AngloAmerican

INTERIM RESULTS
SIX MONTHS ENDED 30 JUNE 2014

25 July 2014

Real Mining. Real People. Real Difference.

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REPORT CARD

We are making progress on our key issues…

BUSINESS BASICS

- ✓ Safety……………………………………………..31% reduction in injury frequency rate(1)
- ✓ Environment…………………..……………….....60% reduction in Level 3(2) incidents
- ✓ Production…………………..…………….....….7% increase in production volumes
- ✓ Costs…………………….…………….….…………….6% unit cost(3) reduction
- ✓ Operating controllables……………………….26% improvement in EBIT contribution

DRIVING VALUE MILESTONES

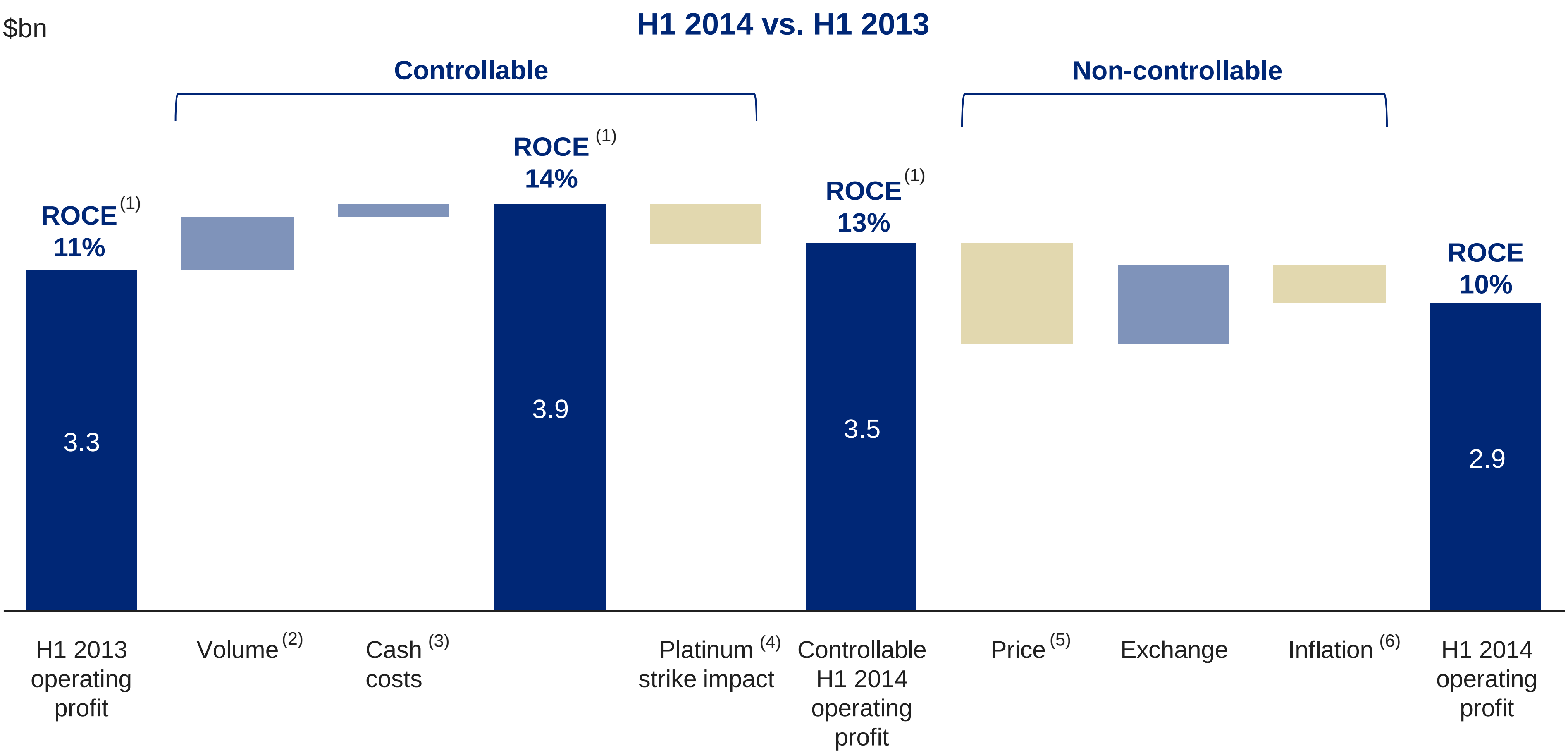
- ✓ Minas-Rio FOOS……………..…………….…..….….on track for delivery in 2014
- ✓ Platinum
  - ✓ Restructure…………...……..commenced restructuring as announced in 2013
  - ✓ Portfolio repositioning…………..……………………...operations to be exited
- ✓ Sishen recovery
  - ✓ Ore production………………..………………………………..ore delivery on plan
  - ✓ Waste stripping………………..………..……………....………on track for 2014 target
  - ➢ Pre-strip waste…………………..……………………....improving, but not yet at target
- ✓ Copper turnaround…………………………………………….operations now delivering

…but we still have a lot to do.

(1) Injury frequency rate is total recordable case frequency rate (TRCFR) which includes medical treatment cases, lost time injuries and fatal injuries; versus FY 2013
(2) Level 3 environmental incident: The impact lasts more than one month, but no longer than a year, and/or; the impact affects a large area (several hundreds of metres) on site, and/or; the impact affects an area off-site, and/or; the receiving environment comprises largely natural habitat, with minor impairment of ecosystem function, and with minor impacts on surface or ground water resources, and/or; the impacted site has moderate biodiversity value.
(3) Nominal USD unit cost adjusted for Platinum strike impact

PROGRESS TOWARDS OUR ROCE TARGET

Improved operational performance…



…offset by weaker prices and strike.

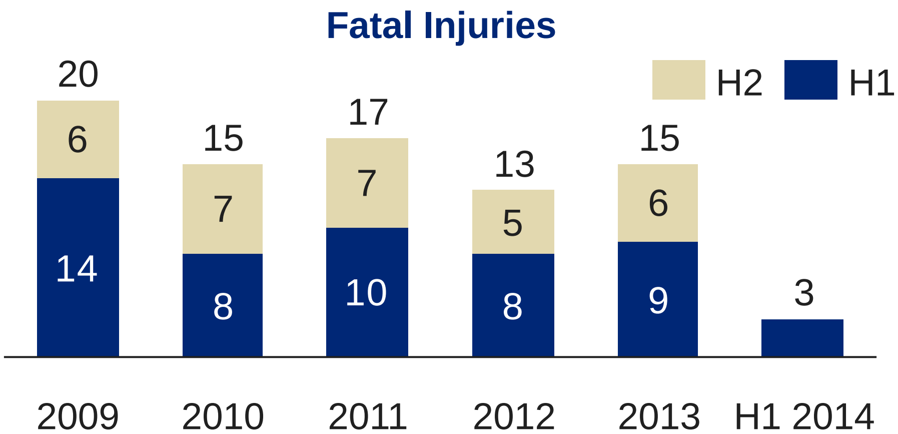
(1) Based on average attributable capital employed as at 30 June 2013; (2) Volume variance calculated as increase/decrease in sales multiplied by prior period profit margin; (3) Includes inventory movements; cash costs normalised for the impact of the platinum strike; (4) Incremental costs resulting from the platinum strike; (5) Price variance calculated as increase/decrease in price multiplied by current period sales volume; (6) Inflation variance calculated using CPI on prior period cash operating costs that have been impacted directly by inflation.

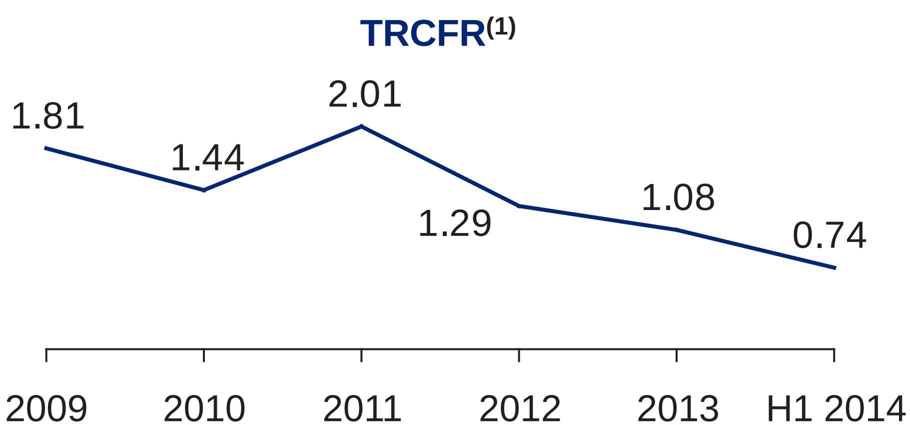
Note: Through out this presentation operating profit denotes operating profit before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' operating profit before special items and remeasurements

PERFORMANCE
MARK CUTIFANI

SAFETY & HEALTH

Focus on achieving zero harm…





SAFETY

- We deeply regret the loss of three colleagues to incidents in Australia and South Africa
- The total recordable case frequency rate (TRCFR), at 0.74, continues to improve on record levels reported at the end of 2013

HEALTH

- Our health focus continues to be on eliminating noise and respirable hazards at source and HIV/TB wellness programme participation

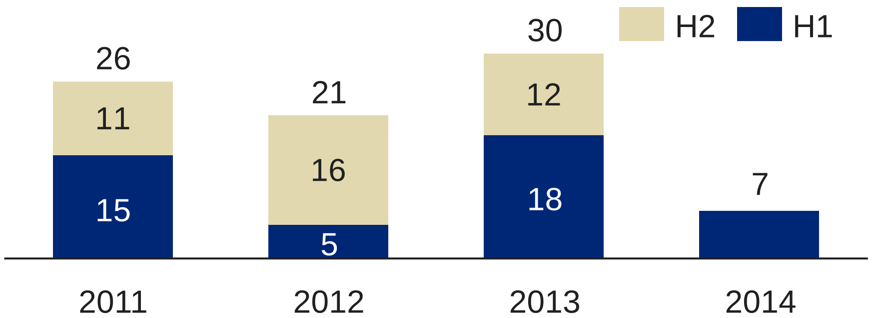
…is touching all areas of the business.

(1) Total recordable case frequency rate (TRCFR) includes medical treatment cases, lost time injuries and fatal injuries

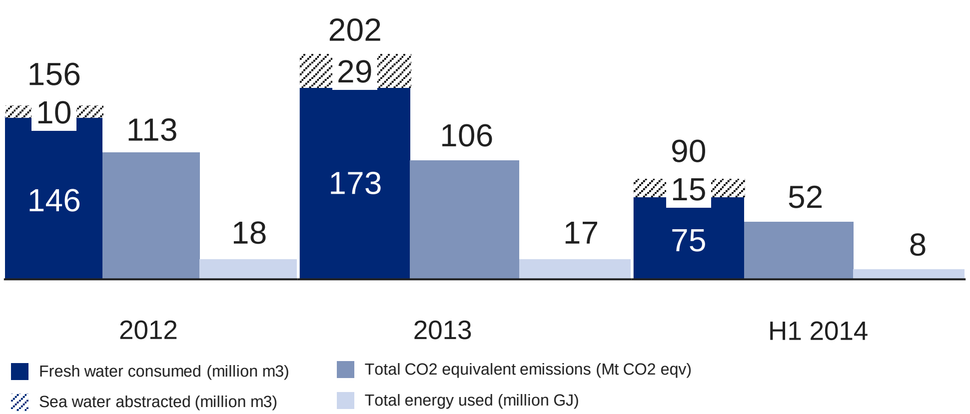
ENVIRONMENT

We are working on our processes…

Environmental incidents [1]



Water, greenhouse gases and energy



MANAGING OUR PROCESS

- 2013 reflects abnormal number of weather (rainfall) and related incidents (water releases)
- Focus on management, reporting and sharing of learnings around environmental risks and incidents - supporting control imperative

IMPROVING OUR EFFICIENCIES

- On track to achieve our water, greenhouse gas and energy reduction targets
- Approximately 40% of water consumed by De Beers is sea water

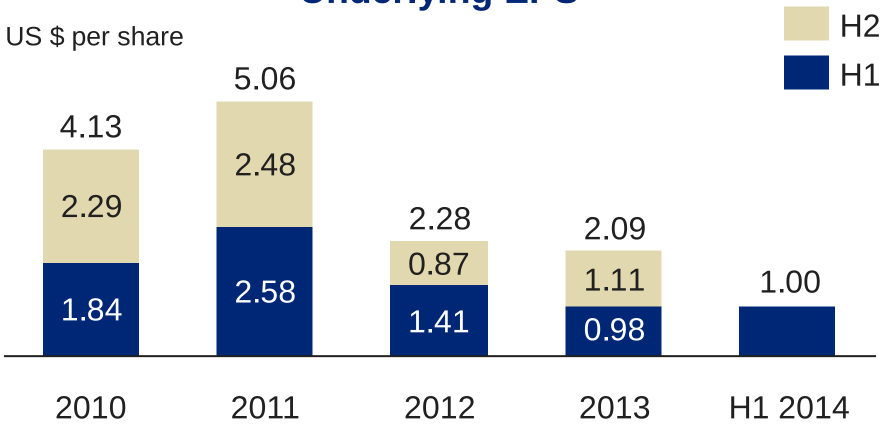
…to reduce incidents and improve efficiencies.

(1) Level 3 environmental incident: The impact lasts more than one month, but no longer than a year, and/or; the impact affects a large area (several hundreds of metres) on site, and/or; the impact affects an area off-site, and/or; the receiving environment comprises largely natural habitat, with minor impairment of ecosystem function, and with minor impacts on surface or ground water resources, and/or; the impacted site has moderate biodiversity value

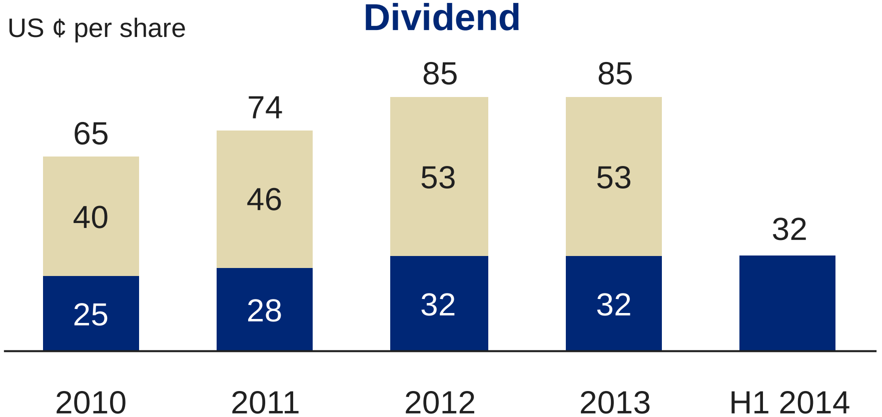
FINANCIAL HIGHLIGHTS

Operational improvement continues…

Underlying EPS



Dividend



PERFORMANCE

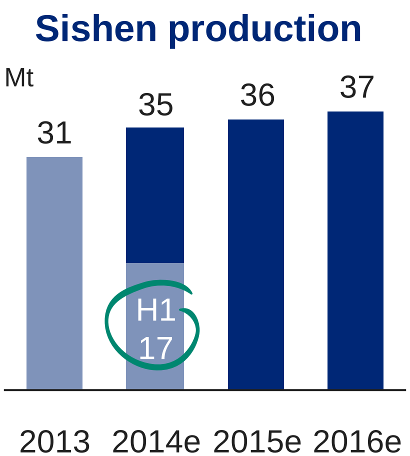
- Operations performance continues to improve with volumes up and costs down
- Group operating profit[1] down 10% to $2.9bn, impacted by lower commodity prices and platinum strike
- Attributable ROCE of 10% reflects 3% underlying operations improvement offset by 4% strike/prices impact
- Underlying earnings up 3% to $1.3bn, EPS of $1.00
- Capital expenditure increased by $0.4bn to $2.8bn, reflecting higher spend on Minas-Rio
- Interim dividend maintained at 32 US cents per share

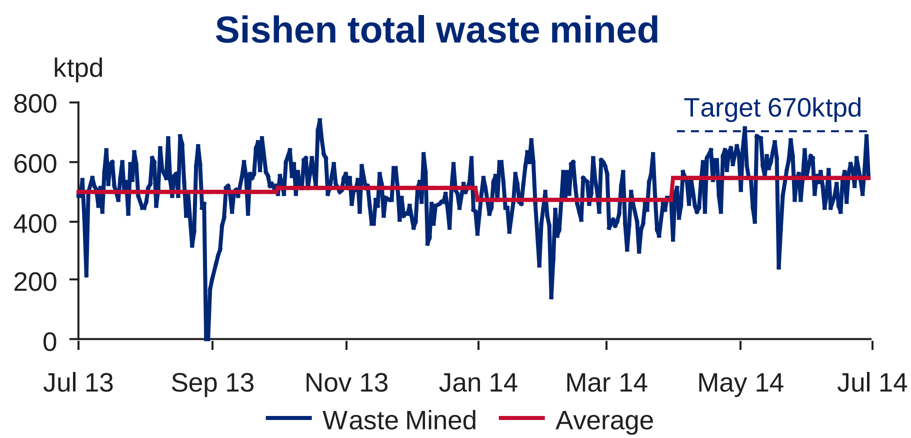
…delivering our commitment on dividend.

