



UNIQUE OPPORTUNITY TO CONSOLIDATE THE WORLD'S LEADING DIAMOND COMPANY

Investor presentation – 4 November 2011



Real Mining. Real People. Real Difference.

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HIGHLIGHTS

- 1 Unique opportunity to consolidate control of the world's leading diamond company
- 2 Highly attractive industry fundamentals with late development cycle exposure
- 3 Reinforces long term partnership with Botswana to create long term value
- 4 Simplified ownership structure will enhance performance

TRANSACTION SUMMARY

Consideration

- Anglo American would increase its shareholding in De Beers from 45% to 85% for a total cash consideration of US\$5.1 billion assuming the Government of the Republic of Botswana (GRB) does not exercise pre-emptive rights

GRB

- Recently renewed 10-year sales agreement
- Under shareholders agreement GRB has a pre-emption right enabling it to participate in the sales process and to increase its interest in De Beers pro-rata up to 25%
- In the event of the GRB exercising its pre-emption right in full Anglo American would acquire 75% of De Beers and the consideration payable would be reduced proportionately

Financial implications

- Transaction expected to be accretive to underlying earnings before depreciation and amortisation on fair value adjustments in the year of acquisition¹

Closing conditions

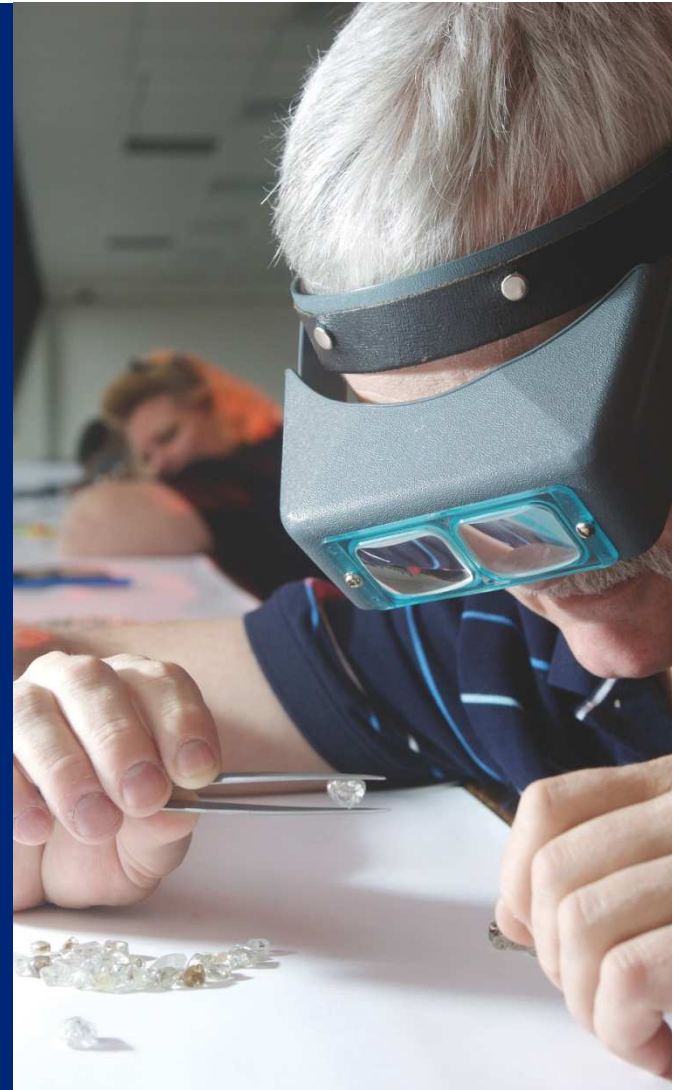
- Transaction remains subject to shareholder as well as customary regulatory and other approvals
 - shareholder vote expected in December 2011
 - closing expected in the H2 2012

Note:

¹ See note 9 to the Condensed financial statements for basis of calculation of underlying earnings

