

## WITH THE FUTURE IN MIND

At Anglo American, we will achieve our ambition to be the leading mining company if we make sound decisions that focus on delivering long term value. It is these decisions made by our talented workforce that are driving the business forward with the future in mind.



01



02

### A UNIQUE TRANSACTION

Our acquisition of a further 40% interest in De Beers was a unique opportunity to consolidate control of the world's leading diamond company. The benefits of our scale, expertise and financial resources, combined with the De Beers business and its iconic brand, will enhance De Beers' position across the diamond pipeline and capture the potential presented by a rapidly evolving diamond market.

➔ For more information on this story go to page 82 of the Annual Report 2012



03



06



05



04

01 Preparation plant assistant Jessica Smith and environmentalist Matt Goddard at the train load-out facility at Metallurgical

02 Molten platinum being poured at Platinum's precious metals refinery.

03 Construction work at Thermal Coal's eMalahleni water treatment plant.  
04 De Beers' sea walker drill platform,

05 Barro Alto's 185 metre rotary kilns, where nickel-

06 Anodes supervisor Ricardo Villalon at the anodes bearing ore is reduced prior to smelting.

Cover Pulp thickener at Los Bronces' Confluencia facility.



### Other sources of information



You can find this report and additional information about Anglo American on our corporate website.

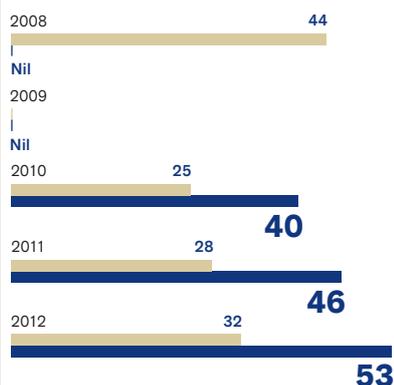
➔ For more information visit [www.angloamerican.com/reportingcentre](http://www.angloamerican.com/reportingcentre)

# SAFEGUARDING VALUE

## WITH THE FUTURE IN MIND

### DIVIDENDS PER SHARE

Cents



### UNDERLYING OPERATING PROFIT

(2011: \$11.1 bn)

**\$6.2bn**

### UNDERLYING EARNINGS

(2011: \$6.1 bn)

**\$2.8bn**

### UNDERLYING EARNINGS PER SHARE

(2011: \$5.06)

**\$2.26**

### (LOSS)/PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS

(2011: \$6.2 bn)

**\$(1.5)bn**

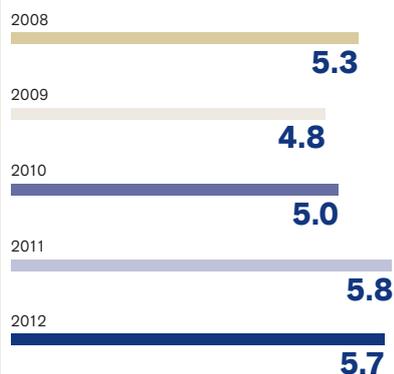
Underlying operating profit includes attributable share of associates' operating profit (before attributable share of associates' interest, tax, and non-controlling interests) and is before special items and remeasurements, unless otherwise stated. See notes 2 and 4 to the financial statements for operating 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 cash in disposal groups. See note 31 to the financial statements.

