

# **ANGLO AMERICAN**

# **MEETING THE**

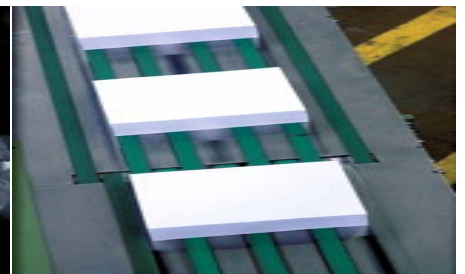
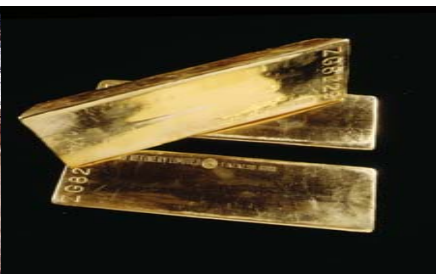
# **WORLD'S NEEDS**

**Merrill Lynch Conference**

**May 2005**

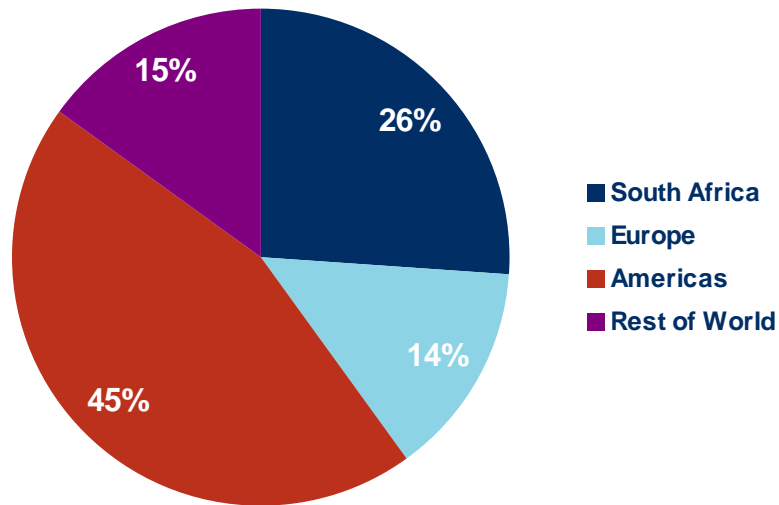
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- **Introduction**
- **Strategy overview**
- **Precious Metals: A unique portfolio**
- **Strong future growth options**

