral Resources being re-classified as Deposit in areas where the virgin rock temperature is expected to be above 75° Celsius. This applies mainly to Tumela Mine (-26.6 Mt / -6.7 Moz). Disposal of Wesizwe's Mineral Resources (-12.0 Mt / -2.4 Moz) also contributes to the decrease.
However the Merensky Reef Mineral Resources were positively influenced due to re-allocation of previously reported Ore Reserves back to Mineral Resources as a result of changes in economic assumptions at Thembelani Mine (+13.8 Mt / + 3.1 Moz).

(6) **UG2 Reef:** The decrease in Mineral Resources is primarily due to previously reported Mineral Resources being re-classified as Deposit in areas where the virgin rock temperature is expected to be above 75° Celsius. This applies to Tumela Mine, Twickenham Mine and Ga-Phasha PGM Project (-101.9 Mt / -19.4 Moz). The exclusion of Wesizwe's Mineral Resources (-15.0 Mt / -2.2 Moz) and conversion of Mineral Resources to Ore Reserves at Thembelani and Siphumelele (-27.1 Mt / -4.5 Moz) also contributes to the decrease. The decrease is offset by an increase of Mineral Resources at the Der Brochen Project due to a change in the mining method (from ultra-low profile to low-profile mechanised board and pillar mining) which increases the resource cut (+81.0 Mt / +2.8 Moz).

(7) **Platreef:** A 1.0g/t (4E PGE) cut-off has been used to define Mineral Resources. The Mineral Resource 4E ounce content increased primarily due to additional borehole information which has confirmed the presence of the Platreef at higher elevation in localised areas to the west and below the original pit shell. Until a better understanding of this structure has been determined, a low classification confidence and a 100m swathe of geological loss have been applied to these elevated resources. Conceptual pit shell evaluations have indicated that the pit could extend to the west and deeper to exploit these resources. Consequently, the Mineral Resource reporting depth has increased by approximately 200m to 650m below surface elevation (equivalent to 400m a.m.s.l.). Due to this increase in reporting depth the Mineral Resources increase substantially. Pit design test work has confirmed that these resources are potentially open pitable. The increase in tonnage is offset by the decrease of Mineral Resources due to additional conversion of Mineral Resources to Ore Reserves at Mogalakwena South (-123.6 Mt / -13.9 Moz) and at Sandsloot, where previously reported Mineral Resources are excluded as the limit of surface mining has been reached (-34.6 Mt / -3.2 Moz). No Mineral Resources applicable to underground mining have been included. However, stockpile material is included which comprises calc-silicate and oxidised material with a cut-off grade of greater than 3g/t (5.2 Mt / 0.6 Moz).

(8) **Alternative units – All Reefs Measured and Indicated:** Tonnage in million short tons (Mton) and associated grade in troy ounces per short ton (oz/ton) for 2011 is:
Measured and Indicated – 2,838.1 Mton (2010: 2,542.4 Mton)
Measured and Indicated – 0.114 oz/ton (2010: 0.120 oz/ton)

(9) **Tailings:** Operating tailings dams cannot be geologically assessed and therefore are not reported as part of the Mineral Resources. At Rustenburg mines a dormant dam has been evaluated and the tailing forms part of the Mineral Resource statement. During 2010 the tailings dams at Union Mine were reactivated and their resources were removed from the Mineral Resource statement. However, for 2011, some of the Union tailings were de-activated and as consequence now form part of the Mineral Resource statement. A dormant tailings dam at Amandelbult is currently being drilled and its resources will be evaluated in 2012.

(10) **Main Sulphide Zone:** The Main Sulphide Zone is the orebody mined at Unki Mine. The Mineral Resources for the Main Sulphide Zone relate to the Unki East and West mines only. Anglo American Platinum owns an effective 100% interest in Southridge Limited. During 2011 a new resource evaluation was completed covering Unki South, Helvetia and Paarl projects (contained within the special mining lease held by Southridge Limited). However, an independent external review of these Mineral Resource is outstanding and will only be completed during the first quarter of 2012 and therefore the Mineral Resources reported re-state the Unki East and West mines resources.

PLATINUM GROUP METALS

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Platinum – Other Projects MINERAL RESOURCES	Classification	Tonnes[1]		Grade[2]		Contained metal[3]		Contained metal[3]	
		2011	2010	2011	2010	2011	2010	2011	2010
South Africa		Mt	Mt	3E PGE	3E PGE	3E tonnes	3E tonnes	3E Moz	3E Moz
Boikgantsho[4]	Measured	–	–	–	–	–	–	–	–
Platreef	Indicated	37.0	86.6	1.30	1.35	47.9	116.9	1.5	3.8
	Measured and Indicated	**37.0**	**86.6**	**1.30**	**1.35**	**47.9**	**116.9**	**1.5**	**3.8**
	Inferred	1.8	51.0	1.14	1.23	2.1	62.7	0.1	2.0
Sheba's Ridge[5]				3E PGE	3E PGE				
	Measured	28.0	111.8	0.88	0.85	24.6	95.1	0.8	3.1
	Indicated	34.0	128.4	0.85	0.95	29.1	122.1	0.9	3.9
	Measured and Indicated	**62.0**	**240.1**	**0.87**	**0.90**	**53.6**	**217.2**	**1.7**	**7.0**
	Inferred	149.9	0.9	0.96	0.85	144.5	0.8	4.6	0.0
Brazil				3E PGE	3E PGE				
Pedra Branca[6]	Inferred	6.6	6.6	2.27	2.27	15.0	15.0	0.5	0.5

Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Tonnage:** Quoted as dry metric tonnes.
(2) **Grade:** 4E PGE is the sum of platinum, palladium, rhodium and gold grades in grammes per tonne (g/t).
3E PGE is the sum of platinum, palladium and gold grades in grammes per tonne (g/t).
(3) **Contained Metal:** Contained Metal is presented in metric tonnes and million troy ounces (Moz).
(4) **Boikgantsho:** Anglo American Platinum holds an attributable interest of 49% of the Joint Venture between Anglo American Platinum and Anooraq Resources. During 2011 a new resource evaluation was completed resulting in a significant change to the previous reporting which was unchanged since 2004. A cut-off grade of 1g/t (3E) was applied, the same as for Mogalakwena Platreef (1g/t 4E). The new evaluation excludes oxidised material up to a depth of 40m. The resources are reported only to a depth of 300m below surface and excludes losses due to the major dykes and a swathe of 200m either side of the major Drenthe fault, which has a displacement of approximately 2.2km.
(5) **Sheba's Ridge:** Anglo American Platinum holds an attributable interest of 35% of the Joint Venture between Anglo American Platinum, Aquarius Platinum and the South African Industrial Development Corporation (IDC). Re-interpretation of the geology together with structural complexity resulted in a revised model with a significant decrease of the resource classification confidence. Additionally, the reporting depth below surface has been reduced. Note that since 2011 the joint venture area encompasses all Prospects Rights of the Sheba's Ridge project. The geological loss increased from a previously used 0.5% to 5% within the Measured category and to 10% within the Indicated and Inferred categories. Previously the cutoff grade used was $10.5/t recoverable value, a figure supplied by Ridge Mining using metal price projections and metallurgical recoveries. This was changed to 0.5g/t (3E) in the current model.
(6) **Pedra Branca:** Anglo American Platinum holds an attributable interest of 51% of the Joint Venture between Anglo American Platinum and Solitario Resources & Royalty. A cut-off of 0.7g/t (3E PGE) was applied for resource definition.

