

Anglo American's Sustainable Development Performance 2007

Presentation to the financial community

17 June 2008



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Chairman's Overview

1. Group Strategy
2. Investment of Choice
 - Financial and strategic highlights
3. Partner of Choice
 - Environmental management
 - Social performance
4. Employer of choice
 - Safety
 - Human resource development and transformation
5. Questions and answers



Chairman's Overview

Sir Mark Moody-Stuart



- Commodity prices supported by high demand and sluggish supply response
 - Longer permitting
 - Community engagement/consent
 - Water supply issues
 - Energy constraints
 - Skills shortages
- Largely positive outcome to UN work on Business and Human Rights
- Need to respond to drivers of resource nationalism
- Visits to Australia, Chile, China, Peru and Philippines

Group Strategy

Cynthia Carroll

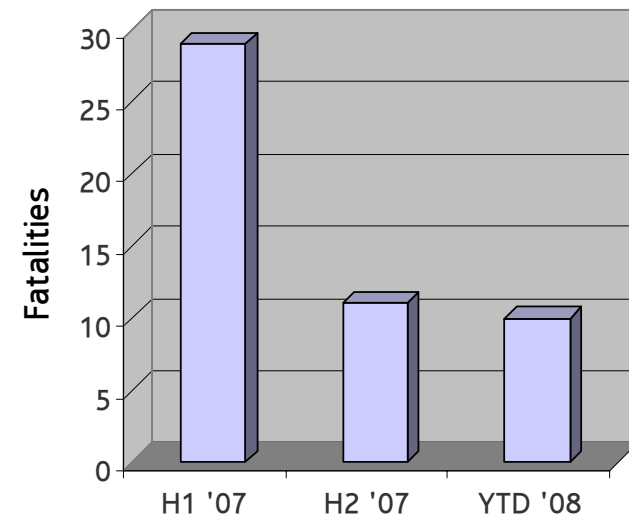


- Phased shutdown and workforce retraining at Rustenburg Platinum Mine
- Two senior leadership conferences on safety
- Tripartite safety summit
- Increased management focus and resources
- Clear commitment to zero harm
- Care, respect and dignity at the core



A Strong Safety Record = Strong Operating Performance

- Step change in safety practices being rolled out
- Significant fall in fatalities
- Three pillars for our programmes:






Zero Harm

Zero Mindset

No Repeats

Simple, non-negotiable standards

From 'Old Anglo' to 'One Anglo'

- Limited co-operation between business units 
 - Numerous standards and policies 
 - Limited exploitation of synergies 
- Increased integration and knowledge sharing
 - Common standards and policies
 - Development of shared services