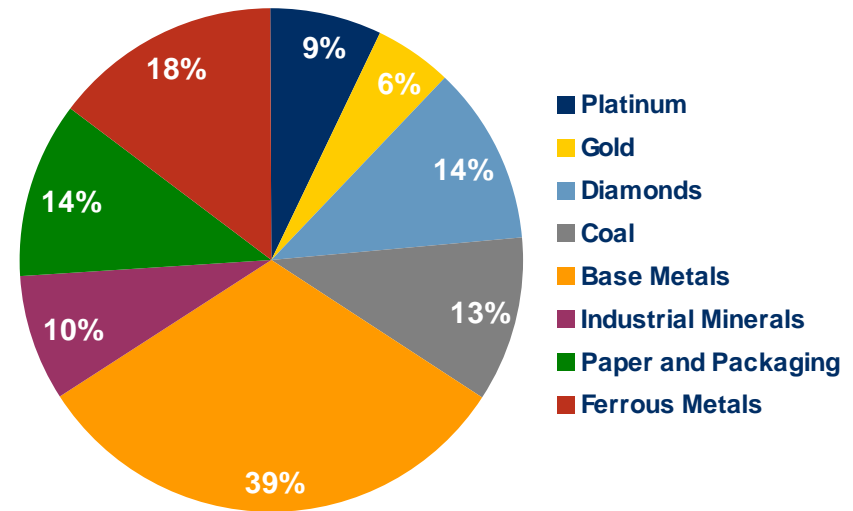


# A unique product mix..

**2004  
Geographical headline  
earnings**

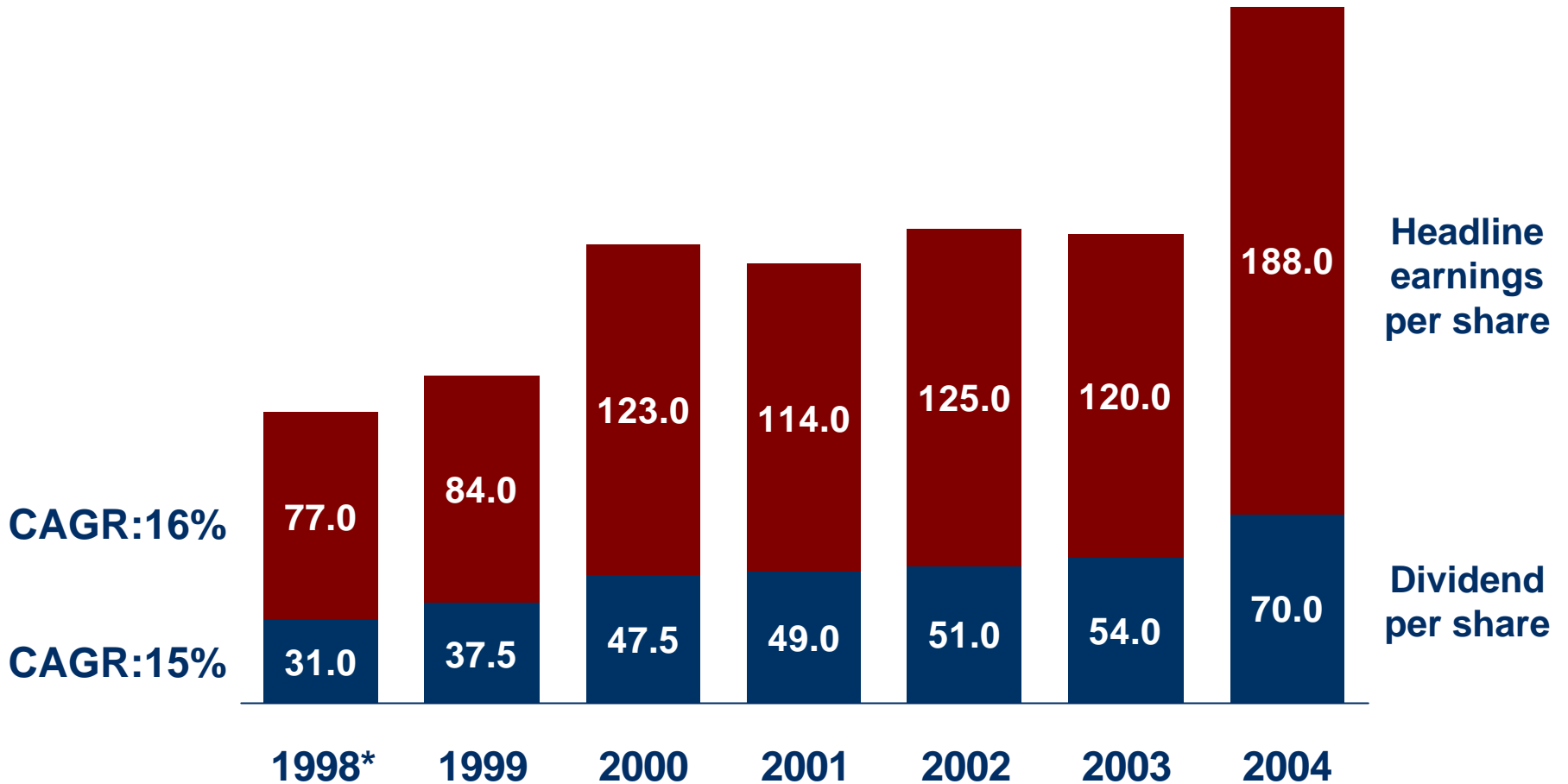


**2004  
Headline earnings  
by business unit**



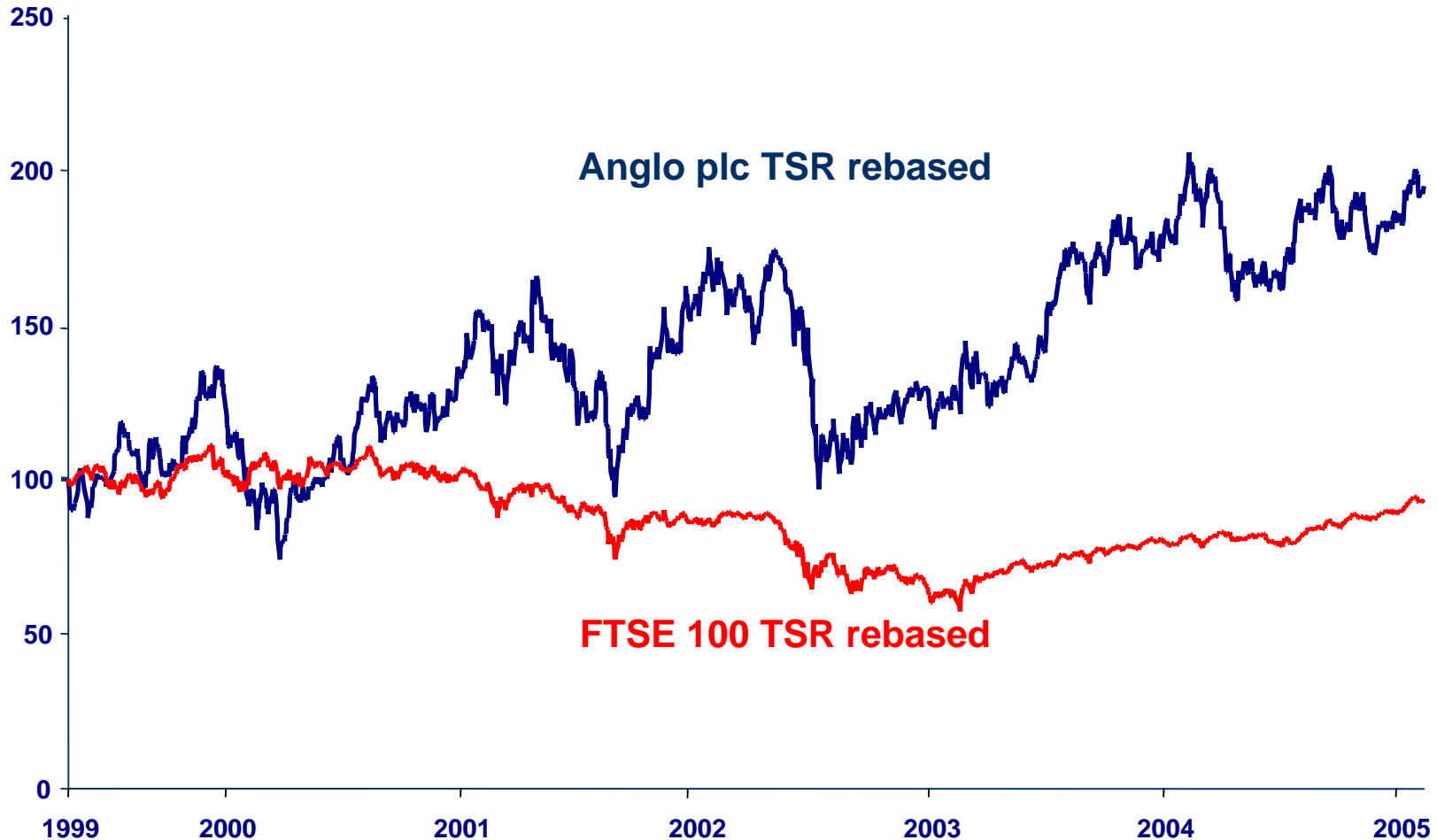
# A strong record of shareholder returns

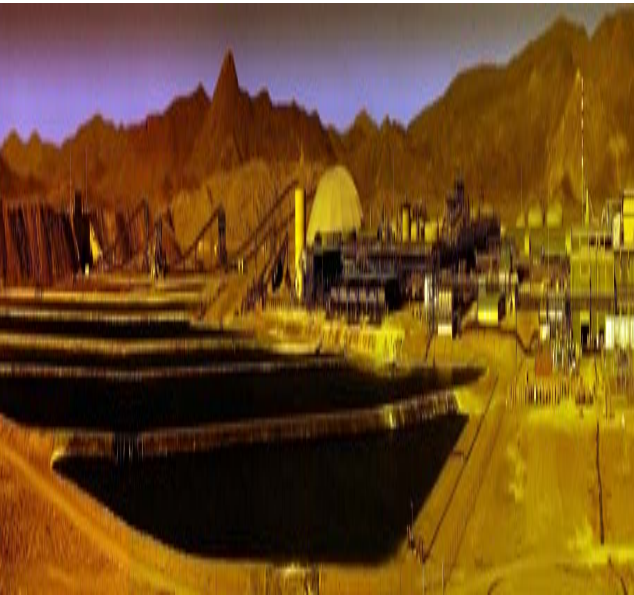
## Double digit earnings/dividend growth



US cents  
\*pro-forma

# Consistently outperforming the FTSE 100





**GROWTH THROUGH  
PROJECTS**

**GROWTH THROUGH  
ACQUISITIONS**

**VALUE FROM COST  
CUTTING AND EFFICIENCIES**

**Grow  
shareholder  
value**

**Invest in NPV+  
opportunities**

**Invest where  
we have core  
competence**

**Ability to identify, acquire and develop  
world-class asset positions**

**Cost of  
capital**

**World-class  
assets**

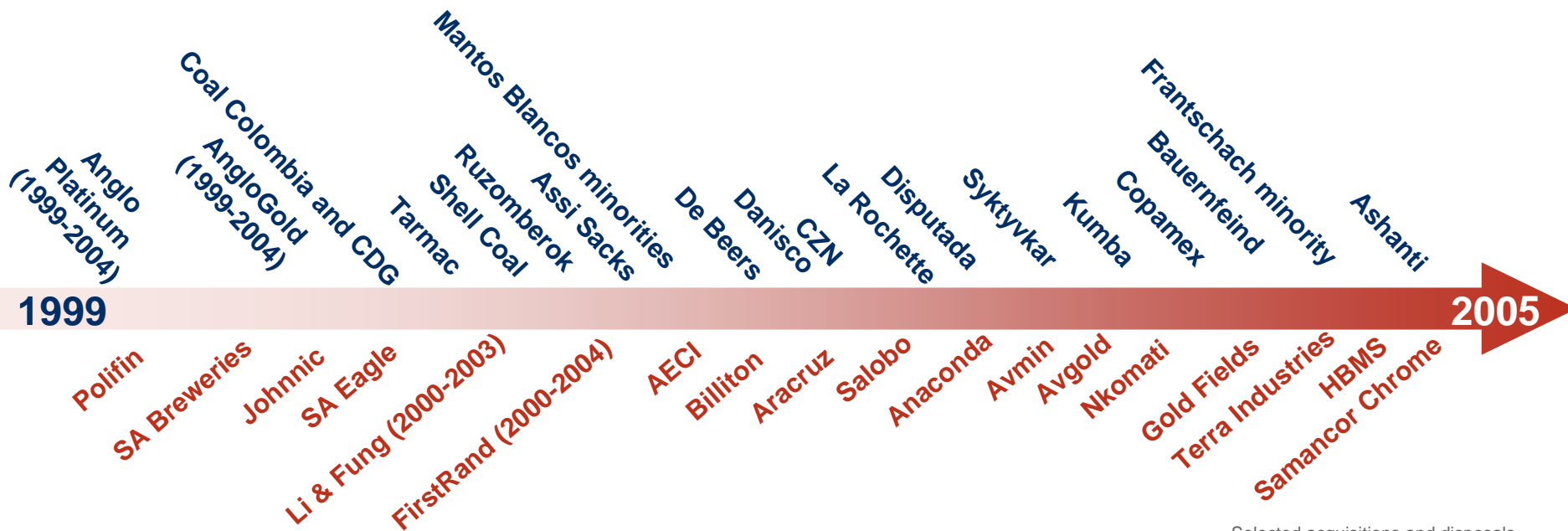
**People**

**Innovation**

**Technology**

**Business  
partner  
of choice**

# Acquisitions: transforming the asset base



Selected acquisitions and disposals.