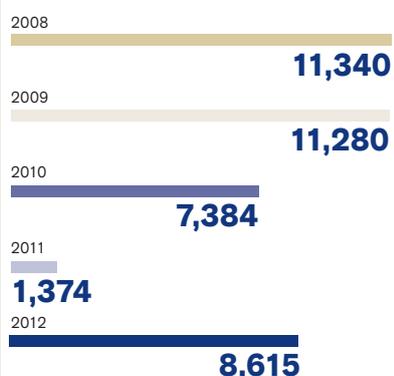
### CAPITAL EXPENDITURE

\$ bn



### NET DEBT

\$ m



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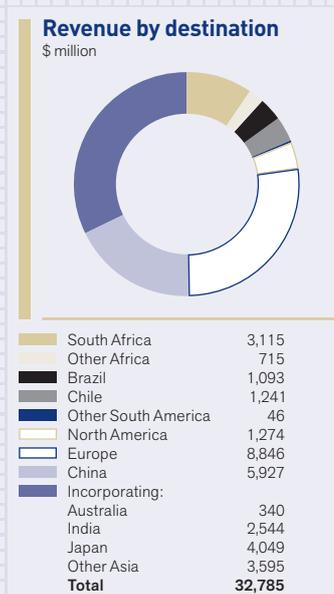
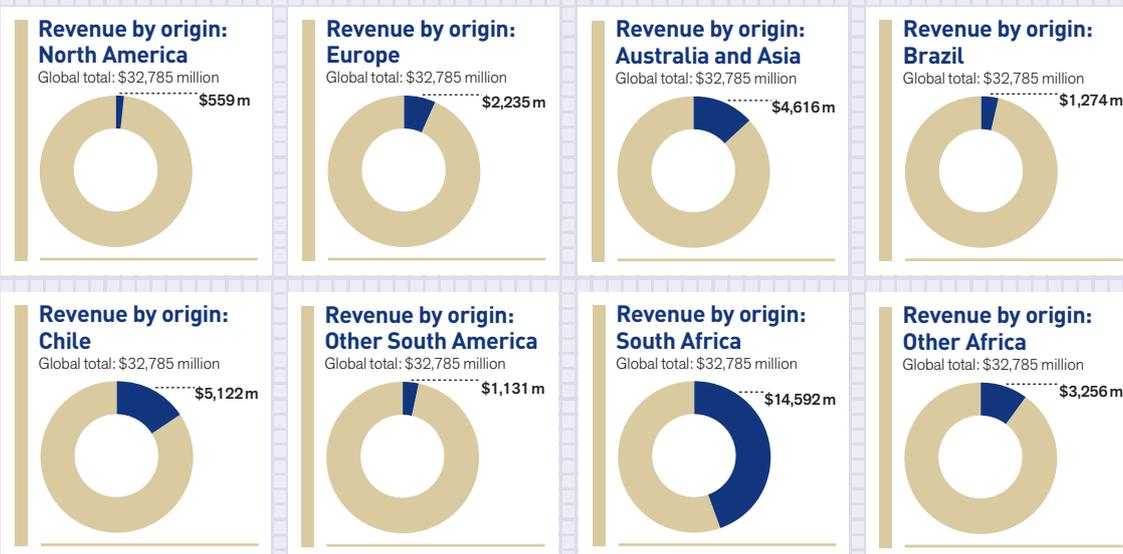
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**AT A GLANCE**  
continued



# THE BUSINESS – AN OVERVIEW

as at 31 December 2012

## Iron Ore and Manganese

Kumba Iron Ore (South Africa)	69.7%
Minas-Rio (Brazil)	100%
LLX Minas-Rio (Brazil) <sup>(1)</sup>	49%
Samancor (South Africa and Australia)	40%

## Metallurgical Coal

Overall ownership: **100%**

### 100% owned

#### Australia

Callide

#### Australia – other

Monash Energy Holdings Ltd

#### Canada

Peace River Coal

### Other interests

#### Australia

Drayton	88.2%
Moranbah North	88%
Dartbrook	83.3%
German Creek <sup>(2)</sup>	70%
Foxleigh	70%
Dawson	51%
Jellinbah	23.3%

#### Australia – other

Dalrymple Bay Coal Terminal Pty Ltd	25.4%
Newcastle Coal Shippers Pty Ltd	17.6%
MBD Energy Ltd	19.2%

## Thermal Coal

Overall ownership: **100%**

### 100% owned

#### South Africa

Goedehoop

Greenside

Isibonelo

Kleinkopje

Landau

New Denmark

New Vaal

### Other interests

#### South Africa

Mafube	50%
Phola plant	50%
Kriel <sup>(3)</sup>	73%
Zibulo <sup>(3)</sup>	73%

#### South Africa – other

Richards Bay Coal Terminal	24.2%
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#### Colombia

Carbones del Cerrejón	33.3%
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## Copper

Overall ownership: **100%**

### 100% owned

#### Peru

Michiquillay

#### Chile

Mantos Blancos<sup>(4)</sup>

Mantoverde<sup>(4)</sup>

### Other interests

#### Chile

Chagres	50.1%
El Soldado	50.1%
Los Bronces	50.1%
Collahuasi	44%

#### South Africa

Palabora	16.8%
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#### Peru

Quellaveco	81.9%
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#### US

Pebble	50%
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## Nickel

Overall ownership: **100%**

### 100% owned

#### Brazil

Codemín

Barro Alto

### Other interests

#### Venezuela

Loma de Níquel	91.4%
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<sup>(1)</sup> Owns the port of Açú (currently under construction).

