

# INTERIM RESULTS SIX MONTHS ENDED 30 JUNE 2015

24 July 2015



Kolomela mine – Kumba Iron Ore

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# FINANCIAL HIGHLIGHTS

*A solid set of results despite significant commodity headwinds...*

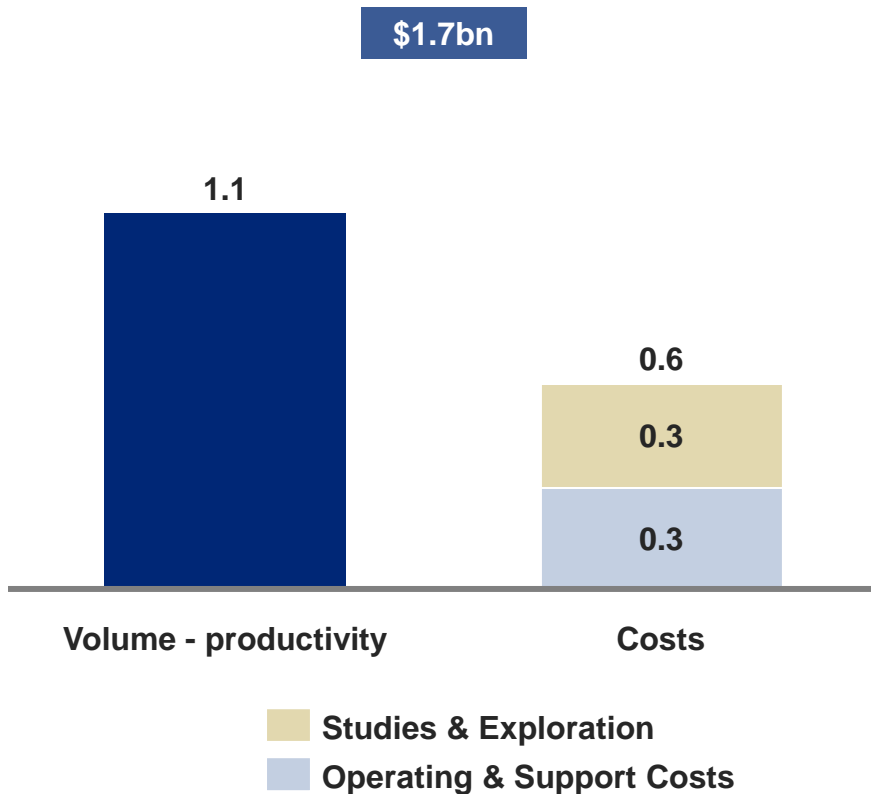
➤ <b>Underlying EBIT</b>	<b>\$1.9bn</b>	<b>-36%</b>	...prices down...offset by improved production and costs.
➤ <b>EPS</b>	<b>\$0.70/share</b>	<b>-30%</b>	
➤ <b>Capital expenditure</b>	<b>\$2.1bn</b>	<b>-22%</b>	...actions taken to reduce capex.
➤ <b>Net debt</b>	<b>\$13.5bn</b>		
➤ <b>Net debt</b>	<i>...post asset sale...</i> <b>\$11.9bn</b>		...~50% disposal target achieved.
➤ <b>Interim dividend</b>	<i>...32 US cents per share</i>		...maintained.

*...with delivery ahead of cash flow and net debt targets.*

# FOCUS ON DELIVERY

*We are delivering on our Driving Value initiatives...*

Delivered 2013, 2014 & H1 2015



## MAJOR PROJECTS...on track and below budget

- Minas-Rio commissioning on track.
- Grosvenor ahead of schedule.
- Barro Alto furnaces ahead of schedule.
- Gahcho Kué on schedule and budget.

## OPERATIONS...improvements accelerating

- Productivity up 17% (since 2012).
- Costs down 22% (USD).
- Rebuilding technical capability.

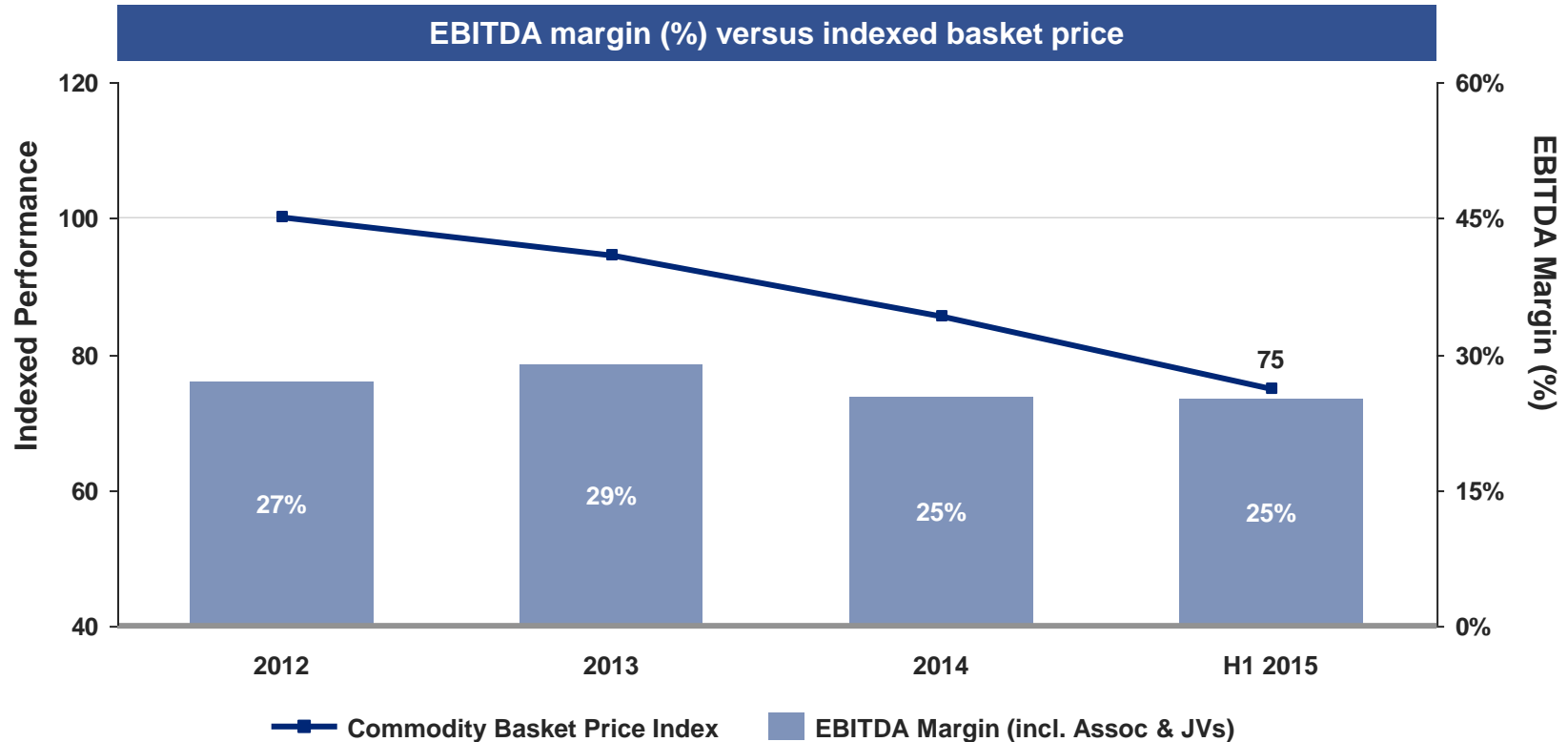
## VALUE LEAKAGE...revenues and cost focus

- Marketing delivers pricing improvement.
- Overheads and other costs down \$600m.