- Delivering \$15bn of acquisitions..
- Disposing of \$9bn of non-core assets
- Focusing on business units with best growth prospects

# Investing over the Cycle: Ideal profile

## Downturn

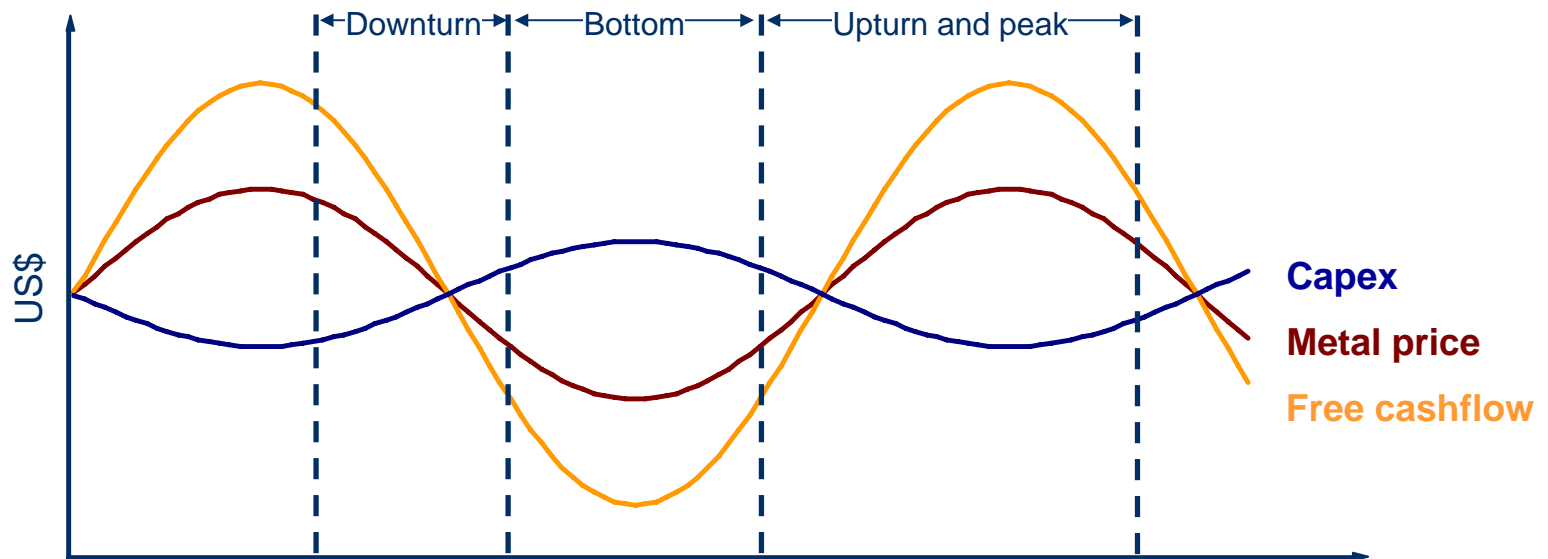
- Commence greenfield projects
- Assess acquisitions
- Increase capex

## Bottom of the Cycle

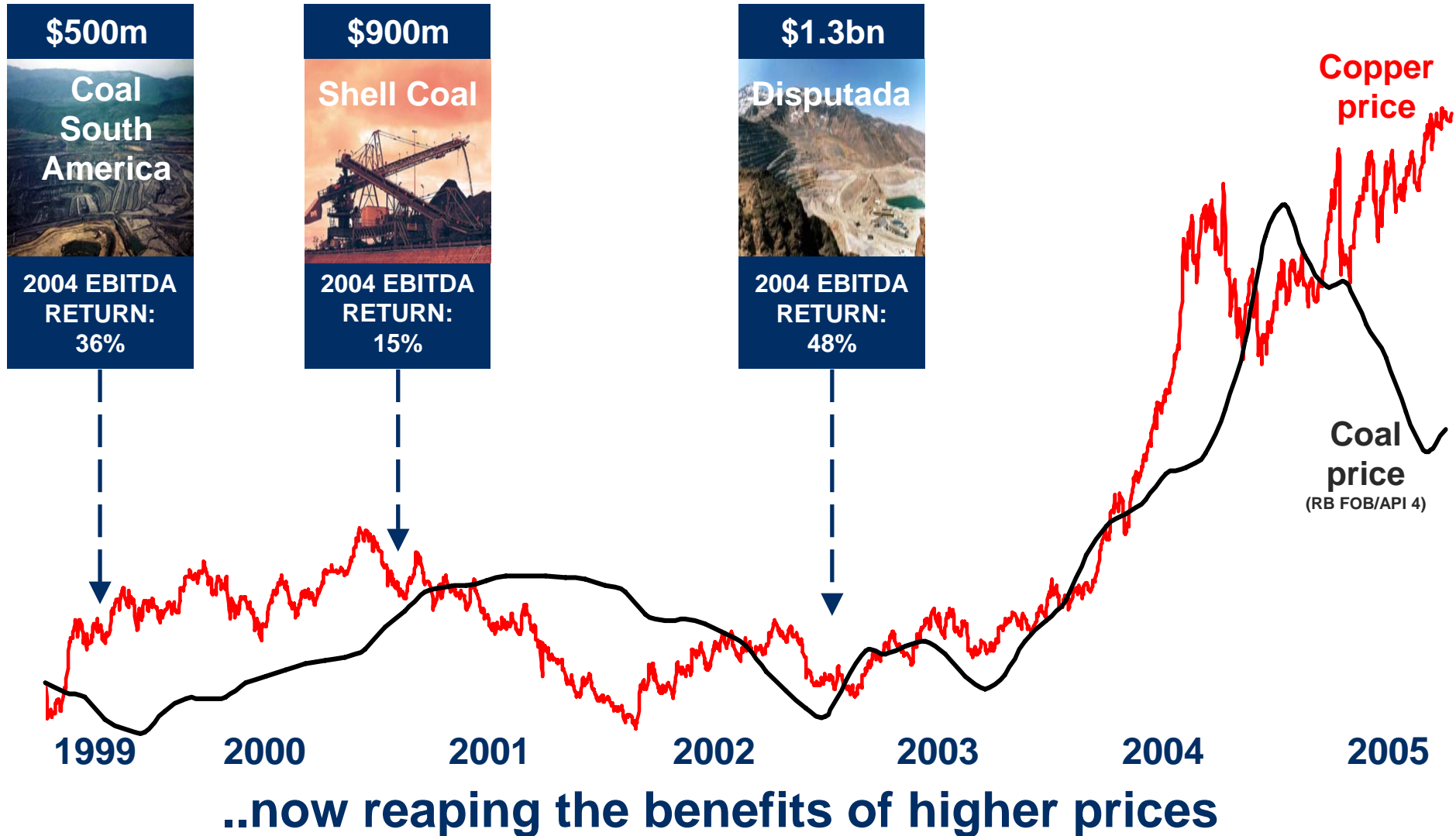
- Make acquisitions
- Commission projects
- Commence de-bottlenecking projects
- Peak capex – ‘borrow’