(1) Through out this presentation operating profit denotes operating profit before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' operating profit before special items and remeasurements

IRON ORE AND MANGANESE

Sishen and Kolomela improvements more than offset by price drop…





RESULTS

- Kumba Iron Ore operating profit $1,182m, down 26%; 40% of Group total; attributable ROCE 80%
- Manganese operating profit $99m; 3% of Group total; attributable ROCE 23%

PERFORMANCE

✓ **Kumba Iron Ore production 22.8 Mt, up 5%**
  - ✓ Sishen production increased 5% to 17 Mt
  - ✓ Kolomela production up 4% to 5.5 Mt

FOCUS

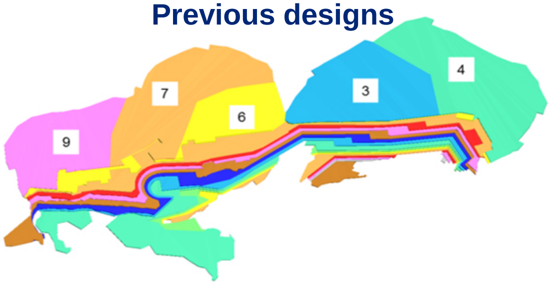
- **Sishen** 2014 production on track to achieve 35 Mt
- Targeting 220 Mt of waste removal for 2014
  - Q2 waste improvements reflect new approaches to operations scheduling
  - Operating model “go-live” August 2014
- Waste mining improvements will be key to delivering 2015/2016 ore production targets

SISHEN MINE PRODUCTION RECOVERY PLAN

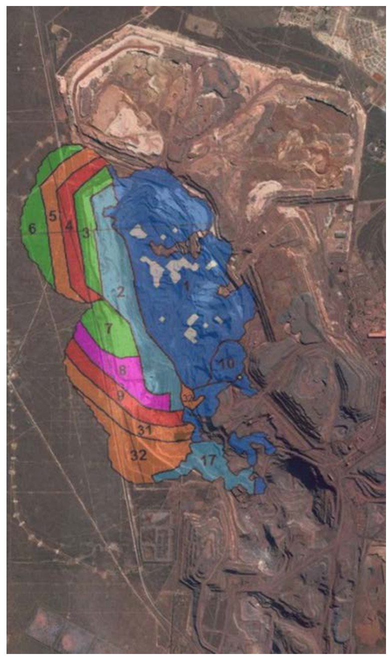
Key actions already taken…

✓ **Strategic redesign of the western pushbacks complete** - improved ore exposure and reduction of ~600 Mt waste in LoM plan

Previous designs



New rotated designs



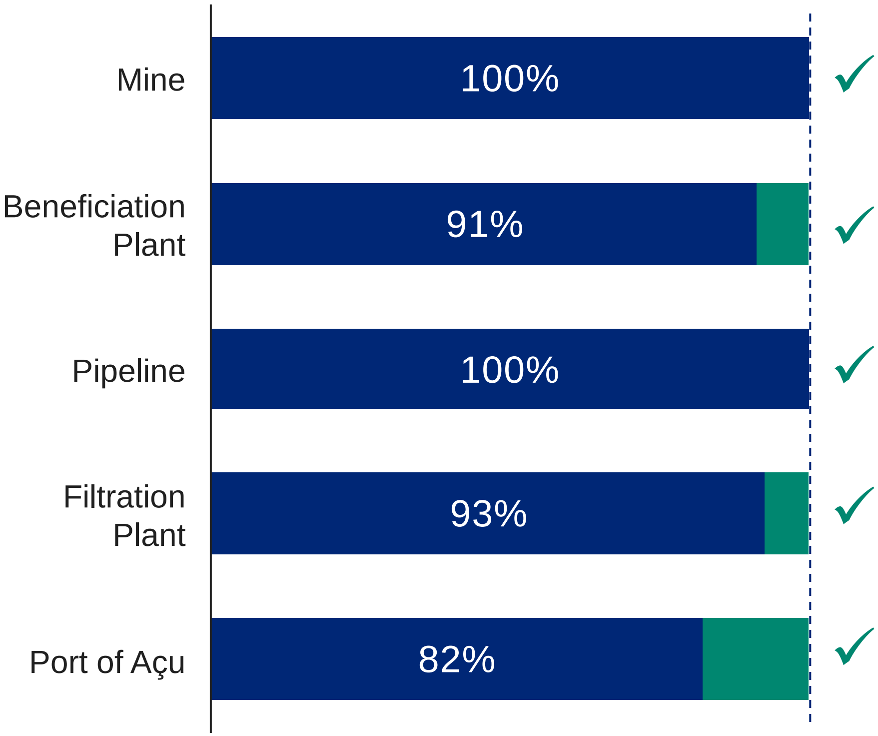
G50 and G80 mining areas in the north pit of Sishen mine

- **To achieve production of 37 Mt by 2016:**
  - New mine design incorporated in mining schedules – significant waste reductions and efficiency improvements identified
  - Targeting fleet efficiencies and improvements in mine scheduling
    - Increased productivity
    - Reduced costs
  - Relocate Dingleton community
    - Providing access to lower strip ore
  - Construct two new waste dumps
    - Improve scheduling flexibility

…further initiatives planned.

MINAS-RIO 95% COMPLETE FOR FOOS 2014

Overall Project Progress - 92% complete



Commissioning – under way

Mine and beneficiation plant

- ✓ 100% of Pre-stripping completed
- ✓ Primary & secondary crusher
- ✓ Ball mill
- ➢ Flotation circuit – on track for August

Pipeline

- ✓ Pipeline ready for start-up

Port Filters

- ✓ Filtration plant tests started
- ✓ Extra unit order post simulation

Port

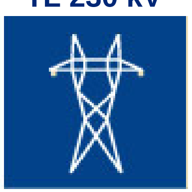
- ✓ 26 caissons placed

Guidance

- ➢ 2015: 11 - 14 Mt; 2016: 24 - 26.5 Mt

Operating Licences – Key Dates

TL 230 kV

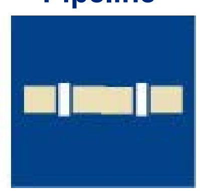


Temporary licence issued

Mine and Plant

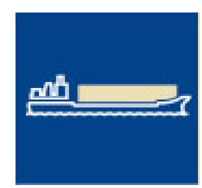
Target Aug-14

Pipeline



Target Aug-14

Port

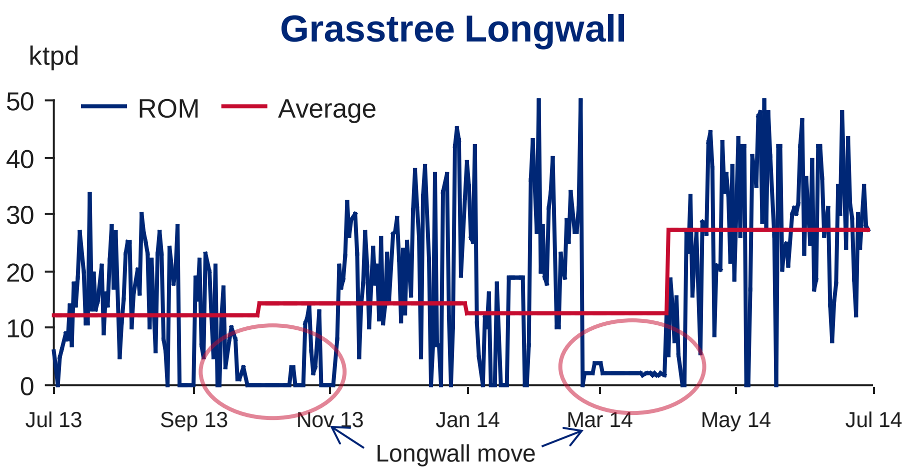


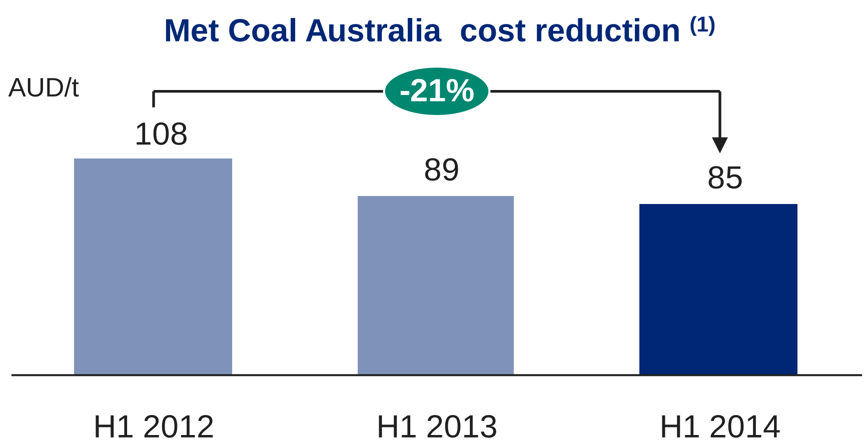
✓

MINAS-RIO VIDEO

COAL AUSTRALIA AND CANADA

Strong productivity improvements in a weak price environment…





RESULTS

- Operating profit of $18m, down 86%; <1% of Group total; attributable ROCE 0%

PERFORMANCE

- ✓ Met coal production up 21% with record UG performance driven by Grasstree productivity
- ✓ Dawson open cut metallurgical coal production up 70% mainly due to asset optimisation initiatives
- Impact of 23% lower met coal export prices partially offset by
  - ✓ 17% higher export met volumes
  - ✓ 4% unit cost[1] improvement to AUD85/t
- Moranbah record Q1 performance but lower Q2 due to challenging geotechnical conditions post longwall move

FOCUS

- Moranbah challenging geotechnical conditions will impact Q3
- Grosvenor project continues to make progress with all permits/licences in place and construction under way. Longwall expected to be on line by late 2016

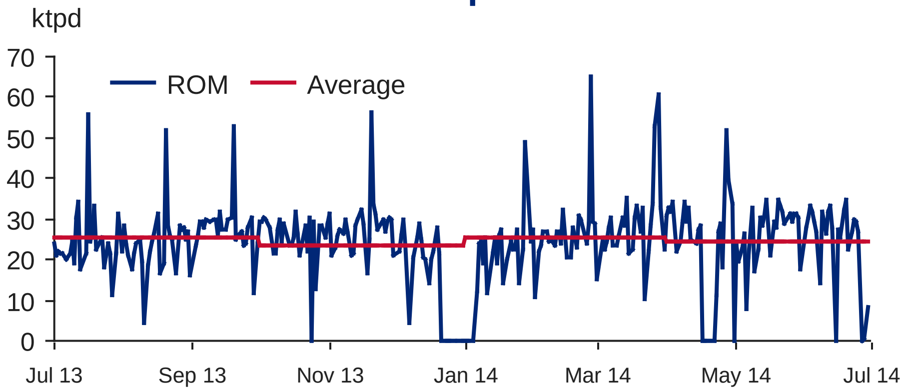
…with Grasstree achieving record longwall production.

(1) AUD FOB unit cash costs excluding royalties and Callide

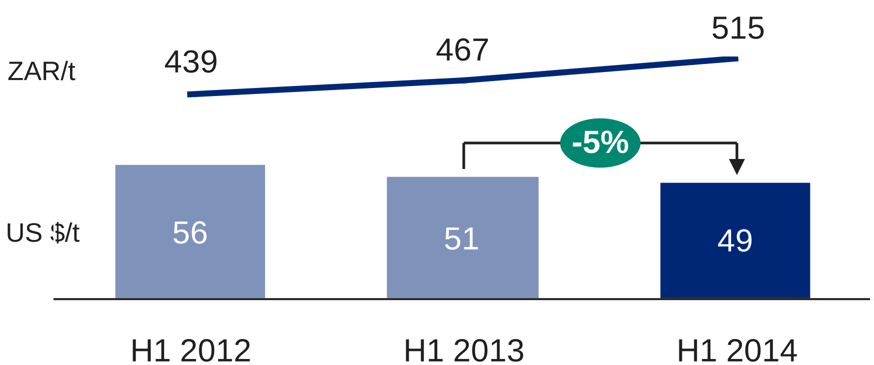
COAL SOUTH AFRICA AND COLOMBIA

Strong returns continue…

Goedehoop UG (1)



South Africa Thermal Trade FOB cash cost (2)



RESULTS

- Coal SA: operating profit of $178m, up 4%; 6% of Group total; attributable ROCE 28%
- Coal Colombia: operating profit $95m, down 1%; 3% of Group total; attributable ROCE 19%

PERFORMANCE

✓ 7% lower export thermal prices for SA and Colombia partially offset by higher Cerrejón sales volumes and profit on sale of SA reserves

✓ SA export production up 6% due to improved productivity and product mix optimisation

✓ SA FOB cash costs decreased by 5% as a result of the weakening Rand

FOCUS

- Productivity focus critical to reverse SA inflationary pressures
- Cerrejón's P40 project: due to operational and market constraints, plan is to produce 35 Mt
- New Largo – discussions continue with Eskom

…but lots of work to do to turn South African cost trends around.

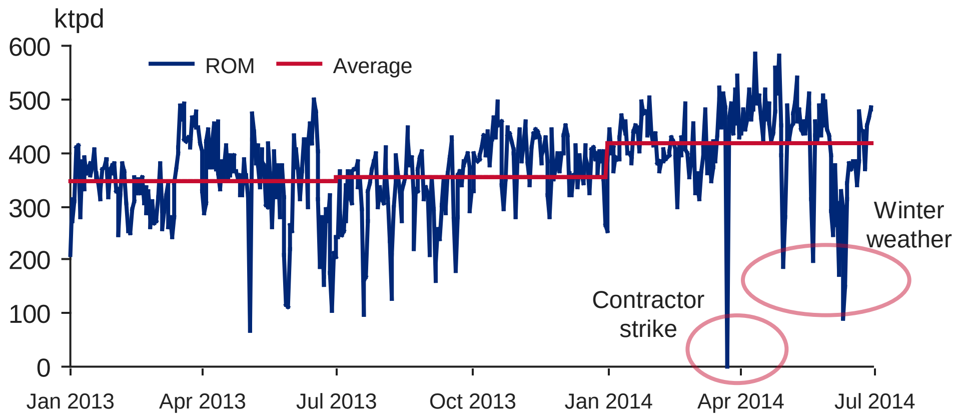
(1) Daily ROM excludes non-roster days which are nil production days

(2) Excluding royalties

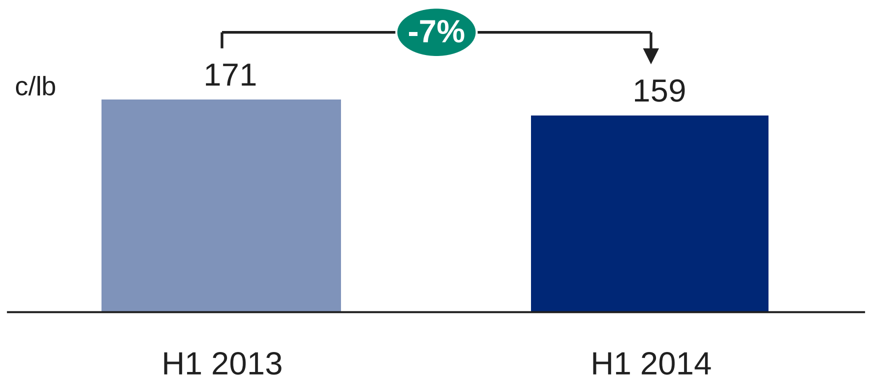
COPPER

Achieving operational stability at key assets…

Los Bronces materials mined up 21% (1)



Unit costs (2)



RESULTS

- Operating profit of $760m, up 20%; 26% of Group total; attributable ROCE 22%

PERFORMANCE

- ✓ Production of 396 Kt, 12% increase, driven by throughput, grades and recovery at Los Bronces and Collahuasi
- ✓ Unit costs down 7% to 159c/lb, benefiting from higher production and weaker FX
- Performance offset by lower realised price and mark-to-market/final liquidation loss of $64m

FOCUS

- 2014 production guidance increased to 725 - 740 Kt driven by improved confidence in operational improvements
- Forecast lower grades at Los Bronces and Collahuasi in H2 2014

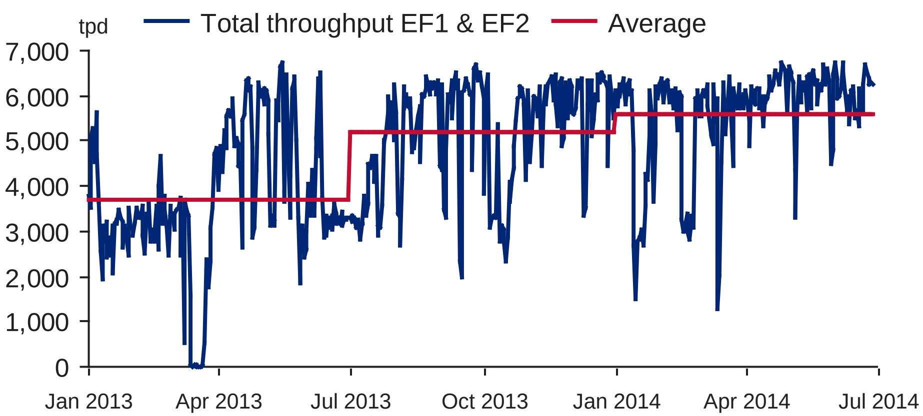
…provides a sound base for operational turnaround.

(1) Material mined versus H1 2013
(2) C1 unit costs for Copper business unit
(3) Previously 710-730 Kt

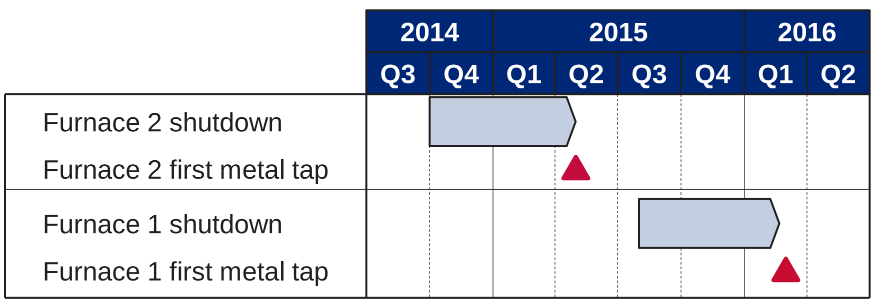
NICKEL

Barro Alto improving stability….