The following Operations and Projects contributed to the combined 2011 Ore Reserve and Mineral Resource estimates stated per reef (excluding Other Projects):

Operations:	%	Mine Life
Bafokeng Rasimone Platinum Mine (BRPM) – MR/UG2	33%	30+
Bathopele Mine – UG2	100%	15
Bokoni Platinum Mine – MR/UG2	49%	30+
Dishaba Mine – MR/UG2	100%	30+
Khomanani Mine – MR/UG2	100%	17
Khuseleka Mine – MR/UG2	100%	27
Kroondal Platinum Mine – UG2	50%	7
Marikana Platinum Mine – UG2	50%	7
Modikwa Platinum Mine – MR/UG2	50%	19
Mogalakwena Mine – PR	100%	30+
Mototolo Platinum Mine – UG2	50%	5*
Pandora – UG2	42.5%	23
Siphumelele Mine – MR/UG2	100%	30+
Thembelani Mine – MR/UG2	100%	27
Tumela Mine – MR/UG2	100%	30+
Twickenham Platinum Mine – MR/UG2	100%	30+
Union Mine – MR/UG2	85%	26
Unki Mine – MSZ	100%	27

Projects:	%
Der Brochen Project – MR/UG2	100%
Ga-Phasha PGM Project – MR/UG2	49%
Magazynskraal Project – MR/UG2	20%
Other Exploration Projects (portions of Driekop/Rustenburg) – MR/UG2	37.5% to 100%
Rustenburg – Non Mine Projects – MR/UG2	100%

MR = Merensky Reef, UG2 = UG2 Reef, PR = Platreef, MSZ = Main Sulphide Zone;
% = Anglo American Platinum Limited attributable interest;
Mine Life = The extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only considering the combined MR and UG2 production where applicable;
* Only 5 years of Ore Reserves are declared as per Xstrata policy.

Information was provided by the Joint Venture partners for the following operations and projects:
Operations – BRPM, Bokoni, Kroondal, Marikana, Modikwa, Mototolo, Pandora, (only Ore Reserve information for BRPM and Modikwa)
Projects – Pedra Branca, Sheba's Ridge, Ga-Phasha, Magazynskraal

Audits related to the generation of the Ore Reserve and Mineral Resource statements were carried out by independent consultants during 2011 at the following operations:
Bathopele, Dishaba, Khomanani, Mogalakwena, Siphumelele, Thembelani, Tumela, Union.


H
SIBERIAN ATLANTIC

DIAMONDS

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

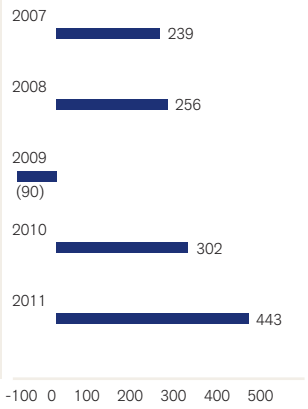
The largest diamond jewellery market is the US, followed by China, Japan and India.

Image
The Debmar Atlantic, moored 35 kilometres off the Namibian coastline.

FINANCIAL HIGHLIGHTS

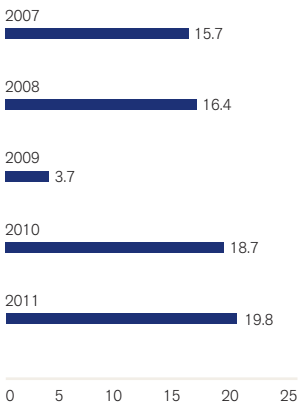
5 year share of associate's underlying earnings

$ m



Operating margin

%



Consumer demand forecasts

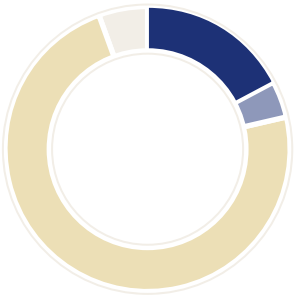
$ Polished wholesale prices

USA 38%
Japan 10%
India 10%
China/Hong Kong 13%
Taiwan 2%
Gulf 7%
Turkey 2%
Rest of world 18%

Source: De Beers

2011 De Beers mine production by region

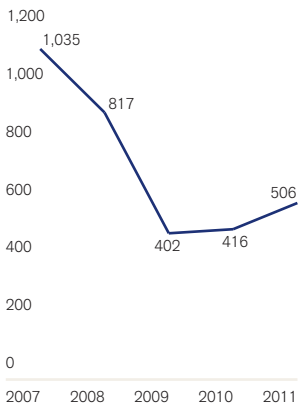
(million carats)
Total 31.3



South Africa 5.4
Namibia 1.3
Botswana 22.9
Canada 1.7

De Beers annual operating costs

$ m



USA 34%
Japan 8%
India 15%
China/Hong Kong 18%
Taiwan 2%
Gulf 6%
Turkey 2%
Rest of world 15%

Source: De Beers

Note: These figures provide estimates and forecasts of the size and growth of main diamond consumer markets based on pipeline and consumer research commissioned by De Beers. 2011 results are preliminary.

FINANCIAL DATA

$ million	2011	2010	2009	2008	2007
Turnover					
Subsidiaries	–	–	–	–	–
Joint ventures	–	–	–	–	–
Associates	3,320	2,644	1,728	3,096	3,076
Total turnover	3,320	2,644	1,728	3,096	3,076
EBITDA	794	666	215	665	587
Depreciation and amortisation	135	171	151	157	103
Operating profit before special items and remeasurements	659	495	64	508	484
Operating special items and remeasurements	(18)	(29)	(203)	(226)	(465)
Operating profit after special items and remeasurements	641	466	(139)	282	19
Net interest, tax and non-controlling interests	(216)	(193)	154	(252)	(245)
Total underlying earnings	443	302	(90)	256	239
Group's associate investment in De Beers[1]	2,230	1,936	1,353	1,623	1,802

[1] Excludes outstanding loans owed by De Beers, including accrued interest, of $301 million (2010: $355 million).

01

01 The Cut-8 extension will transform Jwaneng into a 'superpit' and extend the life of this pre-eminent diamond mine until at least 2025.

BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $495 m)

$659 m

SHARE OF GROUP OPERATING PROFIT
(2010: 5%)

6%

EBITDA
(2010: $666 m)

$794 m

Financial highlights

$ million (unless otherwise stated)	2011	2010
Share of associate's operating profit	**659**	495
EBITDA	**794**	666
Share of Group operating profit	**6%**	5%
Group's associate investment in De Beers[1]	**2,230**	1,936

[1] Excludes outstanding loans owed by De Beers, including accrued interest, of $301 million (2010: $355 million).

BUSINESS OVERVIEW

Anglo American's diamond interests are represented by our 45% shareholding in De Beers. The other shareholders in De Beers are Central Holdings Ltd (representing the Oppenheimer family interests), which beneficially owns 40%, and the Government of the Republic of Botswana (GRB) with a 15% beneficial interest.

De Beers is the world's leading diamond company and, with its joint venture partners, employs approximately 16,000 people around the world. The company produces approximately 35%, by value, of the world's rough diamonds from its mines in Botswana, Canada, Namibia and South Africa.

De Beers is a 50/50 partner with the GRB in the Debswana Diamond Company, and a 50/50 partner with the Government of the Republic of Namibia (GRN) in Namdeb Holdings. Namdeb Holdings owns 100% each of Namdeb (land mining) and De Beers Marine Namibia (marine mining).

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

De Beers owns 100% of De Beers Canada, which operates the company's first two diamond mines outside the African continent.

De Beers owns 100% of The Diamond Trading Company (DTC) – a division of De Beers UK, the principal rough diamond distribution arm of De Beers. It also has a 50% interest in both DTC Botswana and Namibia DTC, with the GRB and GRN holding matching respective shareholdings.

Diamdel, wholly owned by De Beers, is the market leader in the sale of rough, uncut diamonds using innovative online auction techniques, to small, mid-tier and large manufacturing, retailing and trading businesses

De Beers, through 100% owned Element Six Technologies, is the world's leading supplier of industrial super-materials. Element Six operates internationally, with 10 manufacturing sites worldwide and a global sales network.

At the consumer end of the value chain, De Beers' proprietary diamond brand Forevermark, offers a differentiated proposition for consumers based on quality and integrity. Forevermark diamonds are available in select jewellers in markets including China, Hong Kong, Japan, India, South Africa and the US.