*...with \$1.7bn operating and cost improvements booked.*

# EBITDA MARGIN PRESERVATION

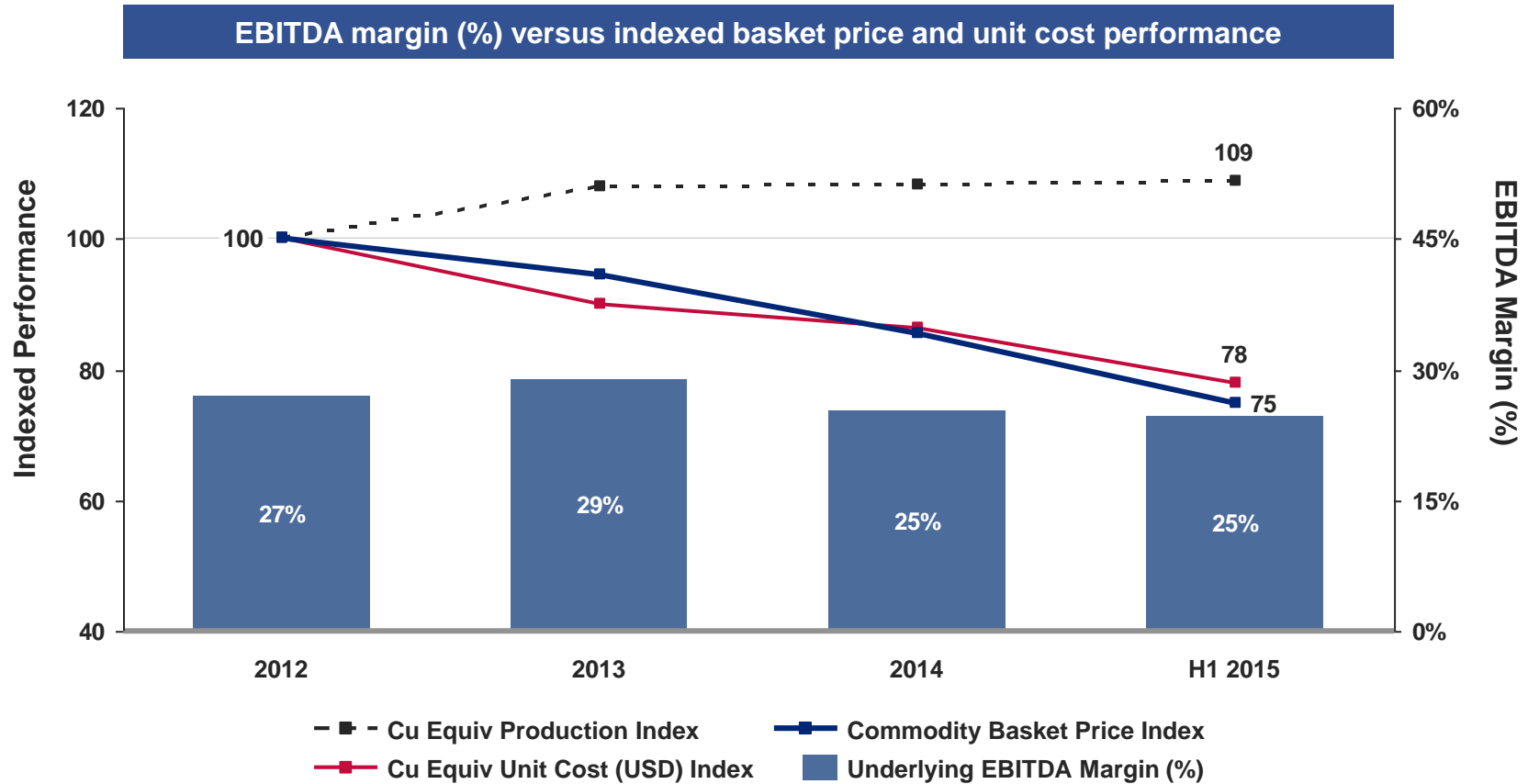
*Commodity basket price has fallen 25%...*



*...but EBITDA margins are broadly flat.*

# EBITDA MARGIN PRESERVATION

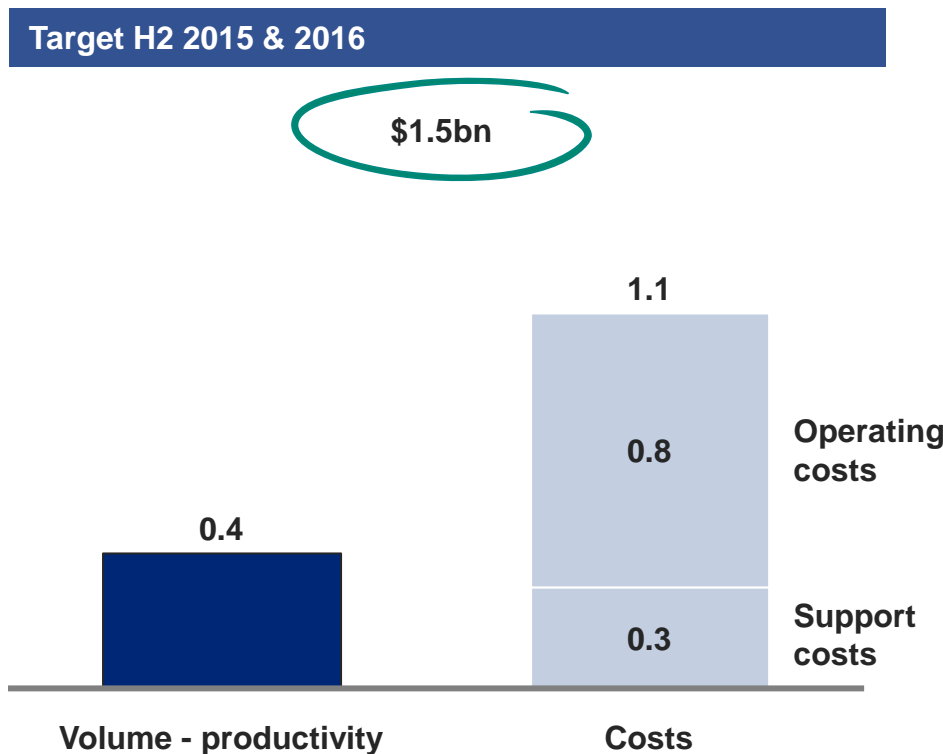
*Stability in EBITDA margins reflects volume growth...*



*...and cost reductions with some FX support.*

# FOCUS ON THE CONTROLLABLES

*We are accelerating our turnaround work with focus on costs...*



## NEXT 18 MONTHS...improvements accelerated

- \$800m operating cost reduction.
- \$300m support cost reduction.
- \$400m production driven volume benefits.
- Capex guidance reduced by up to \$1bn.

## BEYOND 2016...

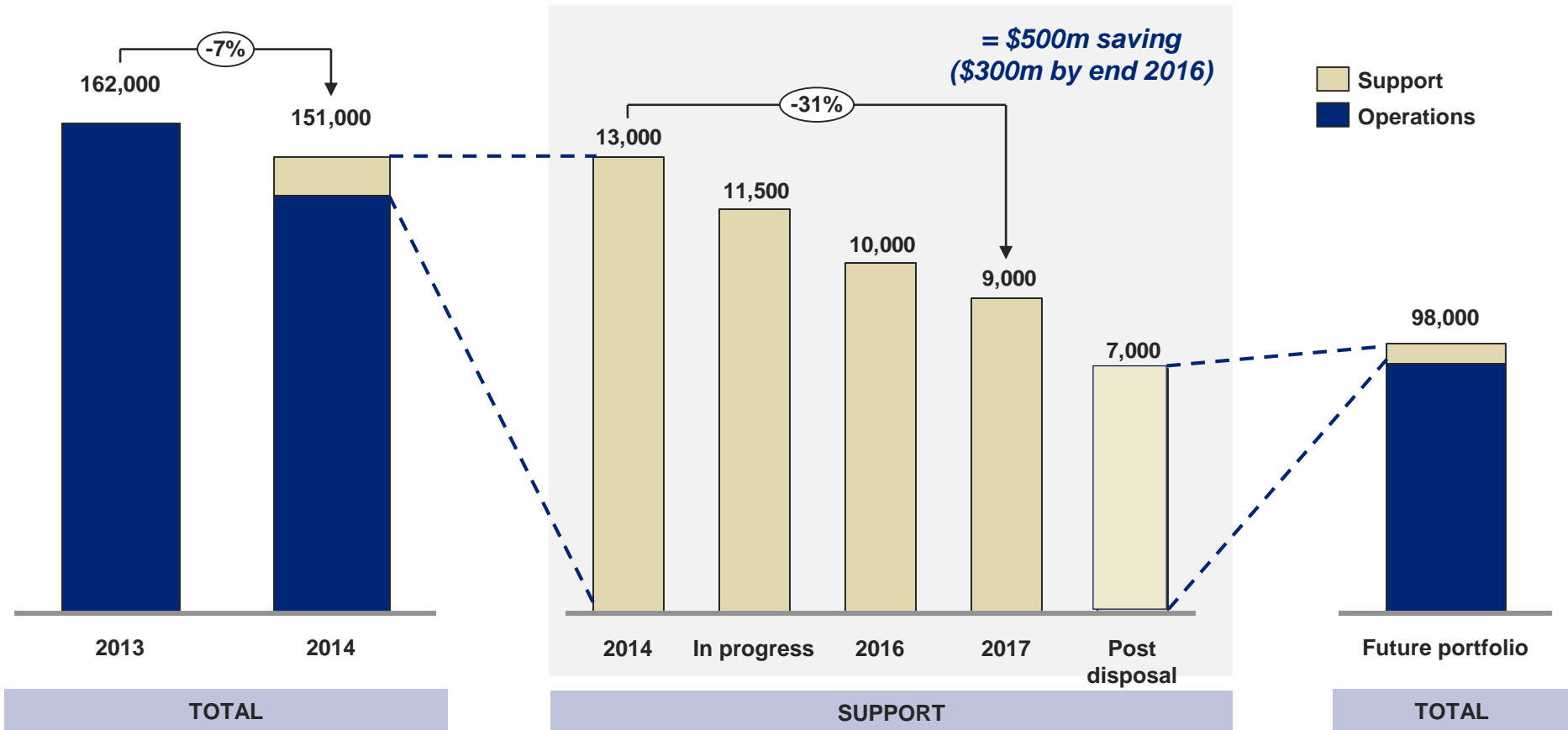
- \$200m support cost reduction.
- Asset portfolio will have reduced by ~ 15 assets (27%).
- Labour level reduced by a third.
- Production maintained.
- Post disposals and cost reduction, like-for-like EBITDA margin rises to 35%.

