

Delivering Sustainable Value – 2009 Sustainable Development Performance



Agenda



1. Chairman's Overview

- Sir John Parker, Chairman

2. Overview of the Year

- Cynthia Carroll, Chief Executive

3. Investment of Choice

- Cynthia Carroll, Chief Executive

4. Partner of Choice

- Anji Hunter, Group Head of Government and Social Affairs and Dorian Emmett, Group Head of Safety and Sustainable Development

5. Employer of Choice

- Dorian Emmett and Mervyn Walker, Group Director HR and Communications

Chairman's Overview



Chairman's Overview



Safety and sustainable development remain a priority for Anglo American throughout the economic cycle

- Economy – medium and long-term outlook remains strong
- Continuing importance of sustainable development
- Safety performance
- Boosting commitments to host communities
- Business ethics and human rights
- Climate change



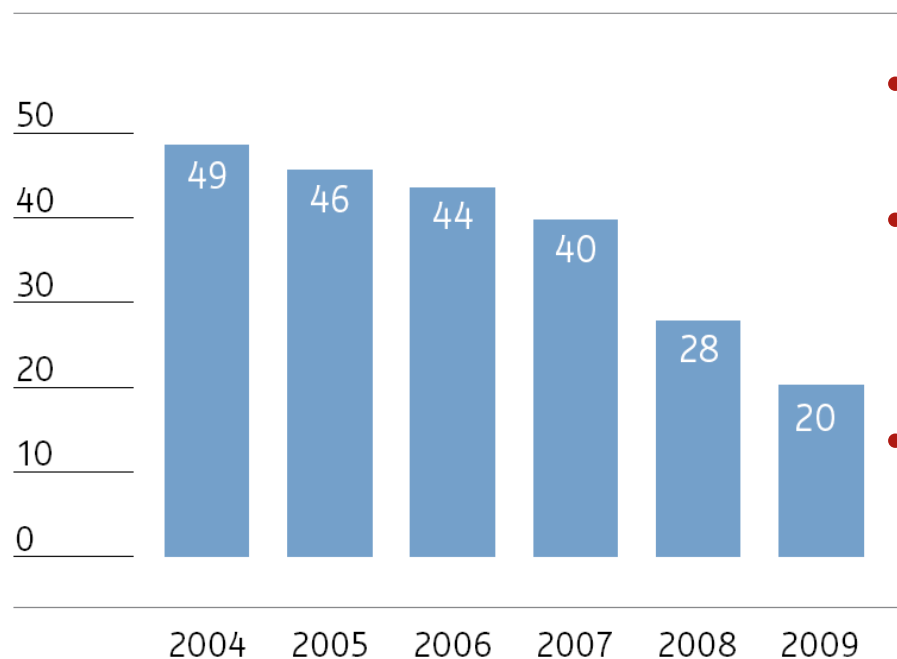
Overview of the Year



An unrelenting focus on safety is delivering results, with many examples of world class performance emerging across Anglo American

Number of fatal injuries

(Total 2004-2009)



Notes: Includes divested businesses up to point of divestment. LTIs are per 200,000 hours worked

- Fatalities reduced to 20
 - 55 percent improvement over 2006
 - Q1 2010 67% below Q1 2009
- LTIFR down to 0.76
 - 52 percent improvement over 2007
- 92% of sites, including all in Copper, Met Coal, Nickel and Exploration, fatality-free in 2009
- World class performances:
 - Iron Ore Brazil has seen a 98% drop in LTIs since acquisition (in 2008), Minas Rio 12 million LTI-free hours
 - Thabazimbi, Isibonelo 2 years LTI-free

Social and environmental performance



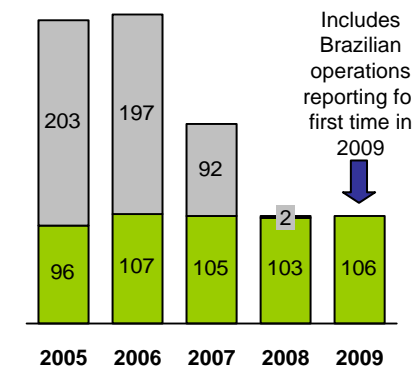
Stakeholder relations

- Anglo Social Way rolled-out, benchmarking undertaken across the Group
- New government relations processes developed and rolling-out
- Tripartite process in South Africa delivering results
- Two post-graduate level educational programmes launched
- SEAT 2 reports to be completed by end 2010. 500 managers now trained
- First mining company to make commitment to the UNDP Business Call to Action
- First extractive company to receive BITC's CommunityMark award for excellence in community development
- Promoted to Platinum status in BITC Index

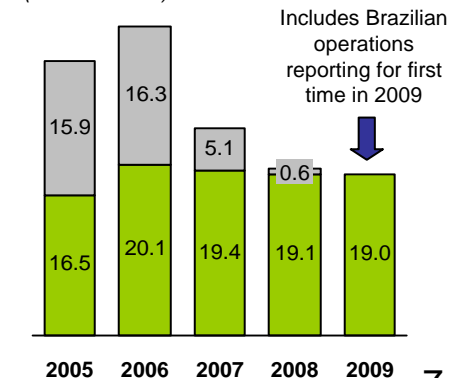
Environment

- Number of level 2 environmental incidents dropped from 143 in 2008 to 65 in 2009
- Anglo Environment Way self-assessments, completed in 2009
- Water consumption remained largely unchanged since 2006, despite acquisitions
- CO₂ emissions lower in 2009 than 2008, despite first inclusion of Iron Ore Brazil data

Energy Consumption
(million GJ)



CO₂ Equivalent Emissions
(million tonnes)



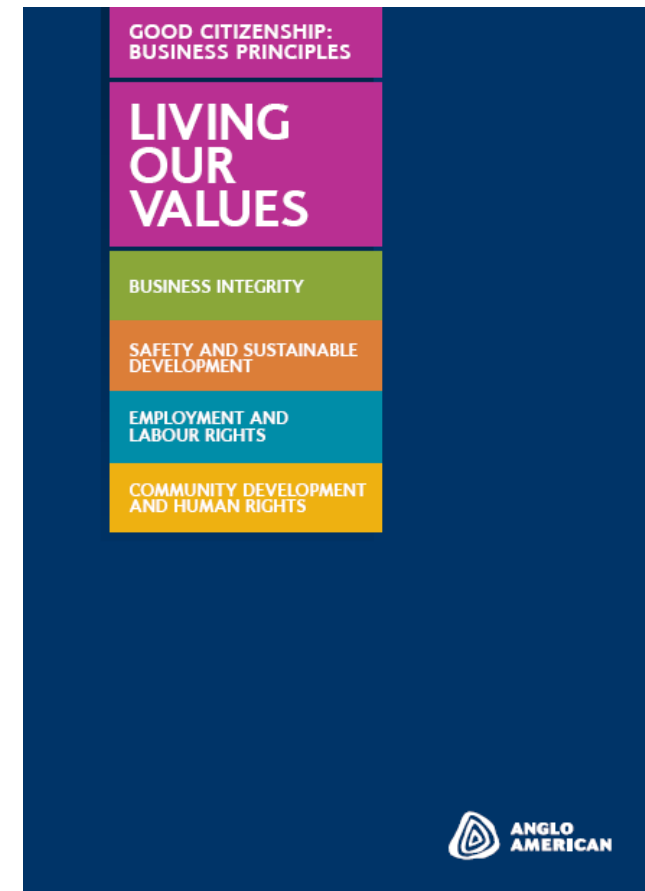
Legend: Divested Businesses Current Businesses