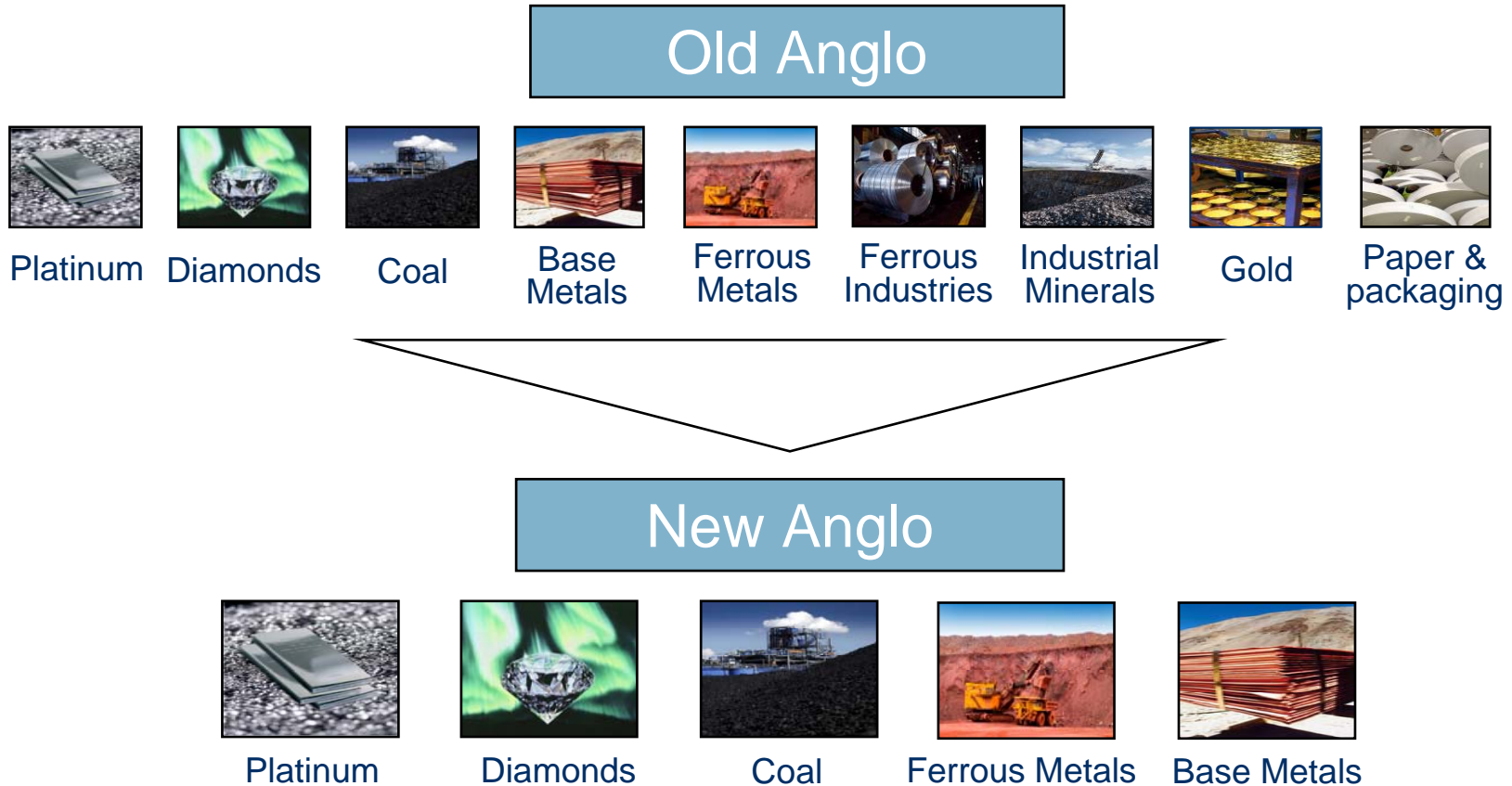
Ambition: To Be the Leading Global Mining Company

Investment of Choice

Partner of Choice

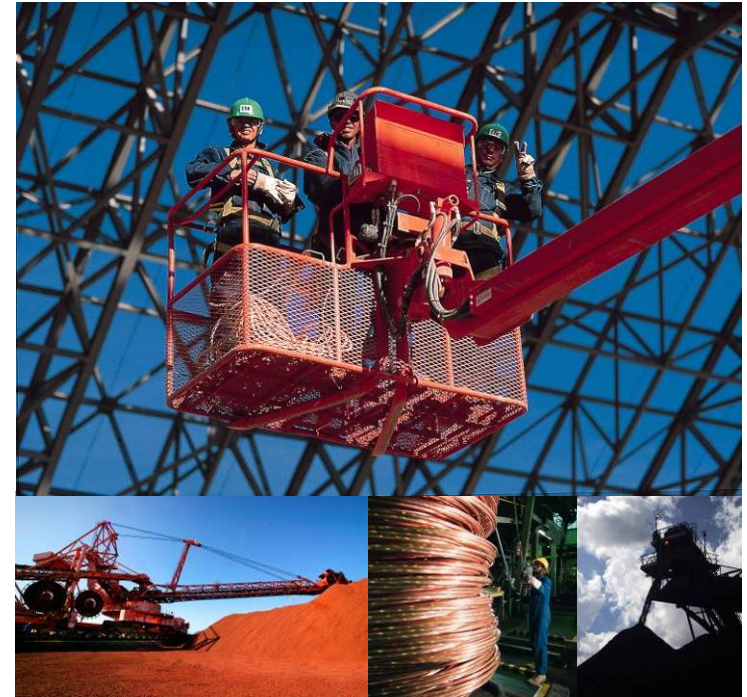
Employer of Choice

A Focused Mining Group



- **World's leading producer of platinum group metals and diamonds**
- **Major and growing force in coal, base metals and iron ore**

- SA Mineral Rights Conversions
- Delivering organic growth in core business
- *Commissioned:*
 - Dawson (coal)
 - Sishen (iron ore)
- *Approved:*
 - Copper: Los Bronces, Collahuasi de-bottlenecking
 - Coal: Zondagsfontein
 - Platinum: Twickenham¹
- *Acquired*
 - Copper: Michiquillay, Pebble
 - Iron Ore: Minas-Rio, Amapá²
 - Coal: Foxleigh



(1) Approved post 31/12/07. (2) Acquisition of 49 percent of Minas Rio in 2007 and the balance in 2008. Acquisition of 70% of Amapá in 2008.