Barro Alto total furnace throughput



Barro Alto furnace rebuilds – key milestones



RESULTS

- Operating profit of \$26m[(1)]; 1% of Group total; attributable ROCE 2%

PERFORMANCE

✓ Sustained operational performance improvement at Barro Alto:
  - ✓ Step-change improvement in operational stability - 85% of ore smelted capacity (56% in H1 2013)
  - ✓ 52% increase in production to 15.5 Kt
  - ✓ 22% decrease in cash costs to \$4.95/lb

✓ Improved cash costs at Codemin driven by lower power costs

FOCUS

- Barro Alto furnace rebuilds; the first furnace shutdown (line 2) to start Q4 2014, second shutdown (line 1) in mid-2015; nominal capacity expected during 2016

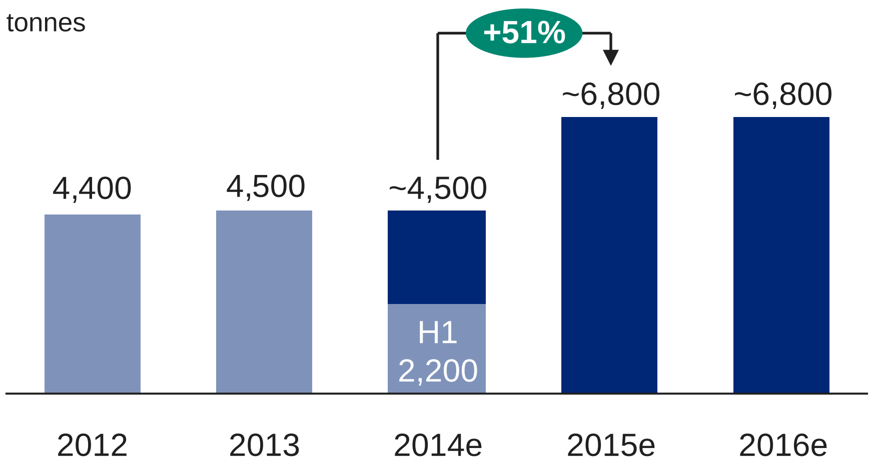
…providing a solid base for re-build.

(1) Barro Alto results (\$61m net operating cash flows) continue to be capitalised ahead of furnace rebuilds.

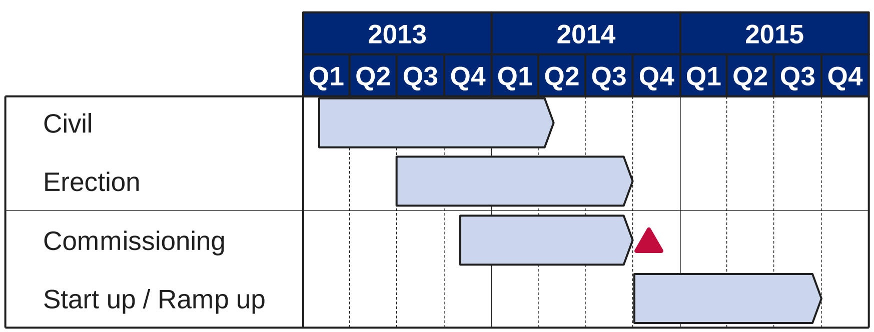
NIOBIUM AND PHOSPHATES

Results have been impacted by lower pricing and cost escalation…

Niobium production growth



Boa Vista Fresh Rock – Delivery schedule



RESULTS

- Niobium: Operating profit of $34m, down 19%; 1% of Group total; Attributable ROCE 16%
- Phosphates: Operating profit of $9m, down 81%; 0% of Group total; Attributable ROCE 5%

PERFORMANCE

- Niobium:
  - Production 2,200t, flat year-on-year
  - Unit cost 3% increase
- Phosphates
  - Lower prices driven by carry-over from H2 2013 market due to lower Indian consumption
  - Fertiliser production 542,900t, down 5%
  - Underlying costs down 8%

FOCUS

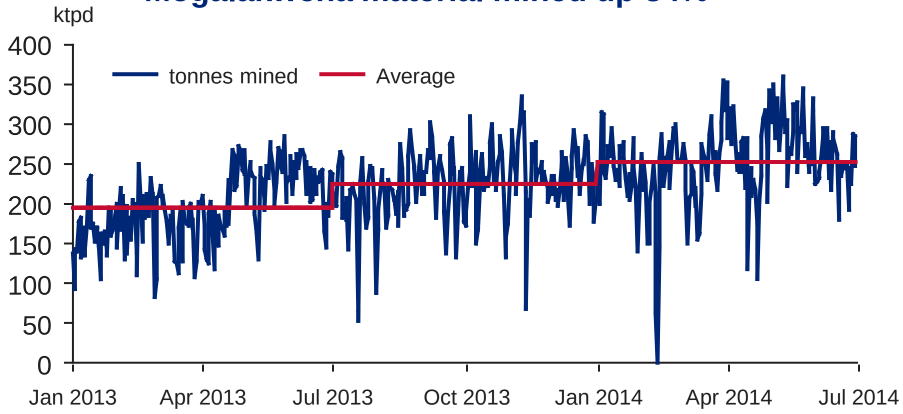
✓ Boa Vista Fresh Rock project 93% complete. First production remains on track for Q4 2014

…with focus now on completion and operational integration of project.

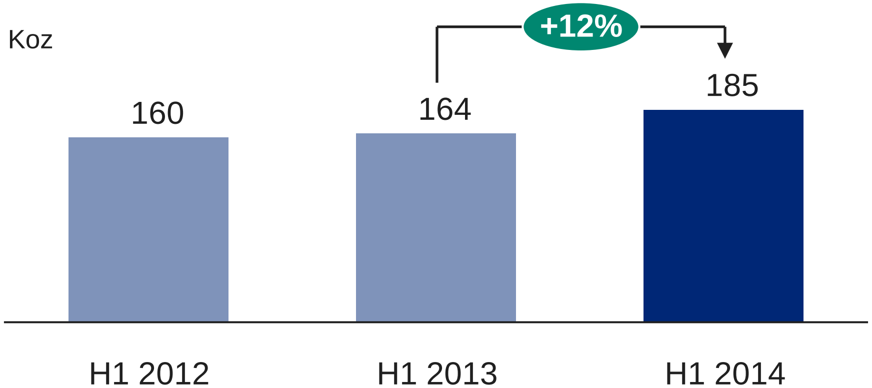
PLATINUM

Platinum strike finally resolved…

Mogalakwena material mined up 34%



Mogalakwena equivalent refined production



RESULTS

✓ Operating loss of $1m; Attributable ROCE 0%

PERFORMANCE

- Production hit by 5-month strike, 60% of production maintained, c. 440 Koz production lost
- Sales of 1.04 Moz, in line with 2013, met by draw down of inventory

✓ Improved performance at strike unaffected mines:
  - ✓ Record performance at Mogalakwena, up 12% to 185 Koz
  - ✓ JVs and associates up 4%

- Strike adjusted cash cost contained at R18,000[2] (vs. R16,065 H1 2013)

FOCUS

- Post strike production ramp-up, steady state expected by Q4 2014 with pipeline stocks to be re-built and sales curtailed
- 2014 refined production guidance revised to 2.0 - 2.1 Moz (previously 2.1 Moz); sales 2.0 - 2.1 Moz
- Restructuring on track
- Portfolio repositioning announced: divest Union and Rustenburg mines and concentrators, Pandora JV and possibly Bokoni JV

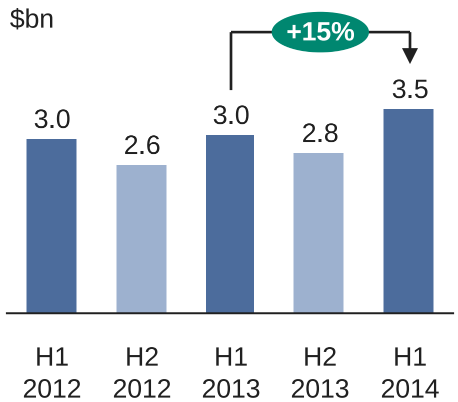
…now the real work begins…restructure and reconfiguration are key focus.

(1) Material mined verses H1 2013
(2) Cash operating costs per ounce of equivalent refined platinum

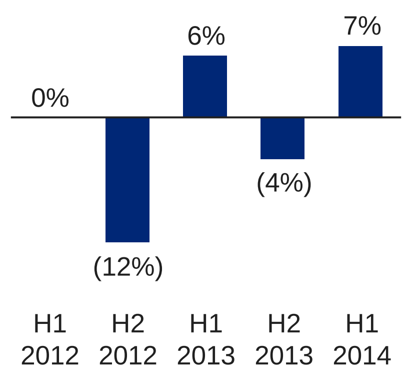
DE BEERS

Improved demand, cost and favourable FX drove performance…

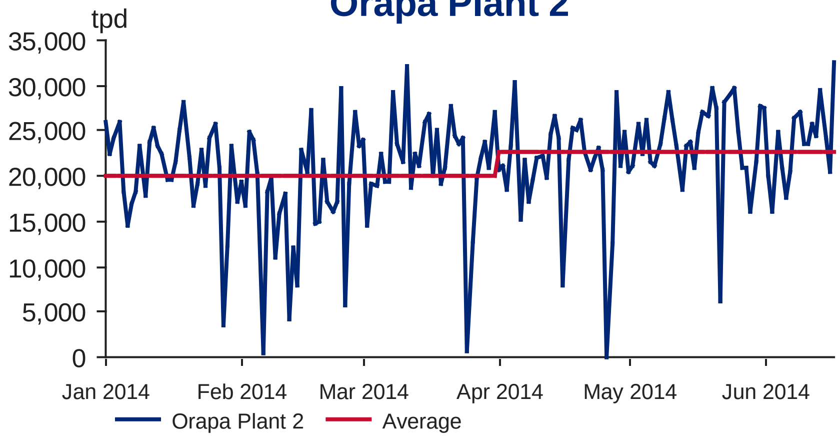
Rough diamond sales



Closing index price change



Orapa Plant 2



RESULTS

- Operating profit of $765m, up 34%; 26% of Group total; attributable ROCE 13%; total sales of $3.8bn (+15%)

PERFORMANCE

✓ Strong US demand; increased midstream restocking
✓ Rough diamond sales of $3.5bn, up 15%, supported by steady production growth of 12% to 16 Mct
✓ Production uplift driven by Debswana & South Africa - higher productivity; rain preparedness; recovery from 2013 challenges

- Average price index higher, however realised price down 4% due to a lower product mix

FOCUS

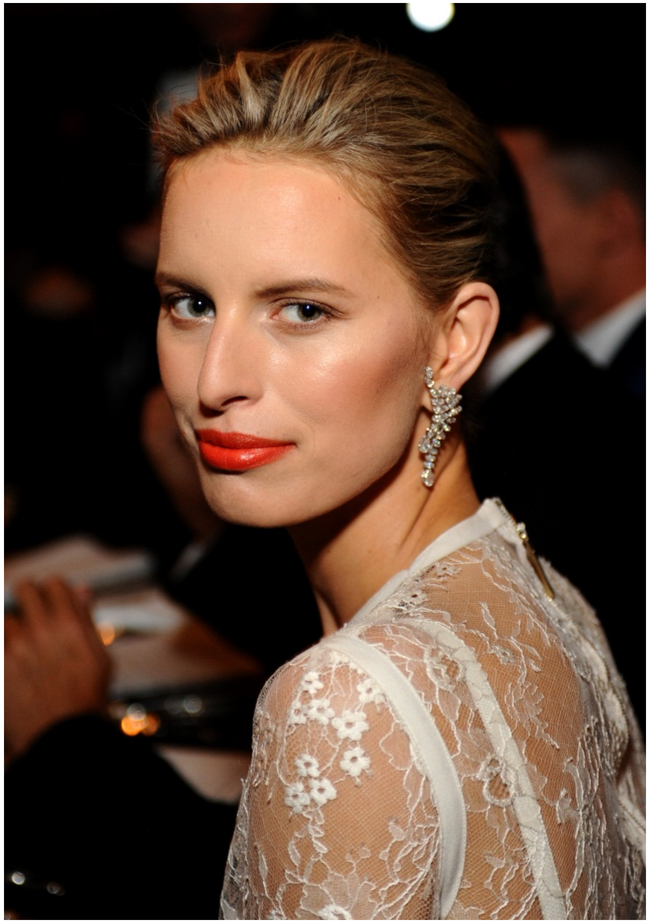
- Strong start to the year; 2014 production guidance increased to 31-32 Mct(1)
- Jwaneng Cut-8 progressing well; pre-production waste stripping 46% complete (main ore source from 2017)
- Venetia UG construction advancing; pre-sink of the production shaft to begin in H2 2014
- Gahcho Kué permitting on track; key licences expected in H2 2014; first production H2 2016

. . . with a positive outlook for the second half.

(1) Production on 100% basis. Previous guidance of 30-32 Mct

DE BEERS

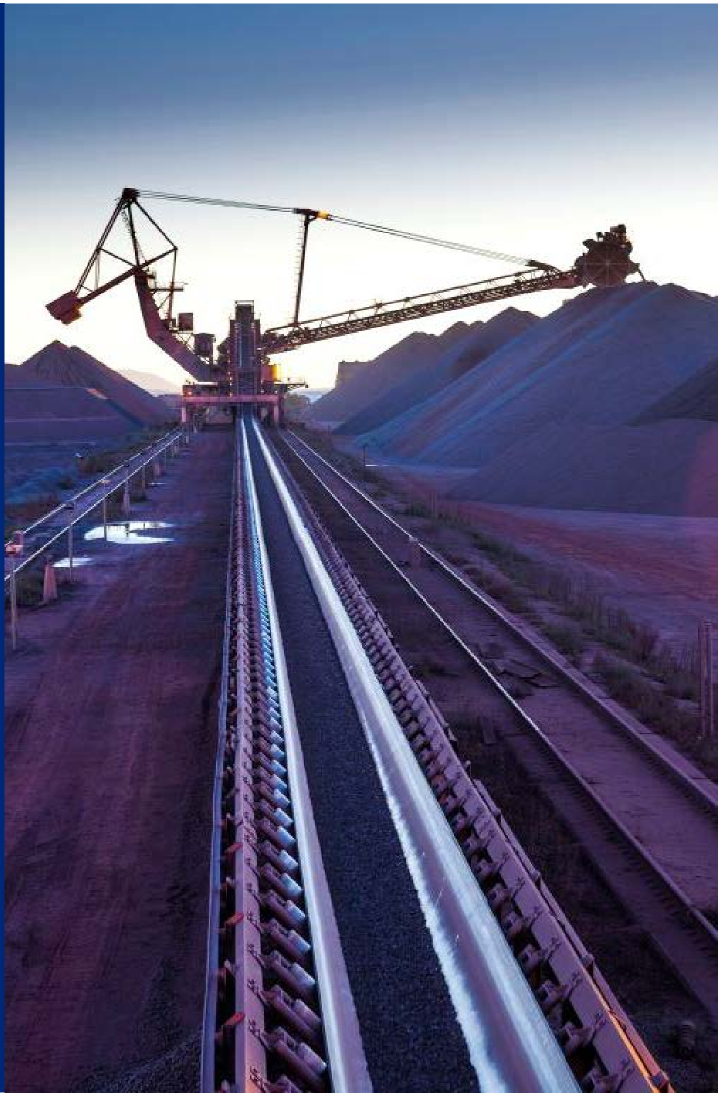
Strong industry fundamentals...



- De Beers has an attractive market position (>30% market share)
- Globally recognised brand
- De Beers' success is driven by consumer desire. Consumption very much on an upward trend…
- …growing Chinese and Indian middle classes play into this consumption phase
- Long term supply and demand equation, together with no major exploration finds = an attractive industry
- High quality assets located in high quality locations, e.g. Botswana

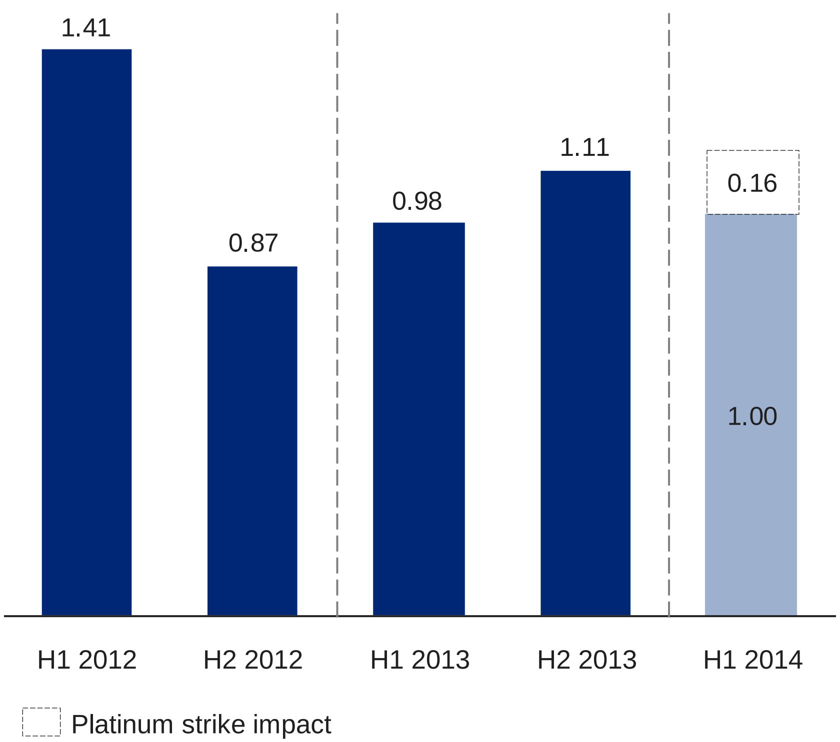
. . . and a high quality position.