Ethical safeguards



In 2009 we updated our Business Principles and launched a new Business Integrity policy to strengthen protection against corruption

- Good Citizenship Business Principles updated and re-launched at annual suppliers conference in 2009
- New Business Integrity policy launched
 - Strengthens our long-standing opposition to corruption in all its forms
 - Several thousand managers being trained
 - Designed to meet challenges of the new UK Bribery Act (expected to become law this year) and similar laws in other jurisdictions



Integrating safety and sustainable development

- Suite of four S&SD “Anglo Way” documents completed and implementation well under way
 - Anglo Safety, Occupational Health, Environment and Social Ways
 - Assessments against the new environmental and social standards completed at each operation in 2009
- New IT systems being implemented to improve the accuracy, speed, efficiency and scope of data capture and reporting
- S&SD considerations integrated into asset optimisation and newly enhanced projects review function
- New Group-wide “Applaud” awards programme builds on success of Chief Executive’s Safety Awards to include all of Anglo’s values
- Integrated approach to the management of our health, safety and environmental risks, underpinned by new SHE risk management process and procedures

Strong operational performance in 2009



Decisive action taken to position the Group to benefit from the recovery

- Group operating profit of \$5.0 bn; EBITDA \$6.9bn, EPS \$2.14
- Higher volumes for Copper, Iron Ore, Platinum and Nickel
- Significant restructuring achieved at Anglo Platinum and De Beers
- Asset optimisation and procurement initiatives delivering significant value ahead of schedule: \$1.6 bn in 2009
- Headcount reduction of 23,400
- Significant cash cost decrease of \$712m (-5%)



New operating structure

Divisional Headquarters



- 7 focused business units
 - Copper, Nickel & Iron Ore Brazil in South America
 - Thermal Coal, Kumba Iron Ore & Platinum in South Africa
 - Met Coal in Australia
- Management layer removed
- Corporate headcount reduced by 25%, \$120 m pa saving
- Headcount reduction substantially complete
- Roles and responsibilities of functions clarified with investment where required to meet new remits
 - Resources devoted to S&SD have *increased* significantly

