



ANGLO AMERICAN COAL SOUTH AFRICA

Merrill Lynch Investor & Analyst site visit
August 2014



Real Mining. Real People. Real Difference.

DISCLAIMER

Disclaimer: This presentation has been prepared by Anglo American plc (“Anglo American”) and comprises the written materials/slides for a presentation concerning Anglo American. By attending this presentation and/or reviewing the slides you agree to be bound by the following conditions.

This presentation is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy shares in Anglo American. Further, it does not constitute a recommendation by Anglo American or any other party to sell or buy shares in Anglo American or any other securities. All written or oral forward-looking statements attributable to Anglo American or persons acting on their behalf are qualified in their entirety by these cautionary statements.

Forward-Looking Statements

This presentation includes forward-looking statements. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding Anglo American’s financial position, business and acquisition strategy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American’s products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American’s present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American’s most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the “Takeover Code”), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Services Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SWX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this presentation should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share.

Certain statistical and other information about Anglo American included in this presentation is sourced from publicly available third party sources. As such it presents the views of those third parties, but may not necessarily correspond to the views held by Anglo American.

No Investment Advice

This presentation has been prepared without reference to your particular investment objectives, financial situation, taxation position and particular needs. It is important that you view this presentation in its entirety. If you are in any doubt in relation to these matters, you should consult your stockbroker, bank manager, solicitor, accountant, taxation adviser or other independent financial adviser (where applicable, as authorised under the Financial Services and Markets Act 2000 in the UK, or in South Africa, under the Financial Advisory and Intermediary Services Act 37 of 2002).

Resources - Anglo American Share

Coal Inventory: Occurrence of coal of economic interest which forms the physical envelope that encompasses a Coal Resource or Coal Reserve, or both, and includes Reconnaissance, Inferred, Indicated and Measured Coal Resources, together with any associated Probable and Proven Coal Reserves.

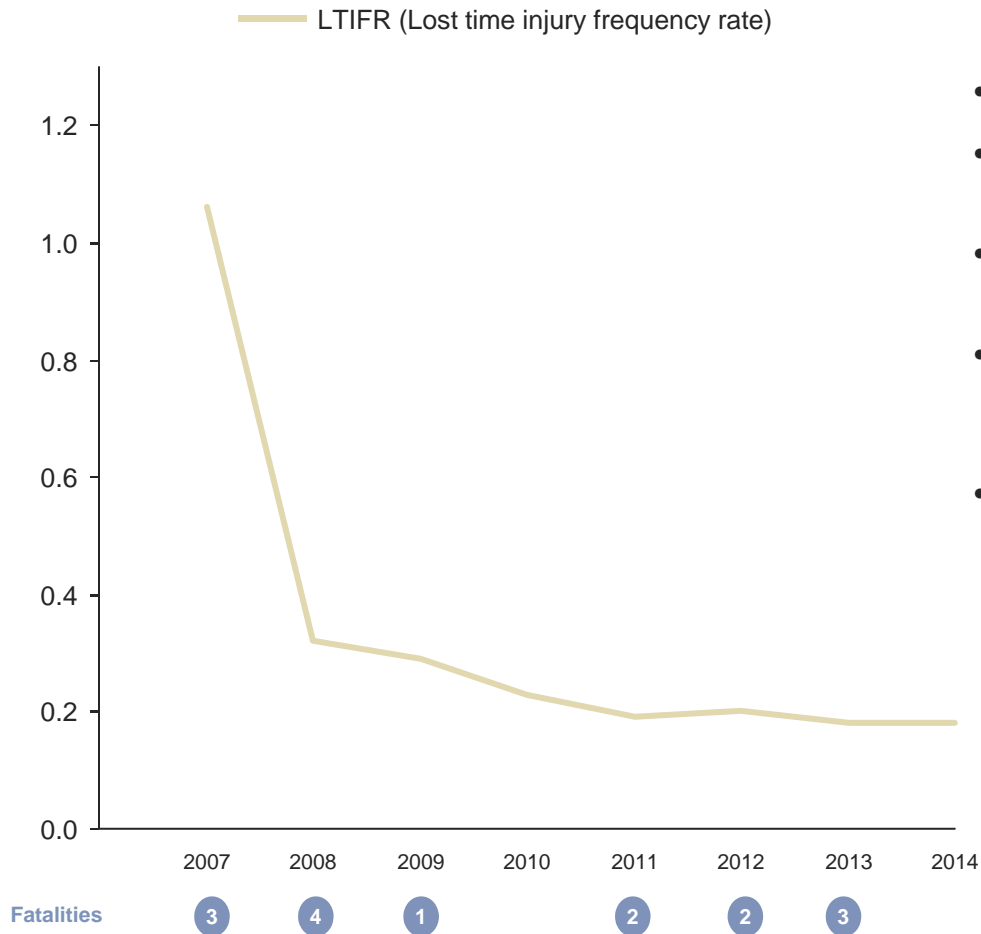
These data represent tonnage estimates compiled in accordance with the principles and guidelines of the South African Code for the Reporting of Exploration, Mineral Resources and Mineral reserves (The SAMREC Code, 2007) by a Competent (Qualified) Person or Persons.