1

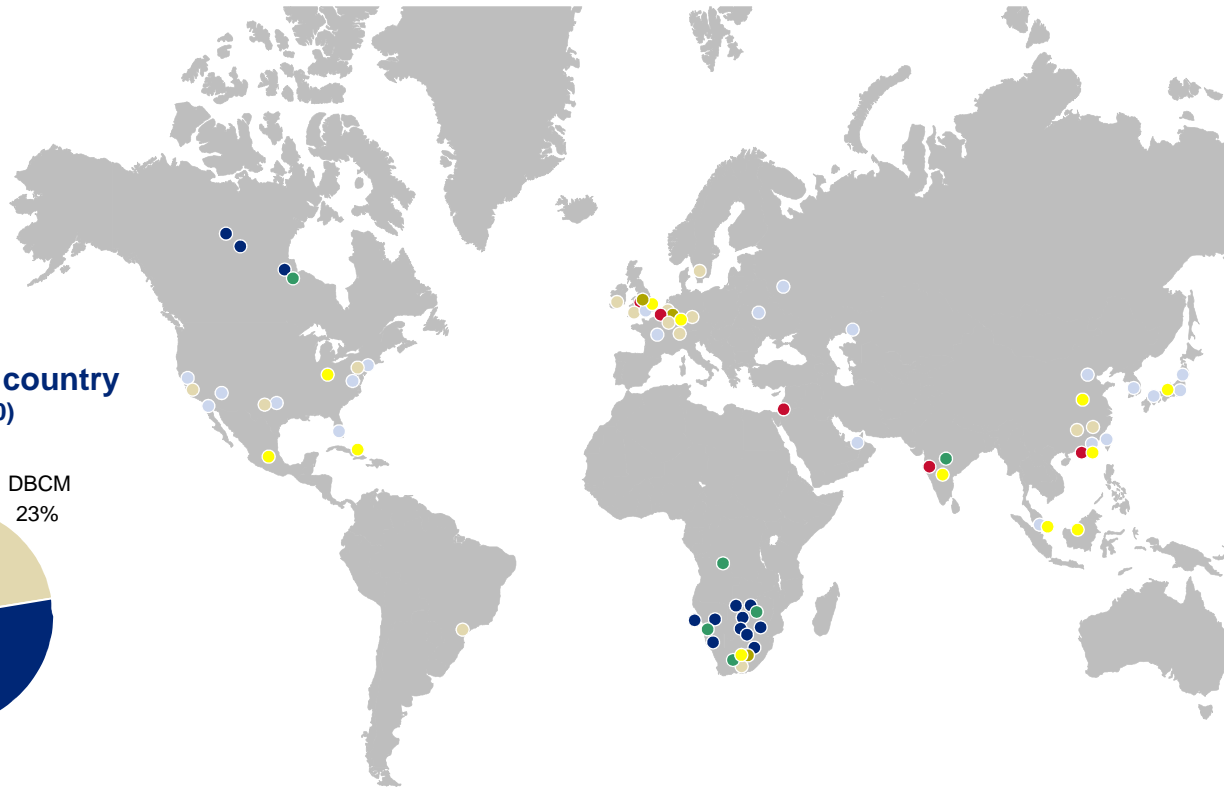
**UNIQUE OPPORTUNITY
TO CONSOLIDATE
CONTROL OF THE
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DIAMOND COMPANY**



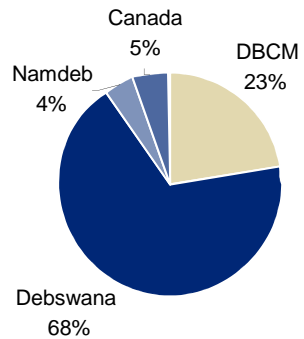
DE BEERS GLOBAL FOOTPRINT

De Beers mines

| |
|---|
| Canada |
| Snap Lake Victor Gahcho Kue project |
| Namibia |
| Namdeb De Beers Marine Namibia |
| Botswana |
| Damtshaa Jwaneng Lethakane Orapa |
| South Africa |
| Kimberley Namaqualand ¹ Venetia Voorspoed |



Production by country (CT recovered, 2010)



● De Beers mines
 ● Element Six
 ● De Beers corporate offices
 ● Diamdel offices
 ● Exploration
 ● De Beers Diamond Jewellers²
● Forevermark²