*...with \$1.5bn improvement to come by the end of 2016.*

# SUPPORT COST REDUCTION OF \$300M BY END OF 2016

*Right-sizing the business for the current operating environment...*

## Employee and contractor numbers



*...as well as being appropriate for the future portfolio.*

# FINANCIALS

René Médori



# 2015 RESULTS

*Price declines have driven revenues lower...*

## Key financials

\$bn	H1 2015	H1 2014	Change
Underlying EBITDA	3.3	4.3	-24%
Underlying EBIT	1.9	2.9	-36%
Effective tax rate	28.0%	31.5%	
Underlying earnings	0.9	1.3	-30%
Earning per share (\$)	0.70	1.00	-30%
Capital expenditure	2.1	2.7	-22%
Net debt <sup>(1)</sup>	13.5	12.9	
Attributable ROCE <sup>(2)</sup>	8%	10%	

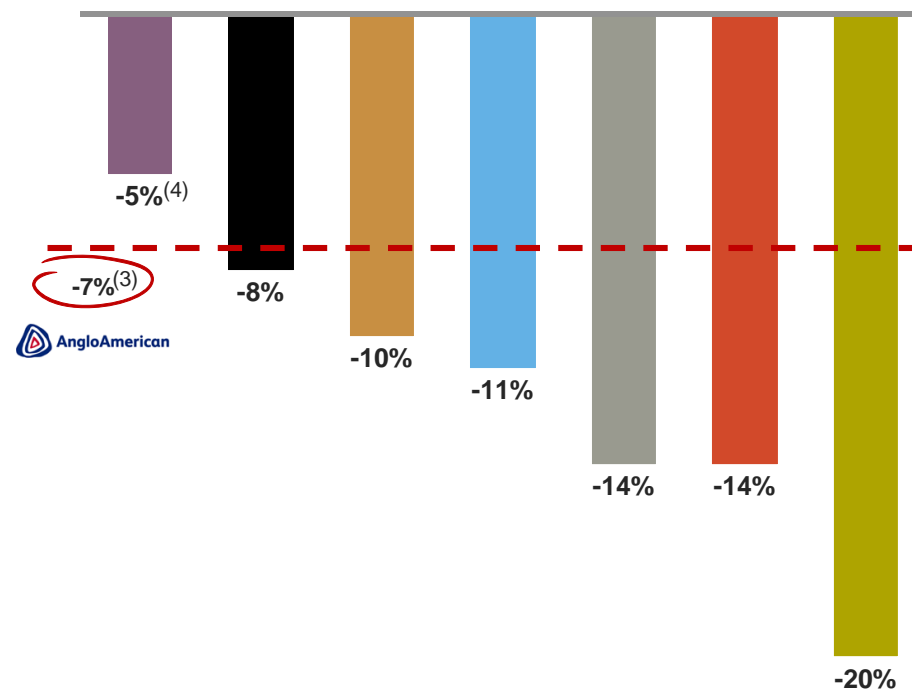
(1) Net debt comparison is 31 December 2014.

(2) See appendix for Attributable ROCE definition.

(3) Average includes all Anglo American commodities, not just those shown.

(4) De Beers index price movement of -5% calculated between Sights 1 and Sight 5 2015. The equivalent price decrease from Sight 10 2014 to Sight 5 2015 is -8%.

## Price variance 1 Jan to 30 Jun 2015



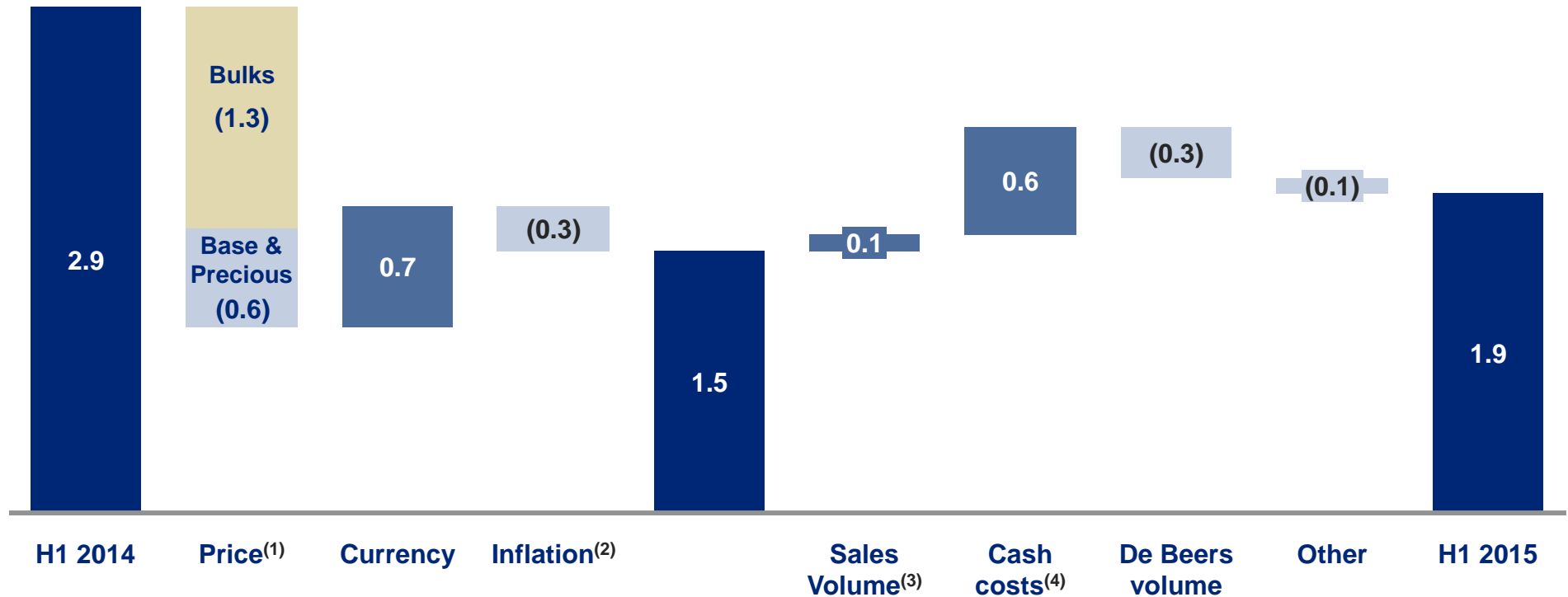
Diamonds Thermal Copper Platinum Met Coal Iron Ore Nickel  
Coal

*...however cost reductions have provided some support to margins.*

# H1 2015 EBIT VARIANCE

*Improved operational performance...*

H1 2015 vs. H1 2014 (\$bn)



- (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 \$0.4bn Platinum strikes recovery.