Investment of Choice

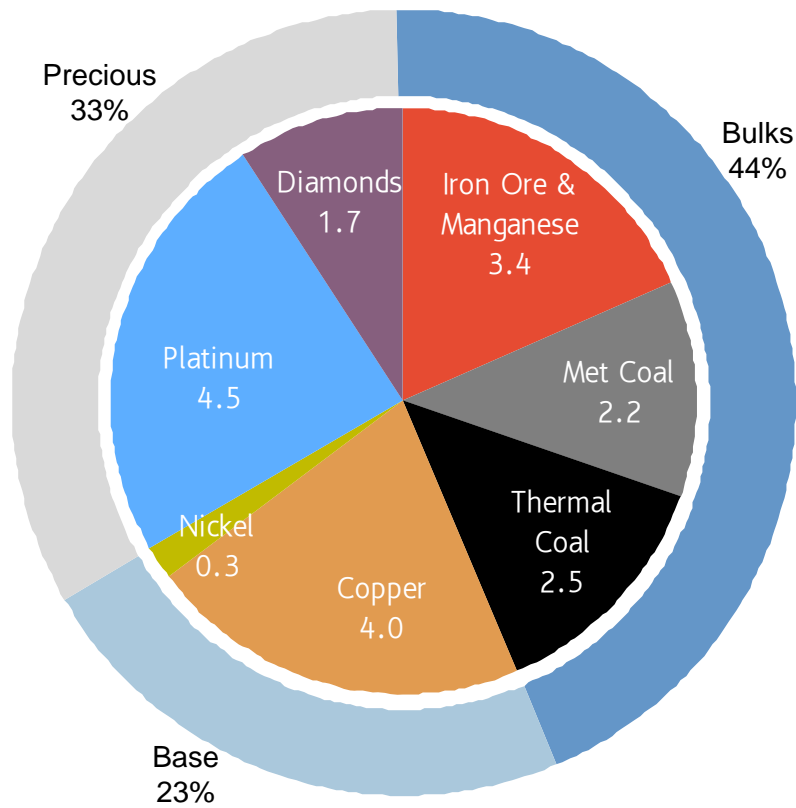


A unique and well diversified portfolio

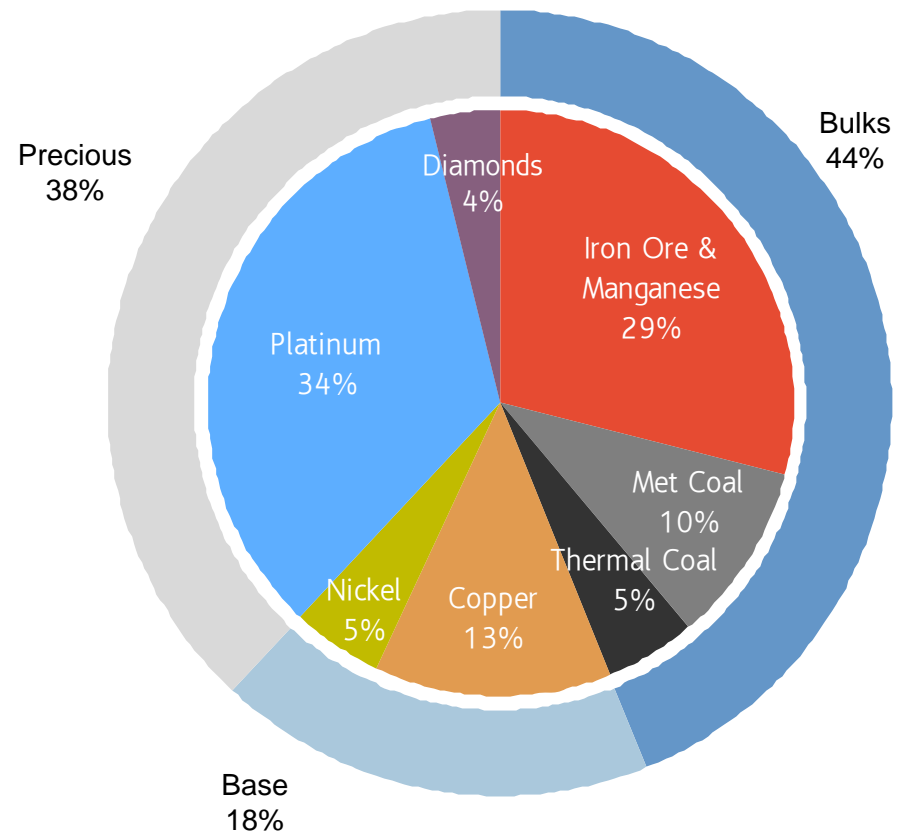


A well balanced portfolio across precious, bulks & base

**Anglo American core businesses
2009 revenue¹ (US\$b)**



2009 Net Assets² %



Source: Anglo American

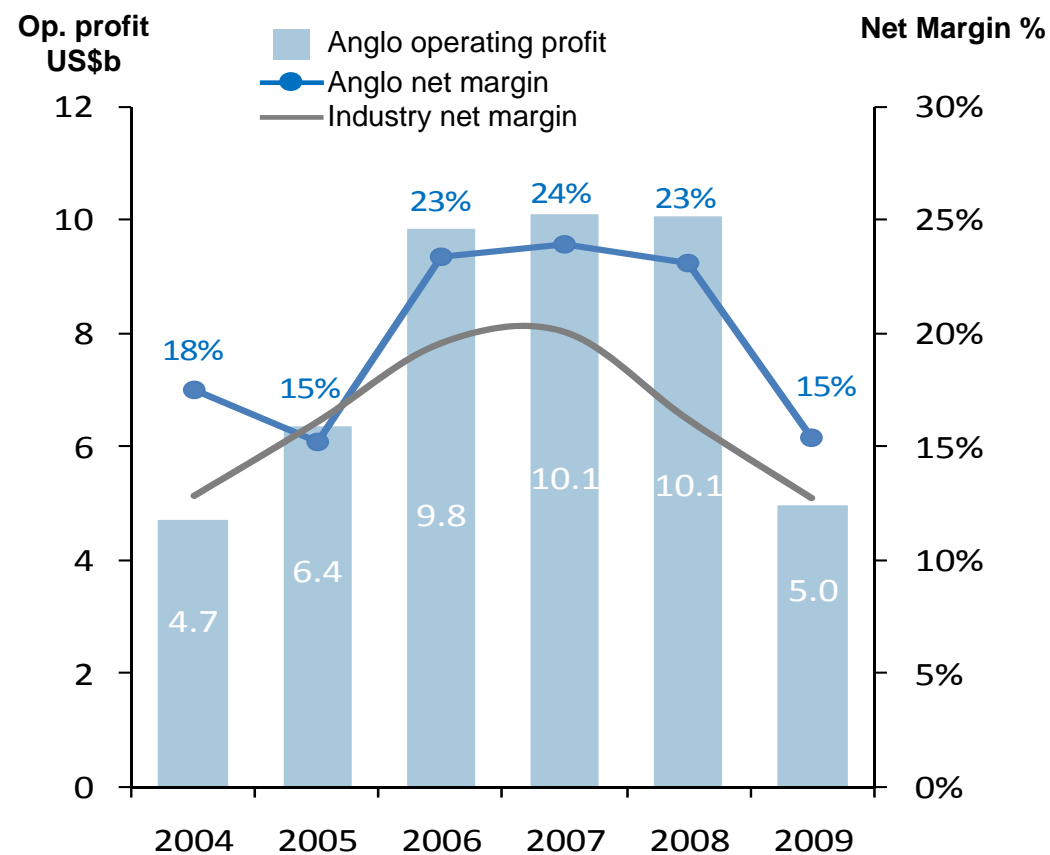
Notes: 1. Excludes Other Mining & Industrial segment 2. Excludes Other Mining & Industrial segment, Diamonds is represented by US\$ investment in De Beers

Stable returns - even in turbulent times...