Source: De Beers

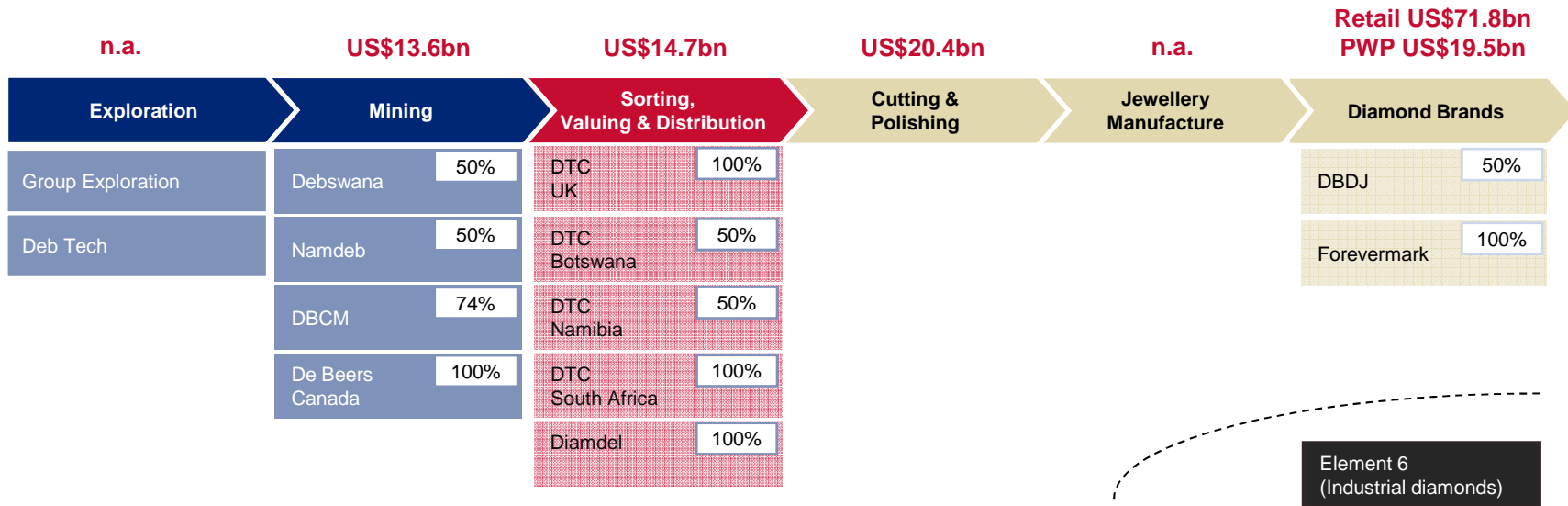
Note:

1 In process of being sold

2 Indicates presence in country / region, often in multiple locations

DE BEERS BUSINESS OVERVIEW

Diamond value chain



- Leading producer of diamonds, based on a highly attractive long life asset base
- Unrivalled global diamond exploration expertise
- Proven sorting, valuing and distribution capabilities

- Leading distribution and marketing capabilities via supplier of choice model
- Proven ability to generate consumer demand and build end-market confidence
- Iconic luxury brand heritage
- Most sophisticated synthetics technology for industrial applications

Source: De Beers

= Value across value chain (industry level)

LARGE SCALE, HIGHER MARGIN ASSETS

Large scale¹

Access to significant reserve base and sustainable production / competitive growth position

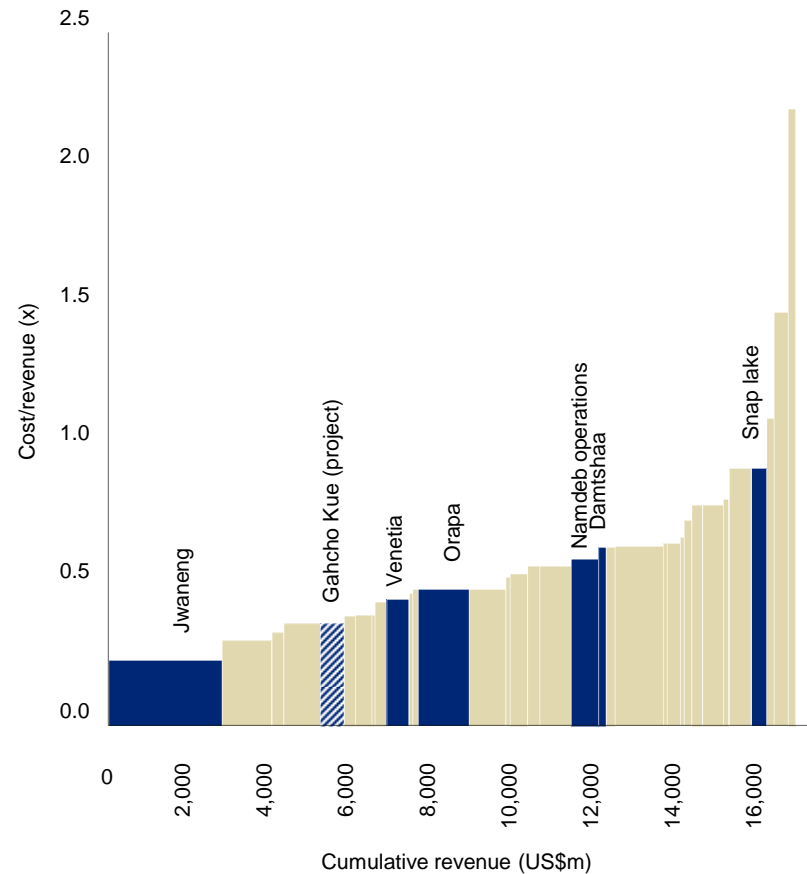


Source: De Beers, Company reports and announcements
Note:

1 Inclusive of reserves and resources

Higher margin assets

70% of De Beers production is located on the lower half of the cost curve



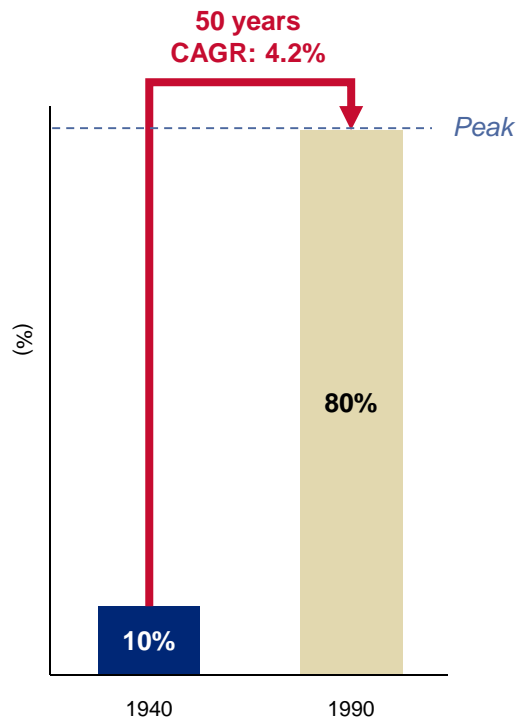
Source: De Beers (2010)

STRONG DOWNSTREAM EXPERTISE AND TRACK RECORD IN CREATING DEMAND WILL UNLOCK FURTHER VALUE

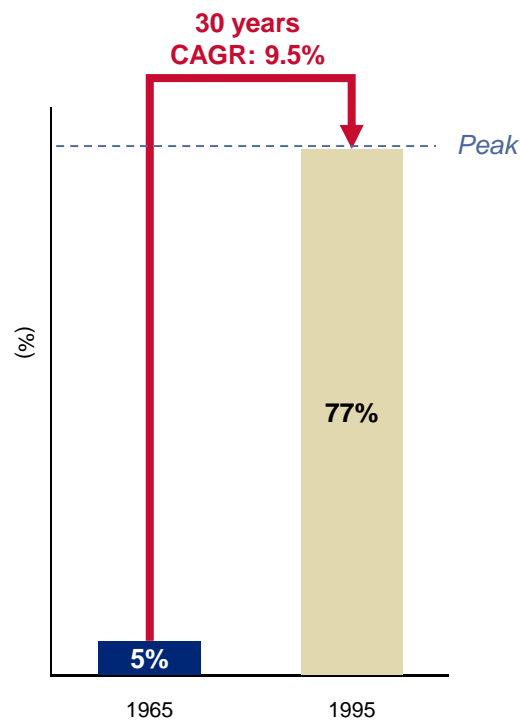
De Beers has a track record of creating demand for diamonds in different countries

% of first time brides who receive a diamond only engagement ring

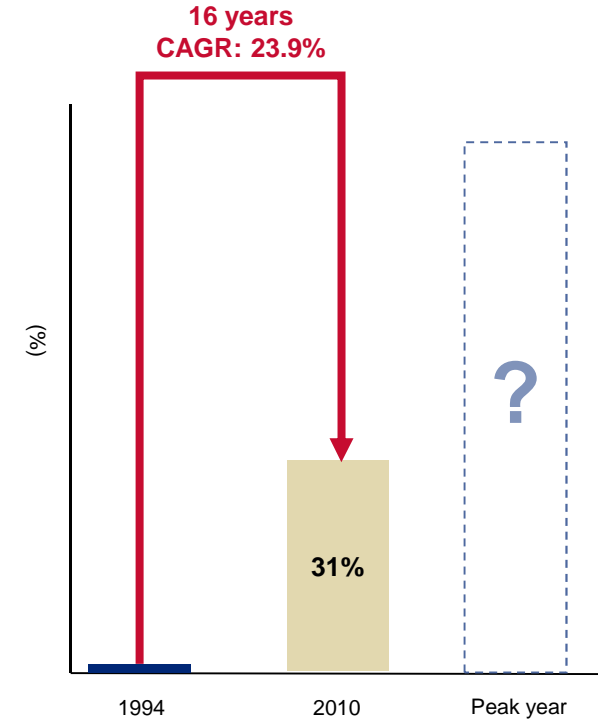
USA ...



... Japan ...



