



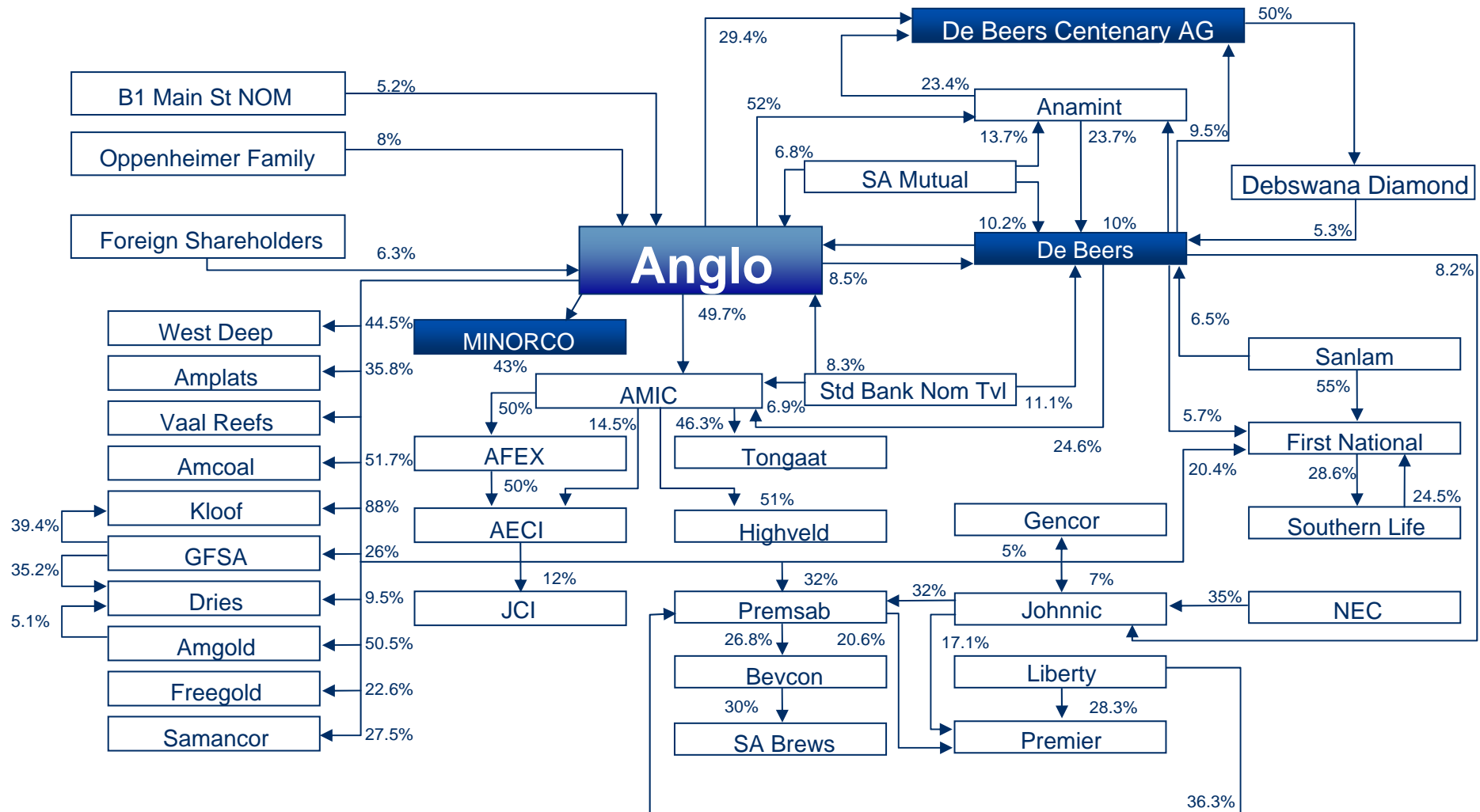
CREATING VALUE FOR SOUTH AFRICA

Media & Analysts Lunch 28 November 2006

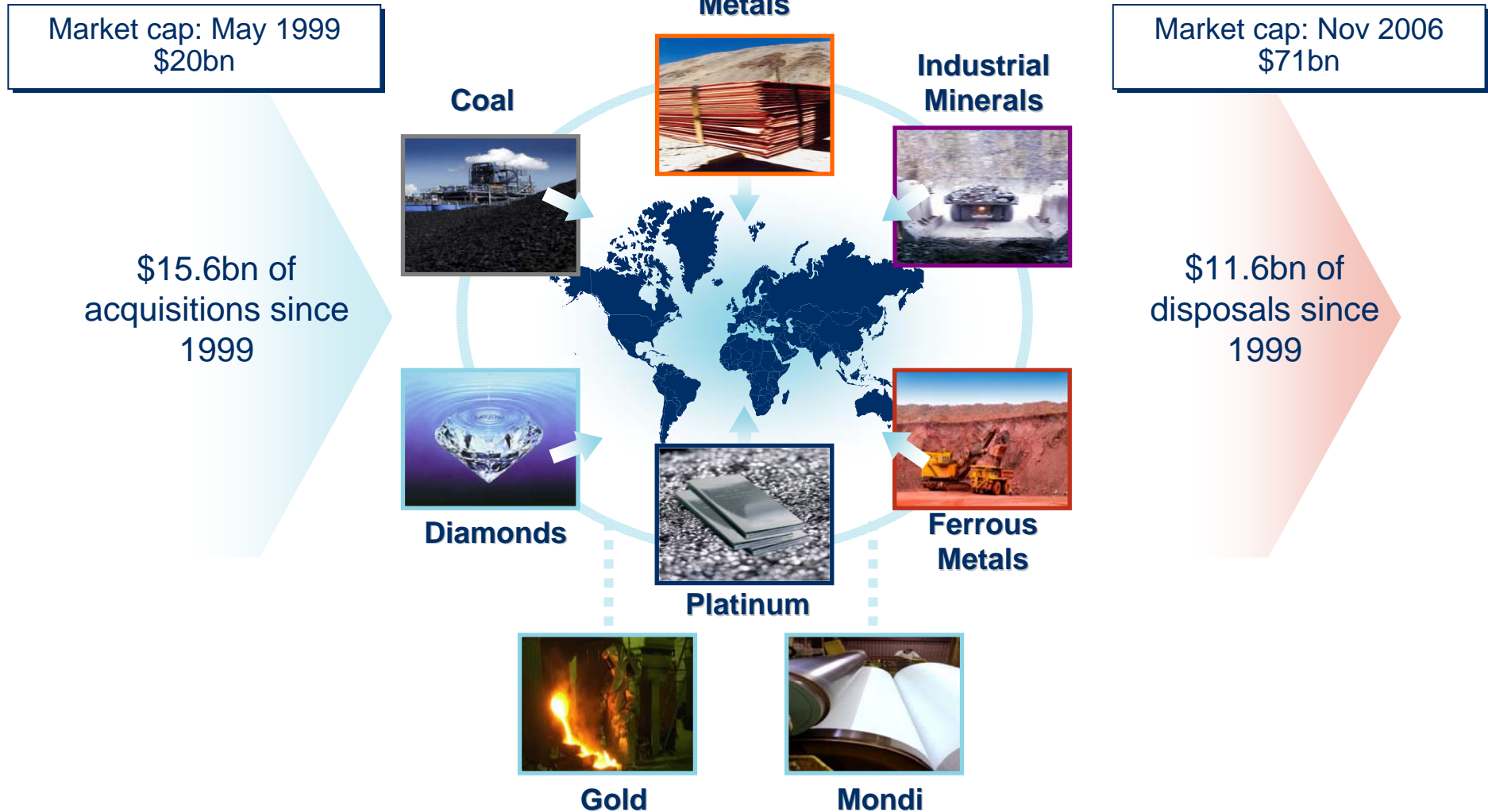
This presentation is being made only to and is directed only at (a) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49(1) of the Order (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

Anglo American Group: 10 Years of Structural Transformation

The Old Anglo – A Complex Structure



Now transformed into a \$70bn global, focused mining company



Transformation of Anglo American South Africa - Ongoing Progress

Anglo American in South Africa Since plc listing in 1999

South Africa's Largest Private Sector Investor

	R	
1999 - 2005	Shareholder value created (increase in market value of AA plc shares)	350bn