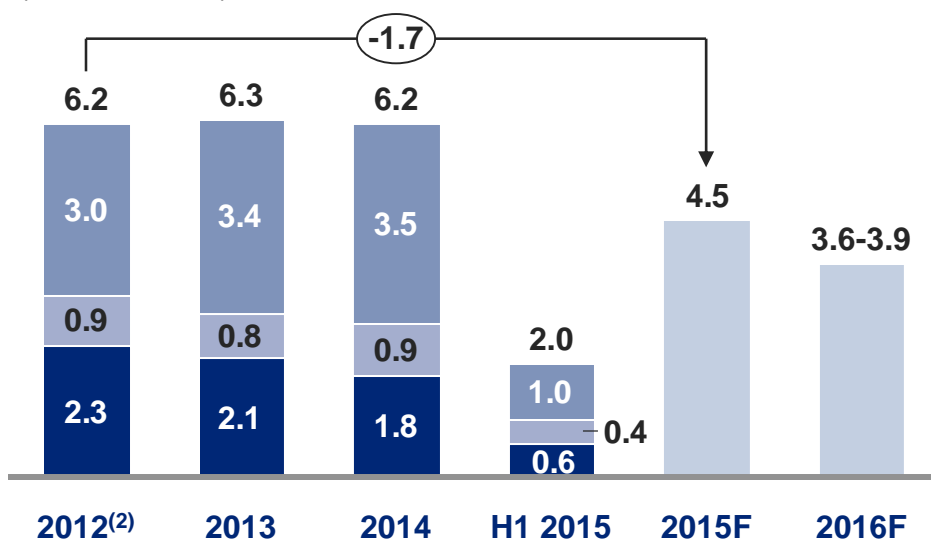
*...offset by weaker prices.*

# GROUP CAPITAL EXPENDITURE

Continued focus on reduction in committed spend and optimisation of SIB capex...

## Capital expenditure (\$bn)

Capex excludes operating cash profits and losses capitalised



Expansionary    Development & stripping    SIB

## Guidance (\$bn)<sup>(1)</sup>

### Capital expenditure

### Previous guidance

2015    2016

4.5    3.6 - 3.9

5.2    3.9

- Capex reduction between 2012 and 2015 driven by a ~25% decline in SIB capex and lower expansion capex as projects are completed.

(1) Capital expenditure here excludes capitalised operating cash profits and losses and is net of proceeds on disposal of PP&E. The expansionary category includes the cash flows from derivatives related to capital expenditure and is net of direct funding for capital expenditure received from non-controlling interests. Excludes disposal assets in 2016.  
 (2) 2012 presented on a pro-forma basis to reflect the De Beers acquisition from 1 January 2012.

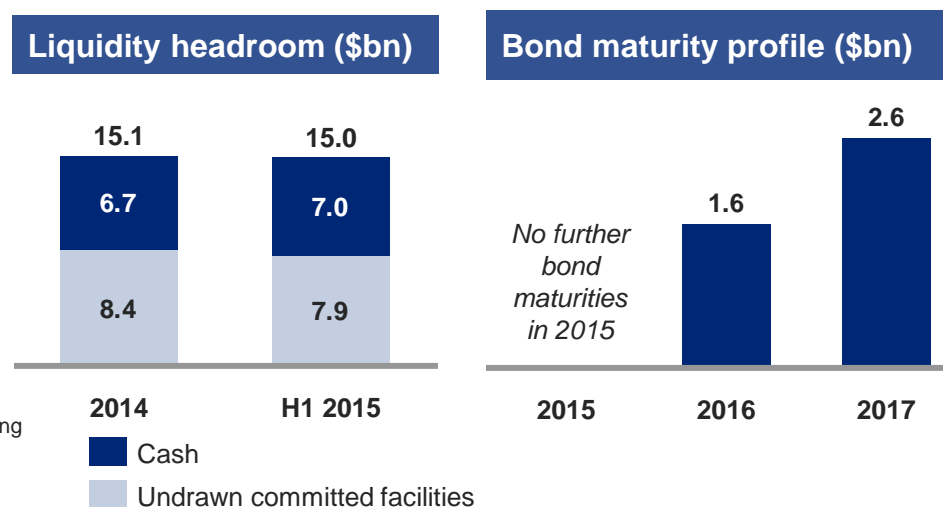
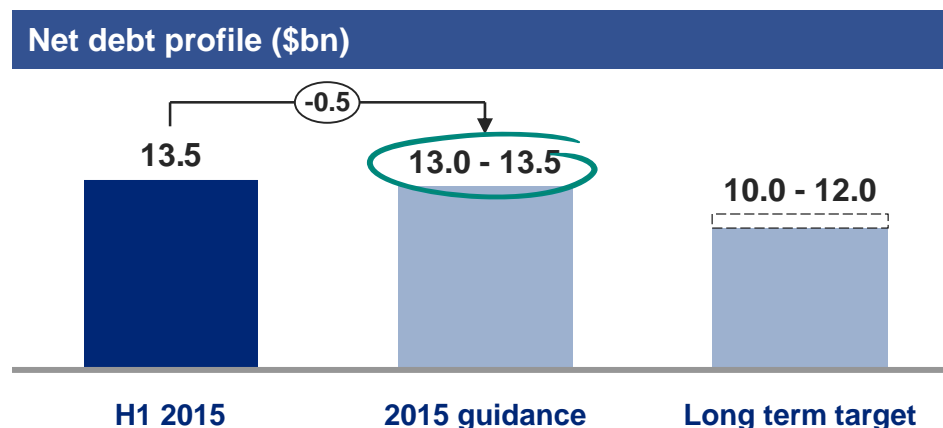
...will support cash flow improvement post 2015

# NET DEBT PROFILE

*Despite lower prices...*

Net debt (\$bn)	
Opening net debt – 1 January 2015	12.9
Cash flow from operations	(2.8)
Capital expenditure <sup>(1)</sup>	2.1
Cash tax paid	0.3
Net interest <sup>(2)</sup>	0.3
Dividends paid to non-controlling interests	0.2
AA plc dividend to shareholders (FY 2014 final)	0.7
Dividends from associates, joint ventures and financial asset investments	(0.3)
Other	0.1
<b>Closing net debt – 30 June 2015</b>	<b>13.5</b>
Net debt including the receipt of Lafarge Tarmac proceeds	11.9

- (1) Capital expenditure here is defined as cash expenditure on property, plant and equipment including related derivatives, net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests.
- (2) Net interest includes the impact of derivatives hedging net debt.



*...we are lowering our December 2015 net debt guidance.*

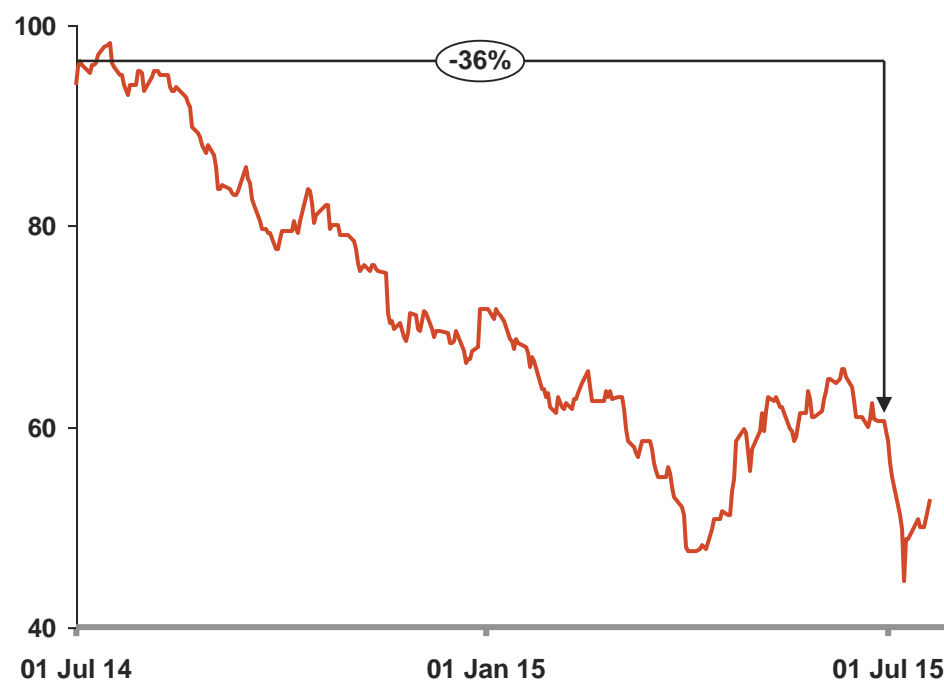
# IMPAIRMENTS

## Impairments to Minas-Rio and Coal assets...

\$ bn	Impairment <sup>(1)</sup>
Minas-Rio	2.5
Coal Australia	0.6
Peace River Coal	0.2
<b>Total</b>	<b>3.3</b>

- The first six months of 2015 have seen significant further weakness in bulk commodity prices.
- Commodity price assumptions have been lowered.
- This has resulted in price driven adjustments to valuations of Minas-Rio and Coal assets.

Iron Ore (\$/t CFR China 62% Fe)<sup>(2)</sup>



(1) Pre-tax impairment. The total after tax impact is \$3,509 million.