... and now China



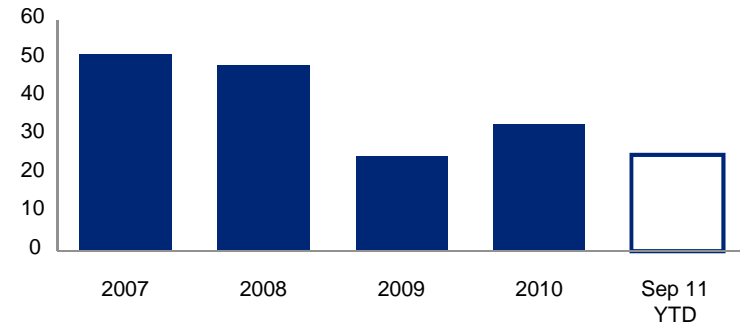
Source: De Beers

WELL POSITIONED TO CREATE A ROBUST PLATFORM FOR THE LONG TERM

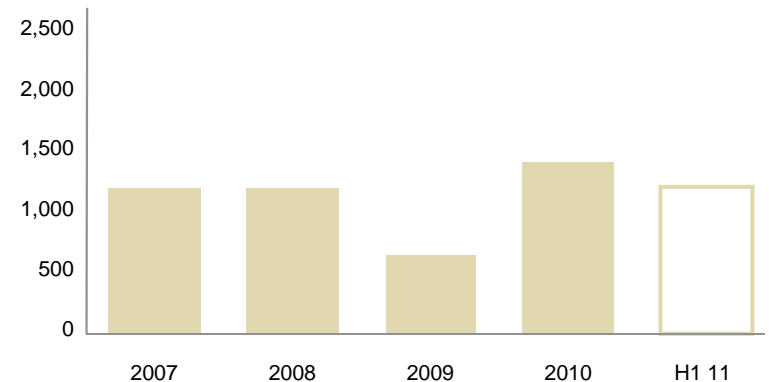
Strong financial recovery

- Decisive management actions to address cost base and drive profitability in tough market conditions
 - reduced production in line with prevailing levels of demand
 - permanent reductions in mine and operating costs
 - stay-in-business capital and expansion capital significantly curtailed
 - targeted investment in new marketing programmes
- De Beers now well positioned to benefit over the long term
 - benefiting from strong demand environment
 - healthier balance sheet and refinanced debt
- Integration benefits with Anglo American will create additional upside potential
- Streamlined portfolio following disposal of smaller late stage operations

Production – carats recovered (Mct)



EBITDA (US\$m)



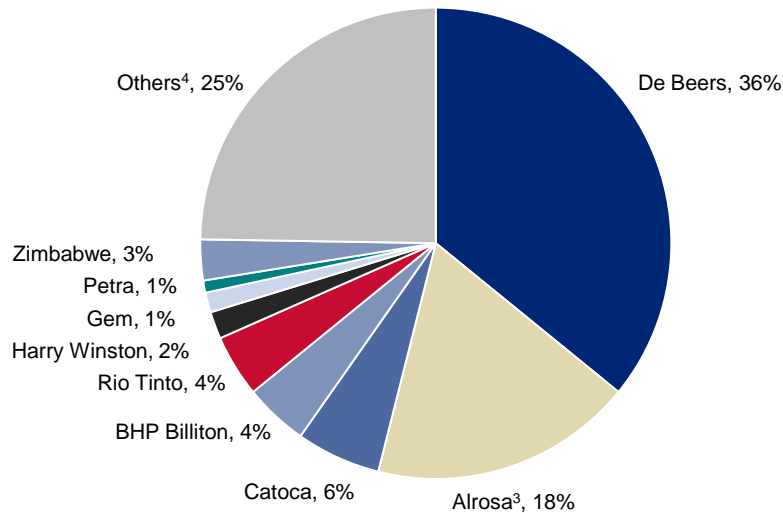
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**HIGHLY ATTRACTIVE
INDUSTRY
FUNDAMENTALS WITH
LATE DEVELOPMENT
CYCLE EXPOSURE**