	Total SA Sales	507bn
	Total export sales	290bn
	Net capital inflows after dividends	67bn
	Total payroll spend ('99 – '05)	128bn
	Total Anglo SA taxation	22bn
	Value of BEE transactions	>30bn
	BEE procurement & business development	28bn
	Anglo Chairman's Fund contributions	491mn
SA net operating assets at 31 December 2005	106bn	
Further SA investment in coal, platinum, iron ore & diamonds in next 3 years	30bn	

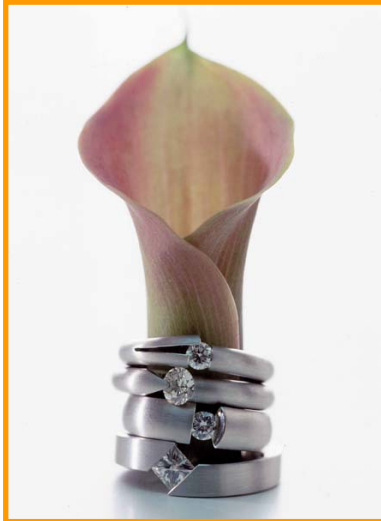
Transformation : Ownership

Major BEE Transactions and Joint Ventures

- Anglo American has been the catalyst in the formation of today's **leading BEE South African mining houses** with an estimated market capitalisation of **R40bn**
- Other BEE transactions: African Life, JCI, Johnnic, Mondi Shanduka, Scaw Metals, Tongaat-Hulett