Due to the uncertainty which may be attached to some Inferred Mineral Resources, it cannot be assumed, but normally would be expected, that a major part of an Inferred Coal Resource will be upgraded to an Indicated or Measured Coal Resource as a result of continued exploration.

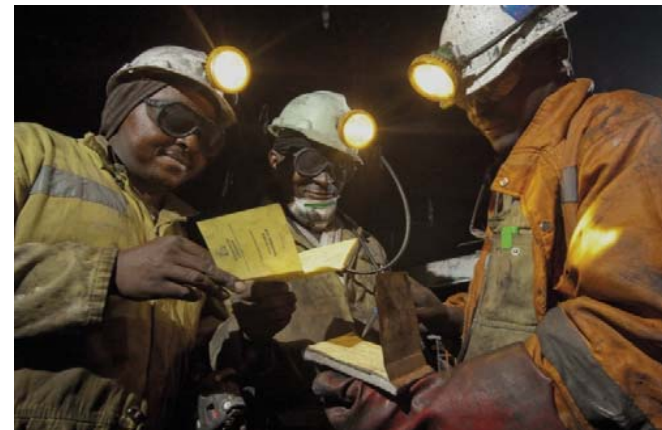
SUMMARY

- **World class assets in South Africa**
- **Coal South Africa is a consistently performing business**
 - Stable cash generating business and consistent contributor to Anglo American operating profit
 - Positioned competitively on the industry seaborne margin curve
 - Leading regional EBIT margin relative to key peers
 - Responsible and sustainable miner
- **Positive long term market outlook for Thermal Coal**
 - Driven by increasing export demand in the Indo-Pacific region and domestic South African power demand
 - Export prices currently under pressure but expected to return to historically high levels in the medium term
- **Coal South Africa is well positioned**
 - Export portfolio optimisation with improved Transnet Rail performance
 - Ability to swing exports easily and profitably between Pacific and Atlantic basins
 - Well positioned to provide continued commitment to the growing domestic coal market

CONTINUOUSLY STRIVING TO ENSURE A SAFER WORKING ENVIRONMENT...