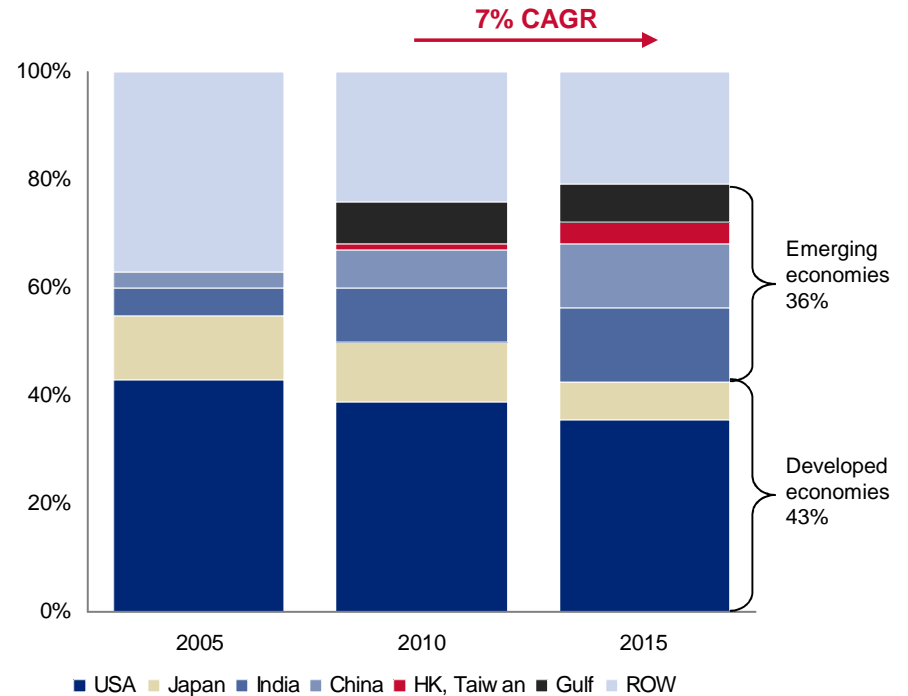


HIGHLY ATTRACTIVE INDUSTRY FUNDAMENTALS

Key suppliers (by value)¹



Demand growth driven by emerging economies²



- Demand growth led by emerging economies
- Emerging economies are expected to account for c.36% by 2015, which is approximately the size of US

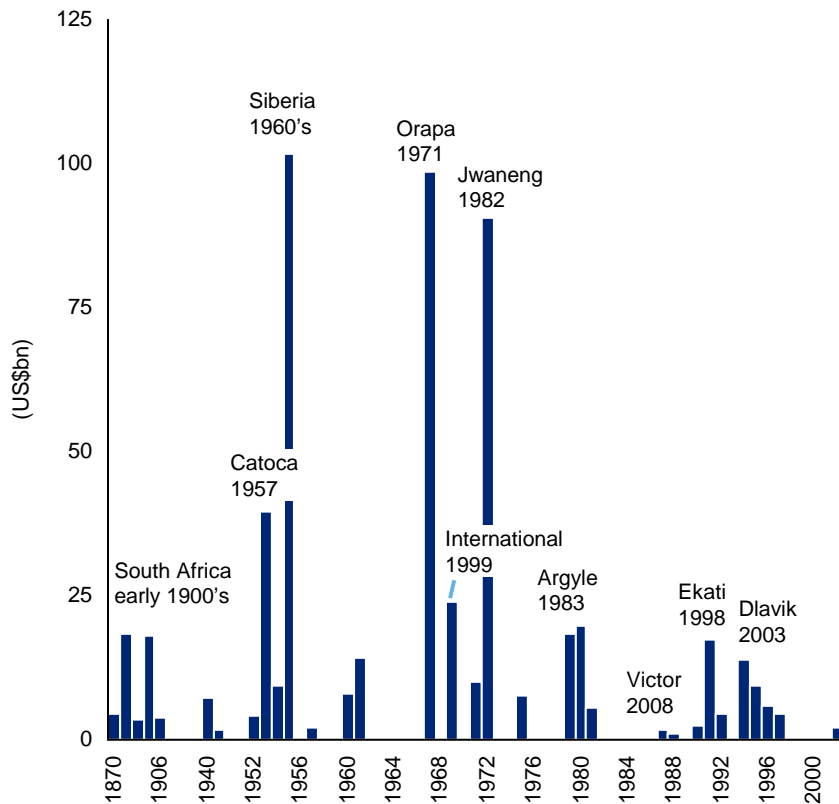
Source: De Beers

Notes:

- 1 Share of estimated total production (US\$) by main producers
- 2 Share of diamond demand at Polished Wholesale Prices (PWP); 2010 are preliminary numbers
- 3 Alrosa figures exclude company's share in Catoca production
- 4 Artisanal, junior and informal producers