FINANCIALS
RENE MEDORI



H1 2014 RESULTS

Underlying EPS ($/share)



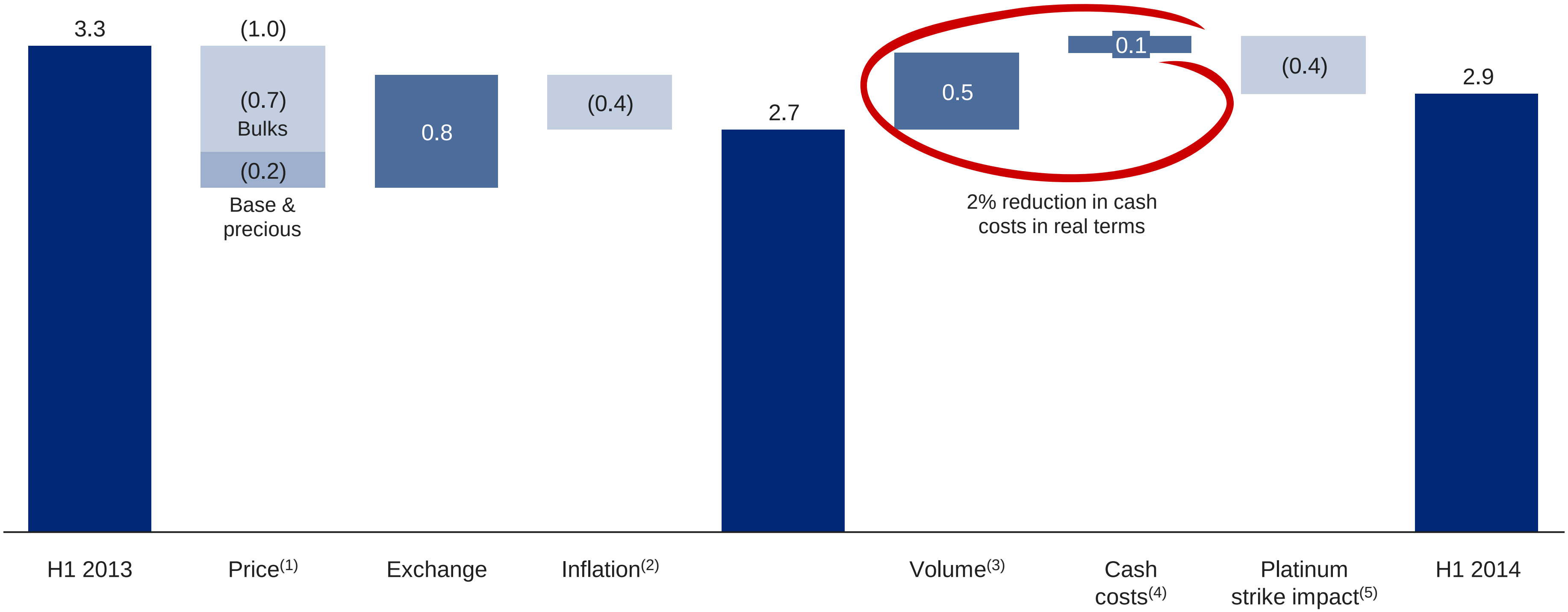
Key financials

$bn	H1 2014	H1 2013	Change
Underlying EBITDA	4.3	4.7	(8)%
Underlying operating profit	2.9	3.3	(10)%
Effective tax rate	31.5%	32.7%	
Underlying earnings	1.3	1.3	3%
Capital expenditure	2.8	2.4	15%
Net debt	11.5	10.7[1]	
Attributable ROCE[2][3]	10%	11%	

(1) Net debt as at 31 December 2013
(2) Excludes non-controlling interest share of capital employed and operating profit, and De Beers fair value uplift on original 45% shareholding. See appendix for further detail around the calculation of attributable ROCE
(3) Attributable ROCE calculated using H1 annualised operating profit. Anglo American business units are subject to seasonality and therefore H1 annualised operating profit is not necessarily indicative of our full year results expectations

H1 2014 OPERATING PROFIT VARIANCE

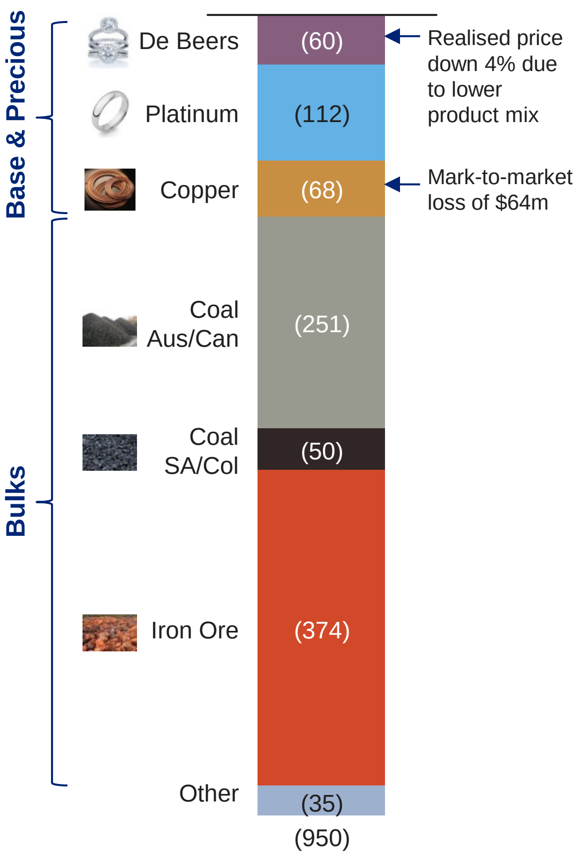
H1 2014 vs. H1 2013 ($bn)



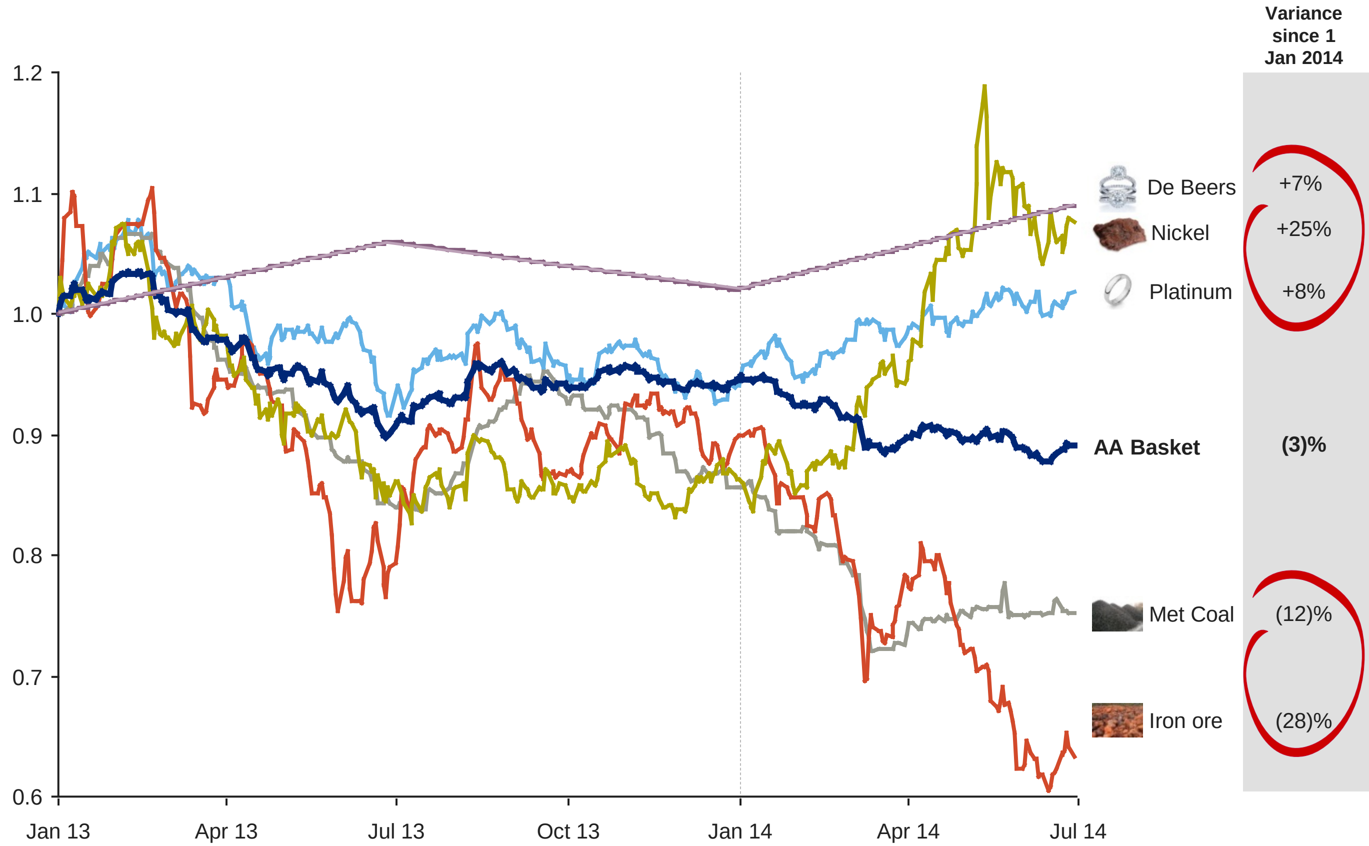
(1) Price variance calculated as increase/(decrease) in price multiplied by current period sales volume
(2) Inflation variance calculated using CPI on prior period cash operating costs that have been impacted directly by inflation
(3) Volume variance calculated as increase/(decrease) in sales multiplied by prior period profit margin
(4) Includes inventory movements. Cash costs normalised for the impact of the platinum strike
(5) Cash costs incurred at the strike impacted mines where there was negligible production

PRICE VARIANCE

H1 2014 vs. H1 2013 ($m)

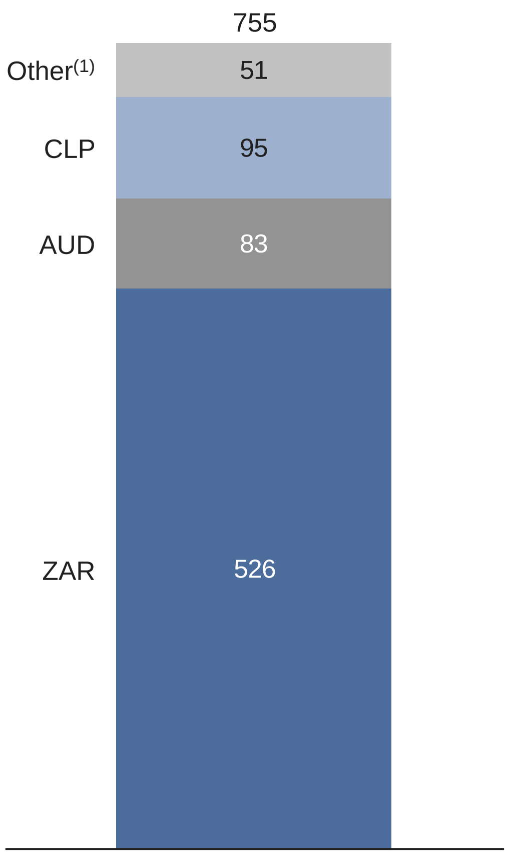


Indexed commodity price (1st Jan 2013 = 1)

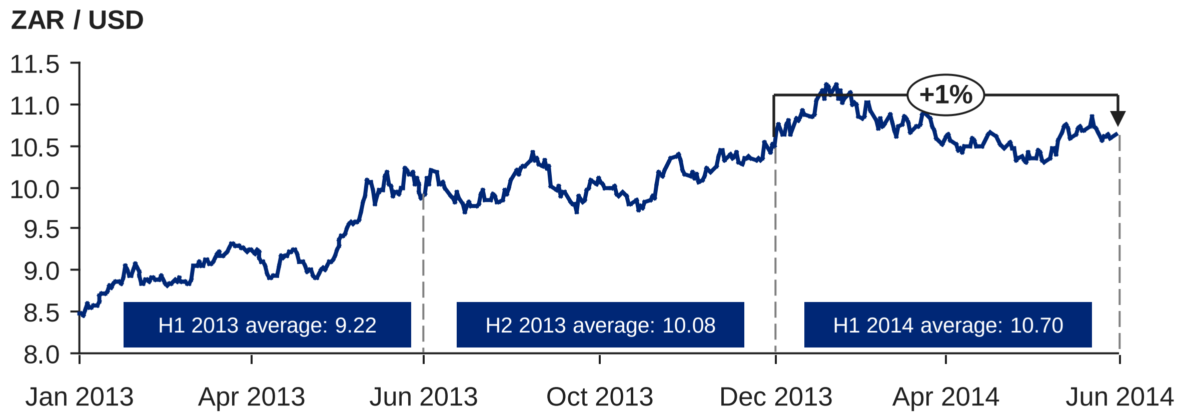


EXCHANGE VARIANCE

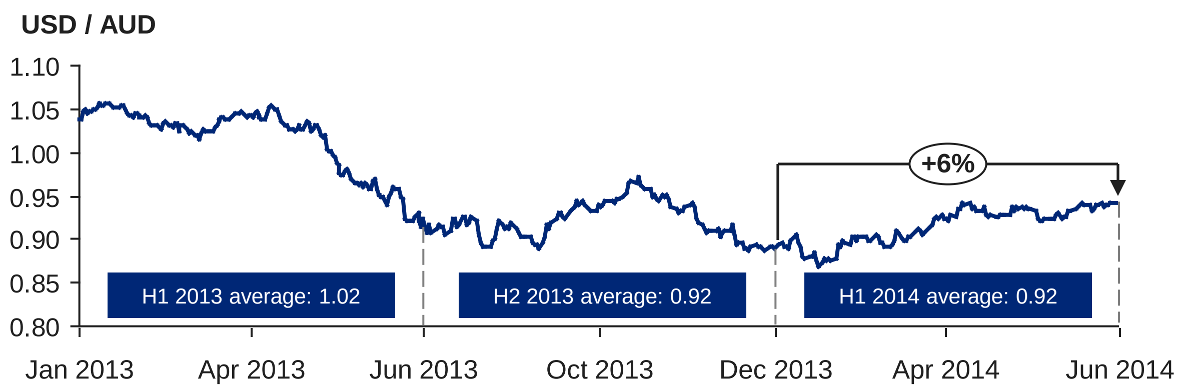
H1 2014 vs. H1 2013 ($m)



Rand stabilised during H1 2014



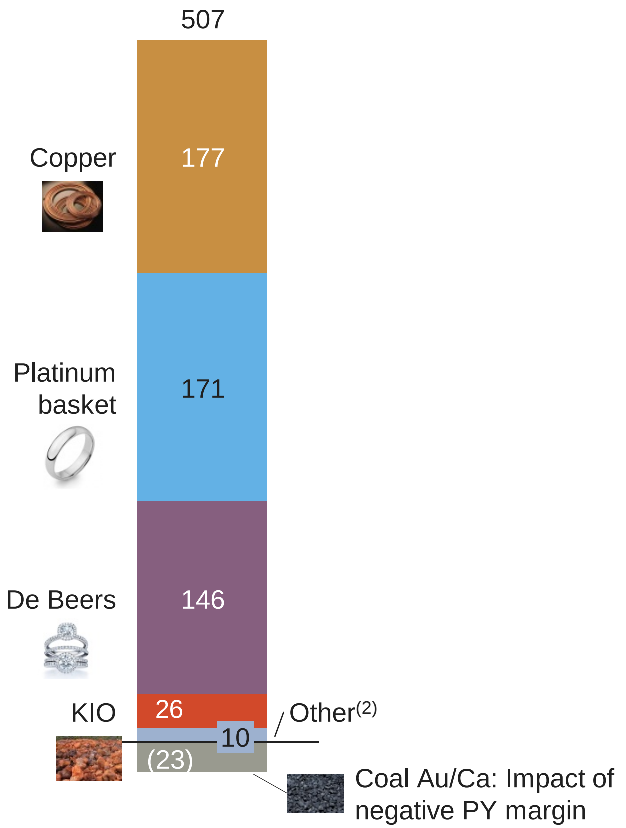
AUD appreciated 6% against the USD in H1 2014



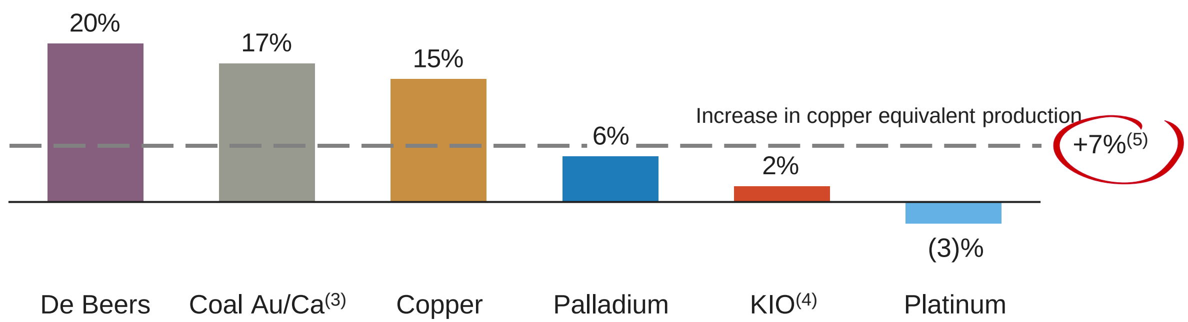
(1) Includes BRL, CAD, BWP, GBP and EUR

SALES VOLUME VARIANCE[1]