Outperforming the mining industry

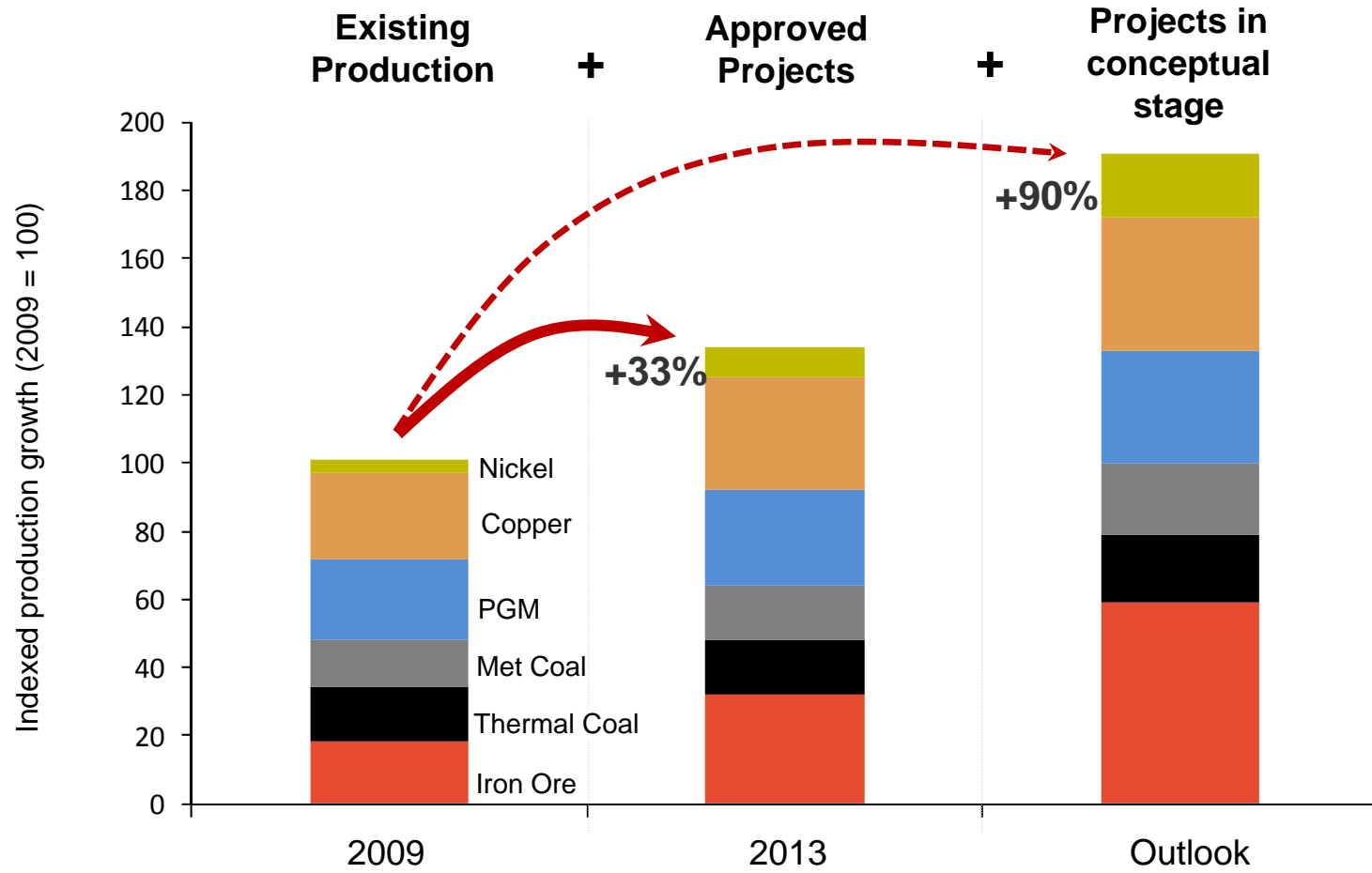
Historic Group net margin



Volume growth: A key differentiator



Projects will increase production by over 33% by 2013



Partner of Choice



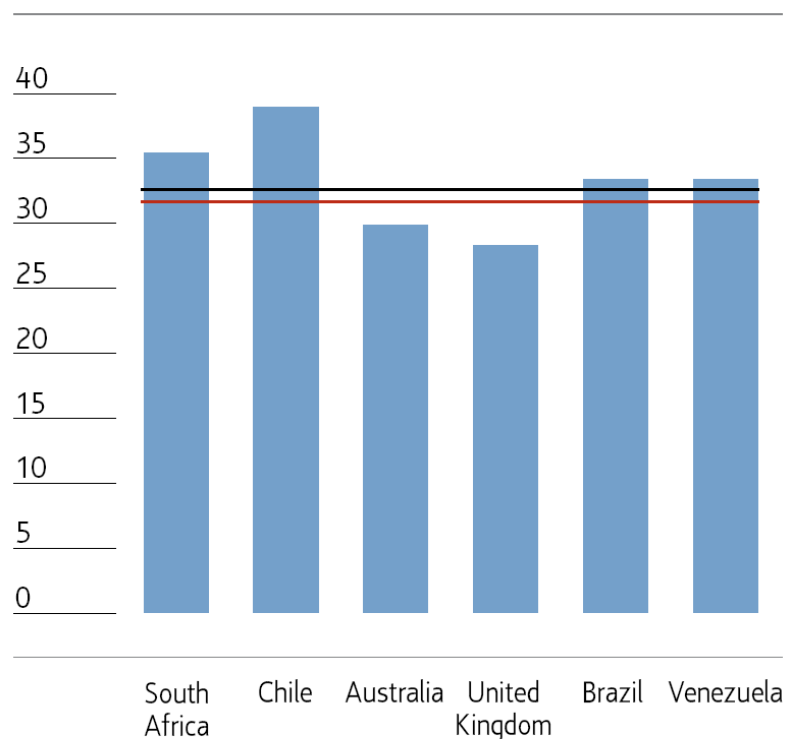
Economic contribution



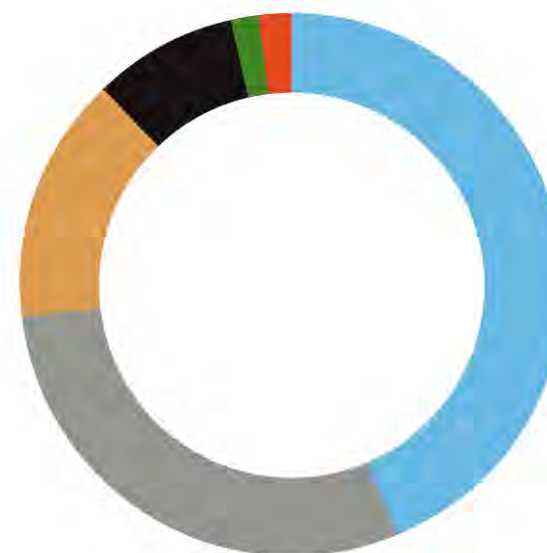
Despite the economic conditions we generated significant benefits for governments and other stakeholders

Weighted average statutory tax rate

2009 (%)



— Actual Group effective tax rate
 — Weighted average statutory rate



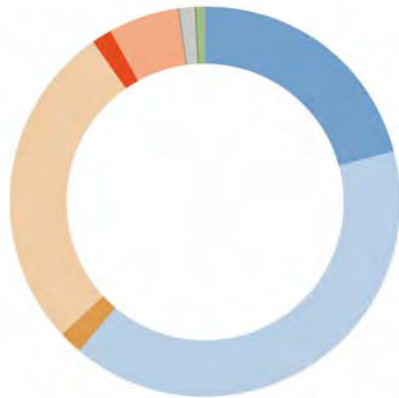
| | \$ million |
|---|------------|
| Suppliers | 10,392 |
| Reinvestment in the Group | 6,946 |
| Employees for wages and related costs | 3,505 |
| Governments in taxes and royalties | 2,036 |
| Providers of capital | 407 |
| Anglo American and outside shareholders | 406 |