De Beers and LVMH Moët Hennessy Louis Vuitton are 50/50 partners in the high-end retailer De Beers Diamond Jewellers (DBDJ). DBDJ has stores in the most fashionable areas of some of the world's great cities, including New York, Beijing, Hong Kong, London, Paris, Tokyo and Dubai.

The De Beers Family of Companies

Shareholders and corporate structure

- Anglo American Group – 45%
- Central Holdings Group – 40%
- Government of the Republic of Botswana – 15%
- DB Investments (Lux) – 100%
- De Beers sa (Lux) – 100%
- De Beers (UK) – 100%
- De Beers Group Services (RSA) – 100%

The Diamond Pipeline

Exploration	Production					Rough Diamond Sales		Brands	
	Diamond mining				Supermaterials				
Global Exploration[1]	De Beers Canada De Beers sa – 100%	De Beers Consolidated Mines (DBCM) De Beers sa – 74%	Debswana Diamond Company De Beers sa – 50%	Namdeb Holdings De Beers UK – 50%	Element Six (E6) Technologies – 100% Abrasives – 60% De Beers sa	Diamond Trading Company (DTC) Division of De Beers UK	Diamdel De Beers sa – 100%	Forevermark De Beers sa – 100%	De Beers Diamond Jewellers (DBDJ) De Beers sa – 50%
				Namdeb Diamond Corporation		DTC South Africa Division of De Beers Group Services			
				De Beers Marine Namibia (Debmarine Namibia)		DTC Botswana (DTCB) De Beers UK – 50%			
						Namibia DTC (NDTC) De Beers UK – 50%			

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

(1) Exploration is undertaken through a number of wholly owned and joint venture subsidiaries of De Beers sa

01

01 Employees on board The Debmar Atlantic off the Namibian coastline.

Canada

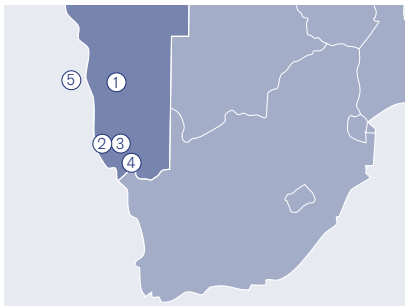
Victor mine and the Snap Lake mine in Canada are De Beers' first mining ventures outside of the African continent. Victor mine is located in the James Bay lowlands of northern Ontario, about 90 km west of the First Nation community of Attawapiskat. It is so remote that it can only be accessed by air or seasonal ice road. Snap Lake mine lies 220 km northeast of Yellowknife and is Canada's first completely underground diamond mine. Both mines were opened in 2008. De Beers Canada is also a joint venture partner with Mountain Province Diamonds in the Gahcho Kué Project in the Northwest Territories, currently in the permitting phase. Combined output for 2011 was 1.66 million carats.

1 100% Snap Lake
2 100% Victor

Namibia

Namdeb Holdings (Pty) Limited, a 50:50 partnership between De Beers and the Government of the Republic of Namibia, has historically been a source of high value gemstones. Namdeb Holdings' core business is diamond exploration and mining along the south-western coast and inland areas of the Karas Region. Today, it is the acknowledged leader in the recovery of alluvial diamonds. In 2011 Namdeb's production was 1.34 million carats.

① 50% Alluvial contractors
② 50% Elizabeth Bay
③ 50% Mining Area 1
④ 50% Orange River
⑤ 50% Atlantic 1

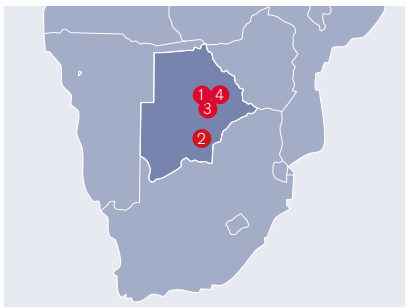


Botswana

Debswana, a 50:50 partnership between De Beers and the Government of the Republic of Botswana, produced 22.89 million carats in 2011. Debswana operates two of the world's great diamond mines, Jwaneng and Orapa.

1 50% Orapa
2 50% Jwaneng
3 50% Letlhakane
4 50% Damtshaa

Key
- Underground
- Open cut
- Other



United Kingdom/Ireland

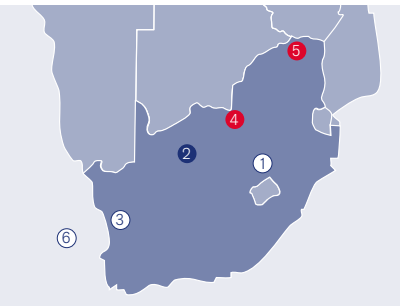
De Beers Diamond Jewellers (DBDJ) is an independently managed jewellery retail joint venture with Moët Hennessy Louis Vuitton. Globally, the DBDJ network consists of 44 stores across 15 countries. The store network is now spread across the US (11), Europe (9), Middle East (3), East Asia (12) and Japan (9). Element Six (E6) is an industrial diamond supermaterials business, supplying diverse global markets such as oil and gas, mining, construction, automotive, aerospace, defence, electronics, semiconductor and general engineering. Part of the De Beers Group, E6 is an independently managed company with primary manufacturing facilities in Ireland, China, Germany, Sweden, South Africa and the UK.

① Element Six (E6) (Ireland)
② De Beers Diamond Jewellers
③ 100% De Beers UK Ltd

South Africa

De Beers Consolidated Mines (DBCM) has been an empowered South African company since 2006, with 26% owned by broad based Black Economic Empowerment partner, Ponahalo Holdings. DBCM operates Venetia, Voorspoed and Kimberley diamond mines, owns Namaqualand Mines (completion of sale pending), and undertakes exploration on land and off the Atlantic coastline. In 2011, DBCM recovered 5.44 million carats.

① 74% Kimberley
② 74% Finsch
(production ended 14 September 2011)
③ 74% Namaqualand
④ 74% Voorspoed
⑤ 74% Venetia
⑥ 74% South African Sea Areas



INDUSTRY OVERVIEW

INDUSTRY OVERVIEW

Up to two-thirds of the world's diamonds, by value, originate from Africa, while significant sources have been discovered in Russia, Australia and Canada.

Most diamonds come from the mining of kimberlite deposits. Another important source of gem diamonds is secondary alluvial deposits formed by the weathering of primary kimberlites and the subsequent deposition of released diamonds in rivers and beach gravels.

Rough or uncut diamonds are broadly classified either as gem or industrial quality, with gem being overwhelmingly (>99%) the larger of the two markets by value. The primary world market for gem diamonds is in retail jewellery, where aspects such as carat, colour, cut and clarity have a large impact on valuation.

De Beers, and its partner DTCs in Botswana and Namibia, supplies its customers – known as 'Sightholders' – with parcels of rough diamonds that are specifically aligned to their respective cutting and polishing needs.

Markets

In 2011, the DTC achieved its second highest ever level of sales ($6.5 billion), a 27% increase over the prior year (2010: $5.1 billion). The first half of the year saw exceptional consumer demand growth which, when coupled with lower than historical levels of global diamond production, resulted in very strong polished and rough diamond price growth. While reflecting the robust market fundamentals, rough diamond prices in this period included an element of speculative buying in the trading centres.

During the second half of the year, both retail and cutting centre sentiment were impacted by the challenging macro-economic environment, restricted liquidity in the cutting centres and a slowdown in the rate of growth of consumer demand at retail. As a result, De Beers experienced lower levels of demand for its rough diamonds and prices receded slightly from the highs seen in the middle of the year. However, in total, 2011 was a very strong year on the demand side, with record levels of consumer demand growth estimated at between 11% and 13% over the full year, and DTC price growth of 29%.