H1 2014 vs. H1 2013 ($m)



Sales volume performance (% change vs. H1 2013)



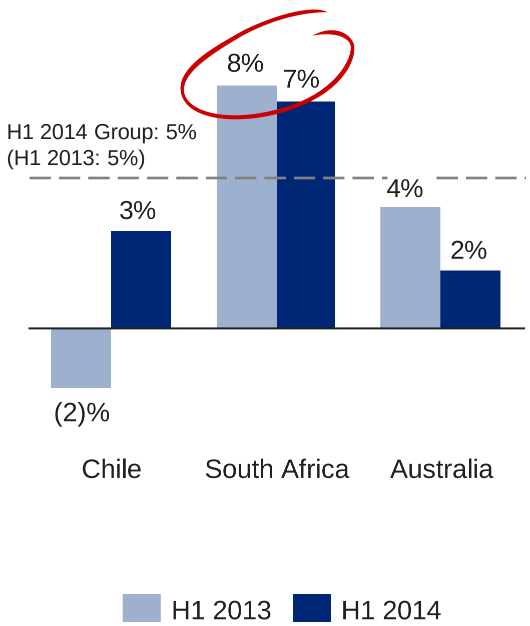
Platinum strike impact on sales limited due to stock liquidation

Production & Sales	**H1 Actual**
Production – Owned Mines, equivalent refined (Moz)	**0.3**
Sales (Moz)	**1.04**
2014 Strike Impact	
Lost ounces (Koz)	**(440)**
Inventory movement (Koz)	**(300)**
- Pipeline	*(110)*
- Refined	*(190)*
P&L ($m)	**(1)**
- Operating Profit (normalised)	*384*
- Impact of strike (fixed cost)	*(385)*
Cash Flow ($m)	**350**
- Free Cash Flow	*10*
- Impact of strike	*340[6]*

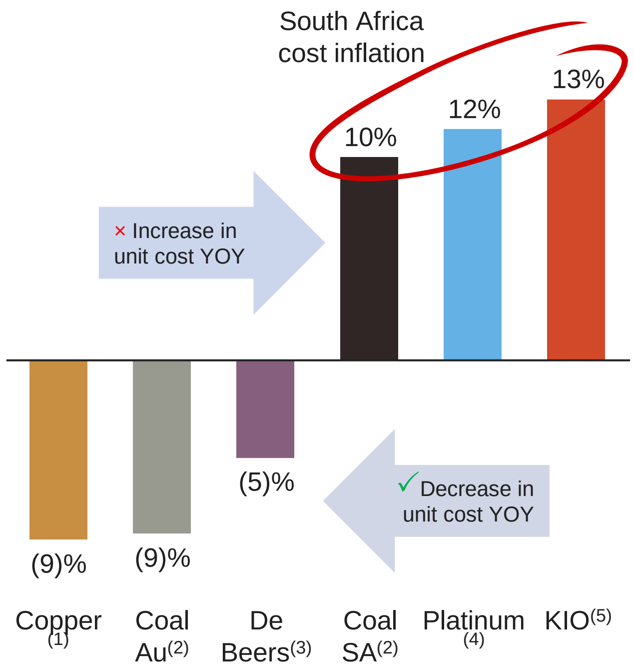
(1) Total Business Unit variance (excludes Barro Alto, for which revenues and operating costs are capitalised as it has not reached commercial production)
(2) Primarily comprises Coal South Africa, Nickel (Codemin only), Niobium and Phosphates
(3) Export metallurgical coal sales, excluding Jellinbah (an associate)
(4) Total Kumba sales
(5) Increase in production in copper equivalent terms, adjusted for the impact of the strike at Anglo American Platinum (440koz platinum plus associated by- and co-products)
(6) Revenue from stock sales ($0.7bn) less cash cost at striking mines ($0.4bn)

CASH COSTS VARIANCE

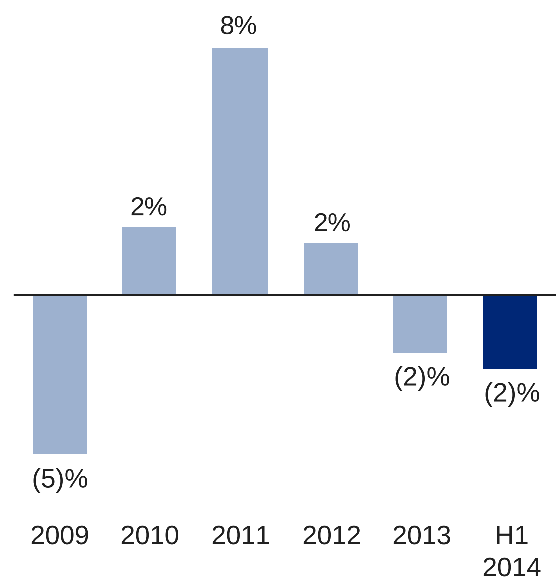
South Africa mining inflation remains high



…driving up South African business's unit costs



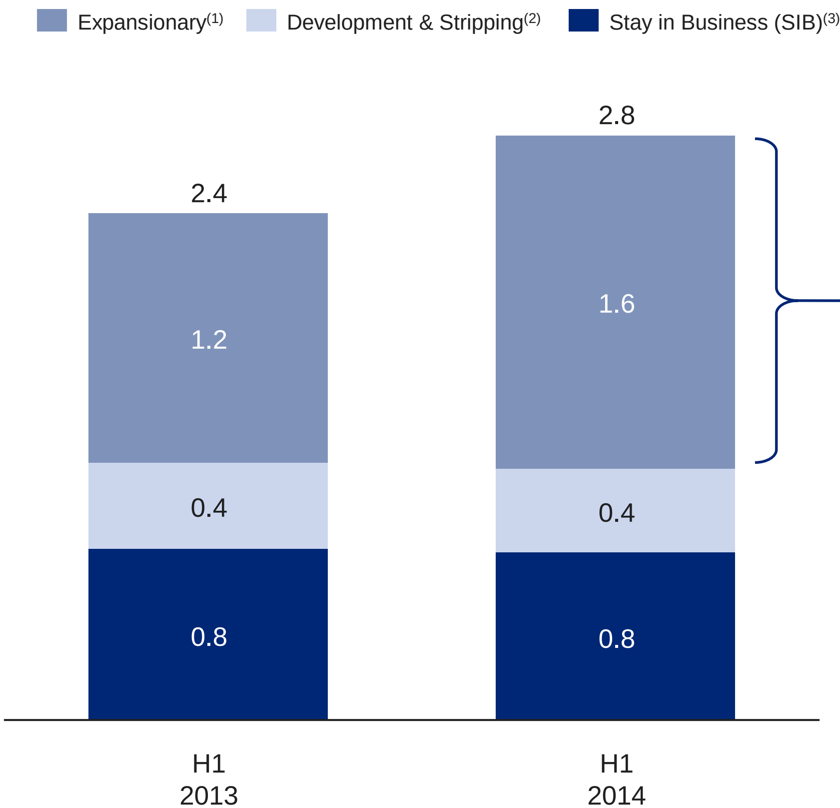
However, Group real cash costs[6] are down, driven by volume and cost savings



(1) C0 c/lb cash cost
(2) AUS FOB/t cash cost in local currency; Coal South Africa comprises SA Trade only
(3) Total cost per carat recovered
(4) 12% based on unit cost of R18,000 which is normalised for strikes - adjusting ounces and costs of the affected mines to exclude the strike impact for total Anglo American Platinum. Platinum actual unit cost increase vs. prior year (including strike impact) of 73% (R27,810)
(5) FOB/t cash cost in local currency; includes Sishen and Kolomela
(6) Real cash cost excludes depreciation, the impact of CPI/exchange and is after capitalisation of stripping; adjusted for the cost impact of the Moranbah drift collapse at Coal Australia (2012), and the strikes at Platinum (2012 and 2014) and KIO (2012 and 2013)

GROUP CAPITAL EXPENDITURE

Capital expenditure ($bn)



Expansionary capital expenditure ($bn)

	H1 2014	H1 2013
Minas-Rio	1.0	0.6
Grosvenor	0.2	0.2
Platinum projects	0.1	0.1
Others[4]	0.3	0.3
Total	**1.6**	**1.2**

Guidance	2014	2015
Capital expenditure ($bn)[5]	6.5 - 7.0	6.0 - 6.5[6]

(1) Capital expenditure relating to projects/development stage projects (including related derivatives)
(2) Capital expenditure on waste movements in the production stage, for both mine development and deferred stripping costs
(3) Sustaining capital expenditure measured once an operation is in commercial production
(4) H1 2014 spend includes $0.1bn at Boa Vista Fresh Rock and combined $0.1bn at Venetia and Gahcho Kué. H1 2013 spend includes $0.1bn at Boa Vista Fresh Rock
(5) SIB and development and stripping capex expected to be $3.0 - 3.4bn per annum
(6) 2015 guidance subject to final phasing of Minas-Rio capex in 2014. Expected FOOS end of 2014

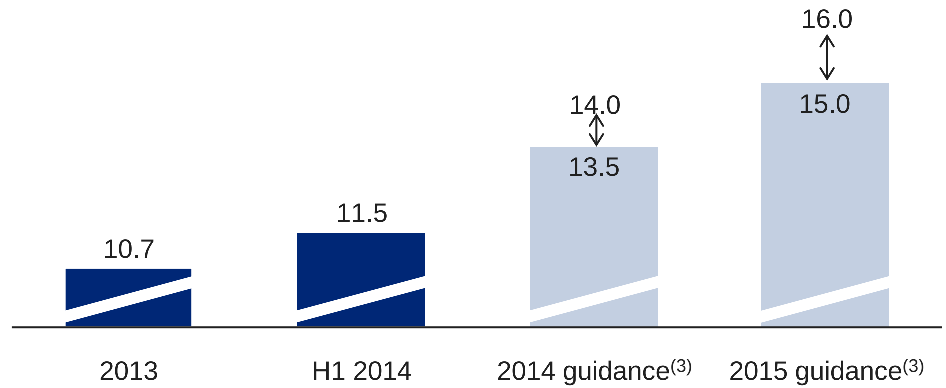
NET DEBT PROFILE

Net debt ($bn)

Opening net debt – 1 January 2014	**10.7**
Cash flow from operations	(4.0)
Capital expenditure[(1)]	2.8
Cash tax paid	0.7
Net interest[(2)]	0.3
Dividends paid to non-controlling interests	0.5
2013 final AA plc dividend to shareholders	0.7
Other	(0.2)
Closing net debt – 30 June 2014	**11.5**

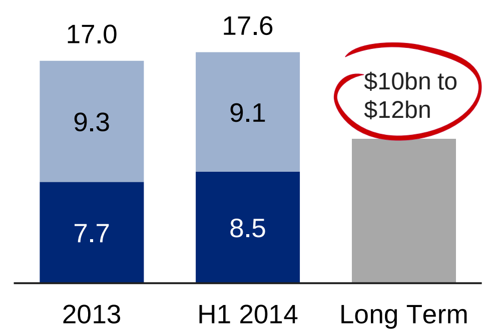
(1) Capital expenditure includes deferred stripping costs
(2) Net interest includes the impact of interest rate derivatives
(3) Calculated employing end of June 2014 spot rates

Net debt profile ($bn)

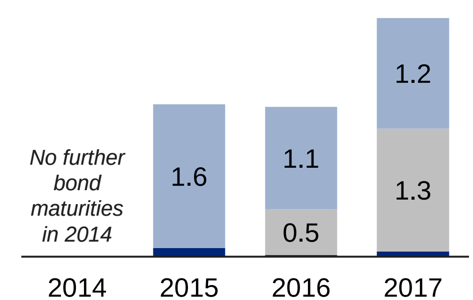


Long term net debt target is $10bn to $12bn

Liquidity headroom ($bn)



Bond maturity profile ($bn)



■ Cash ■ Undrawn committed facilities ■ EMTNs ■ US Bonds ■ South Africa Bonds

LAFARGE TARMAC DIVESTMENT UPDATE

- Sale and purchase agreement now signed with Lafarge for our 50% interest in the Lafarge Tarmac JV
- Subject to a number of conditions including:
  - Completion of the Lafarge/Holcim merger
  - Divestment of Lafarge Tarmac being accepted as a suitable remedy
- Minimum proceeds of £885m ($1.5bn)
- Operating profit contribution $21m in H1 2014
- Also expect to receive additional cash proceeds of ~$0.1bn from prior transactions

APPROACH TO IMPROVEMENTS
MARK CUTIFANI

STRATEGIC CONTEXT

We are clear on where we are going…

KEY STRATEGY POINTS

- Diversified mining portfolio…..commodities, assets, geographies and markets:
  - Best assets deliver sustainable returns
- Focus capital on upstream value drivers….highest margin impact points
- Portfolio management:
  - Priority 1 assets…drive to full potential
  - Priority 2 assets…nurture possibilities
  - Priority 3 assets…fix and promote or exit for value
- Capital discipline and consistent delivery on ROCE targets
- Organisation skills and **“change model”** underpins asset strategy focus

…and we have developed a structured approach to Business Improvement.

OUR JOURNEY

Our "*change model*" has been developed in 3 parts …

1 ORGANISATION…at commodity level

As-is structure by band

Band 3	**Exec Head / CFO**
Band 4	**Exec Head / GM / Head of /** Manager
Band 5	**(Snr) Manager / Principal /** (Snr) Engineer / Chief Accountant
Band 6	**(Snr) Specialist /** Co-ordinator / Analyst / Superintendent / Manager / (Snr) 'Function' Title (e.g., Accountant, Engineer, Metall., Org.Developm.) / Head of / Facilitator / Controller / Officer / Lead Research / Scheduler
Band 7	**Officer /** Supervisor / (Snr) Administrator / Practitioner / Co-ordinator / Facilitator / Controller / Analyst / Foreman / Head of / Manager / Specialist / Technician / (Snr) 'Function' Title (e.g., Junior Metall., Accountant)
Band 8 - 10	Officer / Administrator / Supervisor /Practitioner / Co-ordinator / Controller / (Assistant) Buyer / Operator / Clerk / Assistant / Secretary / Receptionist / Attendant / Driver / Cleaner / Messenger

Proposed to-be structure LoW [1]

LoW 5	**Business Leader**
LoW 4	**Head of / CFO / GM / Lead**
LoW 3	**Manager / Principal**
LoW 2	**Snr Specialist / Specialist / Advisor / Manager / Coordinator** Discipline specific titles to remain (e.g., Senior Engineer)
LoW 1	**Supervisor / Officer / Analyst/ Practitioner / Coordinator / Administrator**

KEY STEPS

The approach

- ➢ Capable leadership
- ➢ Global Business Model
- ➢ Focus on Delivery

Status

- ✓ Board renewed since 2009
- ✓ Executive Leadership
  - ✓ Reports 16 to 11
  - ✓ Next level 124 to 88
- ➢ Restructuring next 2 levels

…and we must have the right people doing the right work.