Economic contribution

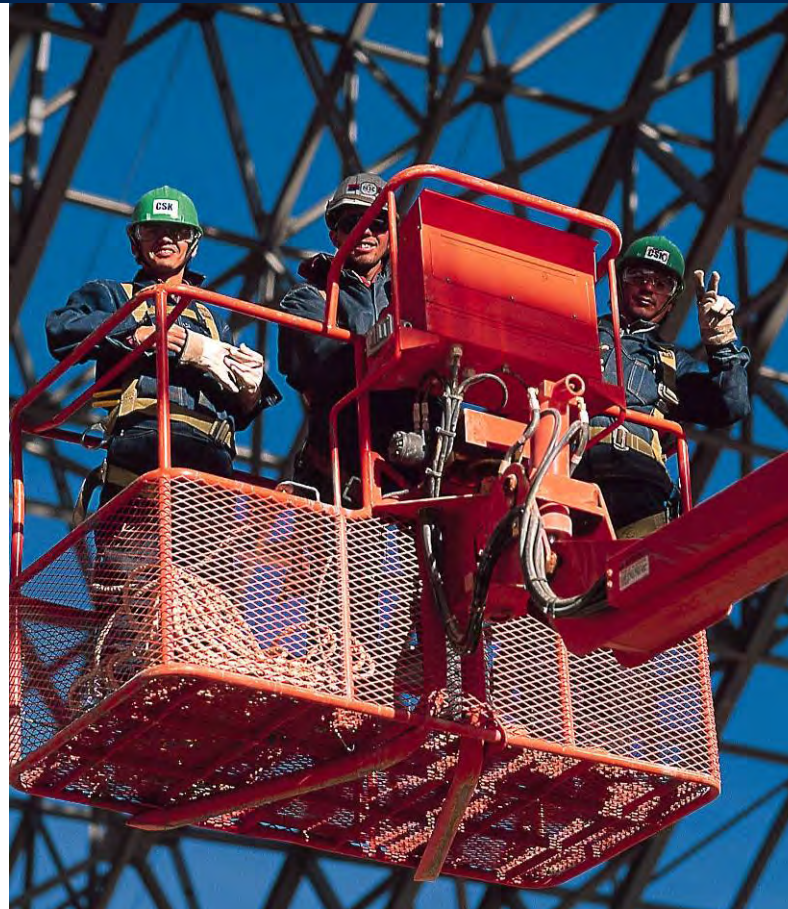


Geographic distribution of economic benefits, 2009 (managed companies). Total taxes borne and collected of \$2.9 billion

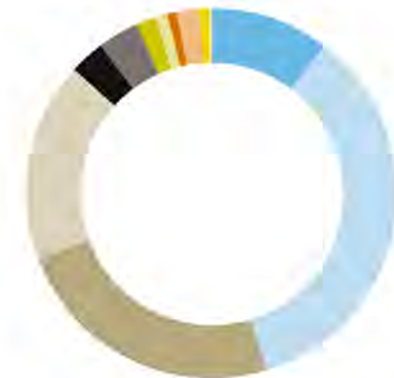
Taxes borne and collected, country by country: developing countries
2009 (\$ million)



| | Taxes borne | Taxes collected |
|--------------|-------------|-----------------|
| South Africa | 796 | 419 |
| Chile | 540 | 44 |
| Brazil | 111 | 34 |
| Venezuela | 29 | 2 |
| Namibia | 12 | 1 |
| Others | 13 | 6 |
| % of total | 52% | 17% |



Taxes borne and collected, country by country: developed countries
2009 (\$ million)



| | Taxes borne | Taxes collected |
|----------------|-------------|-----------------|
| Australia | 300 | 89 |
| United Kingdom | 151 | 203 |
| France | 31 | 25 |
| Poland | 10 | 15 |
| Ireland | 15 | 7 |
| Canada | 2 | 7 |
| Others | 25 | 16 |
| % of total | 18% | 12% |

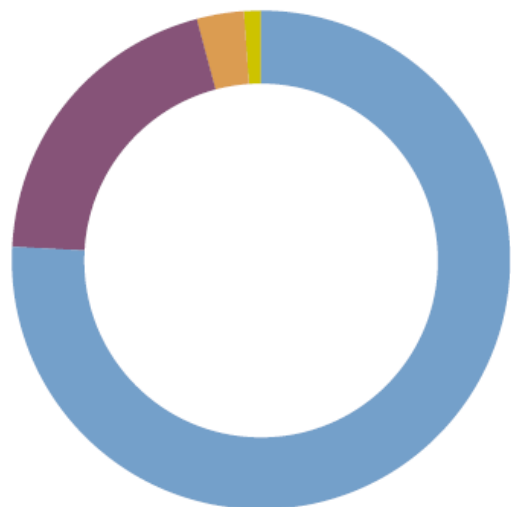
Community development



We maintained our commitments to host communities, and continued to grow social investment resources at a time of greater need

CSI – spend by region

2009



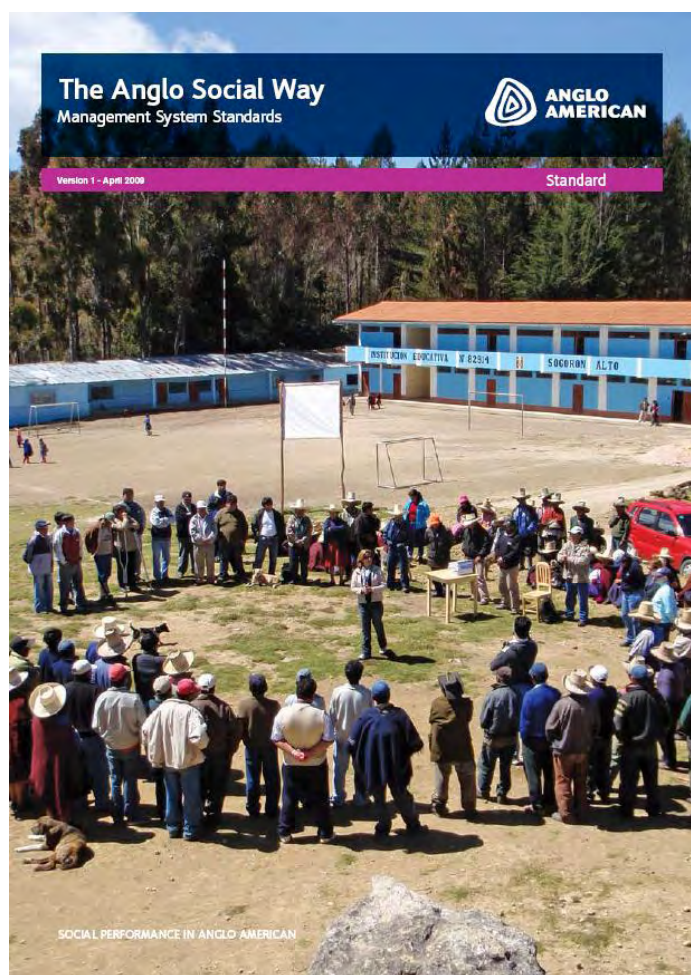
| | % | \$ (million) |
|---------------------------|----|--------------|
| Africa | 76 | 62.7 |
| Americas | 20 | 16.5 |
| United Kingdom and Europe | 3 | 2.5 |
| Other | 1 | 0.8 |