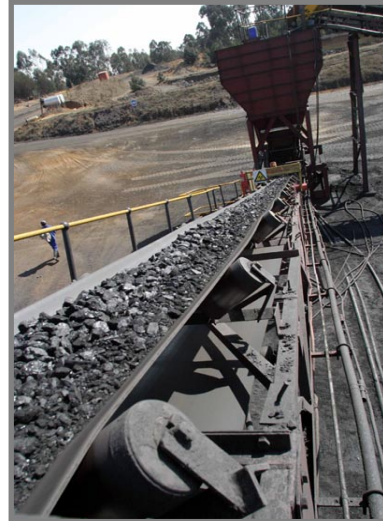
ARM

Gold & Platinum
Market cap
R15.3bn



Eyesizwe

Coal
Equity value
R1.6bn



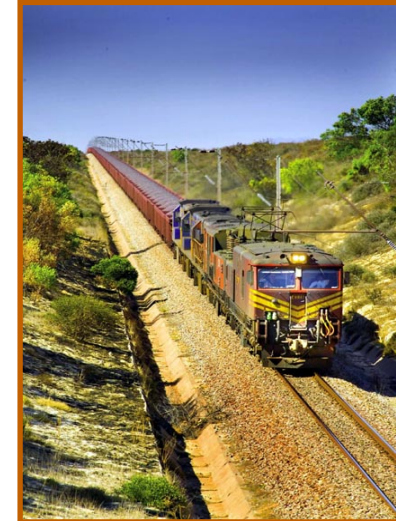
Mvelaphanda

Gold & Platinum
Market cap
R5.6bn



Exxaro

Coal, heavy minerals,
zinc, iron ore
Market cap
R20bn



Anglo committed to HDSA empowerment and transformation

- **Value of Anglo HDSA transactions R64 billion** (2006 money) – R35 billion via HDSA transactions and R29 billion HDSA procurement
- Anglo was instrumental in the **formation of today's leading BEE mining houses** in South Africa
- Anglo' has made excellent progress toward achieving 26% BEE ownership levels in its businesses. Proposed Anglo Platinum empowerment transaction and ESOPs will further increase this HDSA ownership percentage
- Anglo's commitment ensures **employees are an integral part of its transformation** strategy and it is implementing ESOPs across the group
- Anglo is training & developing senior black management in it's South African operations
- Anglo is **committed** to supporting and developing economic empowerment in South Africa and considers transformation as a strategic imperative of doing business in South Africa



AngloGold Ashanti: Began empowerment initiatives prior to Mining Charter



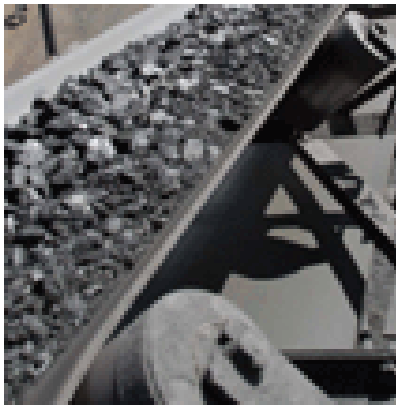
- AngloGold Ashanti completed a number of **asset sales to companies owned by HDSAs** in the past seven years. These sales transferred **20%** of AngloGold Ashanti's **attributable production in SA** to HDSAs
- In addition, AngloGold will establish an ESOP which will constitute **1.4%** of total issued share capital
- **Granted Conversion** for existing mining rights into new order mining rights in 2005
- AngloGold was an important catalyst in formation of **ARMGold** which, with the **Harmony and ARMGold merger** in 2003, became one of the top gold producers in the world and the **largest producer of SA gold**
- AngloGold Ashanti achieved HDSA procurement spend of **R888m** in 2005, a **25% improvement** on its 2004 spend of R711m

Anglo Coal: Began empowerment initiatives prior to Mining Charter



- Current **21% HDSA participation** (Eyesizwe and Leeuw Mining). Proposed BEE transactions increase empowerment to **over 26%**
- Anglo Coal has approached BEE ownership through two methods:
 - ✓ Transferring numerous **smaller reserves to HDSA** companies (e.g. Leeuw and Imbani) and thereby **promoting enterprise development**; and
 - ✓ Initiating a **large HDSA ownership transaction** (Eyesizwe) and **proposing another large transaction** to incorporate major expansion projects
- **Additional 36 Mtpa** expansion projects earmarked for future **BEE** transactions
- Future projects **critical for Government's growth targets** and **Eskom's expansion plans**
- **5 Mtpa Mafube** project, a **50:50 BEE joint venture** with **Eyesizwe** - rights granted 25 May 2006 & construction now underway

Anglo Coal: Significant Black Empowerment



- In 2001 Anglo Coal **waived its participation rights in the RBCT** expansion in order to give black economic empowerment partners a **meaningful stake** in this world class export facility
- Richards Bay Coal Terminal expansion from 72 Mtpa to 92 Mtpa of which **at least 50% of the expansion is dedicated for HDSAs**
- The value of Anglo Coal's **future projects and investment pipeline in South Africa** is estimated around **R8 billion**
- Anglo Coal achieved HDSA procurement spend of **R1.1 billion** in 2005, a **75% improvement** on its 2004 spend of R617 million