DBDJ reported good growth in sales across all regions, with Greater China particularly strong. The China opportunity is a priority for De Beers, with further 2012 expansion plans following the opening of stores in Beijing, Tianjin, Dalian and a second Hong Kong store in 2011. Forevermark continued its expansion both in its existing markets of China, Hong Kong and Japan, and, in the second half of the year, launched in India and the US. Forevermark is now available in 658 retail stores across nine markets, an increase of 89% compared with 2010.

Operating performance

De Beers reported an LTIFR of 0.15 (2010: 0.24) but, regrettably, there were seven loss of life incidents in the year. Comprehensive safety reviews are being carried out at all De Beers operations.

De Beers' production was 5% lower than the prior year at 31.3 million carats (2010: 33.0 million carats). During the first half of the year, in spite of a number of challenges, including heavy rainfall in southern Africa, maintenance backlogs, poor contractor performance, skills shortages, and protracted labour negotiations, De Beers produced 15.5 million carats, in line with the first half of 2010 (15.4 million carats). During the second half of the year, De Beers produced another 15.8 million carats despite a shift in its operational focus, in light of prevailing rough diamond market trends in the fourth quarter. De Beers utilised this period to address maintenance and waste stripping backlogs in order to better position the mines to increase their rate of production as demand from Sightholders increases. This is likely to continue for several months into 2012.

In 2011, De Beers Exploration spent $40 million (2010: $43 million) on work programmes focused on 11,347 km^2 of ground holdings in Angola, Canada, India, Botswana and South Africa, supported by laboratory and technical services centralised in South Africa.

A new $2 billion multi-currency international credit facility was concluded in October, comprising an $800 million term loan and a $1.2 billion revolving credit facility with tenors of March 2015 and October 2016 respectively.

STRATEGY AND GROWTH

STRATEGY AND GROWTH

De Beers is focused on:

- Capturing price growth
- Driving cost efficiencies
- Delivering upstream mining projects
- Capturing consumer demand.

Projects and restructuring

Debswana's Jwaneng Mine Cut-8 extension project is progressing satisfactorily, largely on schedule and on budget. More than 40 million tonnes of waste has been stripped to date, and infrastructure construction is over 90% complete, with the remaining work forecast to be completed during 2012.

The underground feasibility study to extend the life of Venetia Mine in South Africa is under way, and scheduled for consideration by the DBCM board in 2012.

De Beers Canada completed an Optimisation Study at Snap Lake mine in mid-2011, securing a mining solution to economically access this promising long life but challenging orebody, and thereby achieve its forecast 20 year life of mine.

Per the NI 43-101 Technical Report issued by Mountain Province Diamonds Inc. in 2010, Gahcho Kué is identified as commencing in 2013 with production from 2015. The Gahcho Kué Environmental Impact Statement has been submitted and the review process is currently under way and ultimately the final project schedule will be dependent on progress in obtaining environmental permits and regulatory approvals.

In September, DBCM completed the sale of Finsch mine, as a going concern, to a Petra Diamonds-led consortium for a consideration of R1.425 billion ($210 million), plus assumption of rehabilitation liabilities. In May, DBCM announced that it had entered into an agreement to sell Namaqualand Mines to Trans Hex in a transaction valued at R225 million ($33.5 million), subject to the fulfilment of a number of conditions precedent.

In September, a new 10 year contract for the sorting, valuing and sales of Debswana's diamond production was announced by De Beers and its joint venture partner, the GRB. As part of the agreement, De Beers will transfer its London-based rough diamond aggregation and sales activity to Botswana by the end of 2013. From its new base in Botswana, the DTC will aggregate production from De Beers' mines and its joint venture operations worldwide, and sell to local and international Sightholders.

In November, De Beers and the GRN finalised an agreement to increase the GRN's effective shareholding in De Beers Marine Namibia from 15% to 50% through the establishment of a new 50:50 joint venture holding company. This will not change current marketing arrangements and all diamond production from Namdeb will continue to be sorted, valued and marketed exclusively by the DTC together with Namibia DTC.

In December, the DTC announced the provisional qualification of 72 Sightholder applicants for the upcoming Supplier of Choice sales contract period, which begins on 31 March 2012 and runs to 30 March 2015.

Outlook

In spite of uncertainty, and barring a global economic shock, continued growth in global diamond jewellery sales is expected, albeit at lower levels than the growth experienced in 2011. This will be driven by the overall strength of the luxury goods market, improving sentiment in the US (the largest diamond jewellery market), continuing growth in China, and the positive impact of the 2011 polished price growth on retail jewellery prices.

On the production front, De Beers will continue to prioritise waste stripping and maintenance backlogs, and we therefore do not expect a material increase in carat production in 2012. This focus, which began in the second half of 2011 and will continue during the first quarter of 2012, will position De Beers to ramp up profitable carat production as Sightholder demand dictates. In the medium to longer term, the industry fundamentals remain positive, with consumer demand, fuelled by the emerging markets of China and India, outpacing what will likely be level carat production.

DIAMONDS RECOVERED

South Africa

De Beers Consolidated Mines (74% owned by De Beers)

Carats ('000)	2011	2010	2009	2008	2007
Cullinan	–	–	–	540	964
Finsch Mine	938	1,583	1,426	2,317	2,334
Kimberley mines and contractors	778	823	397	913	1,638
Namaqualand mines and contractors	–	97	71	310	767
The Oaks	–	–	–	61	94
Venetia	3,147	4,288	2,204	7,500	9,081
Voorspoed	580	732	532	128	–
South African Sea Areas	–	33	167	191	121
Total	**5,443**	**7,556**	**4,797**	**11,960**	**14,998**

Botswana

Debswana (50% owned by De Beers)

Carats ('000)	2011	2010	2009	2008	2007
Orapa	11,158	9,527	7,575	16,869	18,708
Letlhakane	1,091	1,221	1,066	1,200	1,113
Jwaneng	10,641	11,470	9,039	13,674	13,476
Damtshaa	–	–	54	533	341
Total	**22,890**	**22,218**	**17,734**	**32,276**	**33,638**

Namibia

Namdeb Holdings (50% owned by De Beers)

Carats ('000)	2011	2010	2009	2008	2007
Namdeb	345	492	329	1,067	969
De Beers Marine Namibia	990	980	600	1,055	1,207
Total	**1,335**	**1,472**	**929**	**2,122**	**2,176**

Tanzania

Carats ('000)	2011	2010	2009	2008	2007
Williamson	–	–	–	134	220
Total	**–**	**–**	**–**	**134**	**220**

Canada

Carats ('000)	2011	2010	2009	2008	2007
Victor	779	826	696	714	–
Snap Lake	881	925	444	926	81
Total	**1,660**	**1,751**	**1,140**	**1,640**	**81**
Grand total	**31,328**	**32,997**	**24,600**	**48,132**	**51,113**