- CSI spend grew to \$82.5 million
 - Up from \$76 million in 2008
 - 2.2% of pre-tax profits
- Continue to grow our highly effective enterprise development programmes
 - 3720 businesses being assisted
 - 12,982 jobs in supported companies
 - Anglo Zimele’s enterprise hubs being expanded to labour-sending areas and other parts of South Africa

Anglo Social Way – underlying commitments



The Social Way applies across the full lifecycle of our operations



Respect human, IP, gender etc rights

Identify and manage social impacts

Engage employees and stakeholders

Deliver lasting, positive net benefit

Efficiently utilise resources

Obey all laws and regulations

Ensure contractors follow our standards

Set targets, review performance

Develop staff competencies

Report and investigate incidents

Social performance

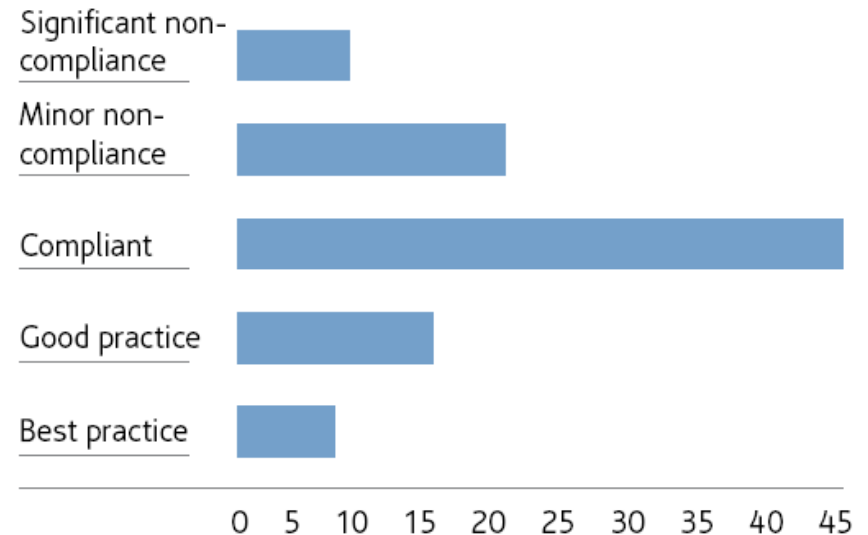


2009 saw a significant strengthening of our social performance management systems

- Anglo Social Way approved in April 2009
 - World-class management systems
 - Benchmarking completed for all existing operations. 70% compliance overall with new standards. Improvement plans now in place
- Two post-graduate programmes launched
 - UCT “Strategic Engagement Programme” launched with Anglo American support. Half of first cohort from Anglo
 - New senior management programme on social issues developed for Anglo by Universities of Cambridge and Queensland
- New social KPIs being implement
 - Complaints and grievance procedures
 - Inputs and outputs from social programmes

Summary of social way self-assessments

Rankings



Social – operational and project issues



Social risks at operations and projects continue to be managed effectively

- **Michiquillay, Peru**
 - Despite community vote in favour of exploration, access difficulties have delayed progress
- **Pebble Project, Alaska**
 - Independent stakeholder dialogue process being established under the auspices of the Keystone Center
 - ‘Pebble Fund’ distributing second tranche of grants. Fund has been well-received
 - Local desire for development but continuing concerns over pollution risks
- **Mothlotlo Resettlements, South Africa**
 - Following SA Human Rights Commission investigation, which did not support allegations of human rights abuses, independent review of the resettlements by ERM found some shortcomings against IFC performance standards (although these did not exist when project was planned). Remedial measures being implemented
 - 94% of households have moved to the new village. Slow progress on remainder during 2009. Government task team facilitating resolution of outstanding issues

Consistent approach to environmental management

- **Anglo Environment Way**
 - Sets out our ambition on environmental management
 - Vol 2: Performance Standards approved in 2009
 - Benchmarking against standards completed in 2009 and improvement plans drafted
- **Mine closure**
 - Focus on planning for long-term sustainability by designing for mine closure from the start and managing through operational phase
 - Mine Closure Toolbox launched in 2008, implementation continuing
- **Key risks and opportunities**
 - Climate change and energy
 - Water management
 - Biodiversity and land management