Exxaro : Largest black owned, managed and controlled Company



- Significant support by Anglo and Kumba
- Meaningful and sustainable **BEE** introduced into Kumba through:
 - Creation of Exxaro with coal, heavy minerals, zinc and iron ore assets (market capitalisation of **R20 billion**)
 - Partial separation and listing of Kumba's iron ore assets
- **HDSA shareholding of 56%** on day one in Exxaro - a significant **out performance** on Mining Charter's ownership targets (15% 2009; 26% 2014) including:-
 - **53% BEE Holdco** with broad based HDSA ownership of:-
 - Eyesizwe – 54%;
 - Eyabantu – 10%;
 - Tiso – 10%;
 - BEE Women's Group – 11% and
 - IDC – 15%
 - **3% Exxaro ESOP**

Exxaro : Largest black owned, managed and controlled Company



- **26% HDSA shareholding** in Sishen Iron Ore Company on day one
- **Women's groups** will hold approximately **17.8%** of BEE Holdco
- Exxaro has an **attractive investment case** with significant growth potential:
 - **2nd Largest** titanium slag producer globally (after Rio Tinto)
 - **Fourth largest** coal producer in SA (after Sasol, Ingwe and Anglo Coal)
 - **Significant interest in iron ore** through **20%** interest in Sishen Iron Ore Company
 - **New addition** to JSE – market cap R20bn

De Beers: Broad Based BEE transaction

DE BEERS
A DIAMOND IS FOREVER

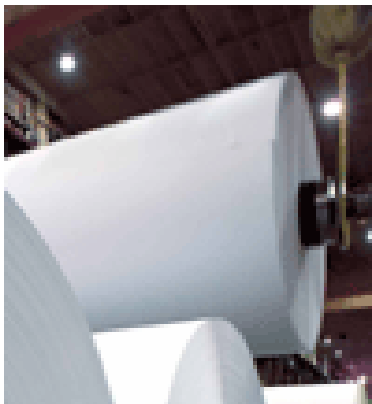
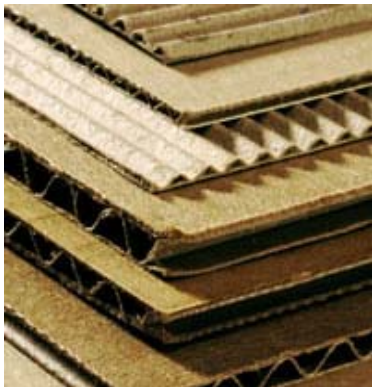


- 26% equity interest for **R3.8 billion** in De Beers SA sold to Ponahalo
- This transaction has created a **new generation** broad based, black empowerment company
- Innovative **Broad Based** transaction as Ponahalo is:
 - 50% De Beers SA based employees and pensioners
 - 50% consortium of HDSA business and broad-based groupings
 - 90% broad based
 - 29% women
- Three broad based trusts will receive **R5 million** dividend income per annum to benefit disadvantaged women, people with disabilities and communities around the De Beers mines
- De Beers provided meaningful **financial facilitation** to ensure a robust and sustainable transaction

Anglo Platinum: Further Empowerment Transactions Developing



- Anglo Platinum's strategy has focused on HDSA participation at an **operational / asset level** - enabling skills and knowledge transfer & providing empowerment partners with sustainable access to future growth
- Offset principle applies (some assets >50% & others <26%)
- **Achieved meaningful empowerment in excess of 15%**, including:
 - BRPM joint venture
 - Modikwa joint venture (including Modikwa Deeps)
 - Sale of equity stake in Northam to Mvelaphanda
 - Pandora joint venture
 - Ga Phasha joint venture
 - Disposal of mineral & surface rights of property Elandsfontein
- BEE empowerment transactions currently **under negotiation** (Booyendal, Union and Rooderand)
- Anglo Platinum achieved HDSA procurement spend of **R2 billion** in 2005, a **102% improvement** on its 2004 spend of R1 billion
- In addition, an **ESOP** is being considered
- **Platinum empowerment deals will result in the 2014 Mining Charter target of 26% HDSA ownership being met**



- Mondi initiated the **first major BEE transactions in the South African paper and packaging sector**
- In 2004, Mondi concluded a **R1.1 billion newsprint BEE transaction** with Shanduka with BEE ownership of:
 - 42% Shanduka; and
 - 8% other broad based BEE
- In 2005, Mondi concluded a **R2.2 billion paper and packaging BEE transaction** with Shanduka with BEE ownership of:
 - 42% Shanduka; and
 - 3% employee participation
- Mondi has an **ESOP in place** which enables employees to participate in **4%** of Mondi Shanduka Newsprint and **5%** of Mondi Packaging in South Africa
- Anglo exit strategy for value being progressed