## Upturn & peak

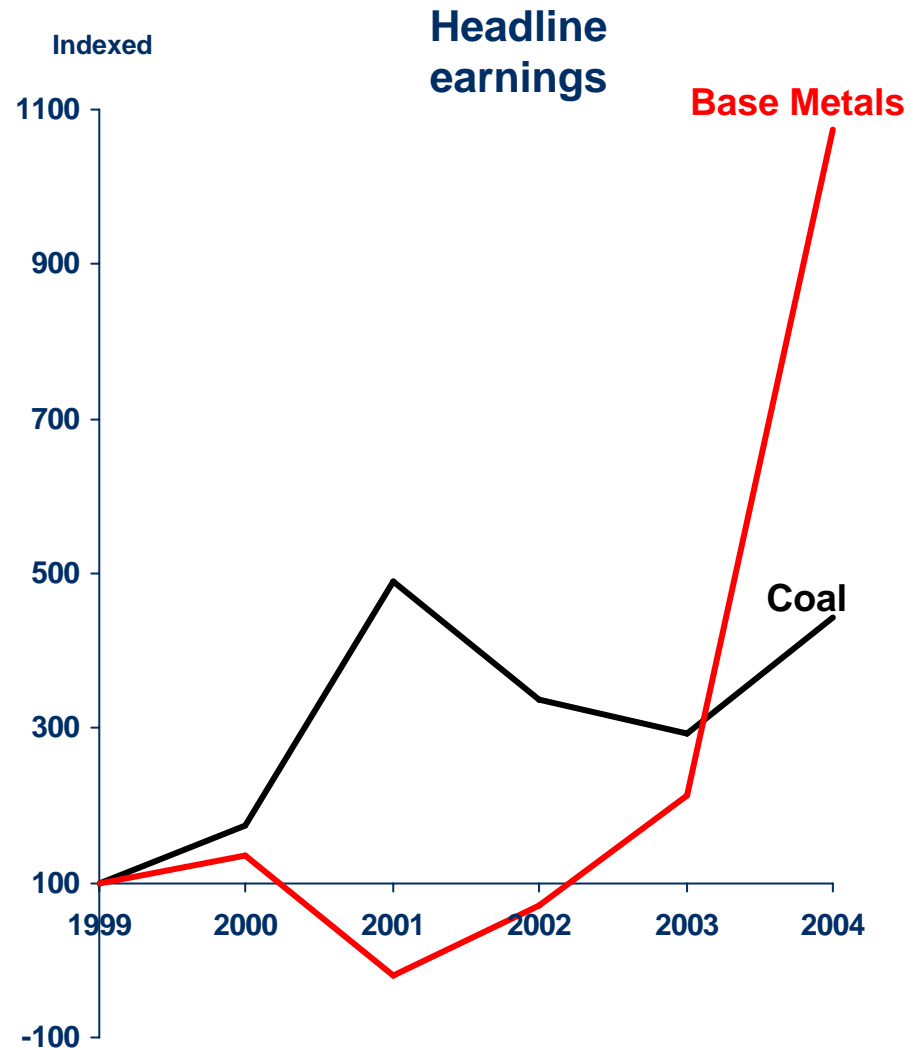
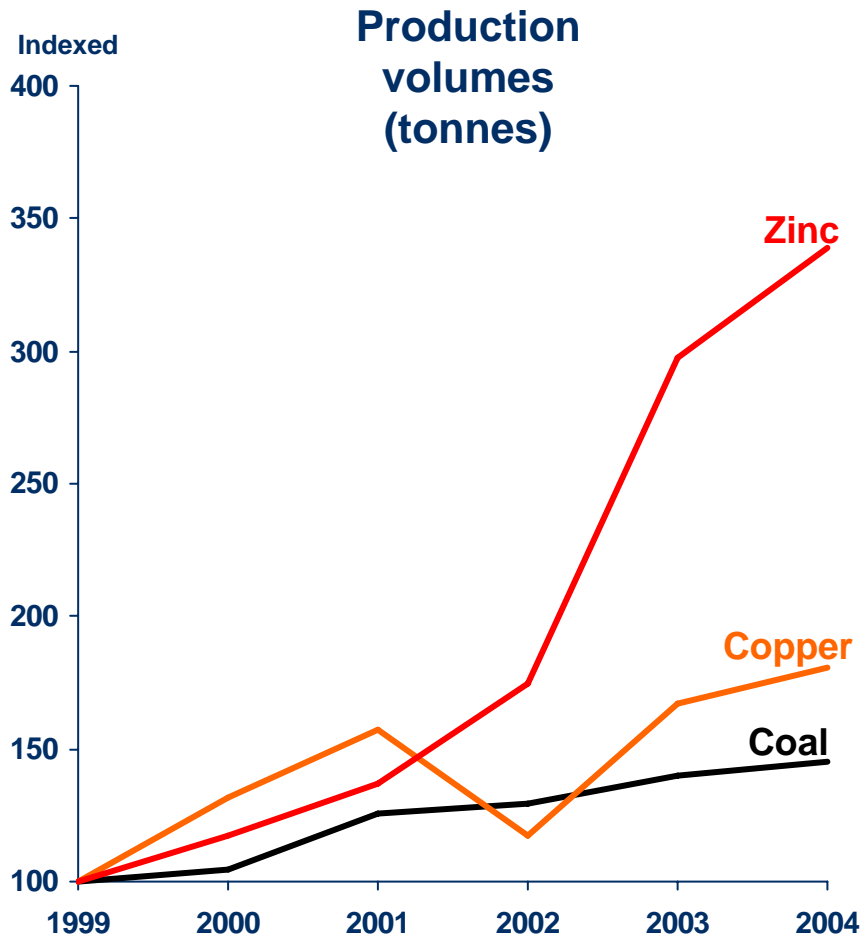
- Sell non core assets
- Ramp up projects to full production
- Reduce long lead time capex – ‘repay’



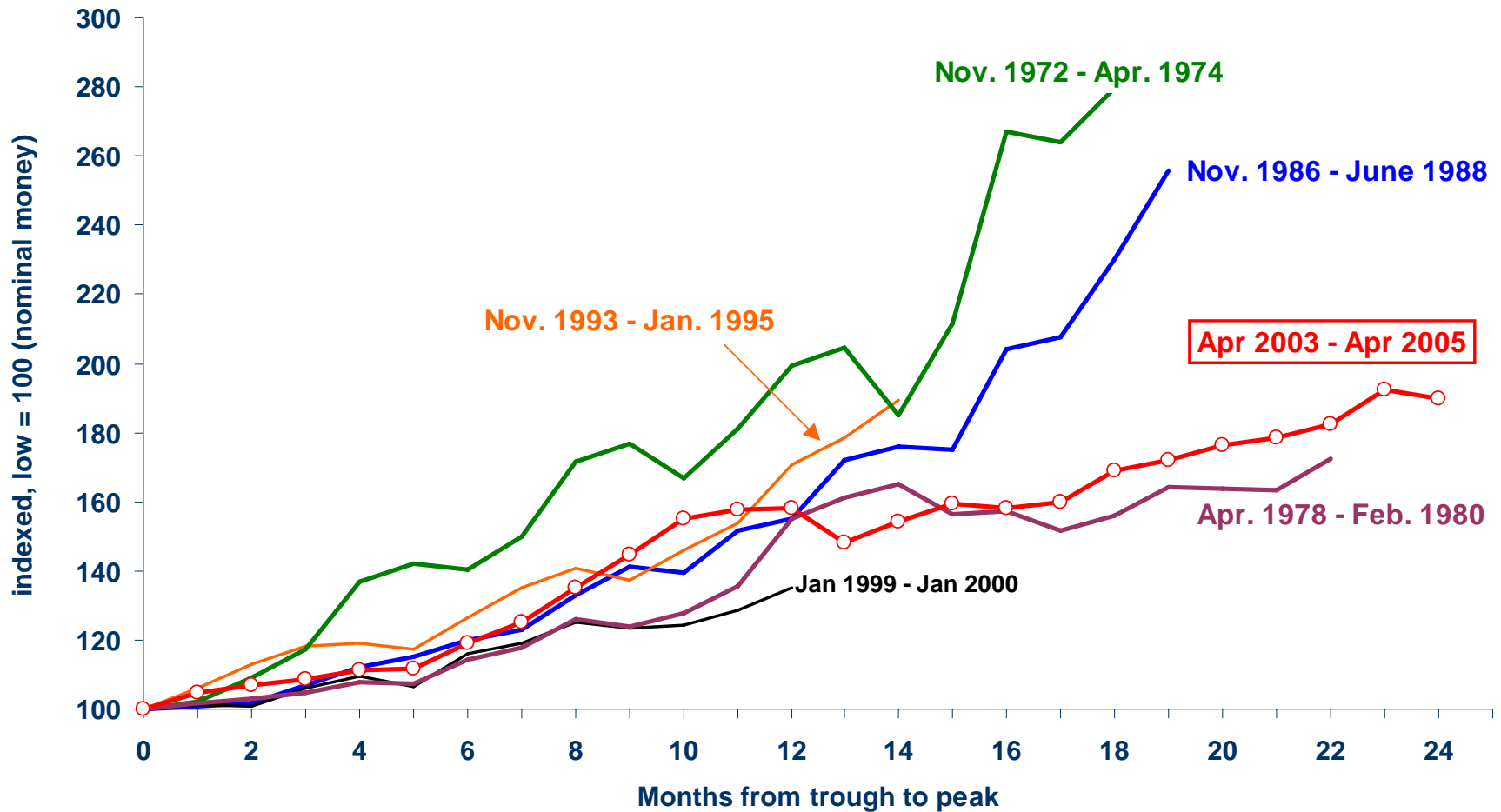
# Acquisitions at the bottom of the cycle..