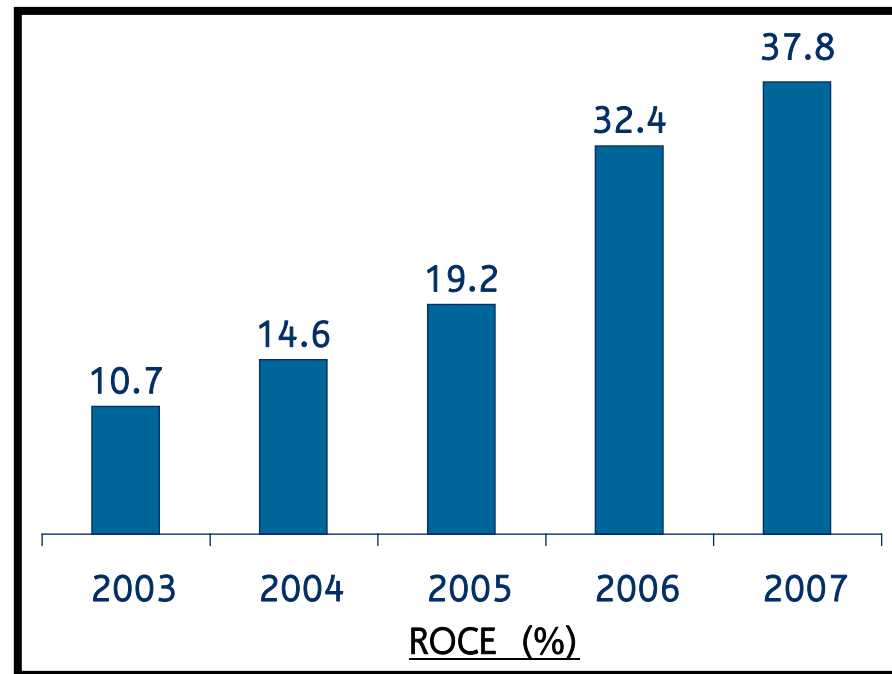
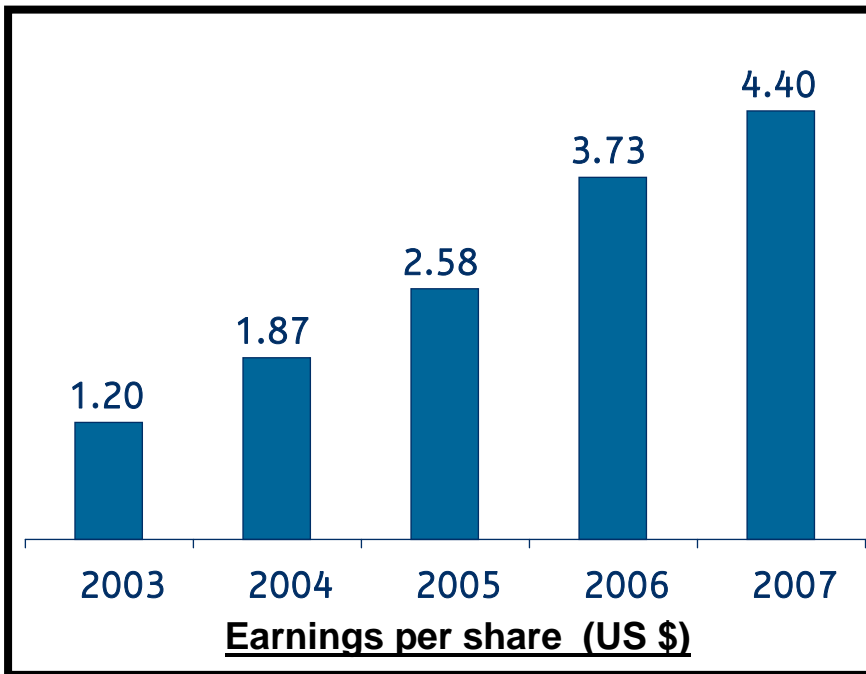
Investment of Choice

Cynthia Carroll



A Strong 5 Year Performance

- Earnings per share: 30% CAGR
- Dividend per share: 18% CAGR
- Return on Capital Employed increased to 37.8%