- A safe working environment positively contributes to productivity
- Regrettably 3 fatalities during 2013
- Improved safety performance with other metrics trending in the right direction.
- Over the past decade the LTIFR has declined to a world-class 0.18
- New Vaal awarded the John T Ryan Safety Award, recognition for being the safest coal mine in all of South Africa.
- During 2013, many of our operations marked extended periods without incurring a single lost-time injury (LTI). Mafube ~ 1,327 days; Isibonelo ~ 581 days; New Vaal ~ 484 days and eMalahleni Water Treatment Plant > 2 years



...SUPPORTED BY A SKILLED AND MOTIVATED WORKFORCE

Working in a mature and mechanised environment underpinned by an established collective bargaining system

- **Stable workforce**
 - Labour turnover less than 2% (past 2 Years)
 - Stable employee relations climate (even during wage negotiation period)
 - High tenure amongst majority of labour force
- **Highly skilled workforce & investment in people ~ 8% of wage bill**
 - Matric has been minimum entry level for almost 10 years
 - Extensive training programmes in place for all levels of the organisation
 - Training programmes aligned to high level of mechanisation; and
 - Supported with safety, life skills and diversity training
- **Continued mechanisation of coal mining**
 - Early 2000s industry moved from conventional mining to CM (continuous miner) for underground coal mining
 - Technology improvement contributed to efficiency improvement in coal mining and requires a highly skilled support structure
 - Continued R&D in developing the mine of the future including automation

Future Technology Development

Opencast: equipment automation projects in Drilling, Dozing and Haultrucks



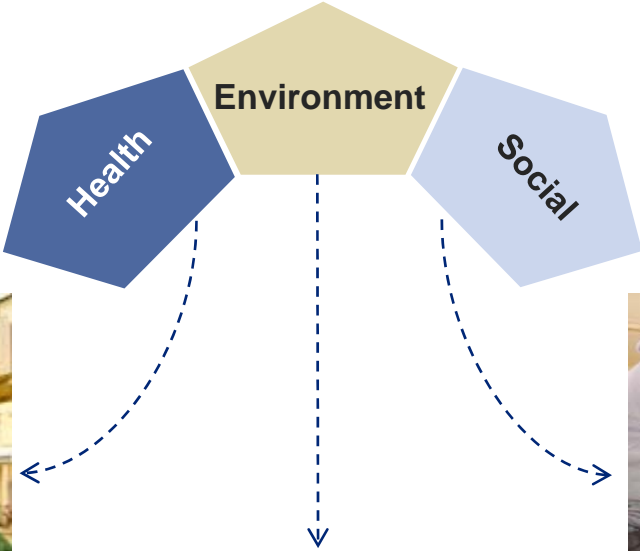
Underground: equipment automation projects in roof bolting, Flexible Conveyor Train (FCT) and Hard rock cutting



Safety: projects focused on People Proximity Intervention System, Roofbolter Laser Curtain and Haul truck safety (cameras and proximity)



COMMITTED TO BEING A RESPONSIBLE AND SUSTAINABLE MINER



South Africa, the Voluntary Counselling and Testing (VCT) retesting rate is 93% across the business in 2013. New HIV infection rates have decreased 21.7% and the number of HIV+ employees on Anti-Retroviral Therapy (ART) has increased 13%.

There has been a reduction in the incidence of TB 348 per 100,000 below the country average of around 1,000 per 100,000 and significantly further below the mining industry average*



The eMalahleni Water Reclamation Plant was awarded for Excellence in Environmental Practice at the World Coal Association's Leadership and Excellence Awards



Winter school classes at Empucukweni Secondary School

In 2013, significant resources were invested in programmes that are aimed towards creating lasting benefits for our communities.

Coal South Africa launched its Community Scholarship Scheme – a programme that will have a life-changing impact on young people in the host communities.

Source: Department of Health, Tuberculosis Strategic Plan for South Africa 2007 – 2011 (2007) * TB rates in the mines are up to 10 times the general population rate