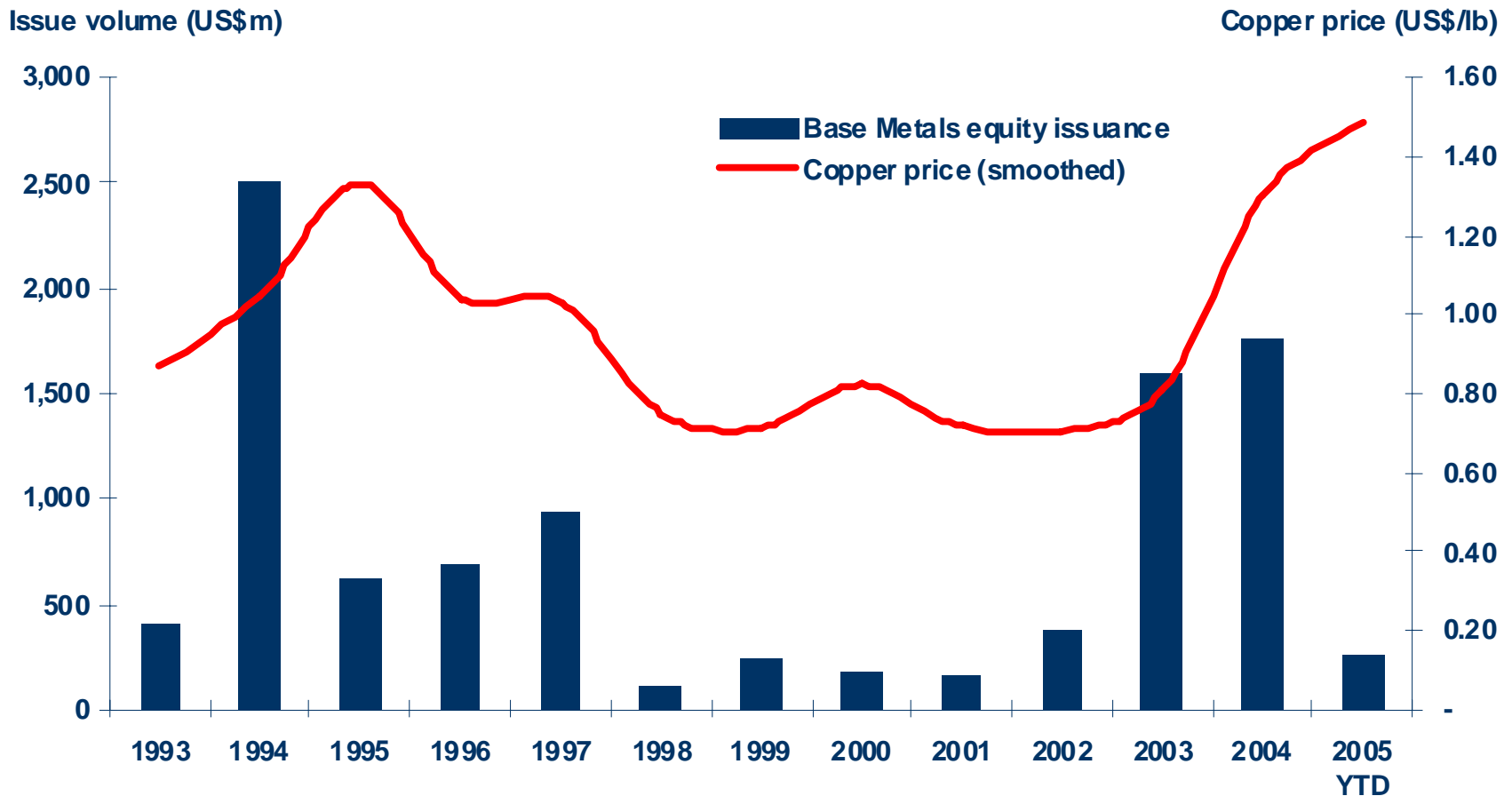
# Significant growth in Base Metals and Coal



# Are we in a super cycle?

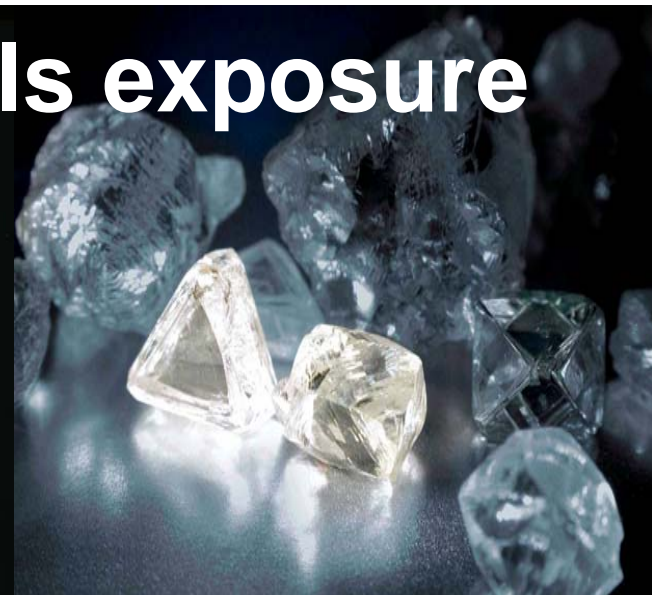
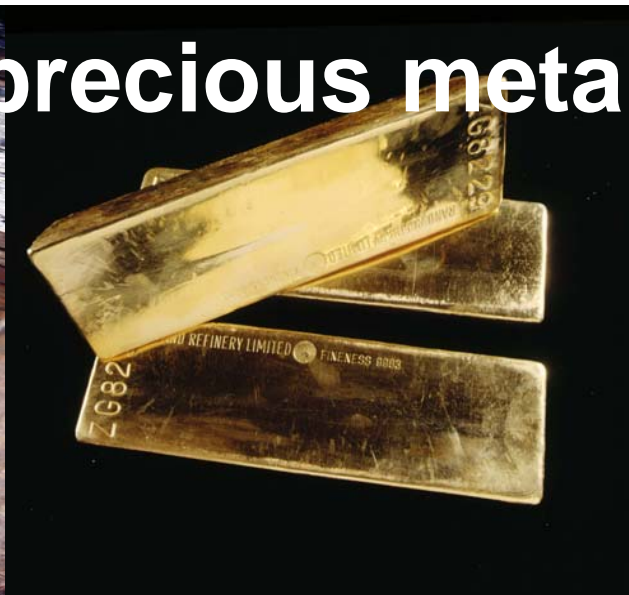


# Increased threat to supply/demand balance from new funding?



Source: CIBC World Markets

# A unique precious metals exposure



# A unique precious metals exposure



**Platinum**

- World's no 1 platinum producer
- Robust demand outlook
- Strategy to expand in line with increased demand remains



**Gold**

- 2<sup>nd</sup> largest gold producer
- Declining industry reserve base
- AGA well positioned with significant reserves and resources



**Diamonds**

- De Beers no 1 diamond producer
- Limited global supply
- Diamond jewellery sales growing: 3.6% (CAGR 1999-2003)