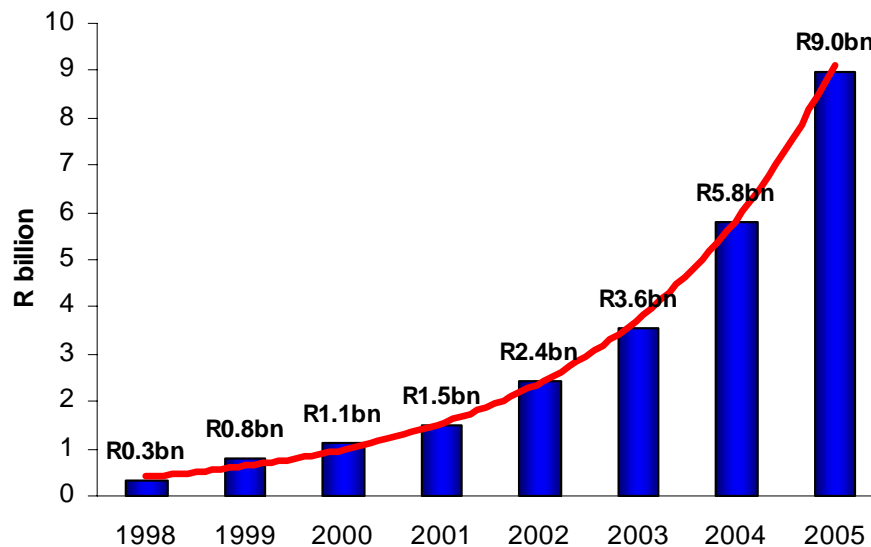
- Anglo is committed to ensuring that **employees are an integral part** of its transformation strategy
- ESOPs are being implemented across the Group as specific circumstances dictate:
 - ✓ Mondi ESOP enables employees to participate in **4%** of Mondi Shanduka Newsprint and **5%** of Mondi Packaging in South Africa
 - ✓ De Beers' HDSA empowerment deal includes **13%** ownership by employees and pensioners
 - ✓ Kumba's HDSA empowerment deal includes **3%** ESOP in Exxaro and SIOC
 - ✓ AngloGold Ashanti will establish an ESOP which will constitute **1.4%** of total issued share capital
 - ✓ Anglo Platinum is currently considering an ESOP
 - ✓ Anglo is developing an ESOP for those South African employees not included in above schemes

BEE Procurement & Enterprise Development

BEE Procurement and Enterprise Development

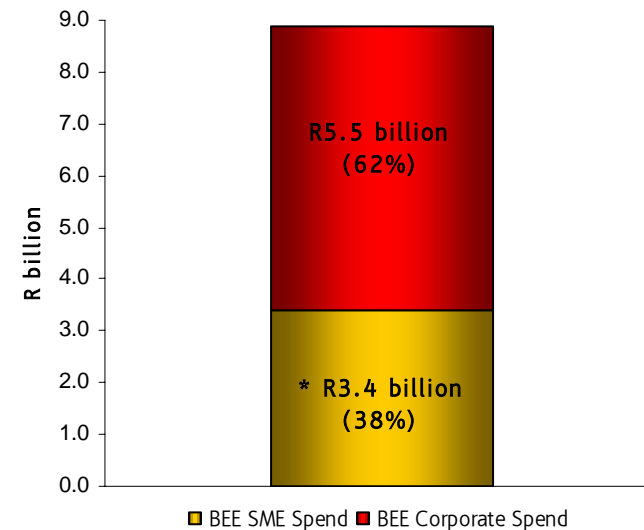
- BEE procurement and business development spend (including Anglo Zimele) **increased significantly** from R0.3 billion in 1998 to **R9 billion in 2005** (excluding De Beers)
- 2005 HDSA procurement as % of total available spend continues to increase from 17% (2004) to **24%** (2005)

Anglo's BEE Procurement and Business Development Spend Since 1998 (excluding De Beers)



This Anglo initiative started in 1989

Analysis of BEE Spend



* SME's with turnover <R30m p.a, per definition in BEE Codes

Anglo Zimele Business Development



Anglo Zimele

- Investments collectively turned over **R561 million** in 2005 from R264 million in 2004
- Currently invested in 38 businesses **employing over 2900 people**

Anglo Khula Mining Fund

- Investments collectively turned over **R216 million** in 2005 from R87 million in 2004



On 22 July 2005, President Mbeki, the Minister of Minerals and Energy and the Minister of Communications visited the exhibition of small and medium enterprises hosted by Anglo

"This effort has answered the question that I have been asking about what it is that we can do to assist in the expansion of the South African economy through SME development and BEE"

"It was an inspiration to walk around and get a sense of confidence. It really uplifts all of us"

President Thabo Mbeki

Anglo American – A Leader in Corporate Social Responsibility

Chairman's Fund Special Projects & HIV/AIDS Partnerships



Opening of Leratong Hospice, 2004



Hand Surgery Unit, 2005



Lazarus Zim and Dr. Brian Brink receiving the Investing in Life Award from Ferial Haffajee, Mail & Guardian's Editor

- The Anglo Chairman's Fund is a dedicated instrument through which the Anglo Group companies are committed to the **upliftment and development** of South African communities
- Since 1999 the Anglo Chairman's Fund and the AngloGold Ashanti Fund and Trust have made significant contributions of some **R491 million (R600 million in 2006 money)** to **5 012** charitable causes and community projects including the following initiatives:-