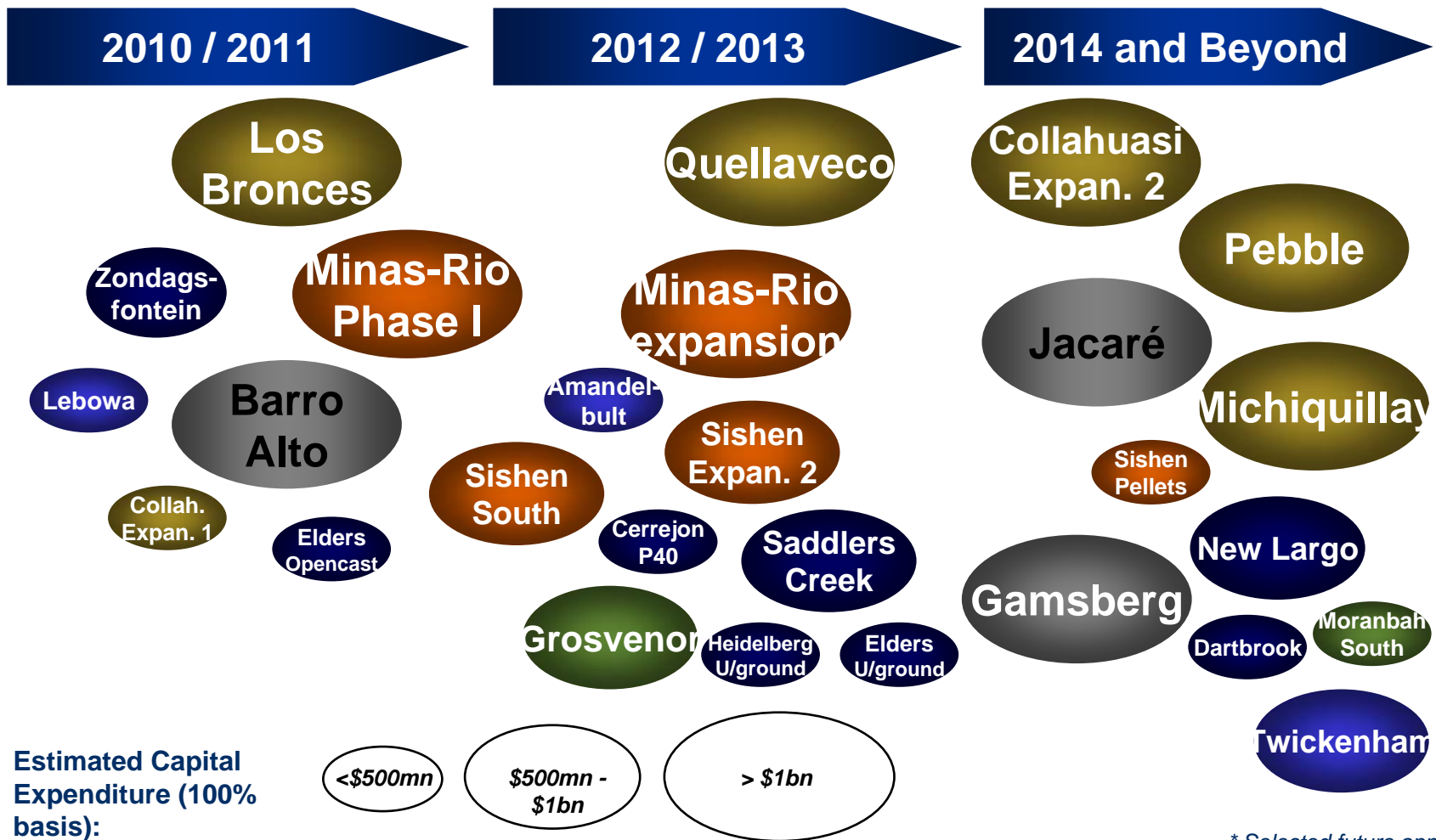


- Record financial performance
 - Increased operating profit, up 12% to \$8.9bn from core operations¹
 - Record operating profit on a total Group basis of \$10.1bn
 - Underlying earnings up 5% at \$5.8bn
 - Cost savings at \$380m²
- Significant cash returned to investors
 - Final dividend up 15% to 86 cents per share
 - \$6.2bn buyback completed in 2007, \$4bn programme underway
- Efficient balance sheet with room for growth
 - Year-end gearing at 20%

¹ For core operations: Base Metals, Platinum, Coal, Diamonds, Ferrous Metals (Kumba Iron Ore, Scaw Metals, Samancor, Minas-Rio);

² For core operations plus Industrial Minerals, Highveld and Tongaat-Hulett; cost savings from core operations totalled \$183m