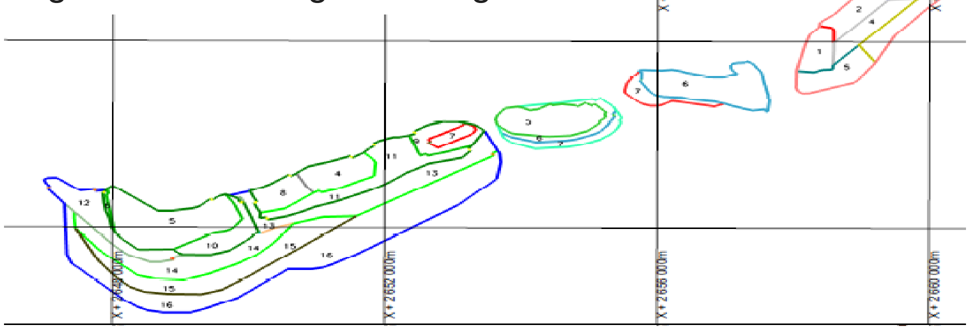
(1) Level of work (LoW)

OUR JOURNEY

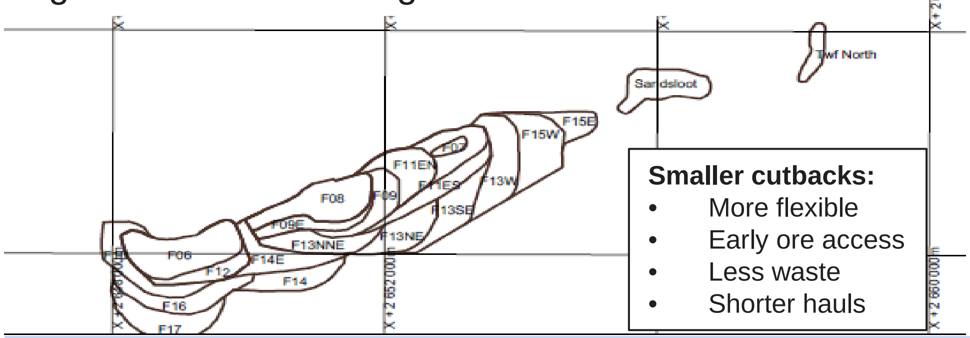
Our “*change model*” has been developed in 3 parts…

2 MINING & OPERATING APPROACH

Mogalakwena - Original Design



Mogalakwena New Design = +$1bn benefit



The Approach

- Identify short term opportunities - 12 months impact
- Develop optimal mining and process configuration
  - Resource potential
  - Mine design
  - Process optimisation
- Mine to market potential
  - Best value product mix

Current Examples

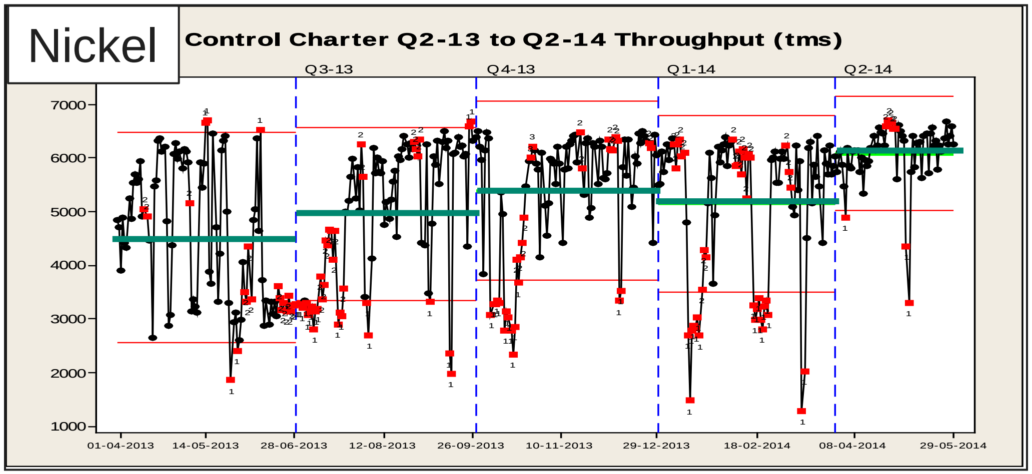
- **Resource** potential…Mogalakwena, Quellaveco, Collahuasi, Kolomela
- **Mine** design…Sishen, Mogalakwena, Los Bronces, Minas-Rio, Dawson, Snap Lake
- **Process** optimisation…Barro Alto furnaces, Collahuasi, Niobium

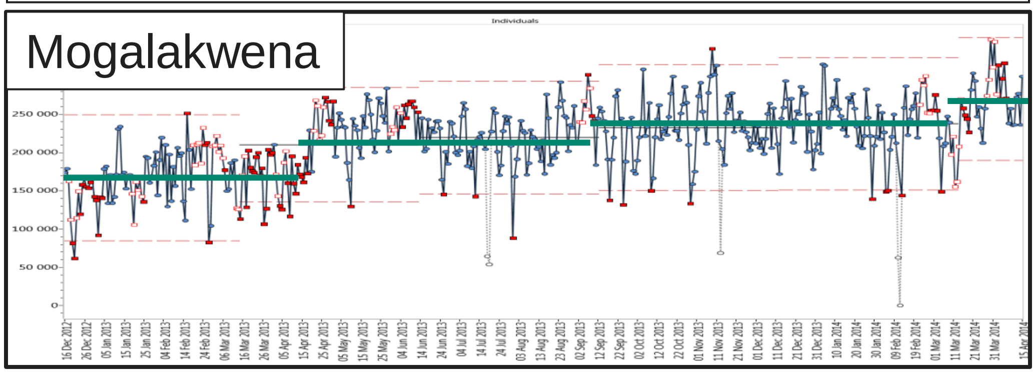
…the mining strategy must complement the resources.

OUR JOURNEY

Our “*change model*” has been developed in 3 parts…

3 BUSINESS PROCESS





The Approach

- ➢ Analyse and design work flow
- ➢ Plan at level of detail necessary to have +80% confidence in delivery
- ➢ New discipline required to stick to plan and agreed processes
- ➢ Measure compliance **to plan** and **of the plan**…to determine:
  - Did we deliver the plan, and
  - Was it a good plan?

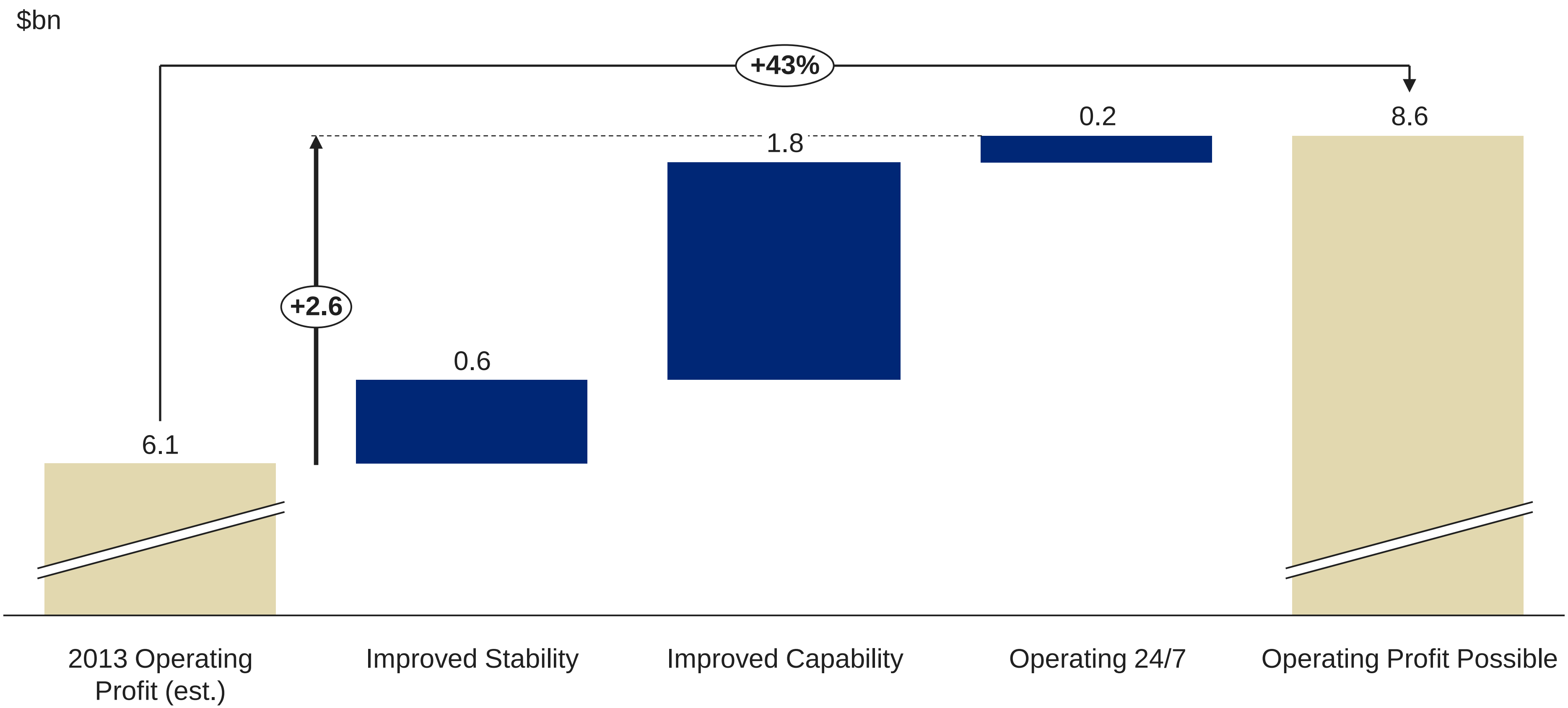
Current Examples

- ➢ Coal Australia and Canada (work management), Sishen (full pilot), Barro Alto (furnace control), Mogalakwena (drill and blast)

…how we run the business ensures we deliver cash flow.

WE COULD HAVE PRODUCED $2.6BN ADDITIONAL OPERATING PROFIT IN 2013*

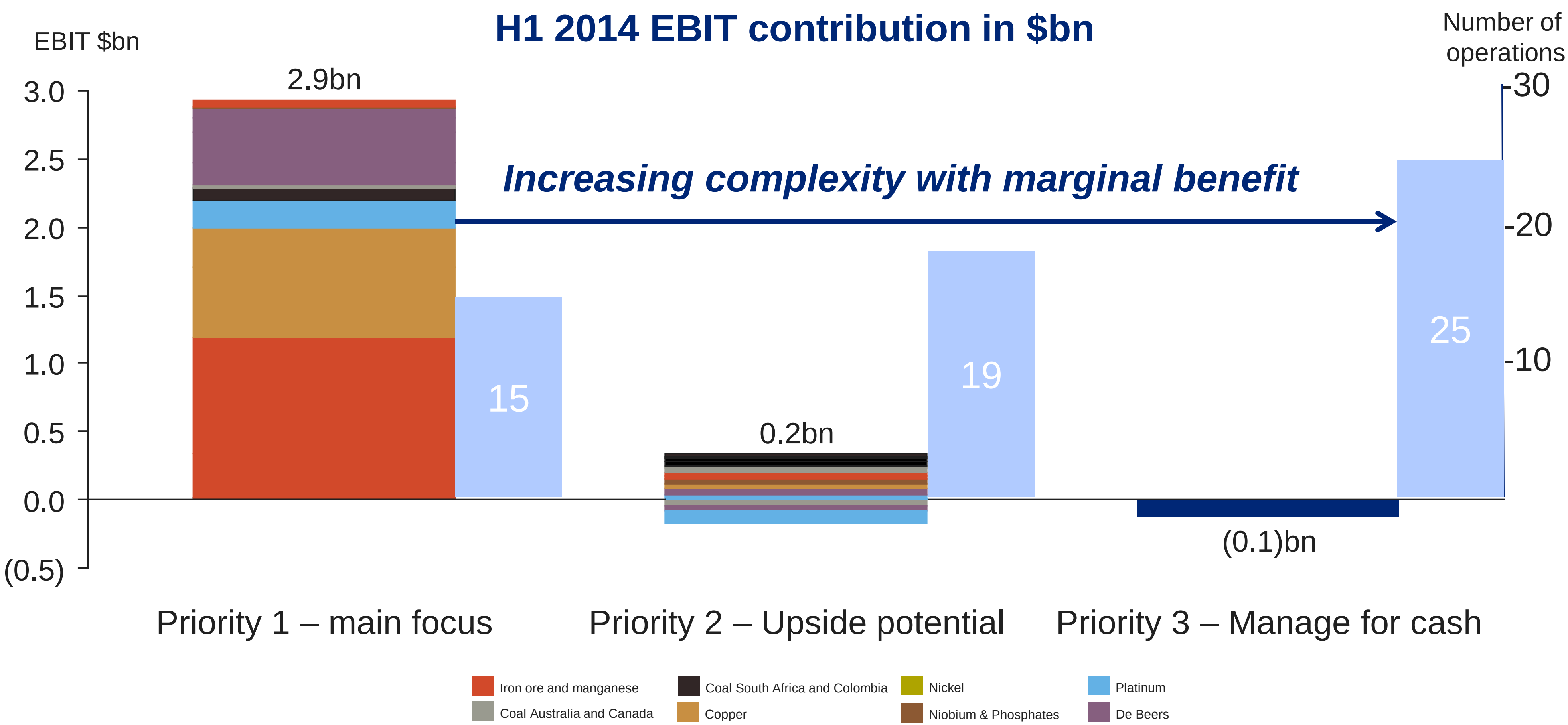
*** If all operations were capable, stable and operated 24/7…but does not include headwinds.**



Notes:
(1) 28 June 2013 commodity spot prices used
(2) H1 2013 unit costs used
(3) H1 2013 volumes, annualised used
(4) Operating profit estimated by taking operating margin (commodity price/unit – unit cost) x volumes
(5) 24/7 Operational improvement assumes the same cost structure as current operations
(6) Attributable profit shown
(7) No overheads or special items considered
(8) 41 mining assets included, based on asset review data available

MANAGING THE PORTFOLIO

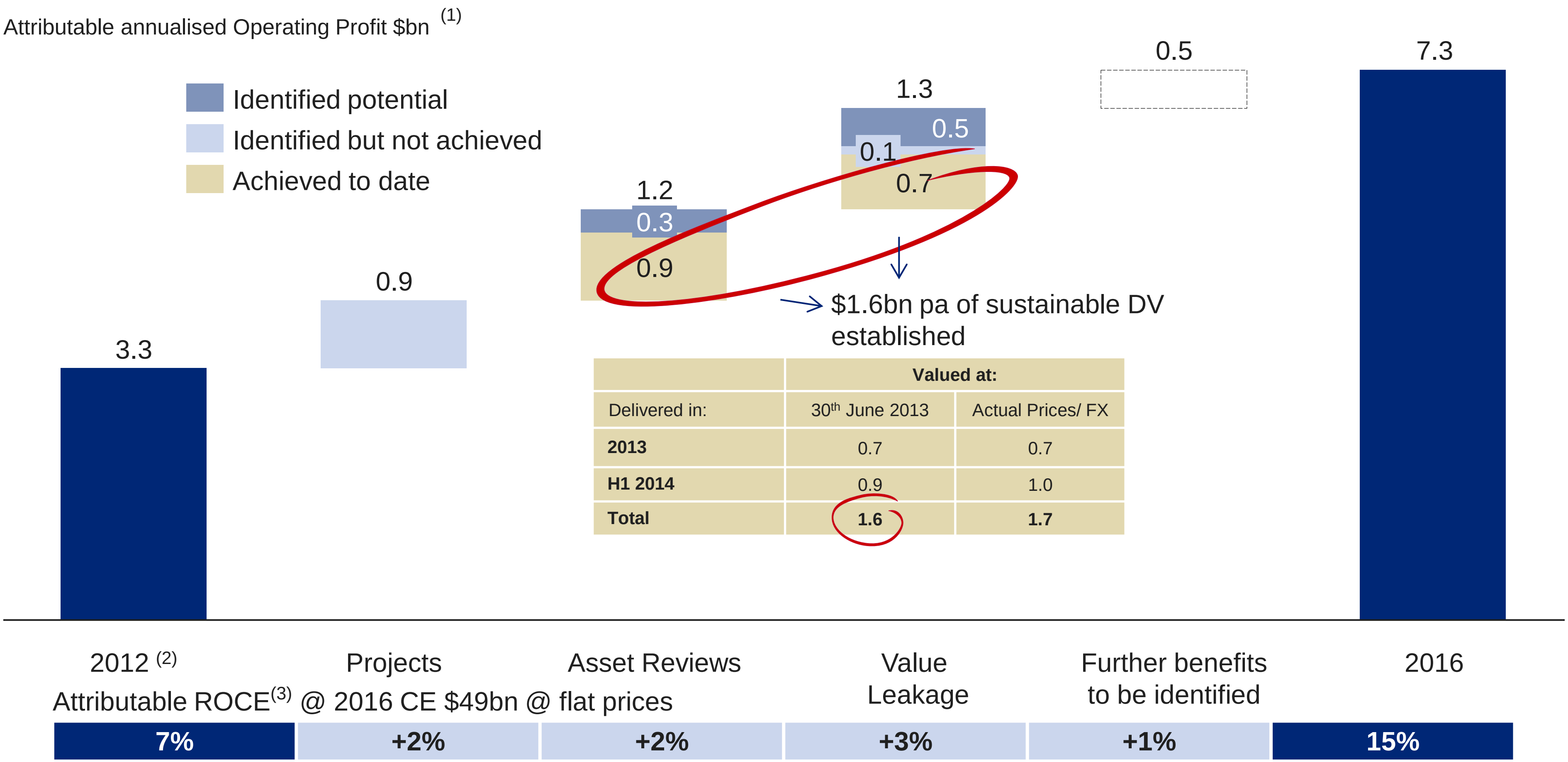
Focus on Priority 1 delivery and potential…Priority 2 consistency and potential…



…and Priority 3 discussions are strictly "cash or (don't) carry".

FOCUS ON RETURNS - ATTRIBUTABLE ROCE

TARGET IS 15% ROCE BY END OF 2016…



	Valued at:	
Delivered in:	30th June 2013	Actual Prices/ FX
2013	0.7	0.7
H1 2014	0.9	1.0
Total	**1.6**	**1.7**

…requires a doubling of operating profit.