OUR BUSINESS

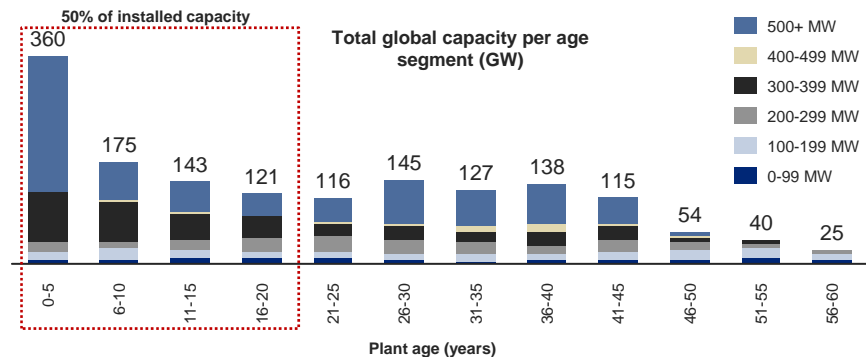


DEMAND FOR COAL TO CONTINUE INTO THE FUTURE

Coal grows to support Asian economic growth

Vast majority of current installed capacity remain in service to 2050

- 23% of capacity was installed in last 5 years, and more than half of the installed fleet is younger than 20 years
- Average life expectancy of a coal fired power station is between 40-60 years
- ~80% of global coal build came from China over the last 5 years
- Coal expected to grow at 2.5% CAGR to 2030



Facilitation of advanced coal technology development and demonstration

Investment in the FutureGen project: The first near zero emission coal fired power plant in the world

- The first near-zero emission coal-fired power plant in the world, using oxy-combustion and carbon capture and storage. It will store 1.3m tons of CO2 per annum.
- Anglo American is one of the founding members of the not for profit organization
- US Dept. of Energy has committed \$1 billion



Warsaw Communiqué and 21st Century Coal



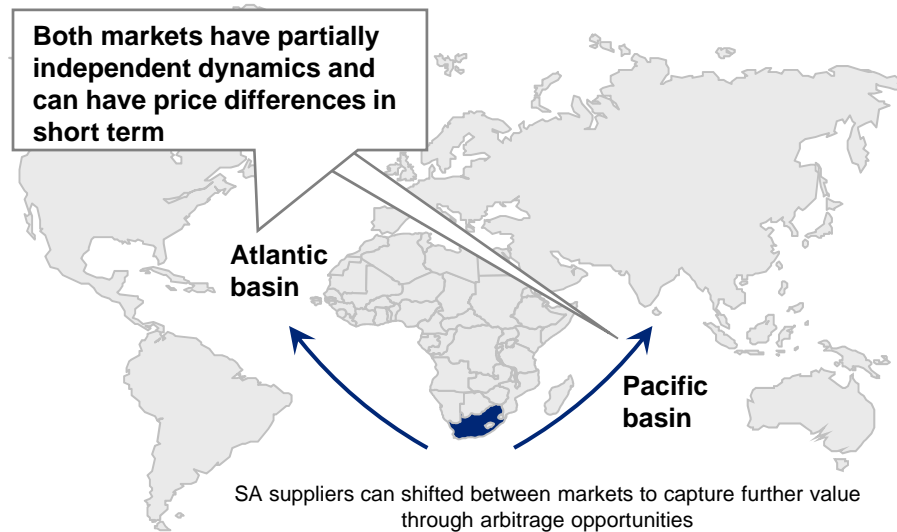
Three-step call to action for (1) the immediate use of high-efficiency, low emission coal combustion technologies; (2) Improving the global average coal generation efficiency and (3) Development bank support to enable developing countries to access clean coal technologies



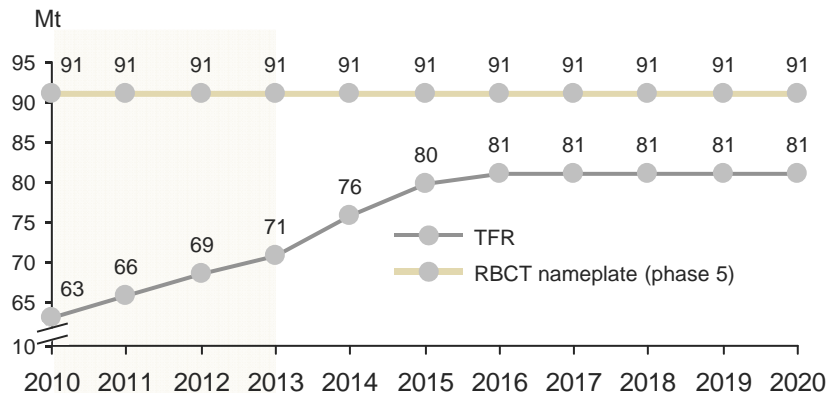
- High-Efficiency Coal Plants Substantially Reduce CO2 Emissions
- Without CCS, the cost of meeting the 2 degree scenario will be 40% (or \$2 trillion) greater
- Coal is essential for base load supply and as backup for intermittent technologies