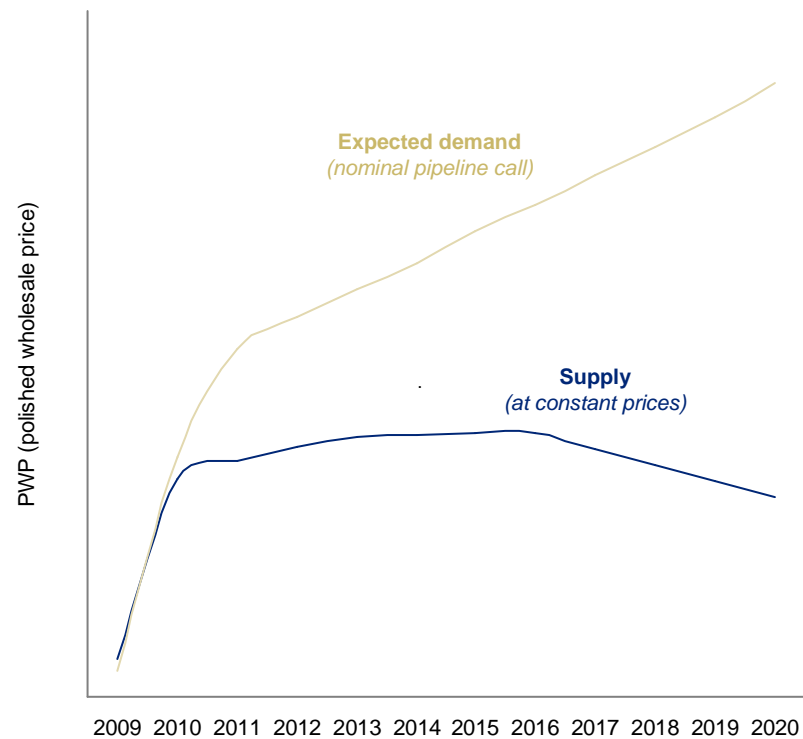
STRONG LONG TERM FUNDAMENTALS BASED ON STRUCTURAL SUPPLY DEFICIT

Major diamond discoveries¹



Emerging supply demand gap²

New production unable to keep pace with growing demand



Source: Anglo American; De Beers exploration data; as estimated from company reports

Note:

1 Year on top of bars are the date mining began

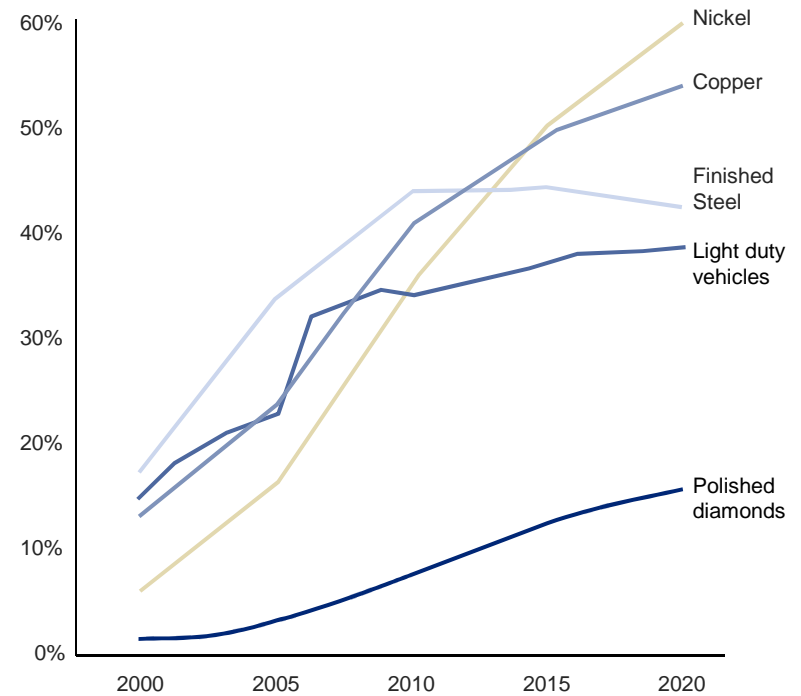
2 Indicative supply demand view based on current assumptions

MAJORITY CONTROL OF DE BEERS WILL STRENGTHEN EXPOSURE TO THE LATE CYCLE DEVELOPMENT

2010 portfolio composition⁵



China's share of global demand



Source: Company information

Notes:

1 Includes iron ore, met coal, thermal coal, manganese

2 Includes aluminium, copper, nickel, zinc

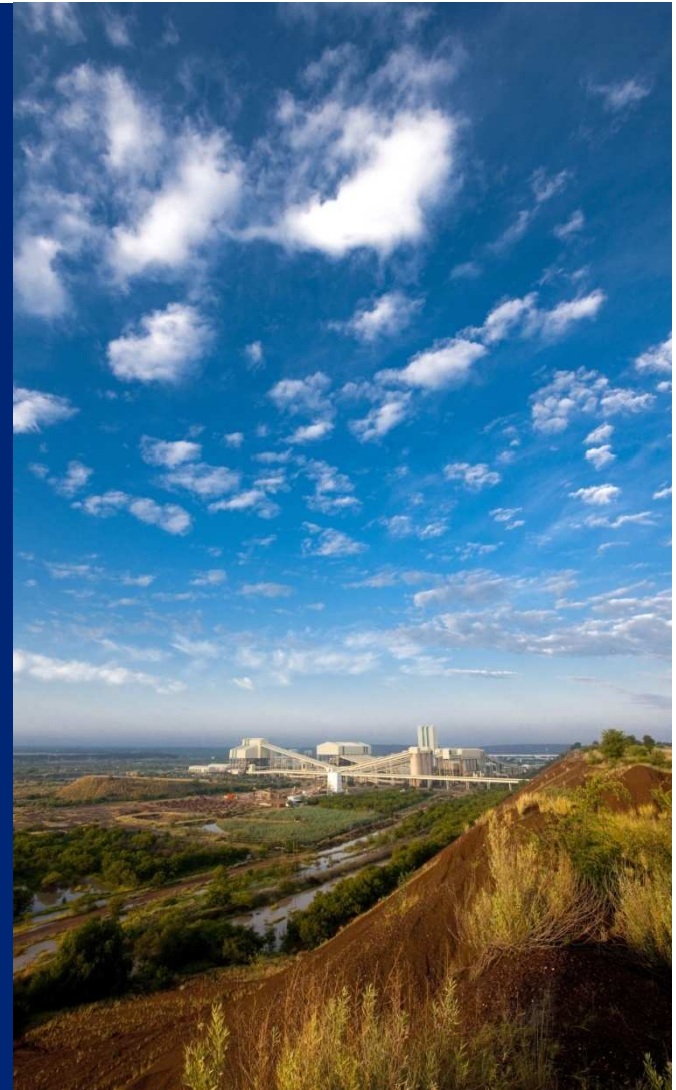
3 Includes petroleum, platinum, diamonds