(1) Attributable ROCE calculated using H1 annualised operating profit. Anglo American business units are subject to seasonality and therefore H1 annualised profit is not necessarily indicative of our full year results expectations
(2) ROCE based on commodity prices and exchange rates at 30 June 2013 and including structural changes to portfolio
(3) Attributable ROCE defined as annual operating profit attributable to AA plc shareholders divided by attributable average capital employed

ATTRIBUTABLE ROCE.....THE PORTFOLIO FOCUS

Business	H1 2014 achieved attributable ROCE[1] [2] (%)	H1 2013 achieved attributable ROCE[1] [2] (%)
Kumba	80%	113%
Iron Ore Brazil (Minas-Rio)	0%	(1)%
Manganese	23%	24%
Coal Australia and Canada	0%	4%
Coal South Africa and Colombia	24%	22%
Copper	22%	17%
Nickel	2%	(1)%
Niobium and Phosphates	11%	33%
Platinum	0%	4%
De Beers[3]	13%	8%
Total Group [4]	**10%**	**11%**

(1) Attributable ROCE is the return on average adjusted capital employed attributable to equity shareholders of Anglo American, and therefore excludes the portion of underlying operating profit and capital employed attributable to non-controlling interests in operations where Anglo American has control but does not hold 100% of the equity. Joint ventures, joint operations and associates are included at their proportionate interest and in line with the appropriate accounting treatment.
(2) Attributable ROCE calculated using H1 annualised operating profit. Anglo American business units are subject to seasonality and therefore H1 annualised profit is not necessarily indicative of our full year results expectations
(3) Operating profit used in the calculation of De Beers' attributable return on capital employed is based on the last 12 months rather than on an annualisation of the first six months' performance. This is due to the seasonal sales and operating profit profile of De Beers. Attributable ROCE for the first half of 2013 is presented on a pro forma basis.
(4) Includes the Corporate and Other segment

PRODUCTION OUTLOOK

	2012	2013	2014	2015	2016
Copper [(1)]	660 Kt	775 Kt	725-740kt Previously 710-730kt	c.700kt	c.700kt
Nickel[(2)]	31 Kt	34kt	32-35kt Previously 30-35 Kt	20-25kt	35-38kt
Iron ore (Kumba)[(3)]	43 Mt	42Mt	44-46Mt	45-47Mt	46-48Mt
Iron ore (Minas-Rio) [(4)]	-	-	N.M. [(5)]	11-14Mt	24-26.5Mt
Metallurgical coal	18 Mt	19Mt	~20Mt Previously 18-20 Mt	19 – 21Mt	20-23Mt
Thermal coal[(6)]	29 Mt	28Mt	28-29Mt Previously 29-30 Mt	28-30Mt	29-31Mt
Platinum[(7)]	2.3 Moz	2.3Moz	2.0-2.1Moz Previously 2.1 Moz	2.2-2.4Moz	2.2-2.4Moz
Diamonds	28 Mct	31Mct	31-32Mct Previously 30-32 Mct	-	-

(1) Copper Business Unit only
(2) Nickel Business Unit excluding Loma de Níquel in 2012
(3) Excluding Thabazimbi
(4) Minas-Rio 2016 guidance is dependent on the 18 to 24 month ramp-up schedule
(5) N.M. - not measurable
(6) Export South Africa and Colombia
(7) Refined production

SUMMARY AND WRAP

We presented 2014 as a transition year…

BACK TO BASICS

- Safety
- Production
- Costs

FINANCIAL DELIVERY

- Operating profit
- Attributable ROCE
- Dividend

KEY MILESTONES

- Platinum………………….. ON TRACK
- Minas-Rio…......……………ON TRACK
- Sishen……………….…..…ON TRACK
- Portfolio……………….IN PROGRESS

DIVESTMENT UPDATE

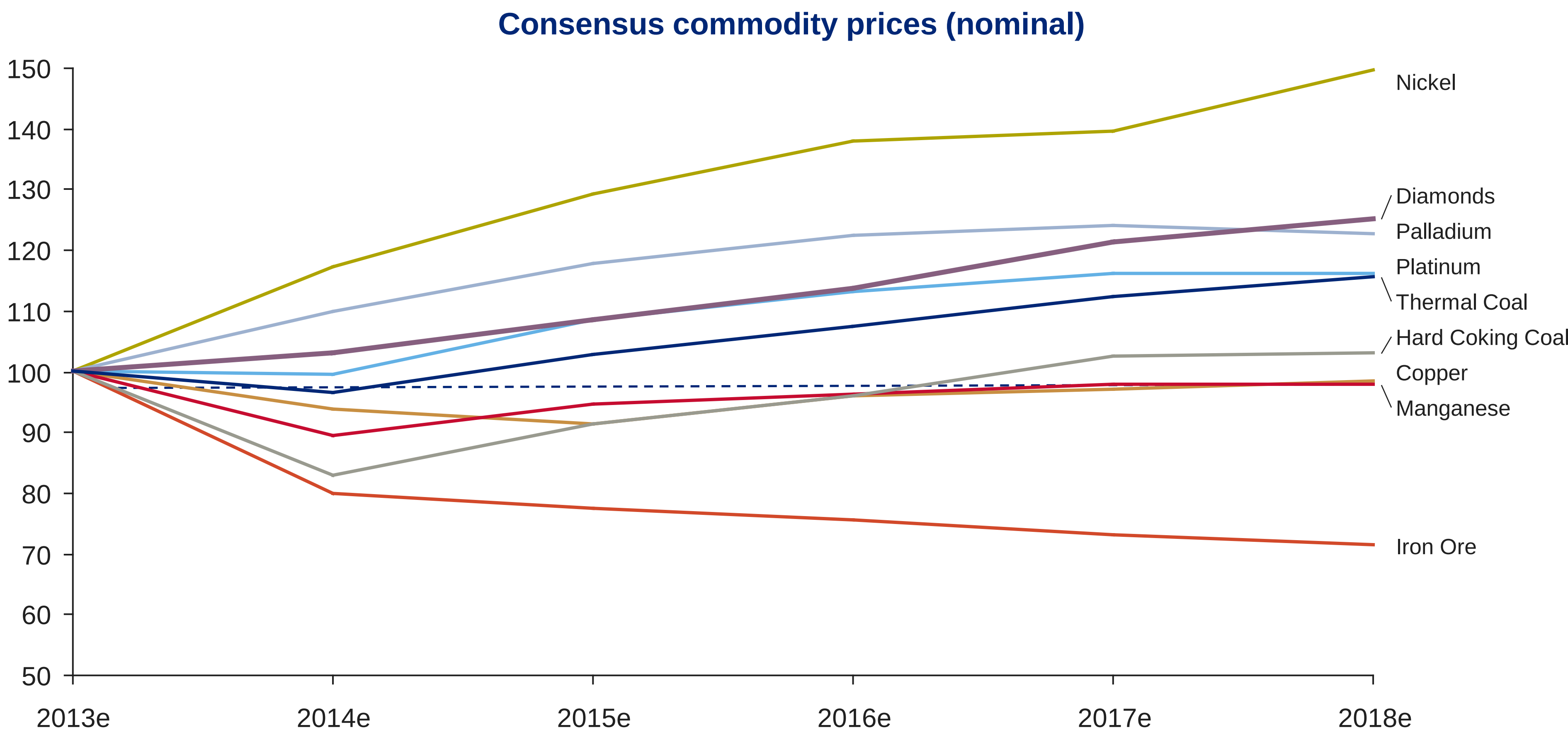
- Lafarge Tarmac
- Rustenburg 3x shafts
- Union
- Pandora JV
- Reviewing Bokoni JV

Further updates once deals are signed

…and we have made good progress…but we have lots more to do.

THE DIVERSIFIED MINER

Our commodity diversification is unique…



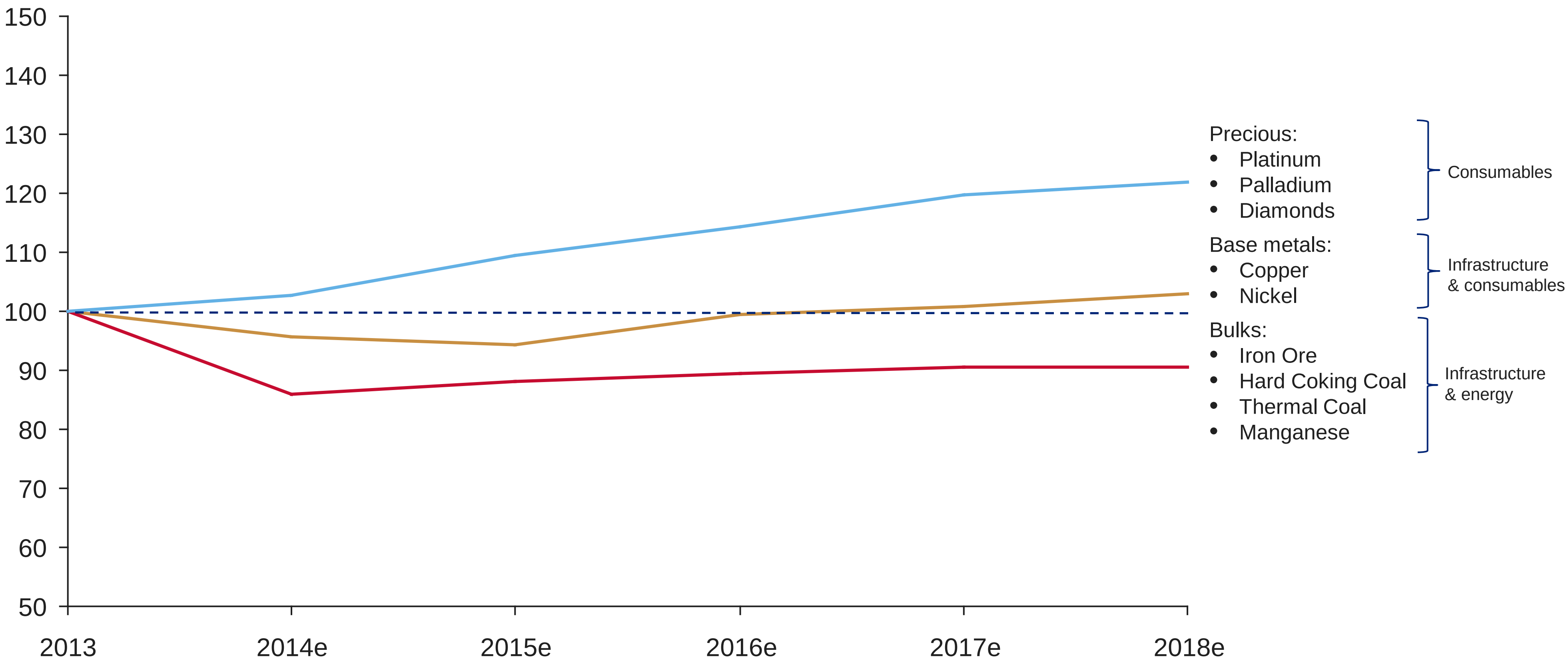
…and provide us with a range of internal options and opportunities.

Source: Consensus Economics Inc., 16 June 2014 for all commodities shown, with the exception of diamonds, which is an average of three analysts.
Note: Thermal Coal is FOB RBCT and Iron Ore is 62% Fe FOB AUS

THE DIVERSIFIED MINER

Our commodity diversification is unique…

Consensus commodity prices (nominal) – weighted by revenue based on Anglo American 2013 production



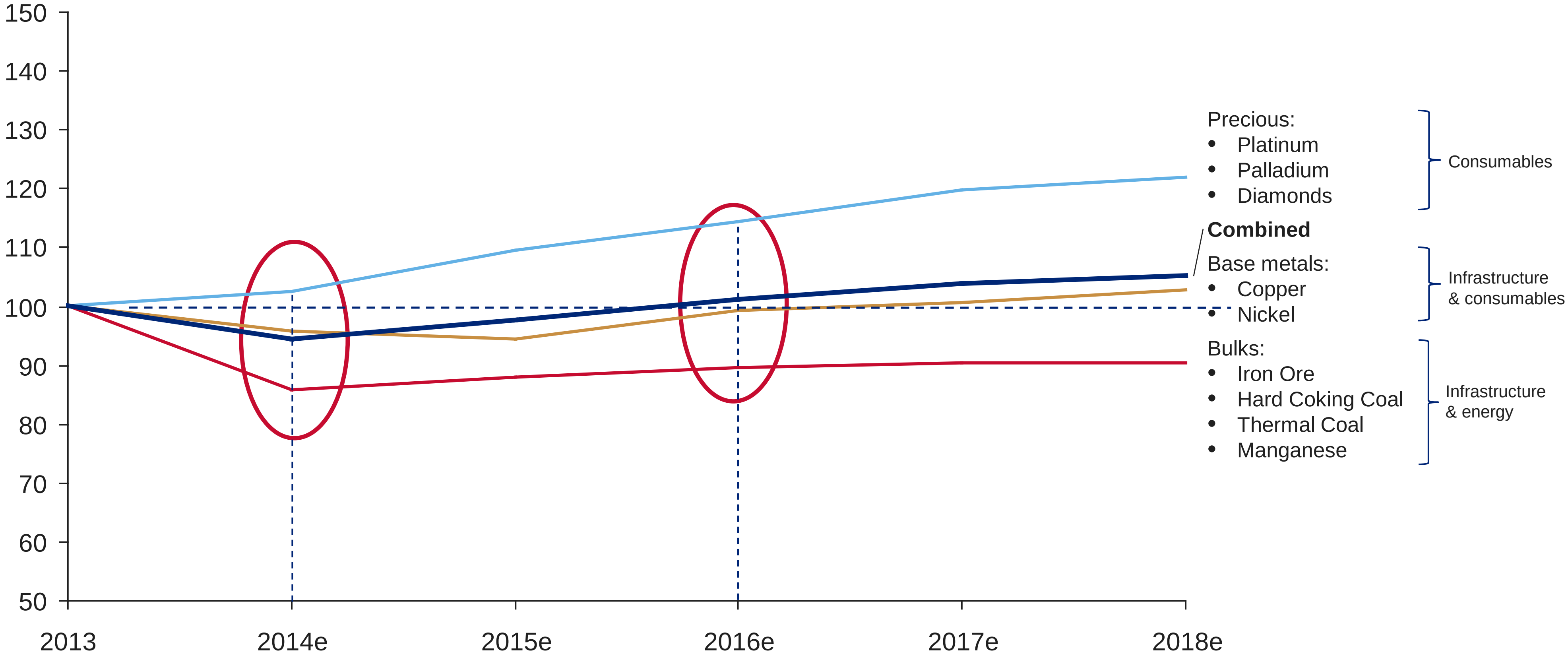
…and positions us in various end user markets.

Source: Consensus Economics Inc., 16 June 2014 for all commodities shown, with the exception of diamonds, which is an average of three analysts.
Note: Thermal Coal is FOB RBCT and Iron Ore is 62% Fe FOB AUS

THE DIVERSIFIED MINER

And so if we run our businesses well…

Consensus commodity prices (nominal) – weighted by revenue based on Anglo American 2013 production



…we can more reliably deliver on our potential through the cycle.

Source: Consensus Economics Inc., 16 June 2014 for all commodities shown, with the exception of diamonds, which is an average of three analysts.
Note: Thermal Coal is FOB RBCT and Iron Ore is 62% Fe FOB AUS

APPENDIX

ROCE AND ATTRIBUTABLE ROCE – DEFINITION

Return on capital employed (ROCE) is a ratio that measures the efficiency and profitability of a company's capital investments. It indicates how effectively assets are generating profit for the size of invested capital.

ROCE is calculated as underlying operating profit divided by capital employed. Where ROCE relates to a period of less than one year, the return for the period has been annualised.

Operating profit used in the calculation of De Beers' attributable return on capital employed is based on the last 12 months rather than on an annualisation of the first six months' performance. This is due to the seasonal sales and operating profit profile of De Beers. De Beers attributable ROCE for the first half of 2013 is presented on a pro forma basis.

Adjusted ROCE is underlying operating profit divided by adjusted capital employed. Adjusted capital employed is net assets excluding net debt and financial asset investments, adjusted for remeasurements of a previously held equity interest as a result of business combinations and impairments incurred and reported since 10 December 2013. Earnings and return impacts from such impairments (due to reduced depreciation or amortisation expense) are not taken into account.

Attributable ROCE is the return on average adjusted capital employed attributable to equity shareholders of Anglo American, and therefore excludes the portion of underlying operating profit and capital employed attributable to non-controlling interests in operations where Anglo American has control but does not hold 100% of the equity. Joint ventures, joint operations and associates are included at their proportionate interest and in line with the appropriate accounting treatment.

RECONCILIATION OF TOTAL CAPITAL EMPLOYED TO AVERAGE ATTRIBUTABLE CAPITAL EMPLOYED

$bn	30 Jun 2014	31 Dec 2013[1]	30 Jun 2013[1]	31 Dec 2012[1]
Net Assets	38	37	40	44
Less: Financial Asset Investments	(1)	(1)	(2)	(2)
Add: Net Debt	12	11	10	9
Less: De Beers Fair value adjustment on 45% pre-existing stake[2]	(1)	(1)	(1)	(2)
Closing Total Capital Employed	**47**	**45**	**46**	**48**
Less: 2013 Impairments deducted from capital employed[3]	-	-	(1)	(1)
Add: 2013 impairments added back to capital employed[4]	1	1	-	-
Closing Adjusted Total Capital Employed	**48**	**46**	**45**	**46**
Less: Non-Controlling Interest Capital Employed	(6)	(6)	(7)	(7)
Closing Adjusted Attributable Capital Employed	**42**	**40**	**38**	**40**
Average Attributable Capital Employed	**41**	**40**	**39**	

$bn	30 Jun 2014	31 Dec 2013[1]	30 Jun 2013[1]
Underlying operating profit (annualised)	**5.9**	**6.6**	**6.5**
NCI operating profit	(1.9)	(2.3)	(2.3)
Attributable operating profit - pre corporate cost allocations/recharges	**4.0**	**4.3**	**4.2**
Attributable operating profit - post corporate cost allocations/recharges	**4.0**	**4.4**	**4.3**

(1) Historical numbers corrected for rounding and BU attributable percentages
(2) Removal of the accounting fair value uplift on the Group's existing 45% holding in De Beers following acquisition of control
(3) 2013 Impairments and disposals announced before 10 December 2013 (post tax) deducted from capital employed: Barro Alto furnace ($0.2bn), Platinum portfolio review ($0.3bn), Michiquillay ($0.3bn), Isibonelo and Kleinkopje ($0.2bn), Loss on disposal of Amapa ($0.2bn) and Pebble ($0.3bn)
(4) 2013 Impairments announced after 10 December 2013 (post tax) added back to capital employed: Barro Alto ($0.5bn) and Foxleigh ($0.2bn)