GEOGRAPHICAL LOCATION PROVIDES OPTIONALITY

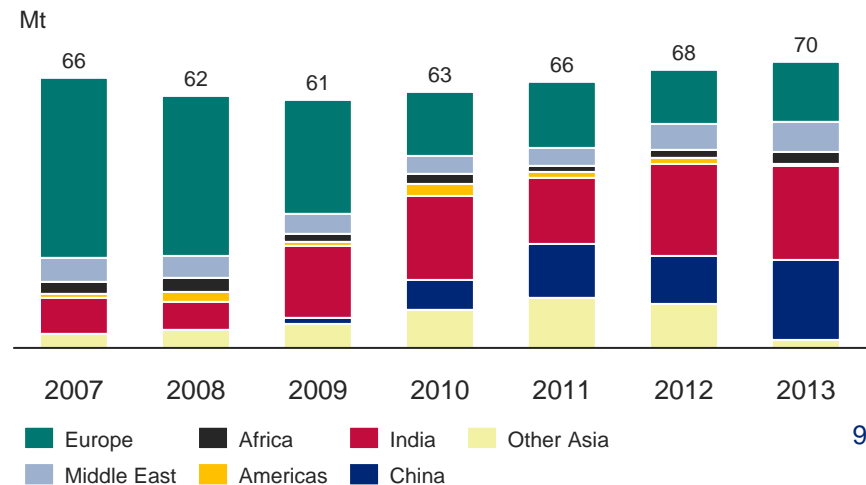
SA Coal exports can swing relatively easily and profitably between the Pacific and Atlantic basins