01

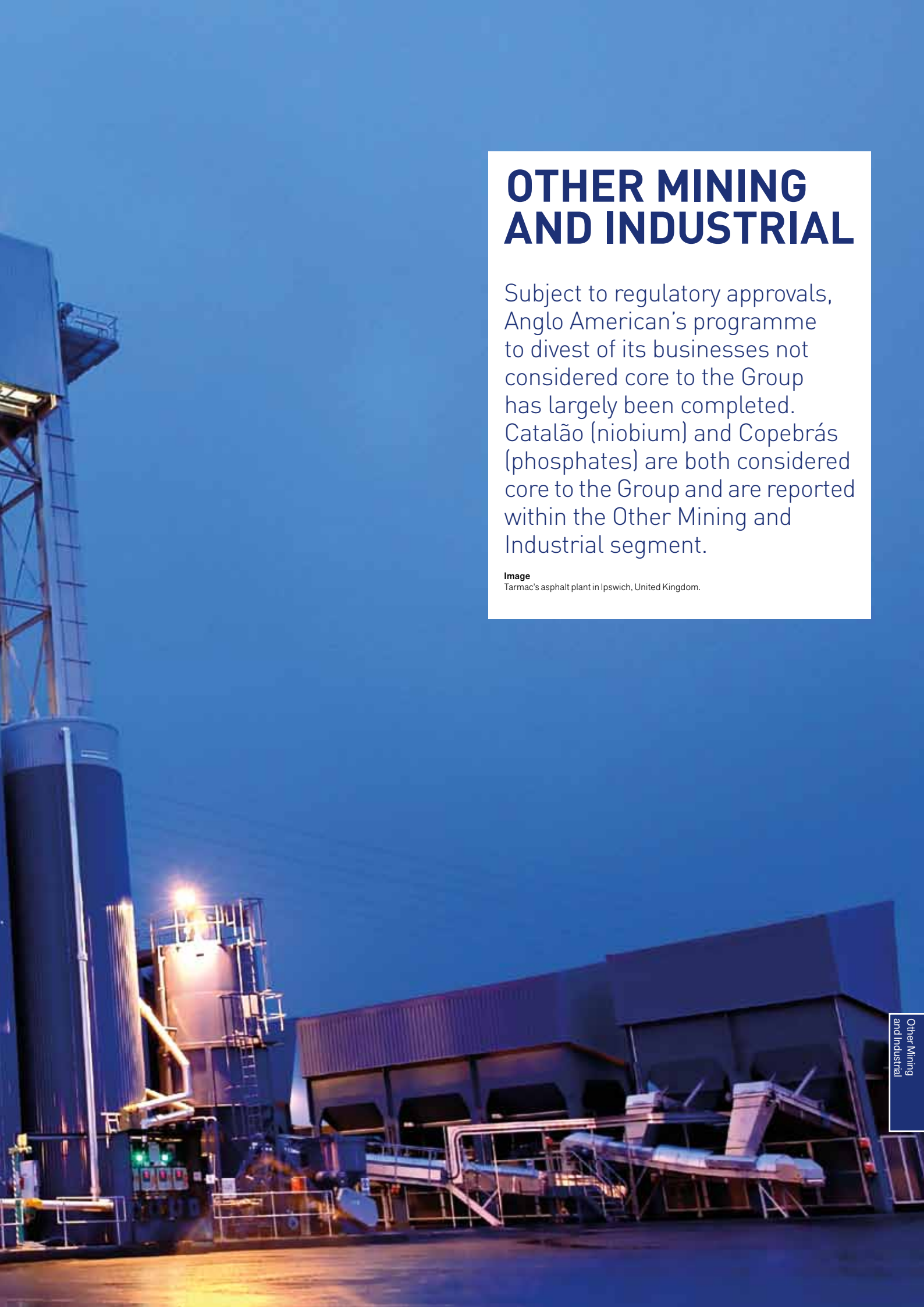
01 Sorting rough diamonds at DTC Botswana's purpose-built facility in Gaborone.


Tarmac

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.

Image
Tarmac's asphalt plant in Ipswich, United Kingdom.



BUSINESS OVERVIEW

OPERATING PROFIT
(2010: $664m)
$195m

SHARE OF GROUP OPERATING PROFIT
(2010:7%)
2%

EBITDA
(2010: $894m)
$393m

Financial highlights

$ million (unless otherwise stated)	2011	2010
Operating profit	**195**	664
Copebrás	**136**	81
Catalão	**54**	67
Tarmac	**(35)**	48
Scaw Metals	**40**	170
Zinc	**20**	321
Other	**(20)**	(23)
EBITDA	**393**	894
Net operating assets	**3,201**	3,393
Capital expenditure	**152**	206
Share of Group operating profit	**2%**	7%
Share of Group net operating assets	**7%**	8%

Note: Catalão and Copebrás, reported in the Other Mining and Industrial segment, are now considered core to the Group. Tarmac and Scaw Metals, which were identified for divestment as part of the restructuring programme announced in October 2009, remain non-core to the Group. The non-core businesses are not considered to be individually significant to the Group and are therefore also presented in the Other Mining and Industrial reporting segment. Until February 2011, this reporting segment also included the zinc operations.

COPEBRÁS

Business overview

Copebrás is the second largest integrated phosphate fertilizer producer in Brazil. Copebrás' operations are vertically integrated, covering mining of its own phosphate ore, beneficiation of the ore to produce P_2O_5 concentrate and processing into intermediate and final products.

Copebrás' mine in Ouvidor (in the state of Goiás) currently produces up to 5.9 Mt of ore per annum (dry basis) and is a prime phosphate deposit in Brazil with one of the highest grades of ore available in the country (approximately 13% P_2O_5). The company has approximately 15% of current Brazilian phosphate mineral resources and has a remaining mine life of 41 years at current production rates (excluding the Goiás II brownfield expansion).

The phosphate ore (run of mine) is treated at the co-located beneficiation facility, producing approximately 1.35 Mt of final phosphate concentrate per annum at an average (dry) grade of around 37% P_2O_5. Copebrás operates two chemical processing complexes located in Catalão in the state of Goiás, and Cubatão in the state of São Paulo. Copebrás produces a wide variety of products for the Brazilian agriculture sector, including low analysis (<20% P_2O_5 content) and high analysis (>40% P_2O_5 content) phosphate fertilizers, dicalcium phosphate (DCP) for the animal feed industry, as well as phosphoric and sulphuric acids.

Financial overview

Market

Phosphate sales increased by 24% in 2011, as a result of strong domestic demand early in the year due to the 'mini crop' (a smaller secondary crop, mainly corn, grown in the first half of the year), demand for fertilizers by sugar cane farmers and farmers purchasing fertilizer ahead of the summer crop as a result of competitive fertilizer prices relative to grain prices.

The balance between supply and demand for phosphates tightened further through the year owing to reduced supplies from China and Saudi Arabia; this contributed to the average phosphates price for the year increasing to $700/t (2010: $510/t). From October, however, grain prices started declining from their peak on the back of continuing global economic uncertainty, taking fertilizer prices with them, which led to lower demand for both.

For the year as a whole, fertilizer sales totalled 955,700 tonnes, 4.2% below 2010. DCP sales were 124,500 tonnes, in line with 2010, while phosphoric acid sales were 4.8% higher at 100,200 tonnes.

01 A Tarmac National Contracting team during a major night time road resurfacing operation in the UK.

Operating performance

Copebrás generated an operating profit of $136 million, representing a 68% increase on the previous year. This performance reflected higher international and local market prices, coupled with operational gains from asset optimisation initiatives in particular.

The strong performance was partially offset by increased input costs, particularly sulphur and ammonia, combined with the strengthening of the Brazilian currency.

Projects

A debottlenecking project, designed to increase capacity of Granulated Mono-Ammonium Phosphate by 60,000 tonnes and of DCP by 25,000 tonnes by 2015, is under review. The project is estimated to increase annual EBITDA by more than $35 million, through increased capacity and cost savings.

Given the phosphate market's sound fundamentals, the original Goiás 2 expansion project undertaken in 2008 and designed to increase phosphate production by more than 100%, may be re-assessed from a different product-mix perspective.

Outlook

Prices for agricultural commodities in Brazil remain at healthy levels, resulting in good margins for farmers. Although international fertilizer prices softened towards the end of the year owing to the global economic uncertainty, they remain relatively high.

Nonetheless, the uncertain global economic outlook affected demand in the Brazilian market late in the year, as farmers decided to postpone purchasing fertilizer. Prospects are, however, positive and the current higher inventories of imported fertilizers may preclude further imports early in 2012, improving the overall dynamics for domestic fertilizers later in the year.

CATALÃO

Business overview

Catalão Mining (Mineração Catalão), which is located in the cities of Catalão and Ouvidor, in Goiás state, Brazil, is one of the world's three largest niobium producers.

As an alloying agent, niobium brings unique properties to steels, such as increased formability, corrosion resistance, weldability and strength under tough working environments, including extreme high or low temperatures. Such steels are known as high strength low alloy steels.