Leading Project Pipeline



* Selected future approved and unapproved projects

Partner of Choice

Dorian Emmett
Edward Bickham





Comprehensive Suite of “Anglo Way” Standards

SAFETY

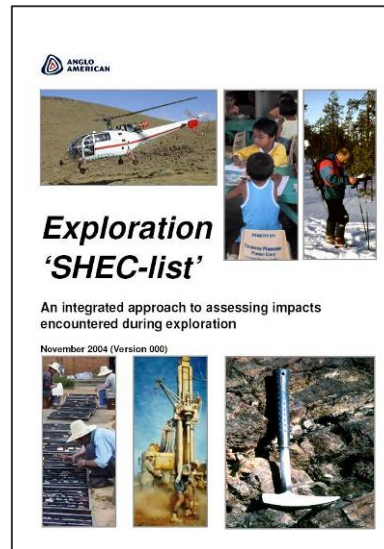
OCCUPATIONAL HEALTH

ENVIRONMENT*

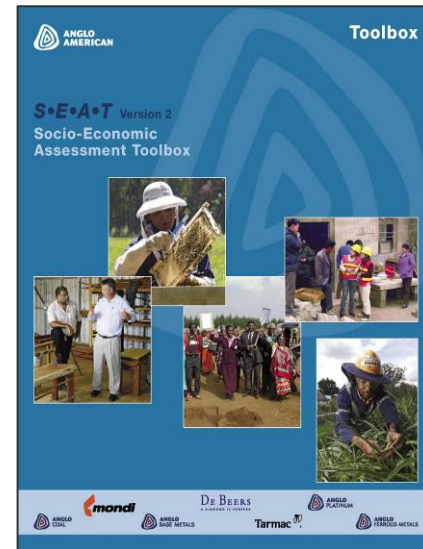
SOCIAL+

Supported by World Class Guidance Documents

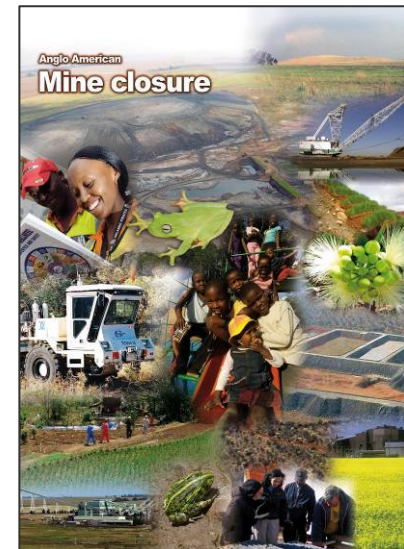
Exploration



Operation



Closure



- Integrated Sustainable Development Planning Guidelines for new projects and project performance standards in development
- Supported by Group-wide training programmes

- Redoubled focus on energy efficiency
- Responding to energy constraints in South Africa and Chile
- Development of the innovative FOOTPRINT model:
 - Innovative measurement and tracking tool will allow variance tracking in a rapidly evolving business
 - Based on financial variance tracking methods
- Low carbon coal technologies:
 - Monash/Australia
 - FutureGen/USA
 - Xiwan/China

- Group “Waterways” summit held
 - To align our divisional water management strategies and focus on conservation of scarce water resources and prevention of pollution
- Adaptation of FOOTPRINT model to measure water efficiency for internal monitoring and external reporting
- Commissioning of the eMalahleni water treatment plant
 - Treats surplus coal mine water to drinking water standards for Witbank
 - Options to double throughput
 - Enterprise development opportunities
- Los Bronces expansion 40% more water efficient than existing plant



- 2003 Target – all operations to have a Biodiversity Action Plan
 - Focus on sensitive biodiversity and risks and opportunities
- 2004 Group Guideline on how to compile a Biodiversity Action Plan
- 2005 Group biodiversity peer review. Target 10 sites per year
 - 2005: 13 sites
 - 2006: 14 sites
 - 2007: 8 sites
 - 2008: 12 sites
- 2005/6: Compiled internationally benchmarked standard for peer review
- 2007: Formalised a partnership with Fauna and Flora International