4 Includes other mining & industrial (Anglo American), Other (Rio Tinto), fertilisers & logistics (Vale), Other (Xstrata)

5 Based on 2010 EBITDA contribution (operating profit in the case of Vale). Anglo American is based on pro-forma full consolidation of De Beers 2010 EBITDA.

3

**REINFORCES LONG
TERM PARTNERSHIP
WITH BOTSWANA TO
CREATE LONG TERM
VALUE**



REINFORCING LONG-TERM PARTNERSHIP WITH BOTSWANA

- Diamond industry is of strategic importance to Botswana, contributing c.35% to GDP
 - recently renewed and extended 10-year sales agreement with De Beers
 - GRB has a pre-emption right in relation to the transaction enabling it to increase interest in De Beers pro rata from 15% to 25% against payment of corresponding share of consideration
- Anglo American looks forward to working more closely with governments through De Beers' joint venture partnerships in Botswana and Namibia and with De Beers' BEE partners in South Africa to share expertise and tailor programmes to employees and the wider communities as may be appropriate
- Anglo American has a strong track record of community development and creating employment for a diverse workforce in safe, healthy environments

4

**SIMPLIFIED
OWNERSHIP
STRUCTURE WILL
ENHANCE
PERFORMANCE**



BUILDING ON EXISTING AREAS OF COOPERATION

Procurement

- Global supply chain and procurement benefits
 - implementing system and process advantages
 - up skilling organisational capabilities

Asset optimisation

- Roll-out of Anglo American's proven asset optimisation framework
 - opportunity to extend programme beyond successes achieved at Venetia and Snap Lake
 - bolster asset optimisation capabilities and share best practice across two businesses

Knowledge sharing

- Knowledge sharing, building upon Anglo American's technical, exploration, operational and project expertise and capital management
 - project review and implementation
 - mine planning
 - exploration and technologies

Central

- Corporate – alignment of central functions and best practice
- HR – broader strategy for talent management, staff development and training programs

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APPENDIX



PRO FORMA ACCOUNTING TREATMENTS

- De Beers is currently equity accounted by Anglo American. Upon completion of the transaction, Anglo American will fully consolidate De Beers
- 100% of De Beers' operating profit will be recognised by Anglo American. Underlying earnings will reflect Anglo American's attributable share, net of minority interest
- IFRS requires the transaction to be reflected as a business combination, with assets and liabilities recognised at fair value
- A day 1 gain (special item) will be recognised in respect of the fair valuation of Anglo American's existing 45% shareholding in De Beers
- The fair valuation of assets and liabilities will result in an uplift to the asset base and consequential increases to depreciation and amortisation charges
- This non-cash impact will affect underlying earnings and EPS measures
- A detailed fair value exercise will be performed to ascertain the impact of these accounting adjustments

| US\$ billion | Year ended 31 December 2010 | | Six months ended 30 June 2011 | |
|------------------------------------|--------------------------------|-----------|----------------------------------|-----------|
| | Reported | Pro forma | Reported | Pro forma |
| Revenue | 28.0 | 33.8 | 15.2 | 19.1 |
| EBITDA | 12.0 | 12.8 | 7.1 | 7.7 |
| Operating profit ³ | 9.8 | 10.4 | 6.0 | 6.6 |
| Underlying earnings ^{3 4} | 5.0 | 5.1 | 3.1 | 3.3 |
| Net debt | 7.4 | 14.6 | 6.8 | 13.7 |

Notes:

- 1 Assumes that the GRB does not exercise its pre-emptive rights and Anglo American secures a total shareholding in De Beers of 85%
- 2 Pro forma figures are for illustrative purposes and should be regarded as broadly indicative. They have been adjusted to reflect the additional 40% stake acquired and acquisition financing costs
- 3 Excludes depreciation on fair value uplifts which will be determined following a detailed IFRS fair valuation exercise based on the De Beers balance sheet acquired
- 4 See note 9 to the Condensed financial statements for basis of calculation of underlying earnings