TFR performance and forecast



Richard's Bay total sales volumes by region

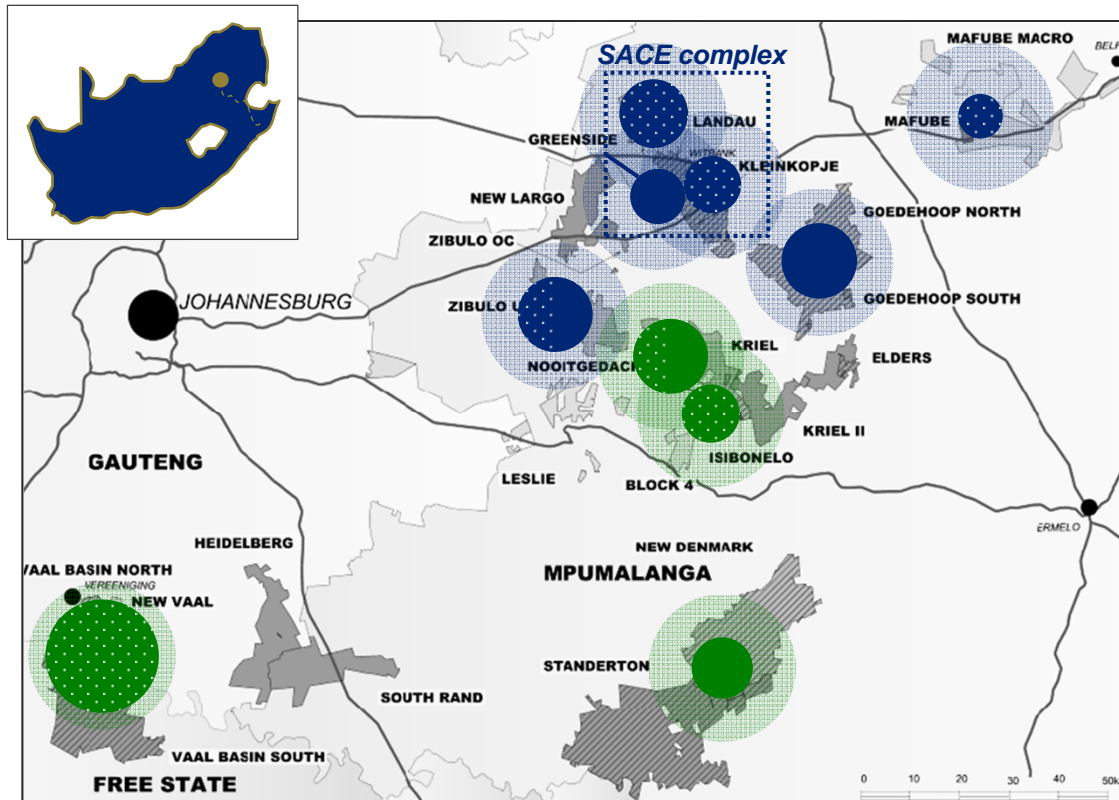


Source: Wood Mackenzie Ocean Freight Analysis and Anglo American analysis

PORTFOLIO OF OPERATING COAL MINING ASSETS

Strategically located within the greater Witbank Basin

Location of South African Coal operations / complexes



Key



South African Coal Operations:

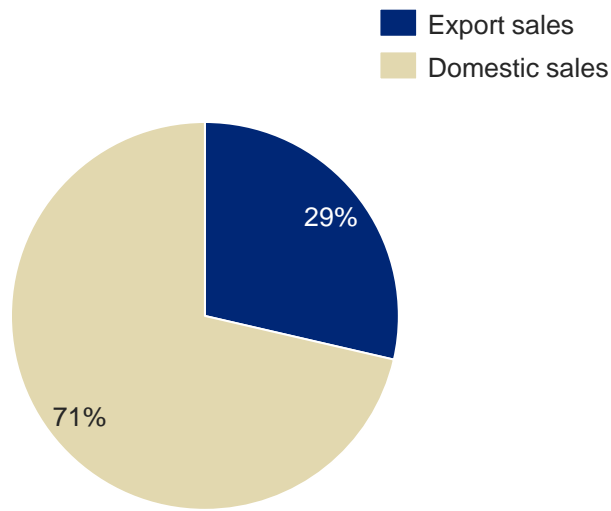
Mine	Holding	Export (Mt)	Domestic (Mt)	2013 Total attributable production
1.Goedehoop	100%	4.7	-	4.7 Mt
2.Greenside	100%	3	-	3.0 Mt
3.Kleinkopje	100%	1.3	2.7	4.0 Mt
4.Landau	100%	3	1	4.0 Mt
5.Kriel	73%	-	8.1	8.1 Mt
6.New Denmark	100%	-	3.6	3.6 Mt
7. New Vaal	100%	-	17.1	17.1 Mt
8. Isibonelo	100%	-	5.1	5.1 Mt
9. Mafube	50%	1.8	0.7	2.5 Mt
10.Zibulo	73%	4.1	0.8	4.9 Mt
Total South African Production		17.9	39.1	57.0 Mt

Total number of employees
(July 2014)

8,886
(full time permanent)
5,976
(Full time equivalent contractors)