(2) Different products are priced against a number of different indices in the market. CFR China 62% Fe has been used in this instance as a generic industry benchmark evidencing a decline in prices.

...reflects changes in commodity prices.

# OPERATIONAL PERFORMANCE

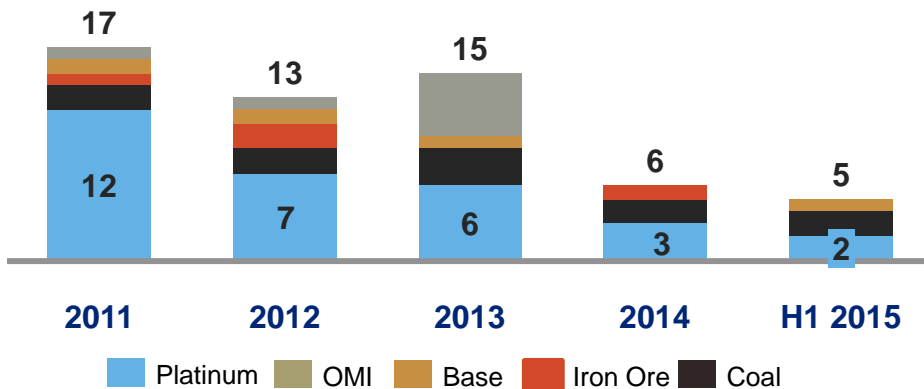
Mark Cutifani



# OPERATING PERFORMANCE – SAFETY

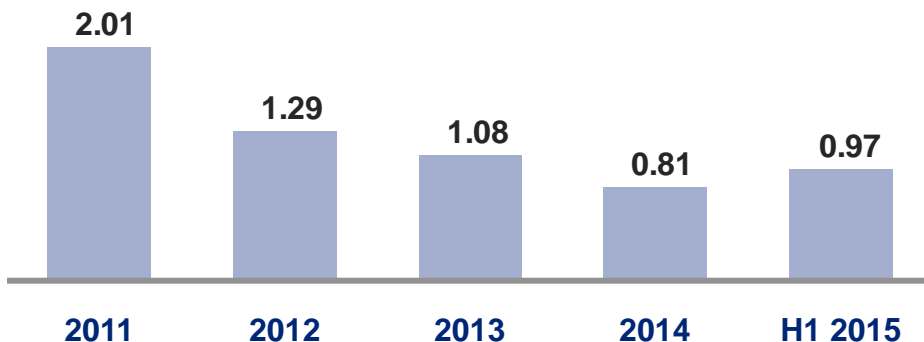
*We continue to target zero harm in safety and health...*

## Loss of life (by business)



- We deeply regret the loss of five colleagues to incidents in Australia, Brazil and South Africa.
- Focus on adherence to critical controls has been the area identified for improvement.
- Platinum incident rates were high post Christmas production start up in Q1- now showing a trending improvement.
- Focus on leadership, culture and employee involvement to ensure decline in total injury frequency rate continues.

## Total recordable case frequency rate (TRCFR)

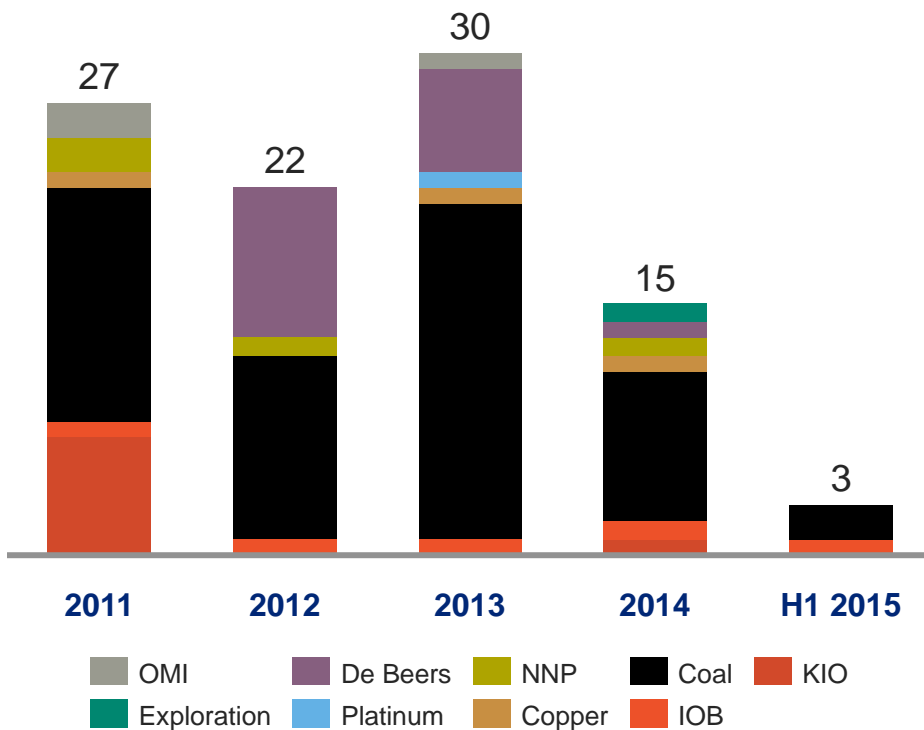


*...with focus on leadership and hazard management central to improvement.*

# OPERATING PERFORMANCE – ENVIRONMENT & SOCIAL

*Major reduction in emissions and spills reflects focus...*

## Environmental incidents (levels 3 to 5) <sup>(1)</sup>



- Leadership standards have set new expectations around how we run the business.
- Focus on a new way of working, risk management and effective risk controls.
- Local community engagement and credibility starts with demonstrating responsible environment management.
- Focus on implementation of our Social Way requirements and integration into the Operating Model.
- Launch of community perception surveys to monitor our socio-political licence to operate (1,800+ participants registered at four sites).

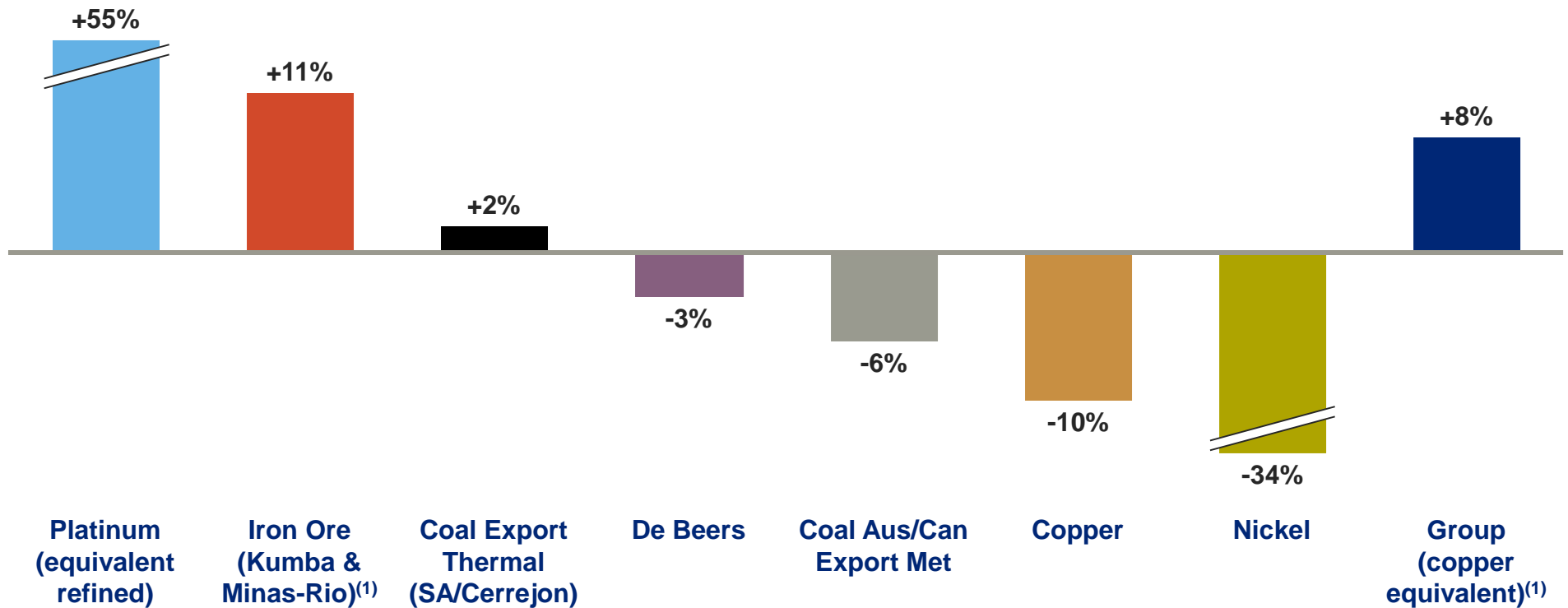
(1) Environmental incidents are classified in terms of a 5-level severity rating. Incidents with medium, high and major impacts, as defined by standard internal definitions, are reported as level 3-5 incidents.