Special Projects

- **Rural Schools Programme** in Limpopo – R20m over three years
- **Origins Centre Museum** at Wits University – R10m
- **The Hand Surgery Unit** at Chris Hani Baragwanath – R4.5m
- **Maths & Science Award** R3m over 3 years in partnership with Department of Education
- **Leratong Hospice**, Gauteng – R2m
- **KwaZamokhuhle School**, KwaZulu-Natal – R1.5m
- **Dominican Convent School**, Gauteng – R1.2m

Community HIV/AIDS Partnership Programme

- Anglo's **Community HIV/AIDS Partnership Programme** was launched in 2003 – R30m over three years
- Anglo received the '**Award for Leadership**' in the Global Business Coalition on HIV/AIDS Business Excellence Awards in 2004
- Anglo's Goedehoop Colliery in Witbank received the top award for its HIV/AIDS programme at the Mail & Guardian's '**Investing in Life Awards**' in 2005

Anglo American's Commitment to Growth in South Africa

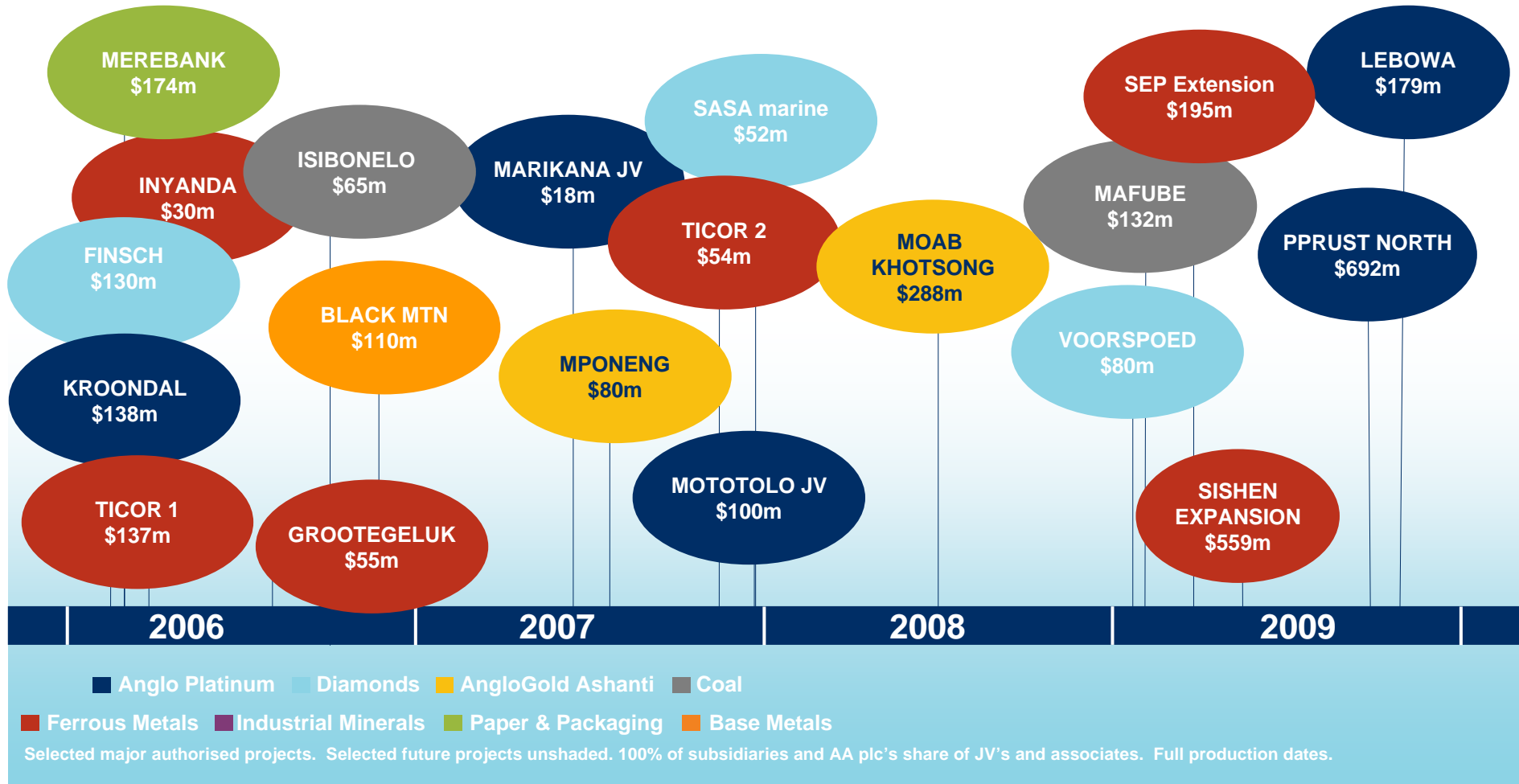
Anglo's investment in mining in SA



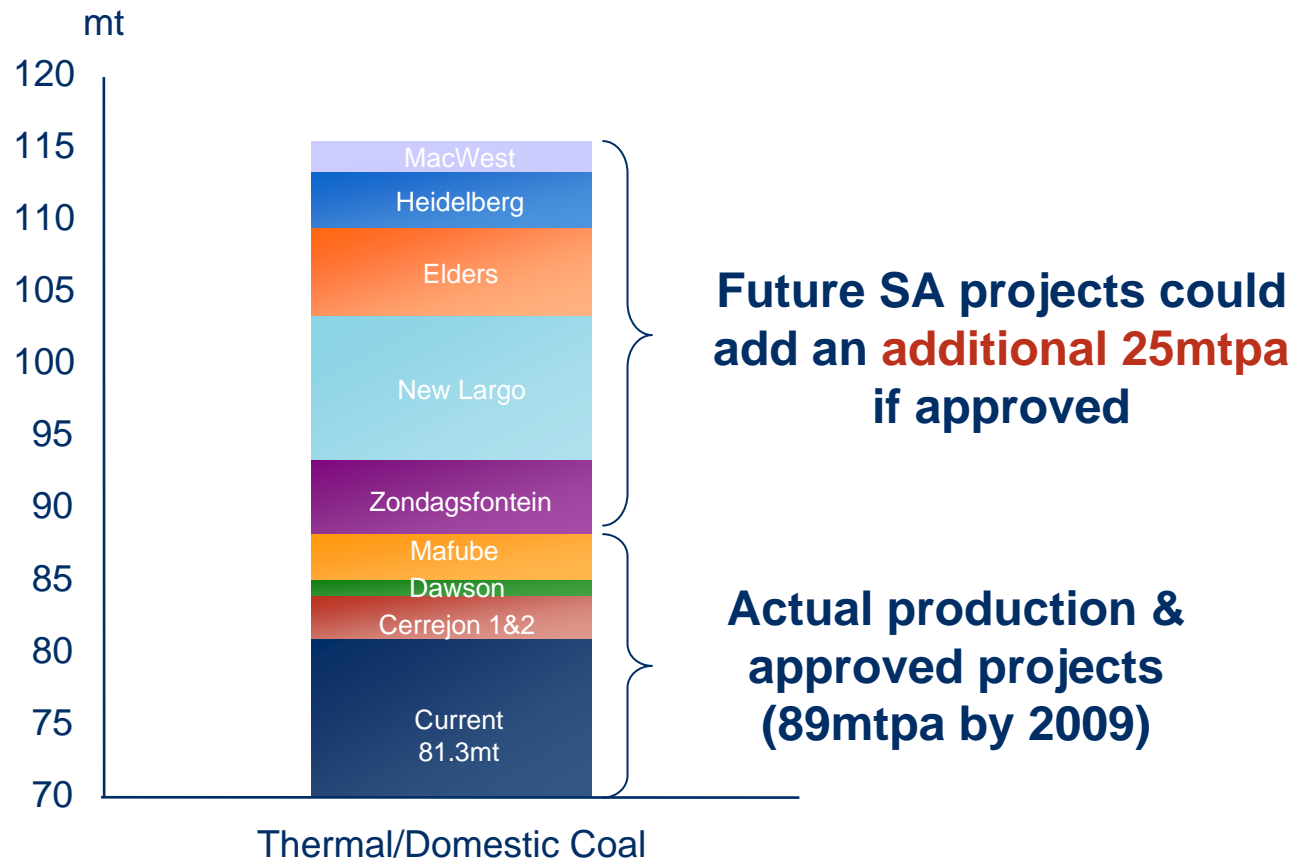
- Anglo's **restructuring and BEE deals** have released **large amounts of capital** for reinvestment in South Africa
- Since 1999 Anglo has invested **R123.8 billion (R144.5 billion in 2005 Rands)** in new projects, expansion and capital replacement, in the process directly and indirectly contributing to economic growth and development
- This **far exceeds**, for example, the **total investment in the motor vehicle manufacturing industry** (R16 billion) over the same period
- **Subject to obtaining the appropriate permits and licences** from the Department of Minerals and Energy, the AA plc Board has approved projects for the investment of a further **R30 billion** in coal, platinum, iron ore and diamonds over the **next three years**