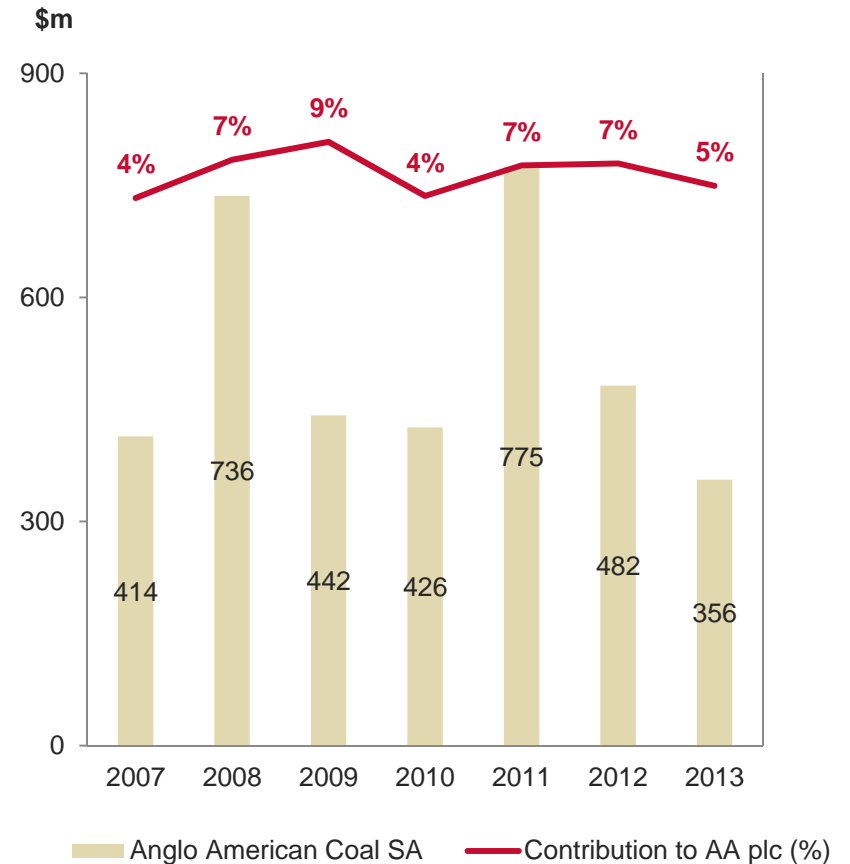
...ENABLING THE DELIVERY OF A 28% ATTRIBUTABLE ROCE FOR ANGLO AMERICAN

Historic production split for Coal South Africa



Average production split and output 2007-2013

Coal South Africa EBIT delivery



ANGLO AMERICAN INYOSI COAL (AAIC)

A HDSA company controlled by Anglo American (73%) and Inyosi Coal (27%)

Transaction overview

- Completed in 2007
- 27% HDSA ownership on equity basis (14% HDSA women)
- Purchase price of ZAR6.97bn
- Transaction completed at preferential equity funding interest rates (JIBAR)

Parties to the transaction

- Anglo South Africa Capital Pty Ltd
- Inyosi Coal Pty Ltd

Inyosi Coal is a BEE consortium led by the Pamodzi Coal and Lithemba consortia (66%), with WDB Inyosi Investments and AIC Community Trust holding the remaining equity