Anglo Coal - Hope Dump
during rehabilitation



Anglo Coal - Hope Dump
after rehabilitation



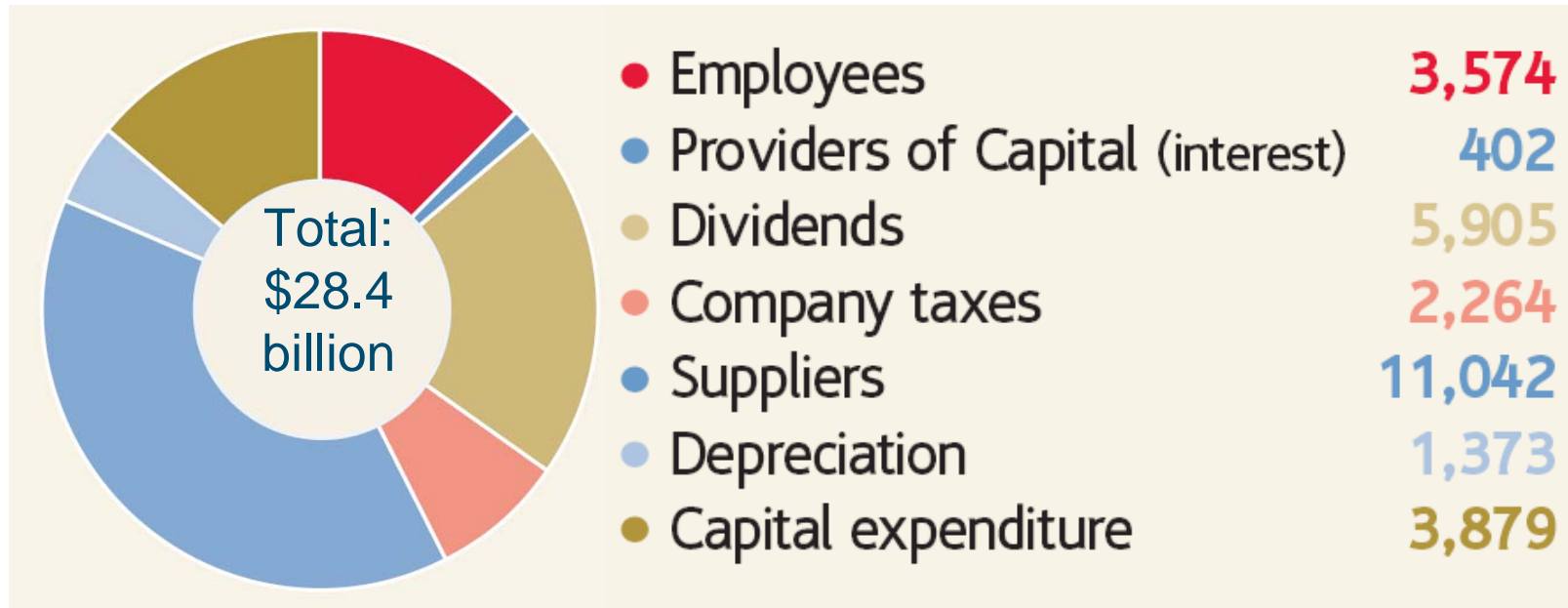
Anglo Coal - Isibonelo
wetland reestablishment