Around 90% of total global niobium consumption is used as an alloying element, in the form of ferro-niobium (FeNb) in high strength steels, such steels being used in the manufacture of automobiles, ships, high pressure pipelines, as well as in the petroleum and construction industries. The product is exported to the main steel plants in Europe, the US and Asia.

Financial overview

Markets

Niobium demand and prices have remained generally stable, notwithstanding volatility across world markets and uncertainty around the global economy, particularly the sovereign debt situation in Europe and the lacklustre pace of economic recovery in the US.

In 2011, world crude steel production rose by 6.8% to reach a record 1,527 Mt. Total demand for niobium rose in tandem to more than 70,000 tonnes of Nb content in FeNb form for 2011, which eclipsed the previous record figure of 65,800 tonnes achieved in 2008.

Operating performance

Catalão's operating profit declined by 19% to $54 million. The company's financial performance was negatively affected by lower production and sales volumes, higher costs related to Catalão's reintegration into the Anglo American Group, local inflationary pressures, and the impact of the Brazilian currency's appreciation against the dollar.

Production for the year of 3,900 tonnes represented a 3% decline (2010: 4,000 tonnes) following a significant change of production profile as the mine advanced further into the transition ore between weathered material and unoxidised ore, resulting in lower Nb recoveries. Set against this, improvements in the concentration and metallurgy processes at the Boa Vista plant led to higher recoveries. This, combined with higher average grades, and the inclusion of the Copebrás tailing from Mine 2, with its higher contained Nb grade, allowed Catalão to offset the impact of the transition ore.

Projects

The Boa Vista Fresh Rock project was approved in October 2011. The existing plant will be adapted to process new rock instead of oxidised ore, leading to an increase in production capacity to approximately 6,500 tonnes of Nb per year from the current 3,800 tonnes.

Outlook

Despite the record levels of sales and prices in 2011, growth rates for niobium are likely to remain capped worldwide in the near term. The European sovereign debt crisis is likely to have a significant negative bearing on sales to Europe.

In the short term, additional niobium sales are likely to be diverted on a spot basis to China and, to a lesser extent, the US. Prices are expected to come under pressure from a stronger Brazilian real and the uncertain economic outlook in Europe and the US.

TARMAC

Tarmac reported an operating loss of $35 million, compared to a profit of $48 million in 2010. On a directly comparable basis, however, taking into consideration the impact of European businesses that were sold in 2010, Tarmac's operating profit showed a reduction of $55 million. Tarmac's directly comparable EBITDA performance was 32% lower.

Quarry materials

Asphalt volumes benefited from carry-over of demand resulting from the severe weather at the end of 2010, as well as some continuing government infrastructure investment, particularly in respect of local authority road maintenance. In comparison to 2010, concrete volumes decreased, reflecting a reduction in demand from major projects such as the Olympic Village and Gatwick Airport, and reduced housing and other building expenditure. Cement production levels improved over 2010 as a result of the ongoing efficiency programme. Management efforts continue to be focused on mitigating the significant impact of rising input costs, in particular hydrocarbons, through initiatives such as increasing the use of recycled asphalt materials to recapture bitumen.

The outlook for the year ahead remains uncertain and dependent to a large extent upon the UK government's response to weak domestic growth and wider economic uncertainty across the euro zone. Against this background, volume declines are anticipated across major product categories in 2012, reflecting announced reductions in public sector spending, exacerbated by declining private sector spending.

The UK joint venture discussions with Lafarge are proceeding through the required regulatory processes.

Building products

Performance was severely impacted by the closure of the Precast business, one-off non-recurring separation costs and the continuing decline in housing, retail and commercial markets, which affected all products. Volumes suffered as a consequence of both the general market decline and a competitive pricing environment, where customers and competitors remain more focused on price and less on other value drivers.

01 Catalão niobium plant in Goiás state, Brazil. The existing plant is being adapted to process new rock instead of oxidised ore, which will raise annual niobium production capacity from 3,800 tonnes to 6,500 tonnes.

Cost-reduction initiatives remain a high priority. Several key projects are also under way to enhance quality and improve customer service.

The underlying market outlook continues to remain challenging in the short term.

SCAW METALS

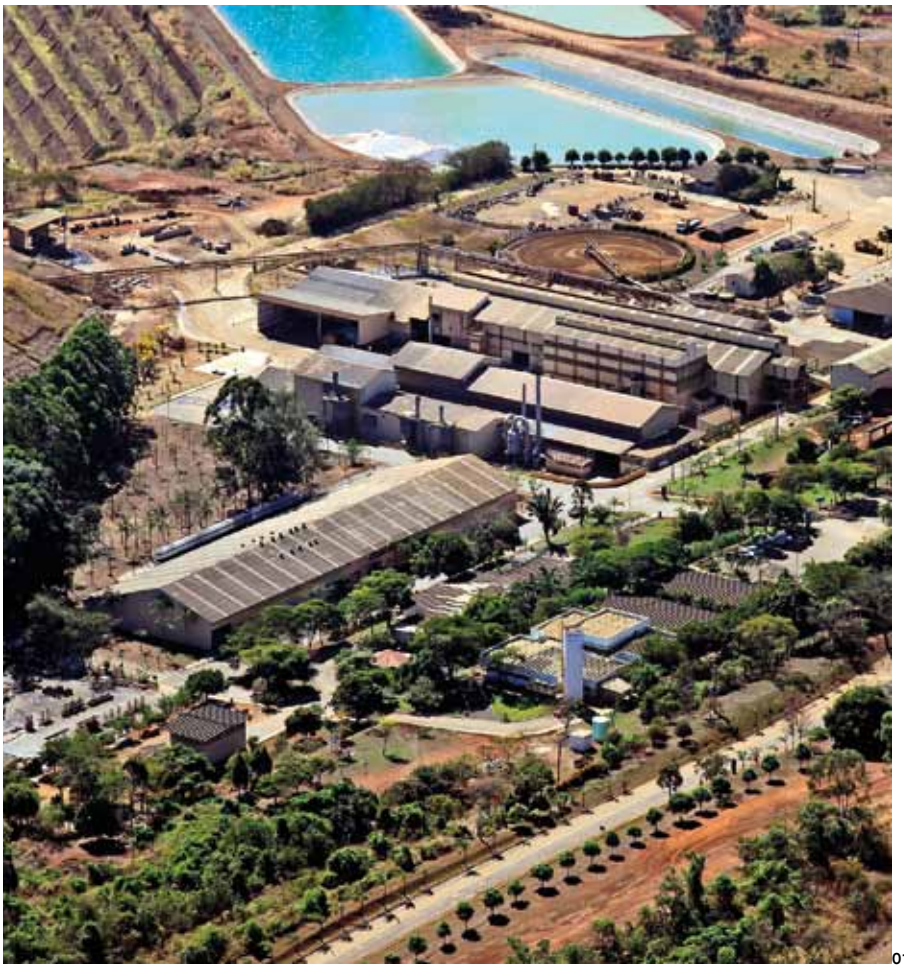
Scaw Metals generated an operating profit of $40 million, a 76% decrease compared with 2010, largely as a result of the sale of Moly-Cop and AltaSteel that was concluded in December 2010. On a directly comparable basis, however, taking into consideration the impact of the sale of Moly-Cop and AltaSteel in 2010, Scaw Metals' operating profit showed a reduction of $23 million. Scaw Metals' directly comparable EBITDA performance was 24% lower.

A strong performance was recorded by Grinding Media in spite of margin pressure owing to the strong rand. At Wire Rod Products, performance improved on the back of strong demand for offshore and mining products and improved business efficiencies. At Rolled Products, performance was affected by weak demand from the construction sector and selling prices not fully recovering rising input costs, resulting in reduced margins.

At Cast Products, a number of foundries suffered from a lack of demand for larger castings in the year, as well as a strong rand, significantly impacting the business' results. The situation improved towards the end of the year as the demand for railway, power generation and general engineering components saw the securing of important orders for the forthcoming year.