Operations and dividends

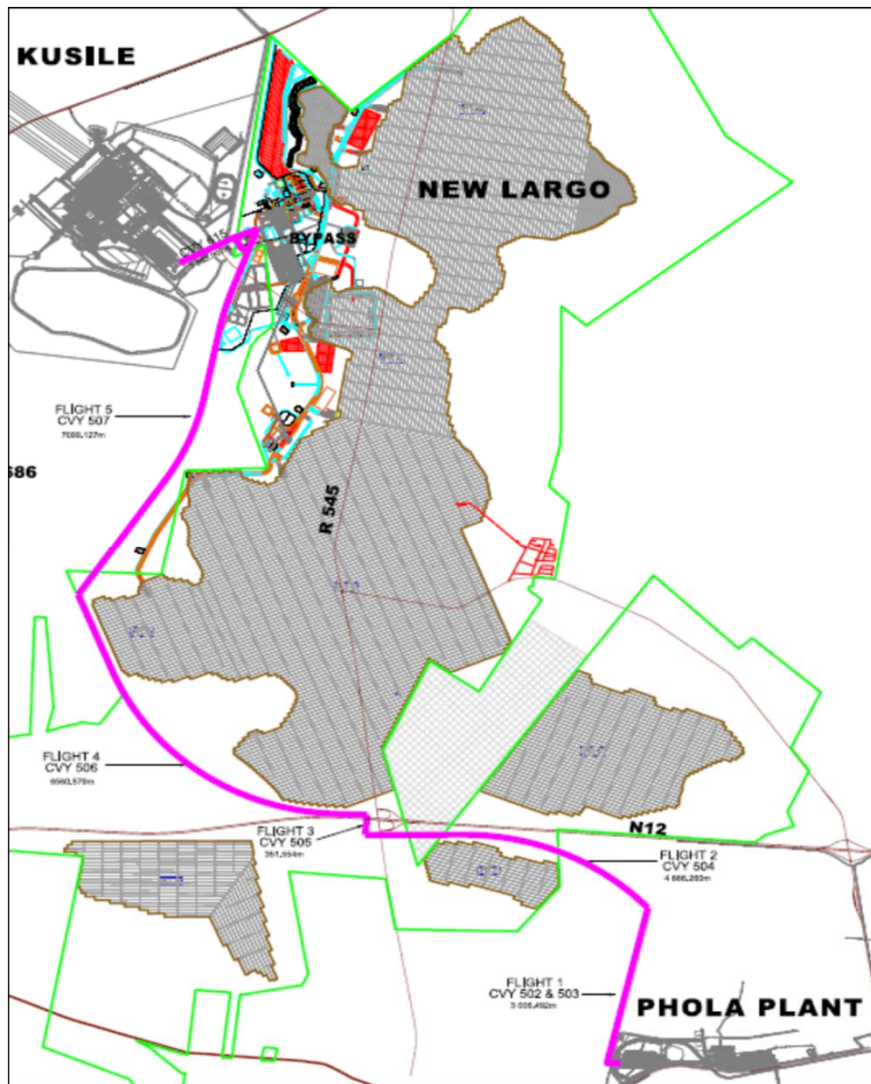
- AAIC owns Kriel colliery, the new Zibulo multiproduct colliery and the greenfield projects of Elders, New Largo and Heidelberg
- The Kriel and Zibulo collieries are controlled by Anglo American Inyosi Coal, producing a combined 15-17Mt of export and Eskom coal per annum
- ~R28m in dividends declared to HDSA shareholders since inception



Source: Anglo American (Photos of Zibulo launch and operations)

NEW LARGO PROJECT

Securing long-term coal supply to Kusile Power Station



- New Largo Project will supply ~570 Mt to the Kusile power station over a 47 year period
- The Project consists of both a mine and a conveyor
- The Project will produce between 10mtpa and 16mtpa of coal from opencast pits
- The mine will commence operation with truck and shovel in the initial years and shifting to a Dragline thereafter
- The conveyor is a 23km conveyor connecting the Phola plant to the Kusile Power Station
- The conveyor was designed with multiple load points to allow third party coal to be transported to Kusile Power Station

NEW LARGO PROJECT

Securing long-term coal supply to Kusile Power Station

- In 2006, Eskom and Anglo American started discussions on what is today known as New Largo
- Anglo American Inyosi Coal (AAIC) approved the pre-feasibility study in 2010
- The Feasibility study for Stage 1 was approved by AAIC and Eskom in Q2/3 2012, and conditionally supported by government
- It has always been envisaged that Kusile's initial coal requirements would be regionally sourced and not from New Largo
- Matters which continue to receive focus from both AAIC and Eskom include:
 - Securing key permits (iWULA) and access to land to increase the level of confidence that the project can be executed once unconditionally approved;
 - Keeping the feasibility study current; and
 - Exploring opportunities to ensure Kusile has sufficient coal for the initial ramp-up phase