**Platinum**  
9%

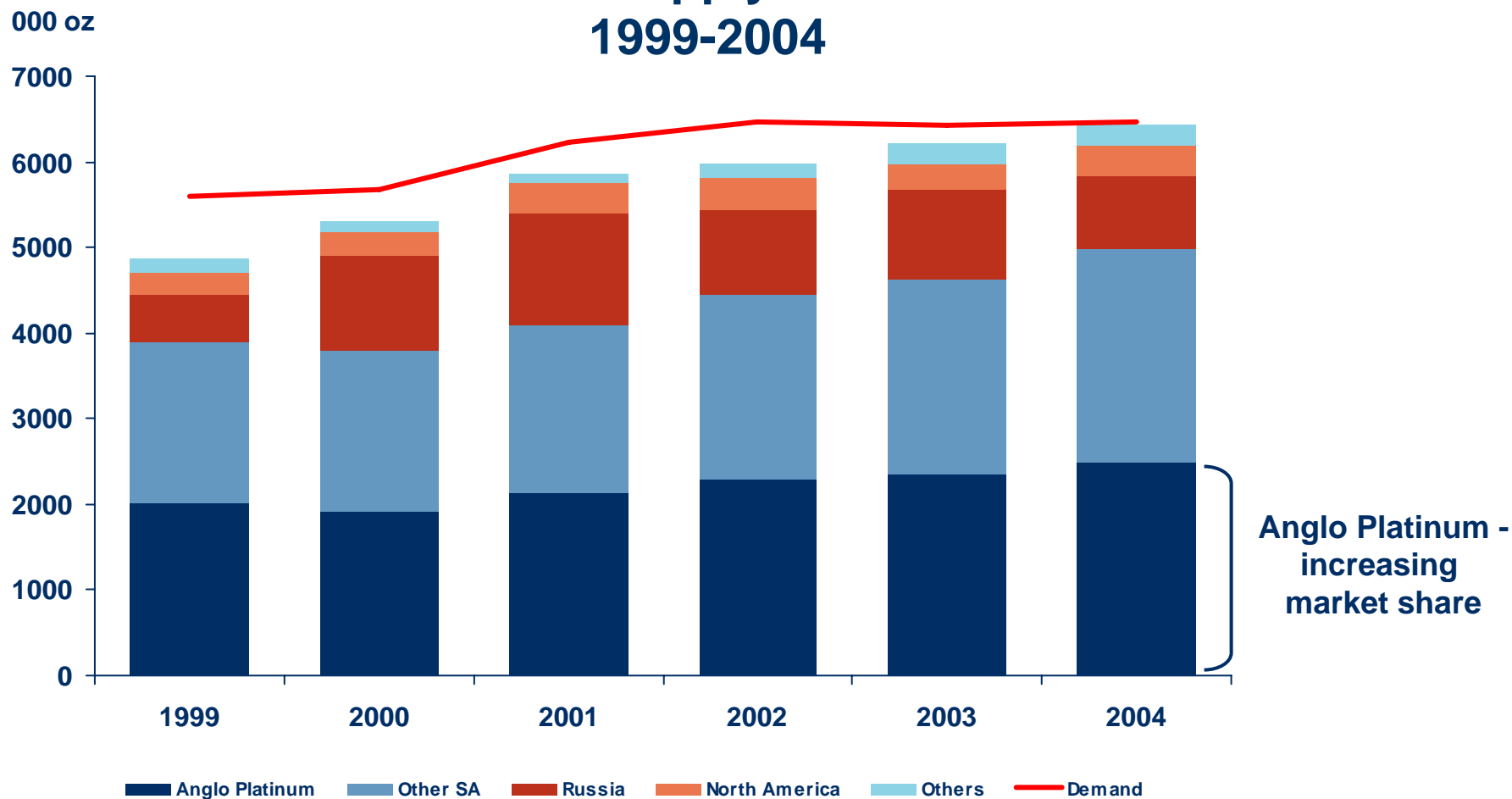
**Gold**  
6%

**Diamonds**  
14%

**2004  
Headline  
earnings**

# Anglo Platinum leading primary supply growth

## Platinum Supply & Demand 1999-2004

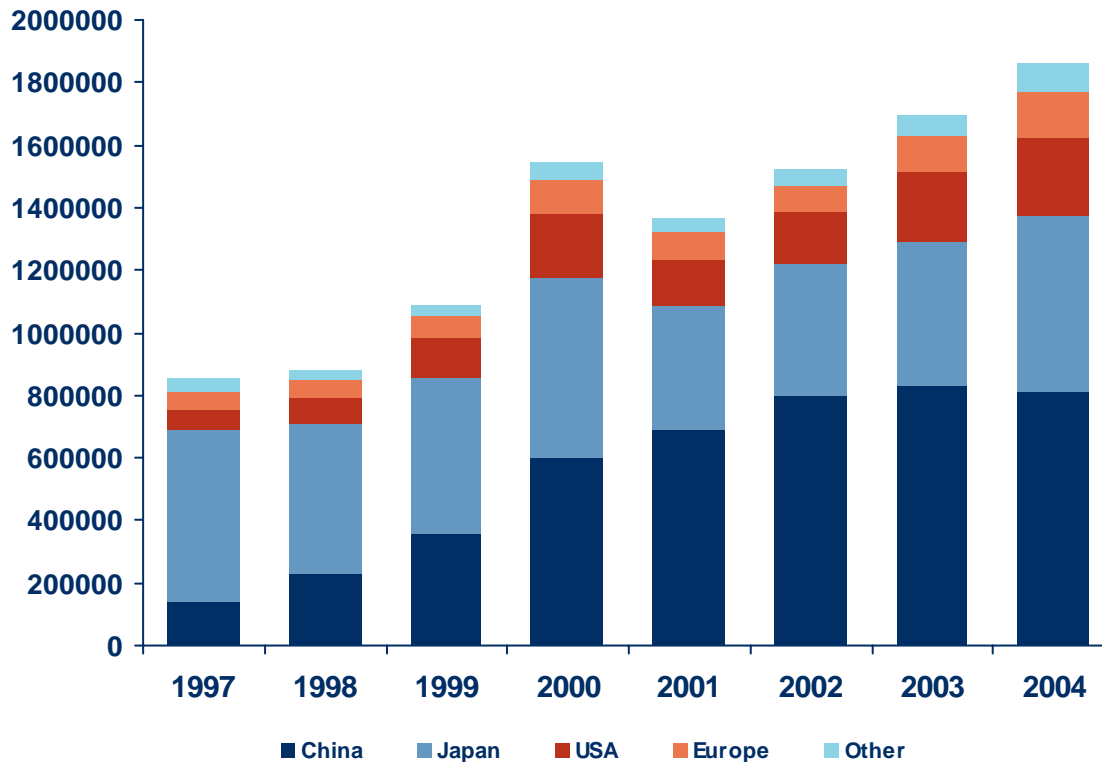


Source: Johnson Matthey

# Platinum jewellery – an exciting Asian growth story

Value of jewellery markets in US\$ continues to grow

Value in \$'000



- Fundamentals remain strong
- Jewellery market in China softer but resilient
- China now the largest consumer (44%)

Jewellery demand (oz) x avg price

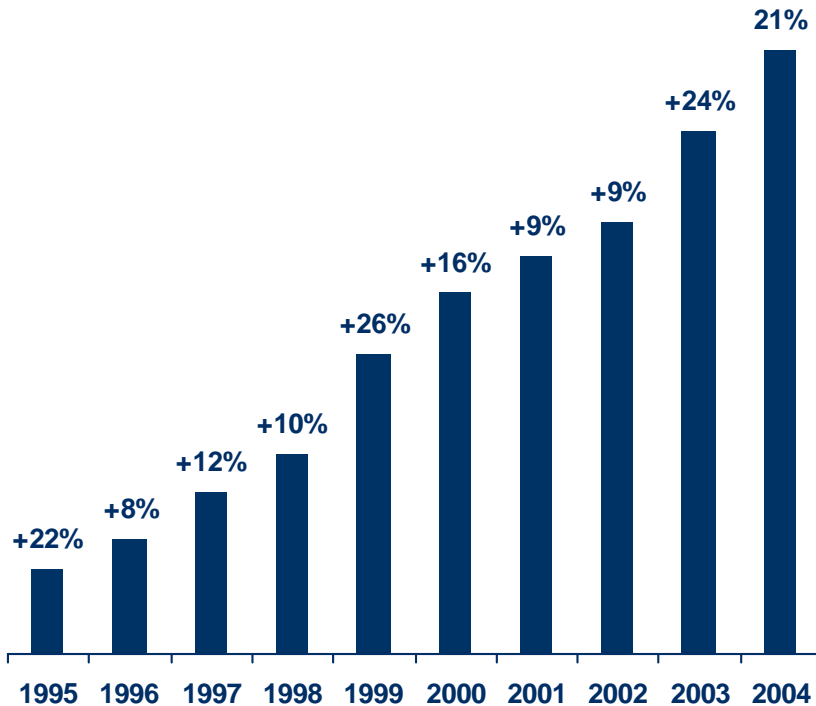
Source: Platinum Guild International /Johnson Matthey

# Diamonds – strong Asian retail growth

Retail growth has been particularly strong in Asia and diamonds are becoming entrenched in cultural tradition