*...and recognition of our responsibilities to communities...the work continues.*

# OPERATING PERFORMANCE – PRODUCTION

*Strong recovery in Platinum, solid Thermal Coal and ramp-up at Minas-Rio...*

H1 2015 versus H1 2014 (% change)



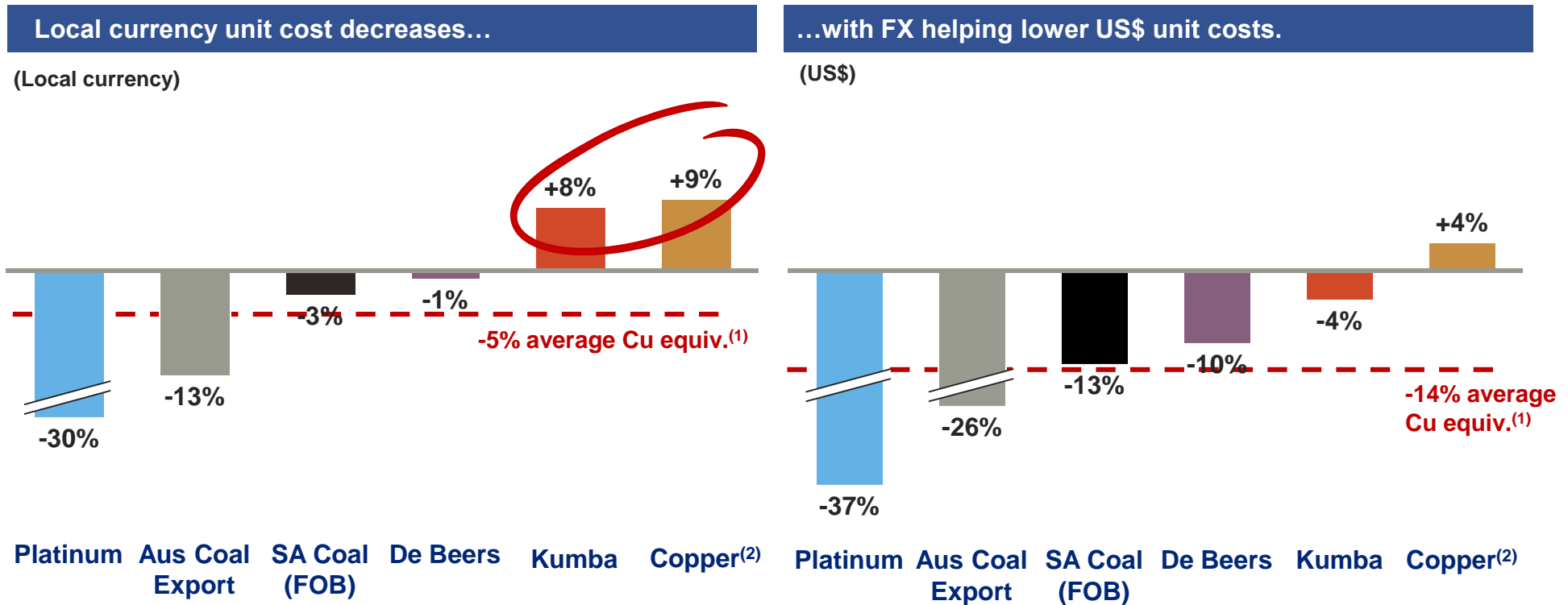
(1) Kumba and Minas-Rio production on dry basis.

(2) Copper equivalent production is (2)% if adjusting for 2014 platinum strike and excluding Peace River Coal care & maintenance (C&M) impact.

*...offset by water restrictions at Copper, Met Coal C&M and Nickel furnace rebuild.*

# OPERATING PERFORMANCE – UNIT COSTS

*Productivity improvements and cost reductions across the business...*



(1) Cu equivalent unit cost adjusted for Platinum strike would be +2% in local currency terms and (7)% lower in USD.

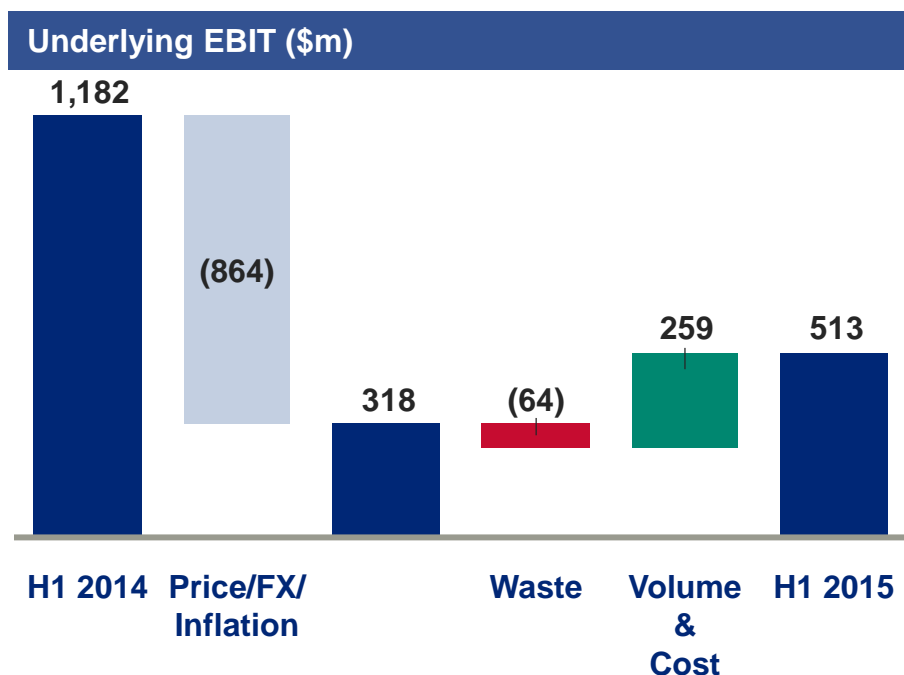
(2) Copper water adjusted unit cost is +1% in local currency terms and (2)% in USD.

*...help offset cost inflation, water restrictions and waste stripping pressures.*

# KUMBA

## Lower prices and higher waste stripping...

	Production	Realised price (FOB)	Unit cost (FOB)	Underlying EBIT	Capex	ROCE	Sishen waste	Export sales
<b>H1 2015</b>	22.6 Mt	\$61/t	\$33/t	\$513m	\$274m	32%	108 Mt	23.2 Mt
<b>vs. H1 2014</b>	-1%	-41%	-4%	-57%	-10%	(46)pp	+24%	+18%



### Performance

- Record export sales volume and production broadly in line with H1 2014.
- Costs impacted by planned increase in mining volumes, offset by weaker Rand.

### 2015 outlook and priorities

- Mining schedule revised to reflect price environment - production target lowered to 44Mt.
- Staff reductions to on-mine support services.
- Operating model implementation across waste, pre-strip and maintenance to further improve our cost base.

...partially mitigated by weaker FX and strong sales performance.

# KUMBA DELIVERED CASH COST 22% LOWER

*Kumba reconfigured to operate in a \$45/tonne environment...*

➤ **Operations reconfigured to achieve lower cost of production:**

- Material revision to Sishen mine schedule and stripping profile.
- Waste reduced at Kolomela, while increasing production.
- Thabazimbi mine closure.