A Strong SA Project Portfolio

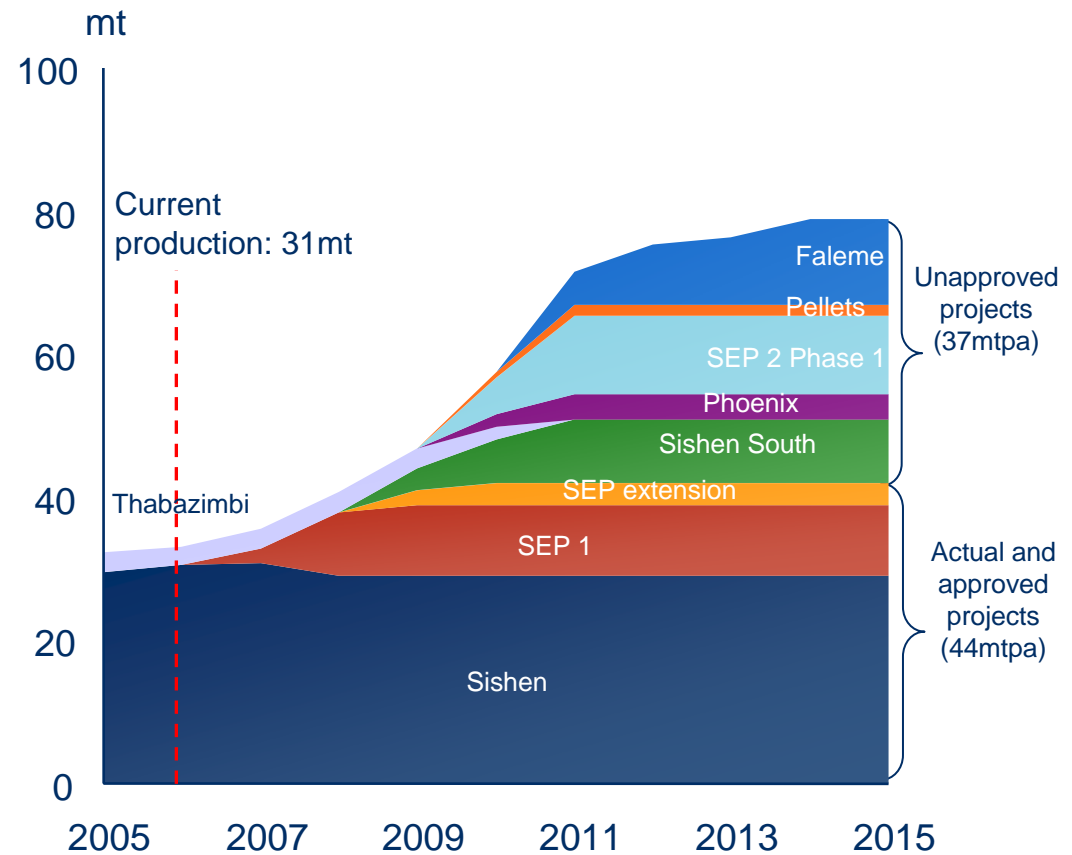
\$3.2bn of approved projects



Coal pipeline

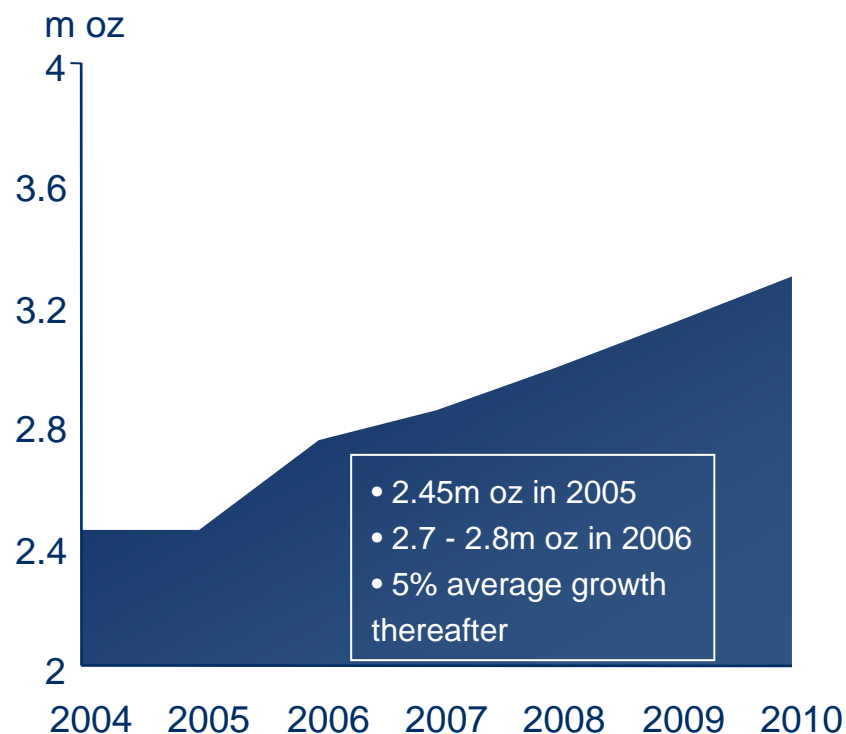


Iron ore projects



Anglo: World Leader in Platinum

Platinum production growth –
\$1.1bn of approved Pt projects



PPRust North



- Replacement project approved in 2005
- Expansion project approved in H1'06 – total - \$692m (R5.3bn)
- Open pit
- 230 000 additional oz of refined platinum pa in 2009

Anglo American remains fully committed in South Africa:

- 1. To transformation & meeting BEE requirements**
- 2. To training & developing high calibre black & HDSA management**
- 3. To remaining the leader in corporate social responsibility through the Anglo Chairman's Fund**
- 4. To developing share ownership participation (ESOPs) for all its employees**
- 5. To fostering small black & HDSA businesses through Anglo Zimele**
- 6. To supporting the growth of the SA economy as the largest private sector investor in South Africa**