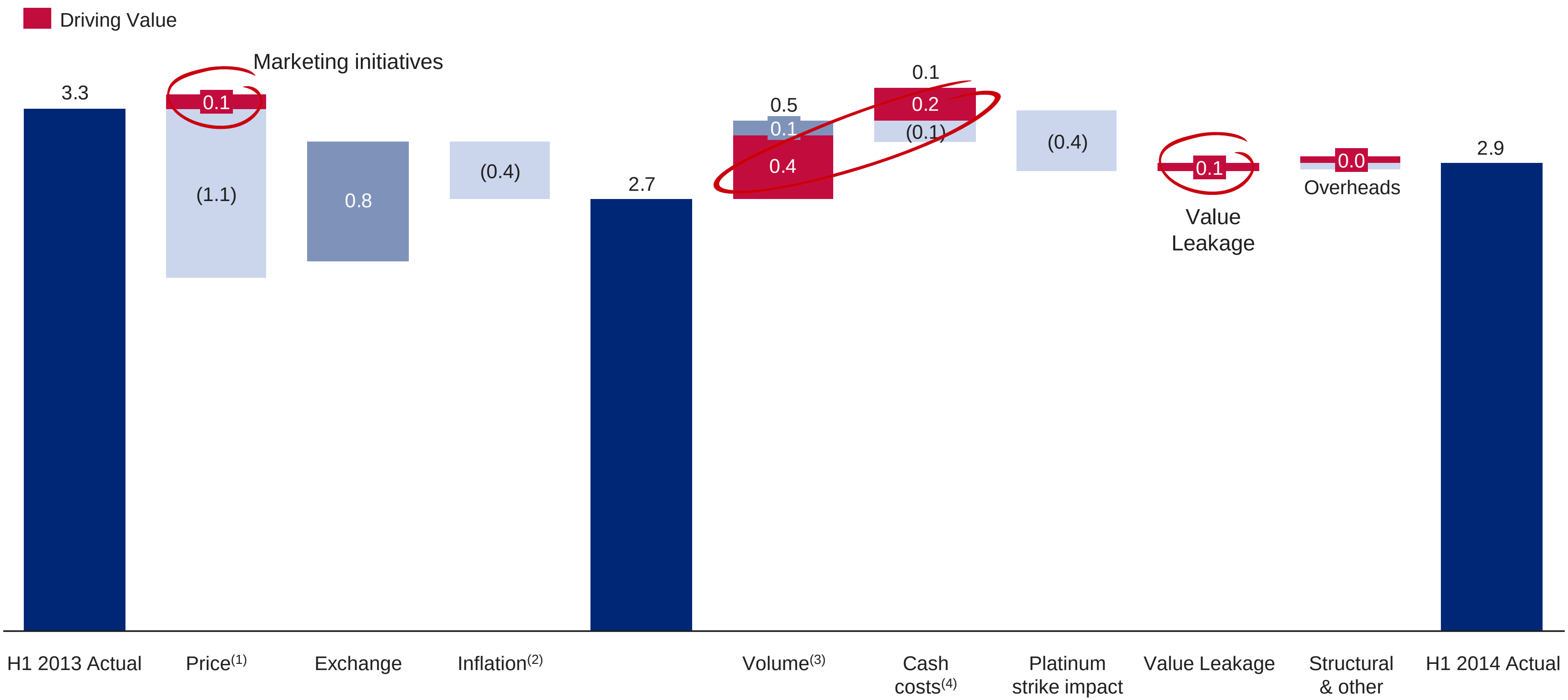
ATTRIBUTABLE ROCE

Business Units	H1 2014[1]			H1 2013[1]		
	Annualised attributable Operating Profit[2] ($bn)	Average attributable Capital Employed ($bn)	Attributable ROCE[2] (%)	Annualised attributable Operating Profit[2] ($bn)	Average attributable Capital Employed ($bn)	Attributable ROCE[2] (%)
Kumba	1.2	1.5	80%	1.7	1.5	113%
IOB	(0.0)	8.1	(0)%	(0.0)	5.8	(1)%
Manganese	0.2	0.9	23%	0.2	1.0	24%
Coal	**0.5**	**6.7**	**7%**	**0.7**	**6.8**	**10%**
- Aust/Canada	0.0	4.5	0%	0.2	4.7	4%
- South Africa and Colombia	0.5	2.1	24%	0.5	2.1	22%
Copper	1.0	4.8	22%	0.7	4.4	17%
Nickel	0.0	2.3	2%	(0.0)	2.2	(1)%
Niobium and Phosphates	0.1	0.8	11%	0.2	0.5	33%
Platinum	(0.0)	6.2	(0)%	0.3	7.0	4%
De Beers[3]	1.0	7.8	13%	0.6	8.2	8%
Total Group[4]	**4.0**	**40.7**	**10%**	**4.3**	**38.9**	**11%**

(1) Post-corporate cost allocations and recharges
(2) Attributable ROCE calculated using H1 annualised operating profit. Anglo American business units are subject to seasonality and therefore H1 annualised operating profit is not necessarily indicative of our full year results expectations
(3) Operating profit used in the calculation of De Beers' attributable return on capital employed is based on previous 12 months rather than an annualisation of the first six months' performance. This is due to the seasonal sales and operating profit profile of De Beers. Attributable ROCE for the first half of 2013 is presented on a pro forma basis
(4) Includes the Corporate and other segment

DRIVING VALUE DELIVERED $0.8BN IN OPERATING PROFIT

H1 2013 vs. H1 2014



(1) Price variance calculated as increase/(decrease) in price multiplied by current period sales volume and includes positive impact of marketing initiatives embedded as part of Driving Value
(2) Inflation variance calculated using CPI on prior period cash operating costs that have been impacted directly by inflation
(3) Volume variance calculated as increase/(decrease) in sales volumes multiplied by prior period profit margin and includes impact of asset review benefits net of headwinds
(4) Includes inventory movements and cost reduction initiatives embedded as part of Driving Value programme

ANALYSIS OF UNDERLYING OPERATING PROFIT(1)(2)

$m	H1 2014		H1 2013
Iron Ore and Manganese	1,229	▼	1,653
Coal	260	▼	345
Copper	760	▲	635
Nickel	26	▲	(11)
Niobium	34	▼	42
Phosphates	9	▼	48
Platinum	(1)	▼	187
De Beers	765	▲	571
Total underlying operating profit(3)	**2,932**		**3,262**

(1) Underlying operating profit/(loss) is operating profit/(loss) before special items and remeasurements, and includes the Group's attributable share of associates' and joint ventures' operating profit/(loss) before special items and remeasurements
(2) Refer to p53 of the H1 2014 results press release for breakdown by business operation
(3) Includes the Corporate and Other segment

RECONCILIATION OF OPERATING PROFIT TO UNDERLYING EARNINGS

$m	H1 2014		H1 2013
Total underlying operating profit	**2,932**		**3,262**
Net finance costs	(112)	▲	(218)
Income tax expense	(888)	▲	(995)
Non-controlling interests	(648)	▲	(799)
Total underlying earnings	**1,284**		**1,250**

ANALYSIS OF UNDERLYING EARNINGS

$m	H1 2014		H1 2013
Iron Ore and Manganese	443	▼	609
Coal	161	▼	273
Copper	309	▲	207
Nickel	29	▲	(17)
Niobium	23	-	23
Phosphates	10	▼	31
Platinum	(1)	▼	92
De Beers	469	▲	295
Corporate and other	(159)	▲	(263)
Total underlying earnings	**1,284**		**1,250**

UNDERLYING EARNINGS SENSITIVITIES(1)

Commodity / Currency	Change in price / exchange rates	H1 2014 ($m)
Iron Ore	± $10/t	72
Metallurgical Coal	± $10/t	64
Thermal Coal	± $10/t	69
Copper(2)	± 10c/lb	41
Nickel(3)	± 10c/lb	2
Platinum	± $100/oz	47
Palladium	± $100/oz	28
Rhodium	± $100/oz	5
ZAR / USD(4)	± 0.10	18
AUD / USD(4)	± 0.01	8
CLP / USD(4)	± 0.10	4
BRL / USD(4)	± 0.10	7
Oil	± $10/bbl	21

(1) Reflects change on actual results for the six months ended 30 June
(2) Includes copper from both the Copper business and Platinum Business Unit
(3) Includes nickel from both the Nickel business and Platinum Business Unit
(4) Impact based on average exchange rate for the period

AVERAGE MARKET PRICES

	H1 2014		H1 2013
Iron ore (62% Fe CFR) - $/t	111	▼	137
Thermal coal (FOB South Africa) - $/t	77	▼	83
Thermal coal (FOB Australia) - $/t	76	▼	89
HCC (FOB Australia average quarterly benchmark) - $/t	132	▼	169
Copper (LME) - cents/lb	314	▼	342
Nickel (LME) - cents/lb	749	▲	732
Platinum - $/oz	1,437	▼	1,549
Platinum basket (realised) - ZAR/oz	26,493	▲	22,473
Palladium - $/oz	780	▲	726
Rhodium - $/oz	1,077	▼	1,158

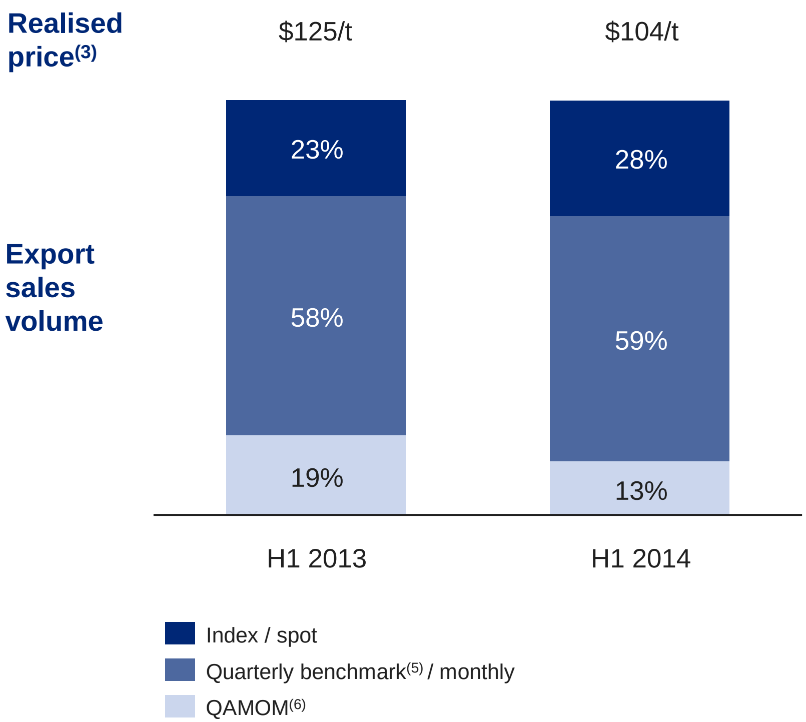
PRICE & FX ASSUMPTIONS FOR ROCE TARGET

Commodity	30 June 2013	Current (24 June 2014) [2]
Iron Ore FOB Australia	$108/t (CFR $117)	$86/t (CFR $94)
Thermal FOB South Africa	$74/t	$70/t
Thermal FOB Australia	$78/t	$68/t
HCC FOB Australia	$145/t[1]	$111/t
Copper	306c/lb	319/lb
Nickel	619/lb	861/lb
Platinum	$1,317/oz	$1,469/oz
Palladium	$643/oz	$870/oz
Rhodium	$1,000/oz	$1,240/oz
ZAR/USD	Rand 9.97	Rand 10.53
BRL/USD	Real 2.22	Real 2.22
AUD/USD	A$ 1.09	A$1.06
CLP/USD	Peso 507	Peso 564

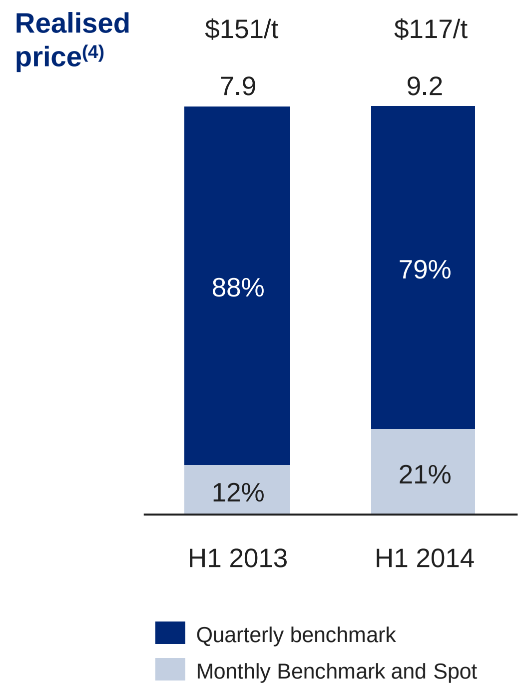
(1) Q3 2013 benchmark. Previously stated $172/t represented Q2 2013 benchmark.
(2) Bulk prices as at 23rd June 2014

PRICE VARIANCE – BULKS

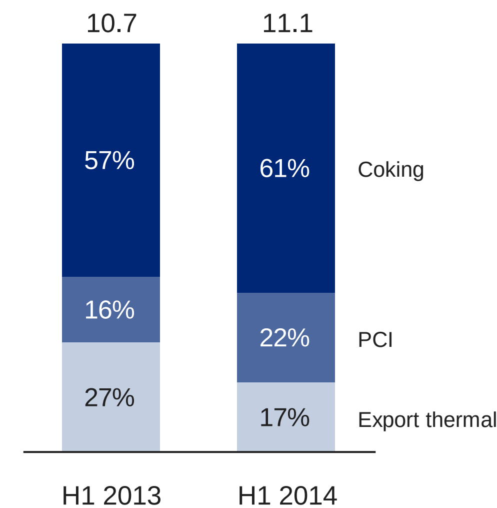
Iron ore sales[1] (Mt)



Metallurgical coal sales[2] (Mt) Moving to shorter term contracts



Australian and Canada Coal Exports sales[2] (Mt) Higher-margin mix



(1) Kumba Iron Ore
(2) Excludes Jellinbah (an associate)
(3) Kumba's realised export basket price
(4) Realised price for metallurgical coal (hard coking coal and pulverised coal injection)
(5) Contractually agreed quarterly benchmark price
(6) QAMOM is a pricing mechanism based on average quarter in arrears minus one month

REGIONAL ANALYSIS – REVENUE BY DESTINATION

$m	H1 2014		H1 2013
South Africa	1,395	▲	1,288
Other Africa	877	▲	623
South America	1,010	▼	1,046
North America	596	▲	589
Australia and Asia	8,126	▲	7,964
Europe	4,140	▼	4,683
Total Revenue	**16,144**		**16,193**

CAPITAL EXPENDITURE[1]

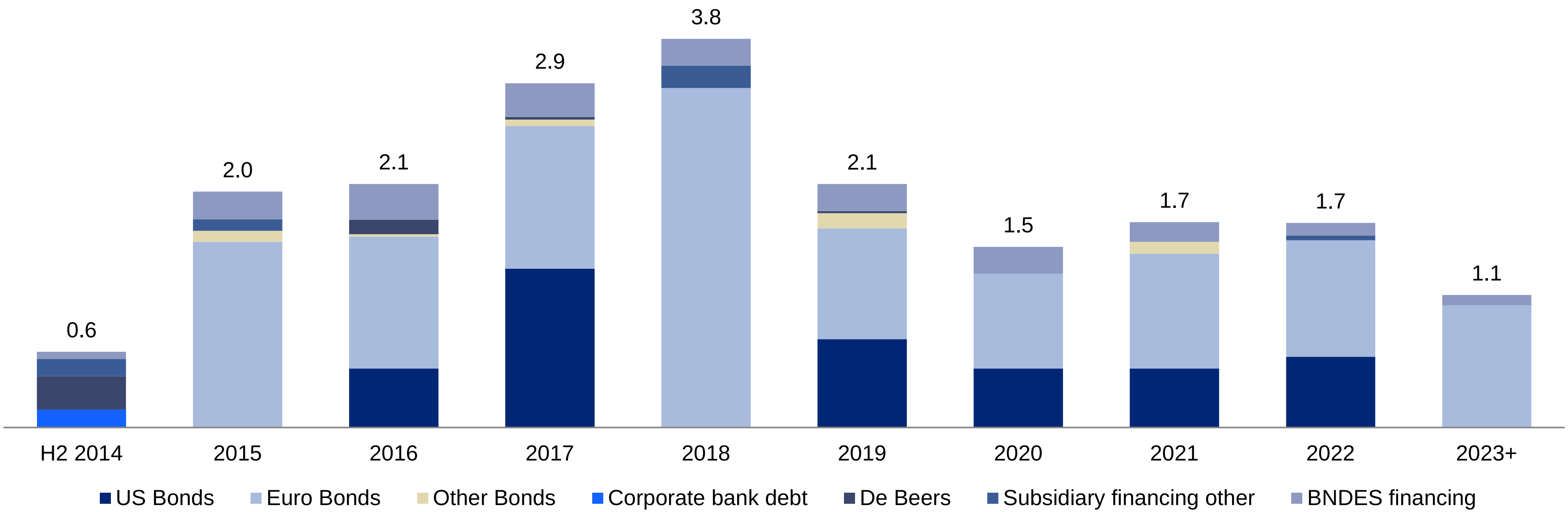
$m	H1 2014		H1 2013
Kumba Iron Ore	305	▲	248
Iron Ore Brazil	1,007	▲	629
Coal Australia & Canada	403	▼	420
Coal South Africa	54	▼	56
Copper	333	▼	472
Nickel	(26)[2]	▼	(18)[2]
Niobium	90	▲	64
Phosphates	18	▲	8
Platinum	245	▲	235
De Beers	320	▲	255
Corporate and other	15	▼	28
Total capital expenditure	**2,764**		**2,397**

(1) Capital expenditure is presented net of cash flows on related derivatives

(2) Cash capital expenditure for Nickel of $35 million (H1 2013: $19 million) is offset by the capitalisation of $61 million (H1 2013: $37 million) of net operating cash flows generated by Barro Alto which has not yet reached commercial production

DEBT MATURITY PROFILE AT 30 JUNE 2014

Debt repayments[1] ($bn) at 30 June 2014



	Euro Bonds	US$ Bonds	A$ Bonds	Other Bonds	Corporate bank debt	BNDES Financing	Other subs. bank debt	De Beers
% of portfolio	59%	22%	2%	2%	1%	9%	3%	2%
	Capital Markets 85%				Bank 15%			

(1) Based on outstanding bond and drawn external debt balances (excluding other financial liabilities) as at 30 June 2014