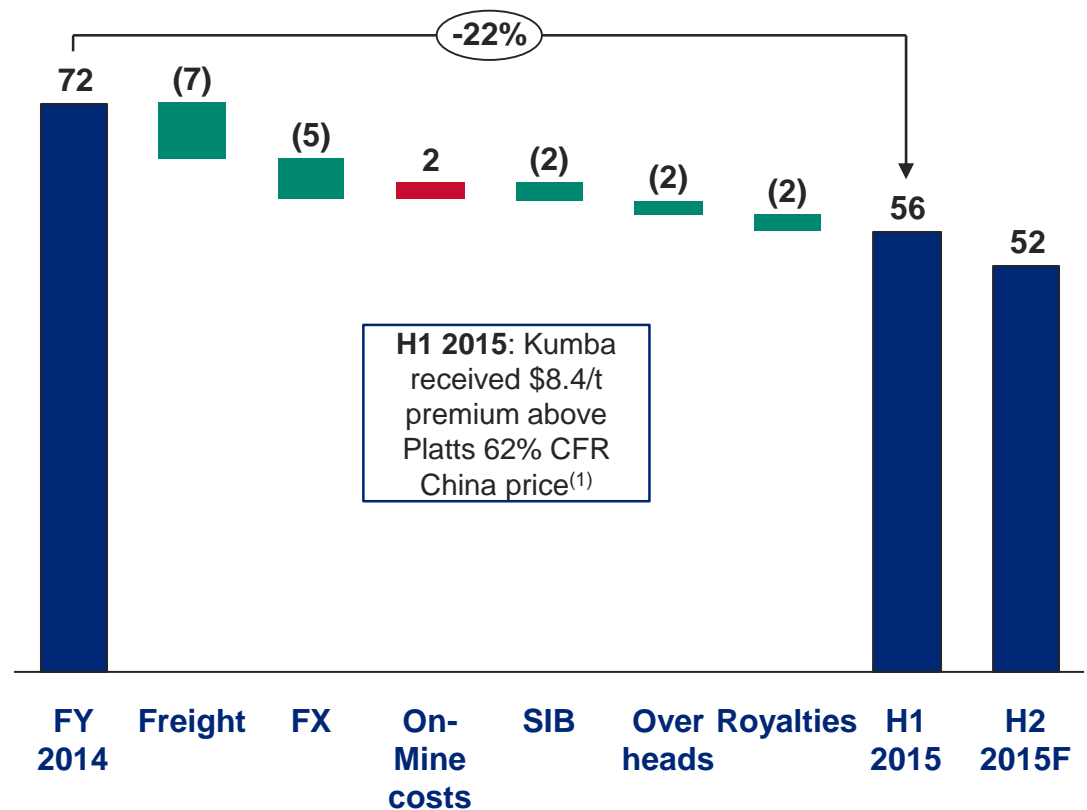
➤ **Capex eliminated and reduced:**

- Efficiency improvements in operations reduce capex needs.
- Discipline and focus on returns.

➤ **Overhead reduced – site and corporate:**

- Leaner organisation design.

Kumba delivered full cash cost including SIB (\$/t)



(1) Different products are priced against a number of different indices in the market. Platts 62% CFR China has been used in this instance as a generic industry benchmark against which to compare average realised prices.

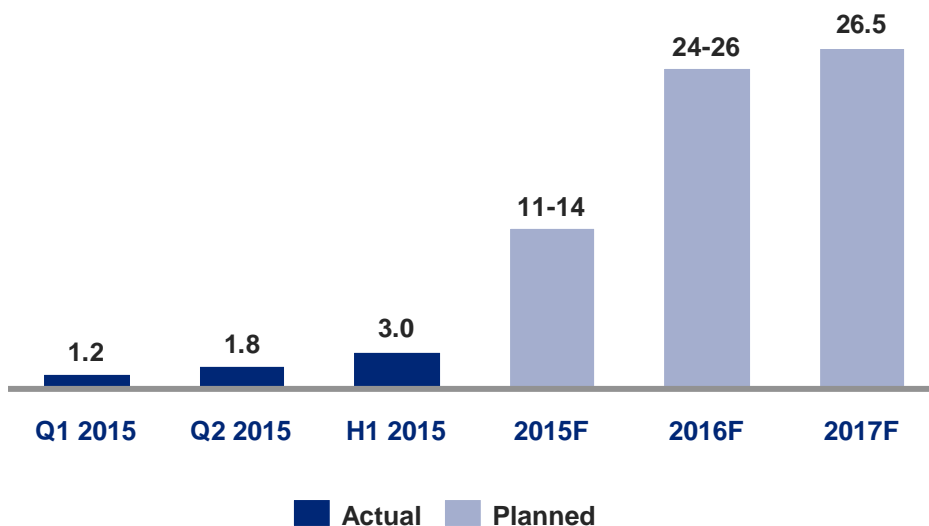
*...without jeopardising the overall life of mine.*

# MINAS-RIO

*Solid ramp-up performance to date...*

	Production	Realised price (FOB)	Unit cost (FOB)	Underlying EBIT	Capex	ROCE	Sales	Ramp-up
<b>H1 15</b>	3.0Mt	\$50/wmt	\$97/wmt	\$(11)m	\$555m	(1)%	2.6Mt	33% complete
<b>vs. H1 14</b>	nm	nm	nm	-22%	-45%	(1)pp	nm	

## Product - (Mt - wet)



## Performance

- Solid operational performance, with some temporary instability at the filtration plant.
- \$7.8bn capex spent to date (versus \$8.4bn expected in total).
- Underlying EBIT continues to be capitalised until commercial production expected to be achieved in Q2 2016.

## 2015 outlook and priorities

- Production guidance for 2015 remains between 11 and 14Mt (wet basis).
- FOB unit cost guidance at full capacity has been reduced to \$28-\$30/t (previously \$33-\$35/t).

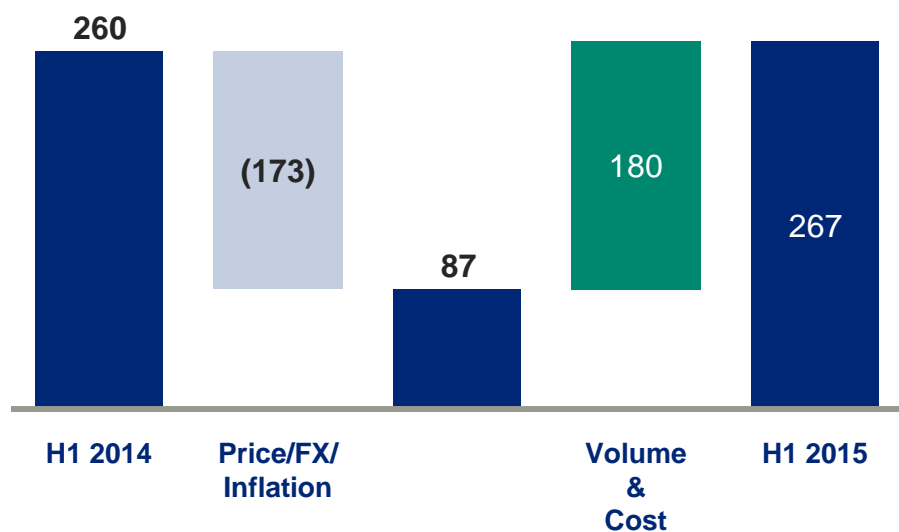
*...focus is now on safely reaching 26.5Mt run-rate in 2016.*

# COAL

*Despite lower metallurgical and thermal coal pricing...*

	Export prod. met / thermal	FOB price met / thermal	Unit cost met / thermal <sup>(1)</sup>	Underlying EBIT	Capex	ROCE	SA UG – OEE <sup>(2)</sup> benchmark	Grasstree LW cutting rate
<b>H1 2015</b>	10.2Mt / 17.3Mt	\$100/t / \$60/t	\$58/t & \$42/t	\$267m	\$416m	10%	62%	201kt/wk
<b>vs. H1 2014</b>	-6% / +8%	-15% / -20%	-26% & -13%	+3%	-5%	+2pp	+10%	+4%

## Underlying EBIT (\$m)



(1) FOB unit costs excluding royalties  
 (2) Operating Equipment Effectiveness

## Performance

- Improved production from Australia, with underground metallurgical coal production up 29%.
- Step change in Grasstree performance driven by rate improvement from changes to cutting methods.
- Peace River Coal placed on care and maintenance.
- Productivity focus has offset cost inflation in SA.