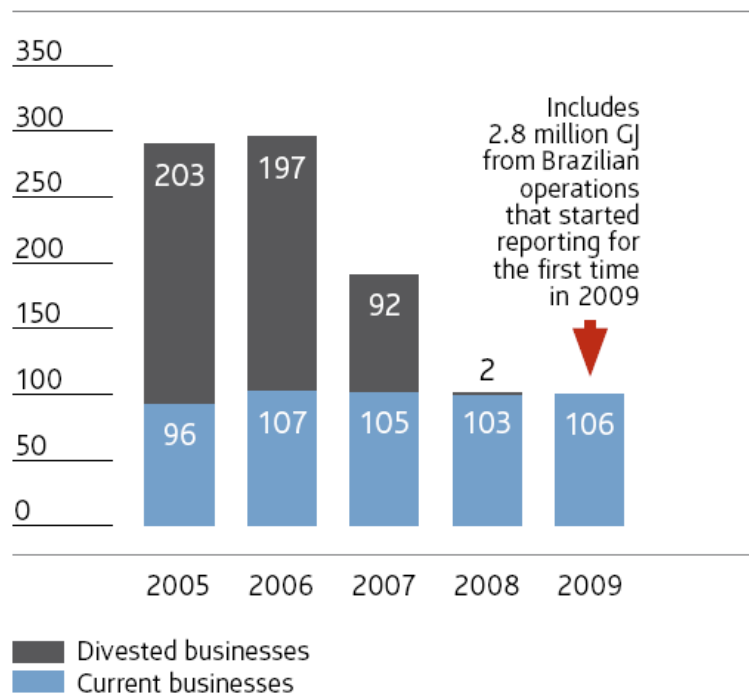


Climate change and energy

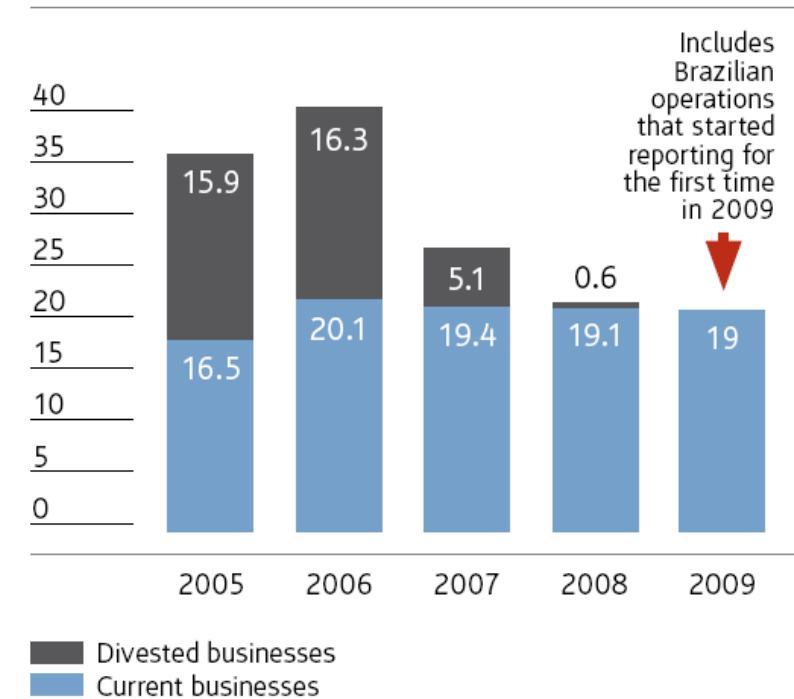


Disposal of non-core assets has reduced our carbon footprint. Energy efficiency and generation opportunities offer scope for value creation

Energy consumption
(million GJ)



CO₂ equivalent emissions
(million tonnes)



We continue to seek market and technology solutions to the challenges posed by energy security concerns and climate change

- **Energy efficiency programme**
 - All sites to produce marginal abatement cost curves for energy and carbon
 - Energy saving projects to be integrated into asset optimisation process
- **South African electricity security of supply**
 - Economic downturn provided relief but system reserve margin still thin
 - Contingency plans in place and emergency generation installed at sites
 - Continue to engage with stakeholders and review additional generation options
- **Emissions trading**
 - Copenhagen summit and Australian developments ensure continuing regulatory uncertainty
 - Continue to evaluate opportunities for generating carbon credits
 - Supporting technological developments which reduce emissions from coal

Water management

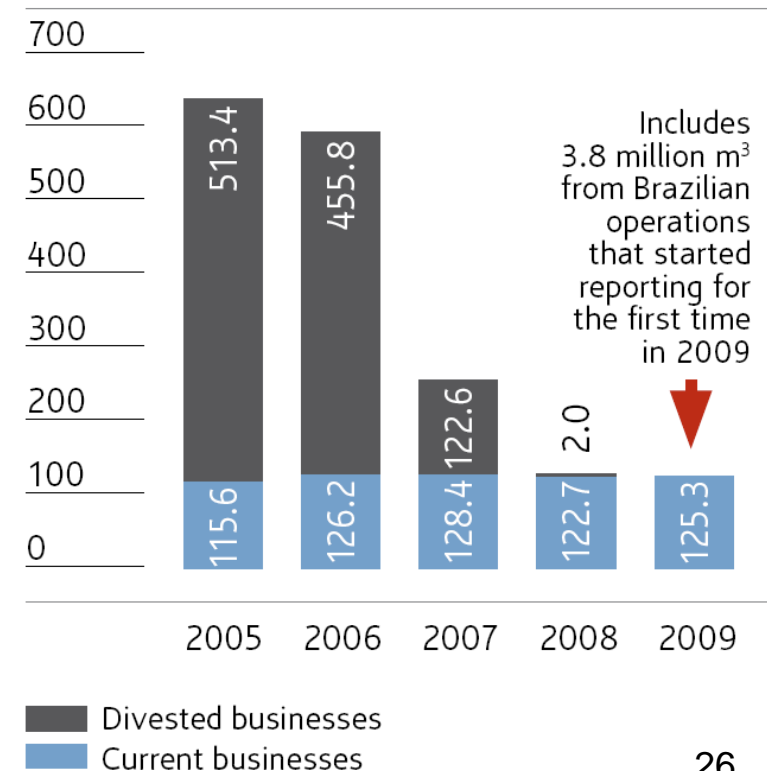


Secure supplies of water are critical to our operations and projects

- Like-for-like water consumption reduction of 6% achieved
- 27 level 2 (medium priority) environmental incidents relating to water in 2009
- Reviewing expansion of eMalahleni treatment plant from 25 to 50 MI per day
 - Doubling of potable water supply to municipality
- Bafoking Rasimone Platinum Mine started to re-use water from its return water dam in 2009
 - Freshwater consumption has fallen by 90,000 m³ pcm. Savings have exceeded investment
- Numerous other significant water conservation initiatives
- Water strategy under development, the importance of water stewardship is core to this

Water used for primary activities

(million m³)



Land and waste management



Land stewardship integrates biodiversity and social issues

- Land management
 - 981,154 ha under company charge
 - 85,415 ha disturbed due to mining
 - 11,650 ha rehabilitated to date
- Biodiversity
 - 60 sites peer reviewed for biodiversity
 - Fauna & Flora International partnership
 - Involvement in Proteus, mapping key risk areas
- Waste management focus areas
 - Minimising impacts from our own waste facilities, much being water-related
 - Waste re-use
 - Improving data



Rehabilitated land at Kleinkopje Colliery

| Large-volume waste facilities | 2009 | 2008 | 2007 |
|--|-------|-------|-------|
| Process waste disposal facilities | 124 | 126 | 127 |
| Facilities in active use | 56* | 70 | 73 |
| Total area occupied by facilities (hectares) | 6,821 | 6,573 | 5,934 |
| Total number of audits | 85 | 93 | 92 |