<sup>(2)</sup> The German Creek operation includes both Capcoal Open Cut and Underground operations.

<sup>(3)</sup> Kriel and Zibulo form part of the Anglo American Inyosi Coal black economic empowerment (BEE) company of which Anglo American owns 73%.

<sup>(4)</sup> Non-controlling interest of 0.018%.



# HISTORY AND TIMELINE

1800

**1871**  
Diamonds discovered at Kimberley, South Africa.

1910

**1917**  
Anglo American Corporation of South Africa (AAC) 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.

**1926**  
AAC becomes the largest shareholder in De Beers.

1930

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

1970

**1973**  
Anglo American opens office in Brazil.

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, creates 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 113 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.

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

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.

**01** Risk engineer Renner Ferreira de Freitas on the observatory of the Barro Alto ferronickel plant, which is steadily ramping up to full capacity.

**02** Moving sections into position along the 525 kilometre iron ore slurry pipeline at our Minas-Rio project in Brazil.

**03** Las Tórtolas tailings dam, close to the Los Bronces copper mine in Chile.

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 (estimated Inferred Resources of 1.2 billion tonnes at 1.46% TCU) and San Enrique Monolito (estimated Inferred Resources of 0.9 billion tonnes at 0.81% TCU) near Los Bronces in Chile.

2010

2010

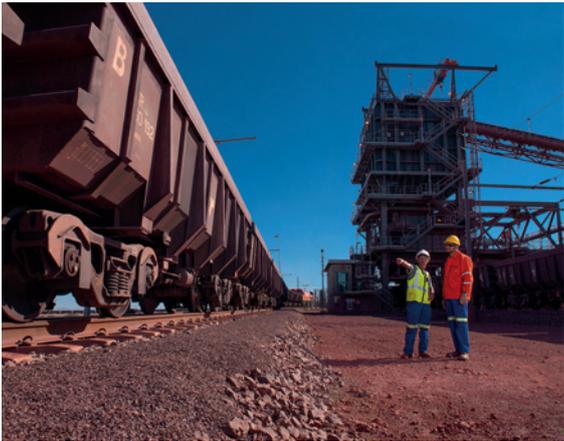
Sale completed of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish, and French and Belgian concrete products businesses.

Announcement of sale of the Group's Zinc portfolio to Vedanta.

Sale of Moly-Cop and AltaSteel to OneSteel Limited.

2011

Anglo American plc and Lafarge SA announce their agreement to combine their cement, aggregates, ready-mixed concrete, asphalt and contracting businesses in the UK.



01



02



04



03

Anglo American announces that it has acquired 100% ownership of Peace River Coal Limited Partnership ('PRC').

Anglo American announces the completion of its sale of a 24.5% interest in Anglo American Sur (AA Sur) to Mitsubishi Corporation.

**2012**

Anglo American announces the final stage of the \$1.4 billion Scaw Metals Group divestment with the sale of Scaw South Africa to an investment consortium led by the Industrial Development Corporation of South Africa 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 ZAR3.4 billion (\$440 million) on a debt and cash free basis.

Anglo American plc announces the completion of its acquisition of a 40% shareholding in De Beers from CHL (representing the Oppenheimer family interests), thereby increasing Anglo American's shareholding in De Beers to 85%. Anglo American paid a total cash consideration of \$5.2 billion.

**01** At the Kumba/Kolomela rail loading facility iron ore is transferred to rail wagons for the 861 kilometre journey to the dedicated iron-ore export terminal at Saldanha Bay on South Africa's Atlantic coast.

**02** José Arancibia, operator, at the Mantoverde electrowinning copper cathode plant.

**03** Mine site officer Nicolette Martens and production supervisor Gordon Barwick inspect the conveyor near the coal handling and preparation plant at Moranbah North, in Queensland, Australia.

**04** The diamond recovery process plant at Venetia, South Africa's biggest diamond mine, which produced just over 3 million carats in 2012.

Anglo American and Corporación Nacional del Cobre de Chile (Codelco) announce their agreement to form a new partnership in respect of certain of the AA Sur copper interests in Chile. Anglo American retains control of AA Sur, reducing its 75.5% shareholding to 50.1%. A Codelco and Mitsui joint venture company controlled by Codelco acquires a 29.5% interest in AA Sur.

Anglo American announces that it has reached a binding agreement to sell its 16.8% effective interest in Palabora Mining Company Limited for ZAR893 million (approximately \$103 million).