Anglo Platinum – Der
Brochen conservation of
threatened vegetation

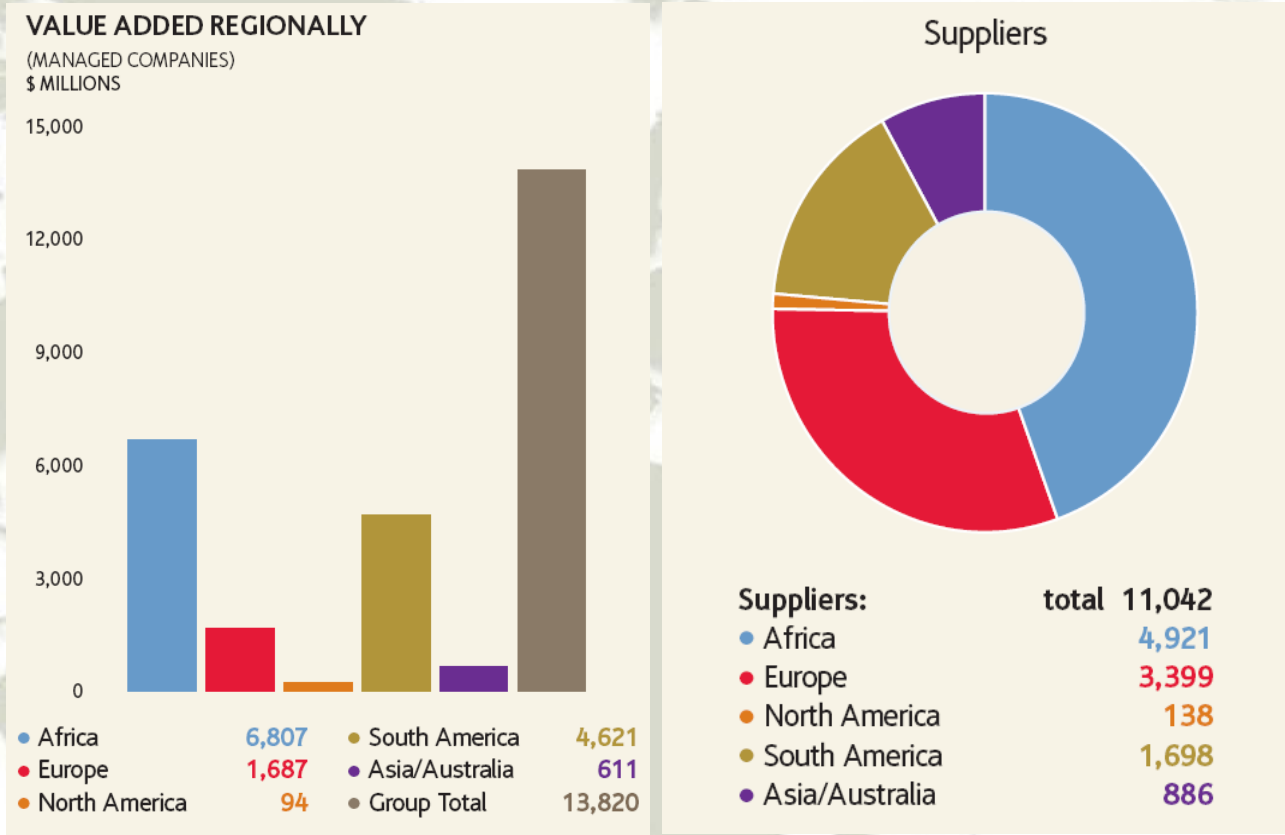


Distribution of Benefits - 2007



- The benefits of our operations are widely distributed
- Total taxes *generated* by Anglo = \$3.833 billion
- Effective corporation tax rate is 33%

Geographic Distribution



- SEAT 2 rollout
- HIV/AIDS:
 - intention to provide ART to dependents
 - innovative community projects
- Awards for enterprise development:
 - Zimele small business hub structure
 - Chile EMERGE



- Increasing focus on social performance during early stages:
 - Pebble
 - Independently facilitated stakeholder dialogue
 - Established Pebble Fund
 - Michiquillay, Peru
 - Quellaveco, Peru
- Global partnerships with CARE International and Fauna and Flora International

South Africa – Anglo Platinum

- Mothlotlo resettlement 85% complete
- Significant improvement in housing and community infrastructure
- Intense consultation
- Better and more agricultural land
- Water issues
- Post-resettlement economic development and monitoring

Colombia – Cerrejon Coal

- Independent Third Party Review
- Found no evidence of company malpractice
- Commended current performance and identified way forward on legacy issues
- Findings welcomed by key stakeholders

- Improved relationship with South African Government and partnerships on:
 - safety
 - enterprise development
 - maths and science education
- In Chile leadership recognised on:
 - enterprise development
 - climate change
 - workforce diversity
- Established Government Relations Council
- Developing toolkit on ethical engagement
- Engagement through multi-stakeholder/multilateral processes (e.g. EITI, VPSHR, GLOBE)

Employer of Choice

Russell King



Zero Mindset

No Repeats

Simple, non-
negotiable
standards

- Safety – a core value
- Safety Risk Management Programme

- Peer review programme to assess quality and learning spread

- Anglo Fatal Risk Standards
- Global standards implemented over 3 years

Anglo Safety Risk Management Process

PURPOSE

To establish and embed a world class 'One Anglo' safety risk management process that delivers radical improvement in safety for all our people

VISION

All our people make the right decisions affecting safety.