A strong focus by management on cost-saving initiatives in all operations and sales to downstream businesses has mitigated the effects of weak margins. In addition, the closure of loss making operations and a focus on pursuing new markets with higher margins has enabled Scaw Metals to lessen the impact of weak economic conditions.

Total production of steel products at Scaw South Africa was 677,400 tonnes, a decrease of 5% over the prior year.



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On 24 April 2012, Anglo American announced the final stage of the $1.4 billion Scaw Metals Group ("Scaw") divestment with the sale of Scaw South Africa (Pty) Ltd. ("Scaw South Africa"), 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.

The transaction is subject to customary closing conditions such as regulatory approvals in South Africa including but not limited to competition clearance, and is expected to be completed during the course of 2012.

FINANCIAL DATA

$ million	2011	2010	2009	2008
Turnover				
Tarmac[1]	**2,347**	2,376	2,870	4,399
Skorpion[2]	**–**	311	236	279
Lisheen[2]	**36**	265	208	196
Black Mountain[2]	**5**	197	148	115
Scaw Metals[3]	**931**	1,579	1,384	1,927
Copebrás[4]	**571**	461	320	655
Catalão[4]	**149**	152	184	141
Coal Americas[4]	**–**	–	165	245
Tongaat Hulett/Hulamin[5]	**–**	–	393	817
Namakwa Sands	**–**	–	–	177
Projects and corporate	**–**	–	–	–
Total turnover	**4,039**	**5,375**	**5,908**	**8,951**
EBITDA				
Tarmac[1]	**106**	188	313	488
Skorpion[2]	**–**	154	100	132
Lisheen[2]	**17**	114	74	40
Black Mountain[2]	**3**	73	59	37
Scaw Metals[3]	**70**	213	172	309
Copebrás[4]	**215**	104	(9)	244
Catalão[4]	**160**	71	111	80
Coal Americas[4]	**–**	–	6	42
Tongaat Hulett/Hulamin[5]	**–**	–	73	115
Namakwa Sands	**–**	–	–	59
Projects and corporate	**(20)**	(23)	(21)	(33)
Total EBITDA	**393**	894	878	1,513
Depreciation and amortisation	**198**	**230**	**372**	**431**
Operating profit before special items and remeasurements	**195**	**664**	**506**	**1,082**
Operating special items and remeasurements	**(70)**	(100)	(145)	(239)
Operating profit after special items and remeasurements	**125**	**564**	**361**	**843**
Net tax and non-controlling interests	**(88)**	**(143)**	**(103)**	**(348)**
Underlying earnings				
Of which:				
Tarmac[1]	**(31)**	67	81	173
Skorpion[2]	**–**	133	40	85
Lisheen[2]	**14**	99	67	15
Black Mountain[2]	**1**	47	60	28
Scaw Metals[3]	**27**	119	70	165
Copebrás[4]	**80**	48	7	105
Catalão[4]	**35**	38	77	70
Coal Americas[4]	**–**	–	(12)	25
Tongaat Hulett/Hulamin[5]	**–**	–	31	53
Namakwa Sands	**–**	–	–	46
Projects and corporate	**(19)**	(30)	(18)	(31)
Total Underlying earnings	**107**	**521**	**403**	**734**
Net operating assets	**3,201**	**3,393**	**5,029**	**5,231**
Capital expenditure	**152**	**206**	**268**	**603**

(1) In the year ended 31 December 2011 the Group sold Tarmac's businesses in China, Turkey and Romania (2010: the Polish and French and Belgian concrete products businesses and the majority of its European aggregates businesses).

(2) Skorpion, Lisheen and Black Mountain comprised the Group's portfolio of zinc operations. The Group sold its interest in the Skorpion mine in December 2010 and its interests in Lisheen and Black Mountain in February 2011.

(3) Results for 2010 include Moly-Cop and AltaSteel, which were disposed of in December 2010.

(4) In 2011, Peace River Coal was reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting, and Copebrás and Catalão are considered core within the Other Mining and Industrial segment following a strategic review. 2010 comparatives have been reclassified to align with 2011 presentation.

(5) The Group's investments in Tongaat Hulett and Hulamin were disposed of in August 2009 and July 2009, respectively.

PRODUCTION DATA

			2011	2010	2009	2008
Other Mining and Industrial segment						
Tarmac						
Aggregates		tonnes	**42,878,400**	58,875,600	72,767,300	93,095,000
Lime products		tonnes	**1,264,000**	1,225,900	1,214,400	1,353,000
Concrete		m^3	**3,285,700**	3,305,800	3,521,200	6,312,000
Zinc and Lead						
Skorpion[1]						
Ore mined		tonnes	**–**	1,412,600	1,495,900	1,390,400
Ore processed		tonnes	**–**	1,358,000	1,426,800	1,333,300
Ore grade processed	Zinc	% Zn	**–**	11.2	11.5	11.7
Production	Zinc	tonnes	**–**	138,500	150,400	145,400
Lisheen[1]						
Ore mined		tonnes	**152,800**	1,531,700	1,534,500	1,561,900
Ore processed		tonnes	**156,200**	1,587,600	1,526,200	1,516,900
Ore grade processed	Zinc	% Zn	**13.4**	12.2	12.4	12.1
	Lead	% Pb	**2.7**	1.9	1.8	1.6
Production	Zinc in concentrate	tonnes	**19,200**	175,100	171,800	167,200
	Lead in concentrate	tonnes	**2,900**	20,600	19,200	15,900
Black Mountain[1]						
Ore mined		tonnes	**132,800**	1,415,500	1,249,700	1,199,800
Ore processed		tonnes	**126,200**	1,378,600	1,293,200	1,204,800
Ore grade processed	Zinc	% Zn	**3.4**	3.3	2.8	3.0
	Lead	% Pb	**4.5**	4.2	4.0	4.2
	Copper	% Cu	**0.4**	0.3	0.3	0.4
Production	Zinc in concentrate	tonnes	**3,300**	36,100	28,200	27,900
	Lead in concentrate	tonnes	**5,400**	50,600	49,100	47,000
	Copper in concentrate	tonnes	**300**	2,500	2,200	2,500
Total attributable zinc production		**tonnes**	**22,500**	**349,700**	**350,400**	**340,500**
Total attributable lead production		**tonnes**	**8,300**	**71,200**	**68,300**	**62,900**
Scaw Metals						
South Africa Steel Products		tonnes	**677,400**	710,000	693,000	771,000
International Steel Products[2]		tonnes	**–**	794,200	718,000	879,000
Niobium						
Catalão						
Ore mined		tonnes	**866,600**	1,209,400	906,700	768,100
Ore processed		tonnes	**902,600**	909,300	873,500	818,100
Ore grade processed		Kg Nb/tonne	**8.1**	6.6	9.3	11.1
Production		tonnes	**3,900**	4,000	5,100	4,600
Phosphates						
Copebrás						
Phosphates		tonnes	**1,060,900**	1,002,000	829,000	982,100
Other Mining and Industrial segment coal production						
South America						
Thermal[3]		tonnes	**–**	441,400	750,700	1,074,200

(1) The Group sold its interest in Skorpion in December 2010 and its interests in the Lisheen and Black Mountain in February 2011.
(2) Relates to production from Moly-Cop and AltaSteel. The Group sold its interests in Moly-Cop and AltaSteel in December 2010.
(3) At 31 December 2010, Carbones del Guasare had ceased to an associate of the Company.

PHOSPHATE PRODUCTS

Ore Reserve and Mineral Resource estimates as at 31 December 2011

OTHER MINING AND INDUSTRIAL

The Ore Reserve and Mineral Resource estimates were compiled in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004) as a minimum standard. The figures reported represent 100% of the Ore Reserves and Mineral Resources, the percentage attributable to Anglo American plc is stated separately. Rounding of figures may cause computational discrepancies.