**2013 (to 31 March)**

Anglo American announces the sale of its 70% interest in the Amapá iron ore operation in Brazil to Zamin Ferrous Ltd.

Anglo American and Lafarge announce the completion of their 50:50 joint venture which will combine their cement, aggregates, ready-mix concrete, asphalt and asphalt surfacing, maintenance services, and waste services businesses in the United Kingdom. The joint venture is known as Lafarge Tarmac.

# PROJECT DELIVERY TO CONTINUE TO DRIVE HIGH QUALITY PRODUCTION GROWTH

## IN BRIEF

- **Cerrejón P40 8 Mtpa export thermal coal expansion in Colombia – first coal in 2013.**
- **Minas-Rio 26.5 Mtpa iron ore project in Brazil – injunctions lifted and first ore on ship (FOOS) end of 2014.**
- **Grosvenor 5 Mtpa metallurgical coal project in Australia – longwall production in 2016.**

**The Group's extensive portfolio of undeveloped world class resources and pipeline of growth opportunities spans our chosen core commodities.**

**The Group's extensive portfolio of undeveloped world class resources and growth options span its chosen core commodities. It offers flexibility to sequence investment in line with the Group's view of market dynamics and the geopolitical environment. Capital is prioritised to maximise value accretion while minimising risk exposure, taking into consideration the Group's resulting funding capacity.**

Anglo American recorded an impairment charge of \$4 billion at 31 December 2012, on a post-tax basis. The first phase of the project will begin its ramp up at the end of 2014.

The published resource has increased more than fourfold since acquisition to 5.77 billion tonnes in 2011, of which we have recently converted 1.45 billion tonnes to Ore Reserves. We anticipate increases in the resource confidence and further conversion of resources to reserves through our ongoing infill drilling programme.

We have a number of projects in the execution phase and are progressing with the development of other growth projects, including the 225,000 tonnes per annum (tpa) Quellaveco greenfield copper project in Peru.

In Colombia, the brownfield expansion project, P40, aims to increase export thermal coal production capacity by 8 Mtpa to 40 Mtpa (100% basis), through additional mining equipment and the debottlenecking of key logistics infrastructure. The project was approved by Cerrejón's shareholders in the third quarter of 2011. The project is progressing well, with first coal expected in 2013.

The greenfield Grosvenor metallurgical coal 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 high quality 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.

In its first phase of development, Grosvenor will consist of a single new underground longwall mine, targeting the same well understood Goonyella Middle coal seam as Moranbah North, and will process its coal through the existing Moranbah North CHPP and train loading facilities. The Grosvenor project is currently in execution, with engineering work and construction under way and longwall production targeted to begin in 2016. A pre-feasibility study for expansion by adding a second longwall at Grosvenor is under way.

The Minas-Rio iron ore project in Brazil is expected to capture a significant part of the pellet feed market with its premium product featuring high iron content and low contaminants. Phase 1 of the Minas-Rio project is expected to produce 26.5 million tonnes per annum (Mtpa), with potential optimisation to 29.8 Mtpa.

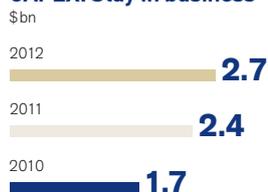
During 2012 Anglo American completed a detailed cost and schedule review of the project. The review included third party input and examined the outstanding capital expenditure requirements in light of current development progress and the disruptive challenges faced by the project. The review included a detailed re-evaluation of all aspects of the outstanding schedule, with a focus on maximising value and mitigating risk.

Following completion of the review, estimated capital expenditure for the Minas-Rio project increased to \$8.8 billion, if a centrally held risk contingency of \$600 million is utilised in full. On the basis of the revised capital expenditure requirements and assessment of the full potential of Phase 1 of the project (excluding at this stage the potential for future expansions up to 90 Mtpa),

### CAPEX: Projects



### CAPEX: Stay in business



Quellaveco is a greenfield copper project in the Moquegua region of southern Peru that has the potential to produce 225,000 tpa of copper from an open pit over a mine life of approximately 28 years. The project is expected to operate in the lower half of the cash operating cost curve, benefiting from attractive ore grades, low waste stripping and molybdenum by-product production. Anglo American completed the

feasibility study for the project in late 2010, and took the decision to suspend progress in order to engage more actively with the local communities through a formal dialogue table process, following requests from local stakeholders. The dialogue process reached agreement in early July 2012 in relation to water usage, environmental responsibility and Anglo American's social contribution over the life of the mine, and has been

held as a model for stakeholder engagement in Peru. The project received three critical permits during the fourth quarter of 2012 and Anglo American is targeting submission to the Board for approval in 2013.