Process
Design &
Development

Comms
& Buy In

Deployment/
Roll of
Strategy

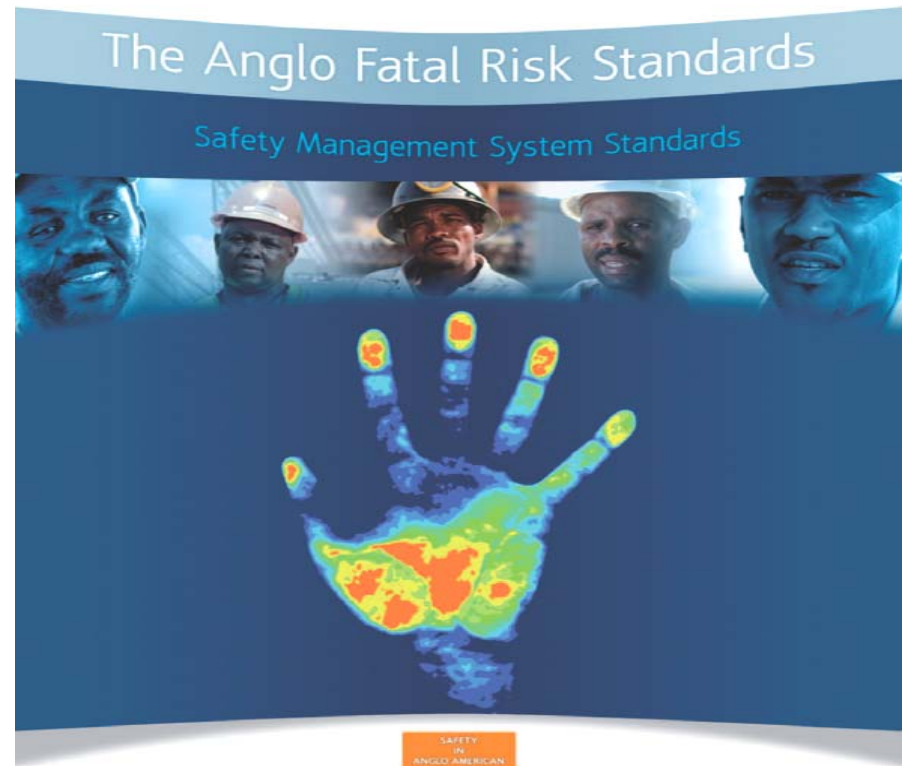
Capacity
Building

Verification
& Assurance

AFRS Programme Objective: to achieve a step change in the control of fatal risks in order to eliminate fatal incidents

This will be accomplished by:

- The development of Group-wide standards based on global mining experience
- Upgrade of current practices to meet new standards
- Embedding of standards into existing guidelines and procedures

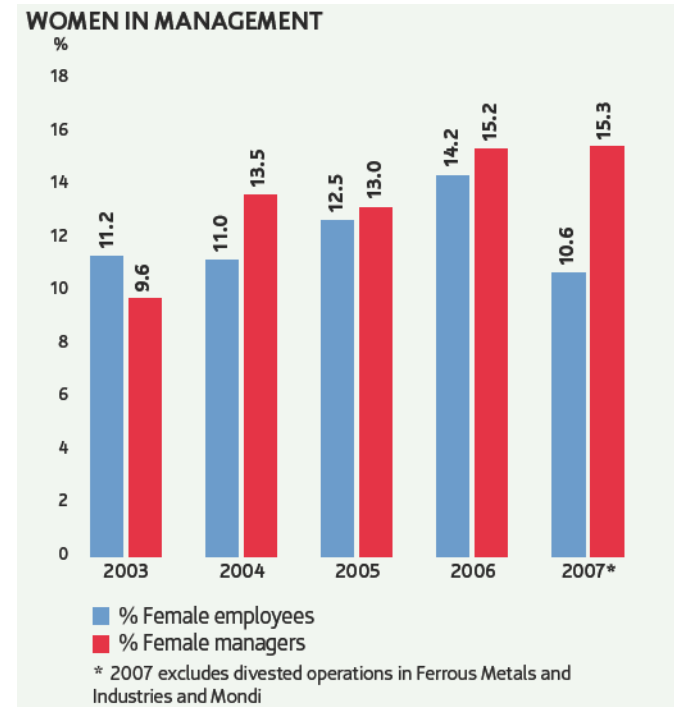


AFRS Programme Outcomes:

- Uniform risk acceptability throughout Anglo
- Consistent and sustainable risk control measures in place
- Step forward in systems and procedures commonality in line with the “One Anglo” approach
- More opportunities for synergies and efficiencies



- We continue to seek better representation of women at all levels
- Women in Mining programmes started in 2004
- 15 percent of managers are female
 - Women are now 17 percent of management in South Africa
 - Progress in Chile, Brazil and Australia
- We will set targets for female participation across the business



- Training costs were about 5 percent of total employment costs in 2007:
 - 1,180+ bursaries
 - 1,977 apprenticeships
 - 656 other trainees
- Anglo Platinum investing \$40 million in new centre to train 1,200 people per annum
- Increased support for basic education in South Africa:
 - Over 4,000 employees on Adult Basic Education and Training (ABET), expenditure more than doubled to R69 million (\$10 million)
 - Award winning partnerships with Limpopo provincial government
 - R93 million (\$13 million) social investments in school and youth development projects



- Thank you
- Questions