Phosphate Products – Operations ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010
Copebrás (OP)[1]	100	41		Mt	Mt	$\%P_2O_5$	$\%P_2O_5$
Carbonatite Complex			Proved	87.9	92.4	14.0	14.0
Oxide			Probable	151.3	151.5	13.0	13.0
			Total	**239.2**	**243.9**	**13.4**	**13.4**

Phosphate Products – Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010
Copebrás (OP)[2]	100		Mt	Mt	$\%P_2O_5$	$\%P_2O_5$
Carbonatite Complex		Measured	3.9	4.0	13.4	13.4
Oxide		Indicated	60.2	60.2	11.8	11.8
		Measured and Indicated	**64.2**	**64.2**	**11.9**	**11.9**
		Inferred (in LOMP)	7.6	7.9	13.2	13.0
		Inferred (ex. LOMP)	50.7	51.0	10.9	10.9
		Total Inferred	**58.2**	**58.9**	**11.2**	**11.1**

Phosphate Products – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010
Coqueiros (OP)[3]	100		Mt	Mt	$\%P_2O_5$	$\%P_2O_5$
Carbonatite Complex		Measured	1.8	1.8	10.5	10.5
Oxide		Indicated	16.5	16.5	12.9	12.9
		Measured and Indicated	**18.3**	**18.3**	**12.6**	**12.6**
		Inferred	26.2	26.2	11.2	11.2
Carbonatite Complex		Measured	1.2	1.2	7.3	7.3
Fresh Rock		Indicated	34.0	34.0	8.5	8.5
		Measured and Indicated	**35.2**	**35.2**	**8.5**	**8.5**
		Inferred	16.2	16.2	7.6	7.6

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Mining method: OP = Open Pit. Mine Life = the extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Copebrás – Oxide Ore Reserves:** The decrease is due to production.
(2) **Copebrás – Oxide Mineral Resources:** Mineral Resources are quoted above a 7% P_2O_5 cut-off and a CaO/P_2O_5 ratio between 1 and 1.4.
(3) **Coqueiros:** The Oxide mineralisation is defined by a cut-off grade of 7% P_2O_5 and a CaO/ P_2O_5 ratio between 1 and 1.4. The Fresh Rock resources are defined by a cut-off grade of 5% P_2O_5. The metallurgical recovery characteristics of the Fresh Rock appear superior to those of the oxidised materials, permitting the application of a lower cut-off grade. A further exploration drilling campaign is awaiting approval of the exploration report from Brazil's Departamento Nacional de Produção Mineral (DNPM).

NIOBIUM

Ore Reserve and Mineral Resource estimates as at 31 December 2011

Niobium – Operations ORE RESERVES	Attributable %	Mine Life	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained product 2011	Contained product 2010
Catalão (OP)	100	4		Mt	Mt	$\%Nb_2O_5$	$\%Nb_2O_5$	kt	kt
Carbonatite Complex			Proved	3.4	4.0	1.03	1.09	35	44
Oxide[1]			Probable	1.0	1.1	1.04	1.01	10	11
			Total	**4.3**	**5.1**	**1.03**	**1.07**	**45**	**55**

Niobium – Operations MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained product 2011	Contained product 2010
Catalão (OP)	100		Mt	Mt	$\%Nb_2O_5$	$\%Nb_2O_5$	kt	kt
Carbonatite Complex		Measured	2.0	2.0	1.30	1.30	26	26
Oxide[2]		Indicated	0.8	0.8	1.04	1.04	8	8
		Measured and Indicated	**2.8**	**2.8**	**1.22**	**1.22**	**35**	**35**
		Inferred (in LOMP)	0.3	0.4	0.95	0.94	3	4
		Inferred (ex. LOMP)	0.8	0.8	0.87	0.86	7	7
		Total Inferred	**1.1**	**1.2**	**0.89**	**0.89**	**9**	**10**

Niobium – Projects MINERAL RESOURCES	Attributable %	Classification	Tonnes 2011	Tonnes 2010	Grade 2011	Grade 2010	Contained product 2011	Contained product 2010
Catalão (OP)	100		Mt	Mt	$\%Nb_2O_5$	$\%Nb_2O_5$	kt	kt
Carbonatite Complex		Measured	13.7	13.7	1.24	1.24	170	170
Fresh Rock[3]		Indicated	19.5	19.5	1.24	1.24	243	243
		Measured and Indicated	**33.2**	**33.2**	**1.24**	**1.24**	**413**	**413**
		Inferred	18.1	18.1	1.37	1.37	248	248

THE MINERAL RESOURCES ARE REPORTED AS ADDITIONAL TO ORE RESERVES.

Mining method: OP = Open Pit. Mine Life = the extraction period in years for scheduled Ore Reserves comprising Proved and Probable Reserves only.
Due to the uncertainty that may be attached to some Inferred Mineral Resources, it cannot be assumed that all or part of an Inferred Mineral Resource will necessarily be upgraded to an Indicated or Measured Resource after continued exploration.

(1) **Catalão – Oxide Ore Reserves:** The decrease is primarily due to production.
(2) **Catalão – Oxide Mineral Resources:** The Oxide Resources are reported above a 0.5% Nb_2O_5 cut-off. The Mineral Resources are split into Oxide and Fresh Rock due to the recognition of distinct differences in mineralogical characteristics.
(3) **Catalão – Fresh Rock Mineral Resources:** The Fresh Rock Resources are reported above a 0.7% Nb_2O_5 cut-off. A drilling campaign is being undertaken, the geological model and geotechnical study will be updated once this is completed. It is anticipated that Ore Reserves will be declared in 2012.

OTHER INFORMATION

Market capitalisation	31 March 2012	2011	2010	2009	2008	2007	2006	2005	2004
Anglo American plc									
– $ billion	50.2	**48.8**	69.5	58.7	30.3	82.0	75.2	50.8	35.3
– £ billion	31.4	**31.5**	44.5	36.4	20.8	41.4	38.4	29.6	18.4
– ZAR billion	385.3	**394.3**	460.6	433.2	288.6	562.7	525.1	322.0	199.6

Credit ratings – as at 31 March 2012

	Standard & Poor's	Moody's Investors Service
Long term	BBB+	Baa1
Short term	A-2	P-2

Exchange rates		31 March 2012	2011	2010	2009	2008	2007	2006	2005	2004
£/$	period end	0.62	**0.65**	0.64	0.62	0.69	0.50	0.51	0.58	0.52
	average	0.63	**0.62**	0.65	0.64	0.54	0.50	0.54	0.55	0.55
ZAR/$	period end	7.67	**8.11**	6.60	7.38	9.30	6.84	7.00	6.35	5.65
	average	7.45	**7.26**	7.32	8.41	8.27	7.05	6.77	6.37	6.44

Ordinary shares prices – period end	31 March 2012	2011	2010	2009	2008	2007	2006	2005	2004
Anglo American plc									
– £ per share	23.37	**23.51**	33.10	27.11	15.46	30.80	24.91	19.79	12.32
– ZAR per share	285.10	**292.49**	342.59	319.49	210.99	415.02	342.00	213.70	133.50

Analysis of Anglo American plc ordinary shares	Shares outstanding as at 31 December	Weighted average number of shares in issue
2004	1,493,839,387	1,434,486,714
2005	1,493,855,896	1,447,133,203
2006	1,541,653,607	1,467,739,208
2007	1,342,911,897	1,308,662,275
2008	1,342,919,020	1,202,212,347
2009	1,342,927,138	1,201,516,878
2010	1,342,932,714	1,206,077,713
2011	**1,342,967,458**	**1,210,066,850**

FURTHER INFORMATION

- Annual Report 2011
- Notice of 2012 AGM and Shareholder Information Booklet
- Sustainable Development Report 2011
- Optima – Anglo American's current affairs journal
- Good Citizenship: Business Principles
- The Environment Way
- The Occupational Health Way
- The Projects Way
- The Safety Way
- The Social Way

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