## SELECTED MAJOR PROJECTS

### Approved

Sector	Project	Country	Greenfield (G)/ Brownfield (B)	First production date	Full production date	Capex \$ bn <sup>(1)</sup>	Production volume <sup>(2)</sup>
Iron Ore and Manganese	Minas-Rio Phase 1	Brazil	G	2014	2016	8.8 <sup>(3)</sup>	26.5 Mtpa iron ore
	Groote Eylandt Expansion Project	Australia	B	2013	2013	<1	0.6 Mtpa manganese ore
Metallurgical Coal	Grosvenor Phase 1	Australia	G	2015	2016	<2	5.0 Mtpa metallurgical
Thermal Coal	Cerrejón P40	Colombia	B	2013	2015	<2	8.0 Mtpa thermal
Copper	Collahuasi expansion Phase 2	Chile	B	2013	2014	<1	20 ktpa copper
	Mantoverde desalination plant	Chile	B	2013	2013	<1	To sustain current copper production plans
Platinum	Twickenham	South Africa	G	2016	2021	<2	180 kozpa refined platinum
	Bathopele Phase 4	South Africa	B	2013	2013	<1	65 kozpa refined platinum
	Bathopele Phase 5	South Africa	B	2013	2017	<1	139 kozpa refined platinum
Diamonds	Jwaneng – Cut-8	Botswana	B	2016	2018 <sup>(4)</sup>	3 <sup>(5)</sup>	approx. 10 million carats pa
	Venetia U/G	South Africa	B	2021	2024	<3	approx. 4 million carats pa
Other Mining and Industrial – Core	Boa Vista Fresh Rock	Brazil	B	2014	2015	<1 <sup>(6)</sup>	6.5 ktpa total niobium production

### Unapproved

Sector	Project	Country	Greenfield (G)/ Brownfield (B)	Indicative production volume <sup>(2)</sup>
Iron Ore and Manganese	Kolomela Expansion	South Africa	B	6.0 Mtpa iron ore
	Sishen Lower Grade	South Africa	B	6.0 Mtpa iron ore
	Sishen Concentrates (Phase 1)	South Africa	B	1.1 Mtpa iron ore
	Minas-Rio Phase 1 AO	Brazil	B	3.3 Mtpa iron ore
	Minas-Rio Expansion	Brazil	B	TBD
Metallurgical Coal	Moranbah South	Australia	G	12.0 Mtpa metallurgical
	Grosvenor Phase 2	Australia	B	6.0 Mtpa metallurgical
	Drayton South	Australia	B	4.0 Mtpa export thermal
Thermal Coal	New Largo	South Africa	G	11.0 Mtpa thermal
	Elders Multi-product	South Africa	G	3.1 Mtpa thermal
	Mafube	South Africa	B	4.3 Mtpa thermal
Copper	Quellaveco	Peru	G	225 ktpa copper
	Michiquillay	Peru	G	222 ktpa copper <sup>(7)</sup>
	Collahuasi Expansion Phase 3	Chile	B	469 ktpa copper
	Pebble	USA	G	187 ktpa copper <sup>(8)</sup>
	Los Bronces District/Los Sulfatos	Chile	B/G	TBD <sup>(9)</sup>
Nickel	Jacaré	Brazil	G	TBD
	Morro Sem Boné	Brazil	G	TBD
Platinum	Tumela Central Shaft	South Africa	B	128 kozpa refined platinum
	Mogalakwena NC Debottlenecking	South Africa	B	70 kozpa refined platinum
	Mogalakwena Expansion Phase 2	South Africa	B	TBD
Diamonds	Gahcho Kué <sup>(10)</sup>	Canada	G	4.5 million carats pa
Other Mining and Industrial – Core	Goiás II	Brazil	B	1.4 Mtpa phosphates concentrate

<sup>(1)</sup> Capital expenditure shown on 100% basis in nominal terms.

<sup>(2)</sup> Represents 100% of average incremental or replacement production, at full production, unless otherwise stated.

<sup>(3)</sup> 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.

<sup>(4)</sup> Waste stripping at Cut-8, an extension to Jwaneng mine, began in 2010. Carat recovery will commence in 2016, with Cut-8 becoming the main ore source for Jwaneng from 2018.