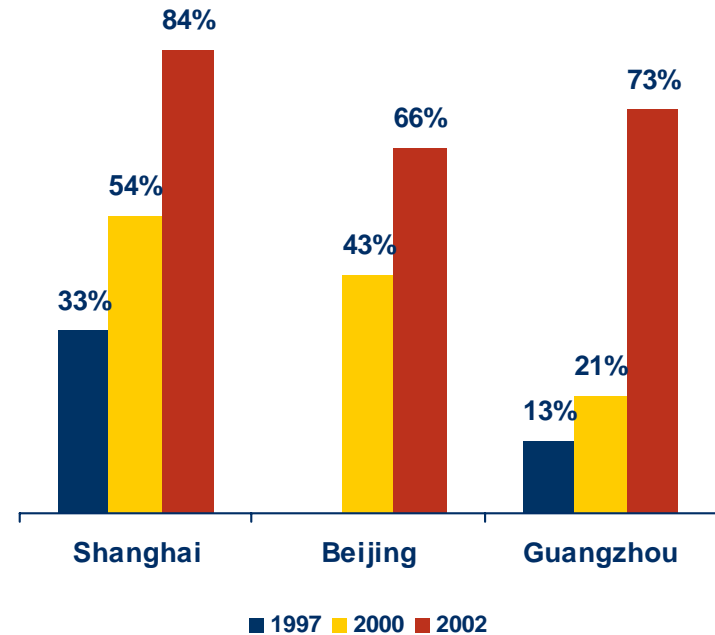
## India

Market growth retail in local currency



## China

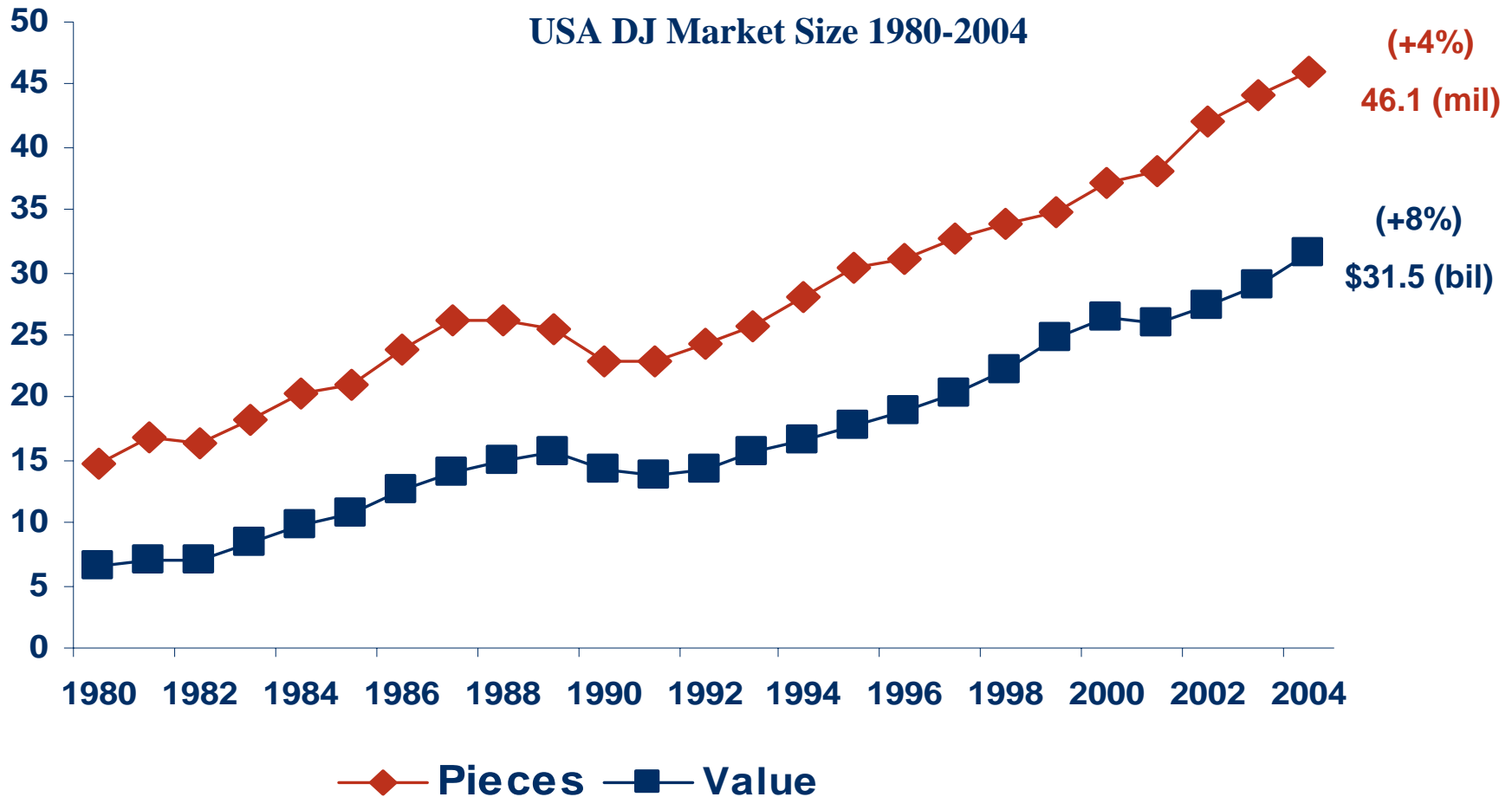
Diamond wedding ring (DWR) acquisition amongst recently married women



Source: De Beers

# ...and robust growth in the USA

US total market value at \$31.5 billion, up 8% over 2003



Source: De Beers

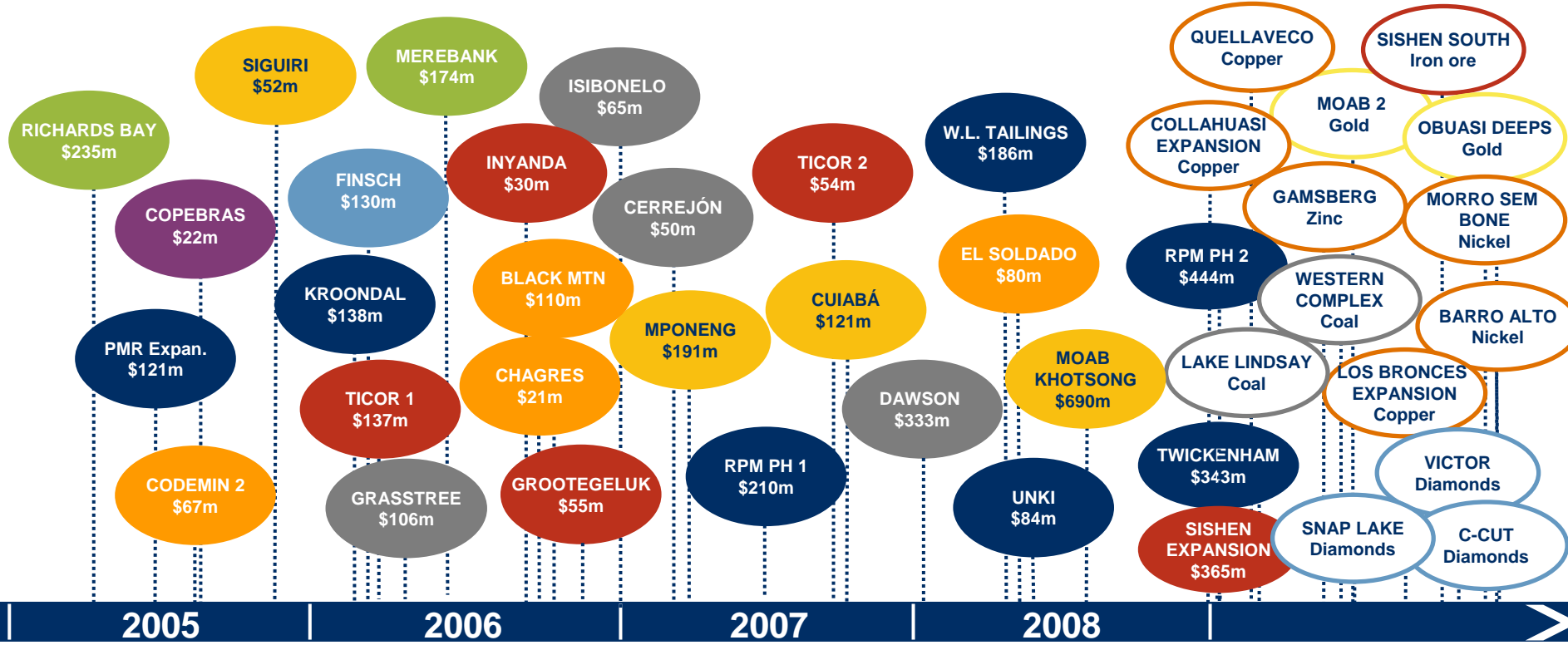
# Significant growth potential



# Substantial long term project portfolio

**APPROVED:  
\$5bn**

**UNAPPROVED:  
\$8bn**



■ Anglo Platinum 
 ■ Diamonds 
 ■ AngloGold Ashanti 
 ■ Coal 
 ■ Base Metals 
 ■ Industrial Minerals 
 ■ Paper & Packaging 
 ■ Ferrous Metals