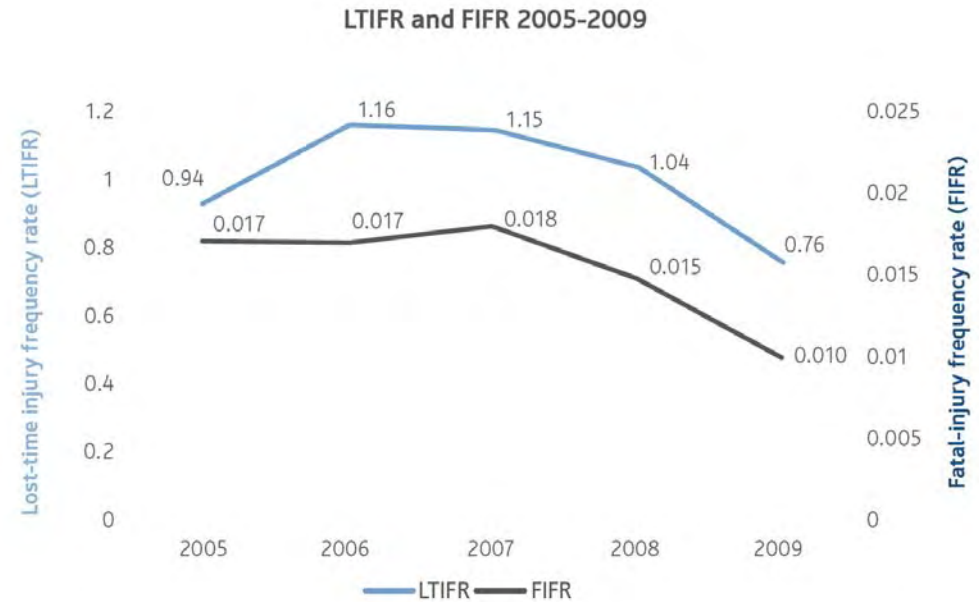
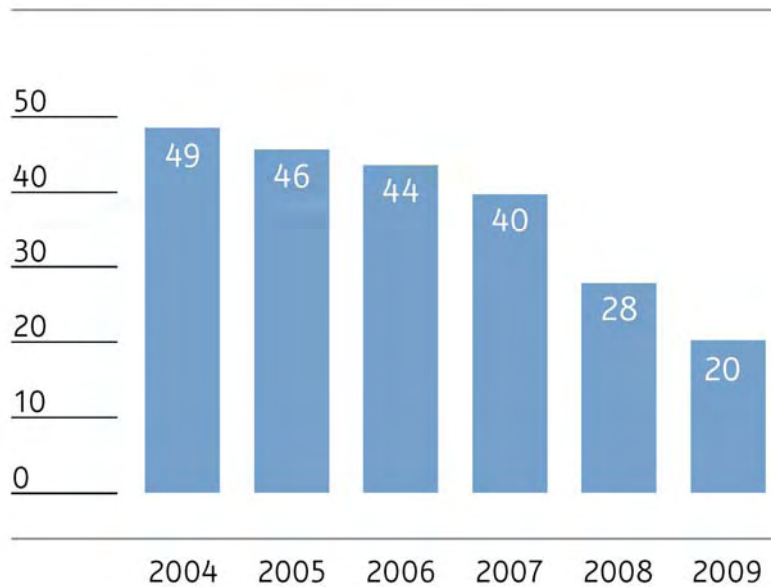
Employer of Choice



2009 saw a major improvement in our safety performance. We remain of the view that anything less than Zero Harm is unacceptable

Number of fatal injuries

(Total 2004-2009)



The basis for reporting LTIs became more inclusive in 2003, when Anglo American began to include restricted work cases as LTIs. This was fully implemented by 2006. These figures include divested businesses up until the point of divestment.

Building on safety successes to date

- Long term safety strategy developed, reflecting different levels of safety maturity across the group
- Safety priorities 2009-2014 identified as competence and development, learning and improvement (from incidents and other internal and external sources of information) and assurance
- Upgraded approach to risk management at strategic and operational levels to tackle low-probability / high consequence events
- Focus on transportation safety delivering improved performance
- While our deep level hard rock Platinum operations have reduced all injuries very significantly since 2007, the rest of the Group has a lost time injury frequency rate of 0.24, an industry-leading performance
- Anglo's Safety Risk Management Programme made available to other companies through a network of 10 leading universities internationally

HIV/AIDS



Strengthened commitment

- Revised HIV/AIDS policy end 2008
 - Extending HIV/AIDS prevention, care, support & treatment to employees' dependents
- Excellence Award for Thermal Coal from Global Business Coalition on HIV/AIDS
- Increased participation in workplace HIV/AIDS programmes:
 - Annual VCT uptake > 80% in Southern Africa
 - HIV Disease Management Programme enrolment much improved at 65% (June 2010)
 - Benefits of providing ART far outweigh costs
- Challenges
 - Reducing new HIV infections
 - Ensuring long-term adherence to treatment
 - Controlling the escalating TB epidemic
 - Reaching all eligible dependents
 - Reducing AIDS deaths : 263 in 2009

HIV Indicators (31 March 2010)

| | |
|---------------------------|-------------|
| No. of employees | 70,741 |
| HIV prevalence | 17% |
| Est no. HIV +ve employees | 12,238 |
| Employee VCT cases | 21,995 |
| Contractor VCT cases | 7,373 |
| % Employee VCT uptake | 31% |
| New HIV infections | Approx 1.4% |
| HIVDMP enrolment | 6,110 |
| % HIVDMP enrolment | 50% |
| Employees on ART | 3,229 |
| % ART uptake | 26% |
| New TB cases in 2010 | 262 |

Ensuring the systems, infrastructure and understanding within the Group to prevent occupational disease and achieve zero harm to health



Zero mindset

No repeats

Simple non-negotiable rules

- Holistic approach to health
 - Risk-based evaluation of fitness for work and medical surveillance; emphasis on Prevention
 - Access to Care, Support, Treatment and Rehabilitation
 - Renewed emphasis on “Wellness”
 - Community health interventions
- Developing and publishing Group standards for health protection programmes, coupled with rigorous assurance
- Enhancing occupational hygiene practice and control of exposure to health hazards
 - Aim is to eliminate hazardous exposures through
 - Engineering and other design controls at source
- Embedding health incident reporting and investigation across all business units.

Human resources

Restructured Group has created headcount efficiencies, but with increased investment in future skills to prepare us for growth

Permanent employees by
business unit
(annual average)



| | Total |
|-----------------------------|-----------------|
| Platinum | 54,608 |
| Other Mining and Industrial | 21,329 |
| Thermal Coal | 8,869 |
| Kumba Iron Ore | 5,730 |
| Metallurgical Coal | 3,382 |
| Copper | 2,932 |
| Corporate and exploration | 2,161 |
| Nickel | 1,410 |
| Iron Ore Brazil | 1,049 |
| Total | 101,470* |

- Headcount reduction substantially complete
- Retraining and other support offered to where appropriate
 - Anglo Platinum portable skills training
- Investment in future skills maintained
 - \$84.1 million direct spend on training, up from \$51 million in 2008
 - 4,514 bursars, apprentices and graduate trainees, up from 3,701 in 2008

We are continuing to enhance the diversity of our workforce around the world



- Transformation in South Africa and women in mining remain the biggest issues
- HDSAs in management in South Africa now 46% (up from 45% in 2008)
- 5,700 South African employees benefited from ABET, 2,600 from portable skills training
- Women in mining:
 - Females now 19% of management tier (17% in 2008)
 - Overall female participation in workforce is 13%
 - 2,700 women working underground in Platinum (up from almost zero in 2004)

Question and Answer Session