<sup>(5)</sup> Infrastructure expenditure of approximately \$450 million has already been spent. Project expenditure, including infrastructure expenditure, is likely to total approximately \$3 billion and is anticipated to create access to 95 million carats over the life of the mine.

<sup>(6)</sup> An extension to mine life by mining the unweathered ore after oxides have been depleted. New processing plant (from crushing to leaching) required.

<sup>(7)</sup> Expansion potential to 300 ktpa.

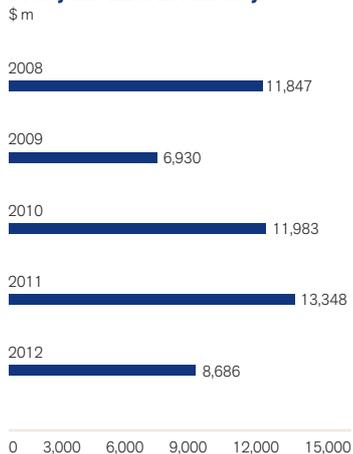
<sup>(8)</sup> Pebble will produce molybdenum and gold by-products. Other copper projects will produce molybdenum and silver by-products.

<sup>(9)</sup> Projected underground mine.

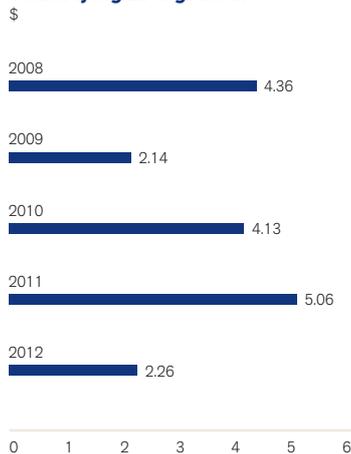
<sup>(10)</sup> Gahcho Kué has received De Beers board approval subject to completion of the permitting process and receipt of certain regulatory clearances.

# FINANCIAL HIGHLIGHTS

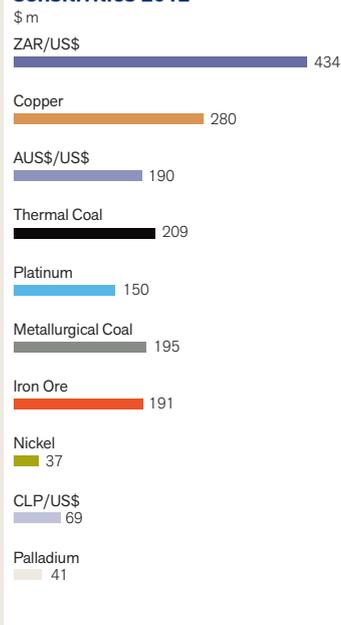
## Five year EBITDA history



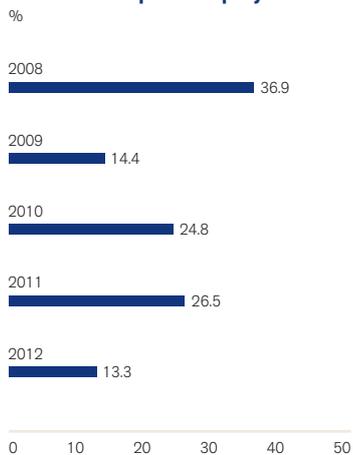
## Underlying EPS growth



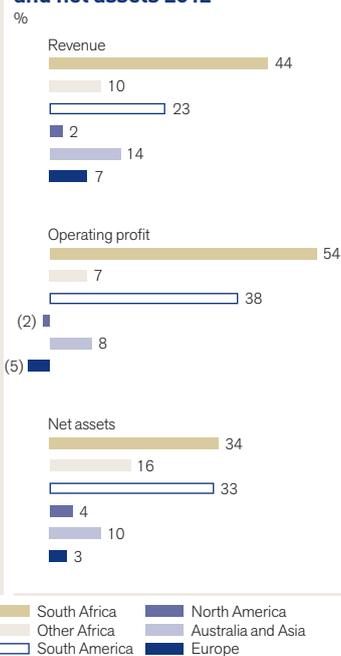
## Underlying earnings sensitivities 2012<sup>(1)</sup>



## Return on capital employed



## Geographical split of revenue, operating profit and net assets 2012



<sup>(1)</sup> Refers to 12 months to 31 December 2012. 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 2012.