Selected major authorised projects. Unapproved projects unshaded. 100% of subsidiaries and AA plc's share of JV's and associates. Full production dates. Platinum projects are subject to change as part of ongoing reviews of the project programme

# Major long term growth potential



Barro Alto

- **Production**  
Possible output of 20 - 40,000tpa Ni
- **Capital cost**  
Est. US\$450-750m depending on scale
- **Status**  
Feasibility study being reviewed and updated. Study due for completion early 2006. Earliest production in 2009



Los Bronces

- **Production**  
Possible doubling of throughput to 130,000tpd, additional ~200,000ktpa Cu
- **Capital cost**  
Est. US\$800m
- **Status**  
Conceptual study underway to determine optimum scope



Quellaveco

- **Production**  
Possible output of 200,000tpa Cu in concentrate
- **Capital cost**  
Est. US\$850m
- **Status**  
Feasibility study completed. Permitting process underway.



Collahuasi Expansion

- **Production\***  
Increase production to 600,000tpa?
- **Status**  
Conceptual study underway to scope alternate production scenarios
- Substantial reserve/resource base can support further expansion

\* 100% basis. Anglo has 44% interest.

# Major long term growth potential



- **Production**  
Target: 2005 – 2.6m oz  
2006 – 2.7-2.8m oz
- Global leading ore reserves position
- Unrivalled expansion programme
- Robust new business model to deliver on costs and growth



- Declining global production profiles in the medium term
- 2003-2008: Over \$1bn of approved projects delivering 15m oz
- 9 other projects under consideration to deliver over 35m oz in the mid to long term



- \$365m Sishen iron ore expansion approved
- Production to go from 28 mtpa to 38 mtpa
- Expansion to reach full capacity by 2009
- Faleme (Senegal) to add 12mtpa iron ore (unapproved)



- Dawson project (51%) - additional 5.7 mtpa coking coal to take production to 12.7 mtpa by 2007
- 3 further Coal projects in next two years at Cerrejon (Colombia), Grasstree (Australia) and Isibonelo (SA)
- Potential to increase Cerrejon by another 3mtpa by 2008

# Substantial long term project portfolio

## Base Metals

Approved: \$300m

**Black Mountain (\$110m)**  
Start: 2004 Full prod: 2006  
Maintaining zinc production

**Codemin 2 (\$67m)**  
Start: 2005 Full prod: 2005  
4000tpa Nickel additional

**EL Soldado (\$80m)**  
Start: 2008 Full prod: 2008  
Maintaining copper production

**Chagres smelter (\$21m)**  
Start: 2006 Full prod: 2006  
25,000tpa additional

## Unapproved

**Barro Alto**  
40,000tpa Nickel  
Brazil

**Collahuasi expansion**  
Increase copper to 600,000tpa  
Chile

**Los Bronces**  
200,000tpa additional copper  
Chile

**Gamsberg**  
300,000tpa zinc  
South Africa

## Platinum

Approved: \$1.5bn

**W.L. Tailings (\$186m)**  
Full prod: 2008  
120,000oz additional

**PMR expansion (\$121m)**  
Full prod: 2005

**Kroondal (\$138m)**  
Full prod: 2006  
280,000oz

**Unki (\$84m)**  
Full prod: 2008  
58,000oz

**Timing & cost under review in current R/\$ environment**

**Twickenham (\$343m)**  
Full prod: 2009  
160,000oz

**RPM Ph 1 (\$210m)**  
Full prod: 2007  
360,000oz additional

**RPM Ph 2 (\$444m)**  
Full prod: 2009  
306,000oz additional

## Gold

Approved: \$1.3bn

**Moab Khotsong (\$690m)**  
Start: 2003 Full prod: 2008  
4.9m oz LOM

**Tau Tona (\$98m) CLR<120**  
Start: 2007 Full prod: 2010  
2.0m oz LOM

**Siguri (\$52m)**  
Start: 2005 Full prod: 2005  
2.1m oz LOM

**Mponeng (\$191m)**  
Start: 2004 Full prod: 2007  
4.8m oz LOM

**Cuiaba (\$121m)**  
Start: 2006 Full prod: 2007  
1.9m oz LOM

**Other (\$138m)**

## Unapproved

**Obuasi Deepes**  
15.6m oz LOM  
Ghana

**Moab ph 2**  
4m oz LOM  
SA

## Ferrous

Approved: \$700m

**Inyanda (\$30m)**  
Start: 2005 Full prod: 2006  
1.0mtpa thermal coal

**Ticor (\$191m)**  
Start: 2003 Full prod: 2007  
250,000tpa titanium slag

**Sishen expansion (\$365m)**  
Start: 2007 Full prod: 2009  
10mtpa additional

**Grootegeluk (\$55m)**  
Start: 2005 Full prod: 2006  
750,000tpa additional coking

**Other (\$36m)**

100% of subsidiaries and AA plc's share of JV's and associates.

# Substantial long term project portfolio

## Paper and Packaging Approved: \$500m

**Merebank (\$174m)**  
Start: 2005 Full prod: 2006  
Additional 160,000t UCWF

**Richards Bay (\$235m)**  
Start: 2005 Full prod: 2005  
Additional 145,000t BEKP

**Other (\$117m)**

## Coal Approved: \$550m

**Grasree (\$106m)**  
Start: 2006 Full prod: 2006  
Maintaining production coking

**Isibonelo (\$65m)**  
Start: 2006 Full prod: 2006  
5mtpa for Sasol

**Cerrejon (\$50m)**  
Start: 2004 Full prod: 2007  
Additional 2mtpa thermal (33%)

**Dawson (\$333m)**  
Start: 2005 Full prod: 2007  
Additional 2.9mtpa coking

### Unapproved

**Lake Lindsay**  
Additional German Creek coking

**Western Complex**  
Thermal

## Industrial Minerals Approved: \$40m

**Copebras (\$22m)**  
Start: 2005 Full prod: 2005  
Additional 121,000t fertiliser

**Other (\$18m)**

## Diamonds Approved: \$130m

**Finsch (\$130m)**  
Start: 2004 Full prod: 2007  
17m carats over life of project

### Unapproved

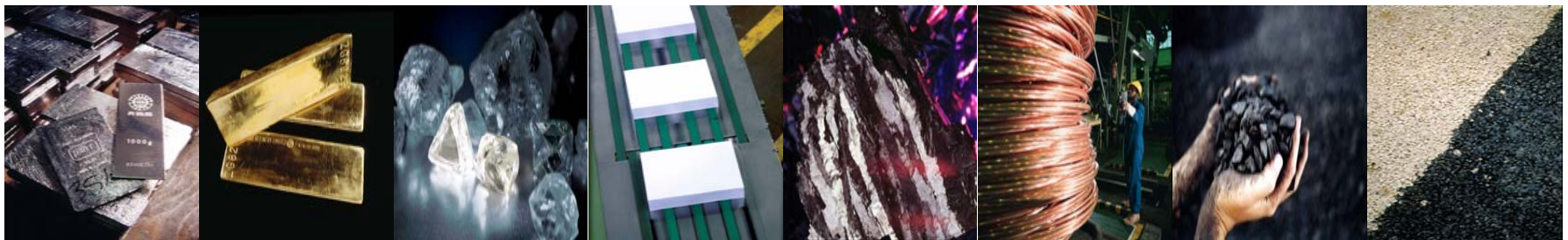
**Snap Lake**  
Start: 2008 Full prod: 2008  
19m carats over life of project

**Victor**  
Start: 2008 Full prod: 2008  
6m carats over life of project

**C-Cut Cullinan (on hold)**  
Start: 2009 Full prod: 2014  
115m carats over life of project

Selected major authorised projects. 100% of subsidiaries and AA plc's share of JV's and associates.

- Maintaining strategy of investing at bottom of cycle, reaping rewards at the top
- Unique precious metals exposure: limited global expansion capacity
- One of the strongest growth profiles in the industry



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# **WORLD'S NEEDS**

**Merrill Lynch Conference**

**May 2005**

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