## 2015 outlook and priorities

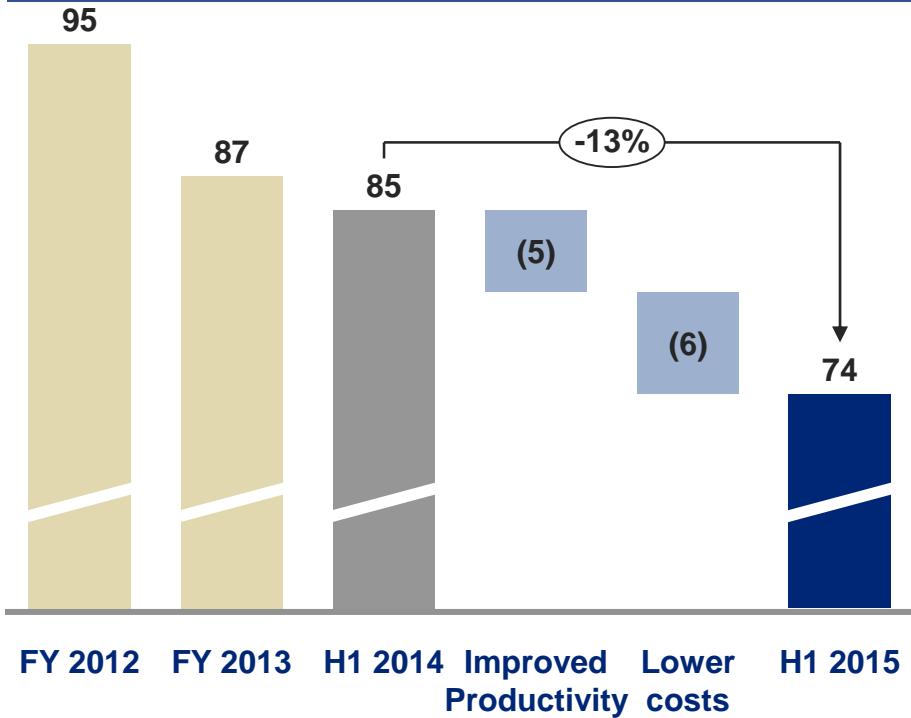
- Targeting metallurgical coal 20-21 Mt and export thermal coal 28-30 Mt in 2015 – unchanged.
- Complete operating model roll-out (including SA) and resolve equipment design issues at Moranbah.

*...productivity and cost improvements have offset earnings impact.*

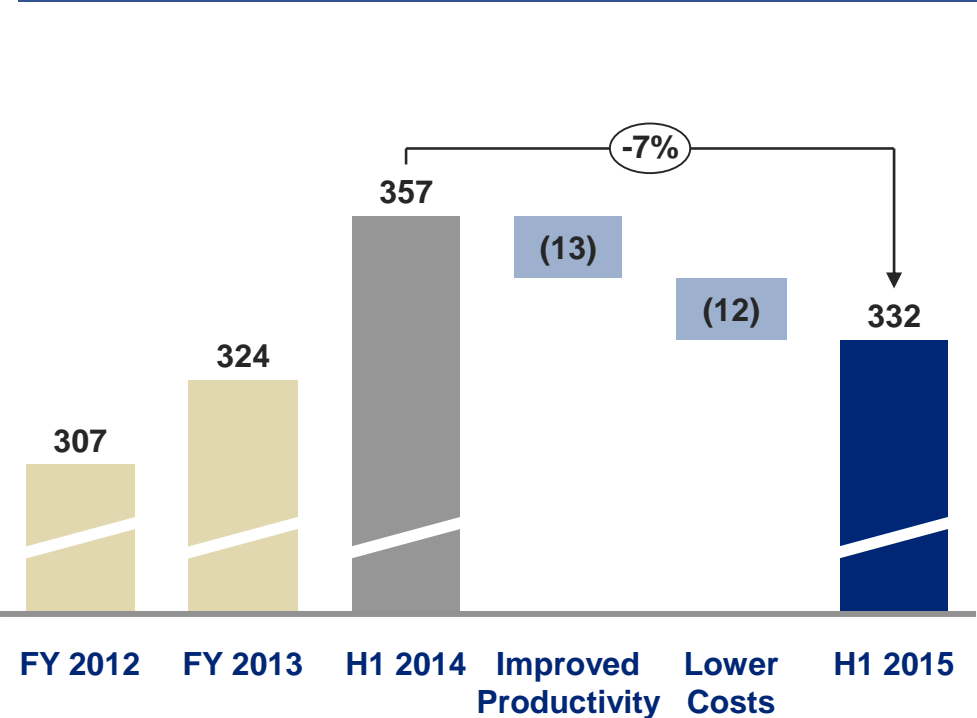
# COAL UNIT COST REDUCTION

*Productivity led unit cost reductions in Australia...*

**Coal Australia: FOB unit cost (ex royalties) – A\$/tonne**



**SA: export mines FOR unit cost (ex royalties) – R/tonne**

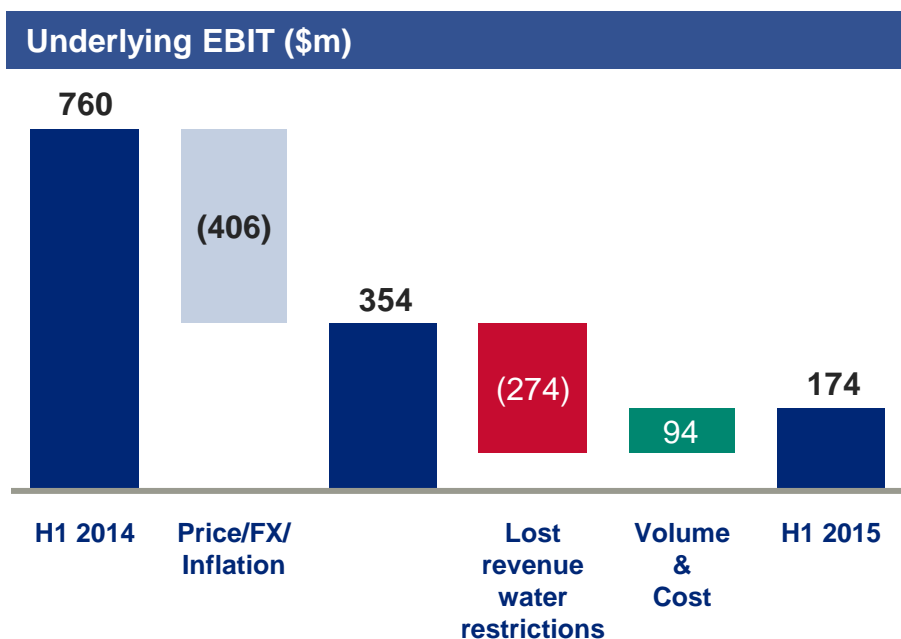


*...to be replicated in the South African trade mines.*

# COPPER

*Lower prices and water restrictions impact H1 earnings...*

	Production	Realised price	C1 unit cost	Underlying EBIT	Capex	ROCE	Material mined	Sales
<b>H1 15</b>	356 kt	253c/lb	166c/lb	\$174m	\$309m	5%	199 Mt	344 kt
<b>vs. H1 14</b>	-10%	-18%	+4%	-77%	-1%	(17)pp	+5%	-11%



## Performance

- Production lower due to Los Bronces water restrictions, partly offset by higher grade. Collahuasi lower due to plant stability issues and maintenance.
- Unit cost increase reflects impact of water restrictions, higher TCRCs and increased waste movement, partly offset by cost reductions.

## 2015 outlook and priorities

- 720-750kt production – partially dependent on weather and water availability.
- Focus on operating model roll-out at Los Bronces plant and cost reduction as structured programme takes effect.

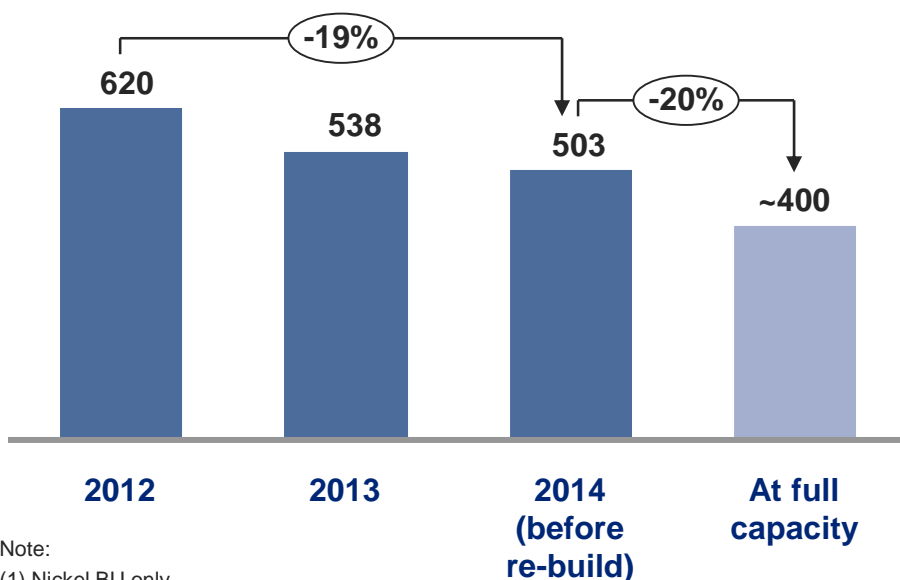
*...however cost management is beginning to offset headwinds.*

# NICKEL

*Furnace rebuilds ahead of schedule...with first furnace now operating at design...*

	Production <sup>(1)</sup>	Realised price	C1 unit cost <sup>(2)</sup>	Underlying EBIT	Capex	ROCE	Sales <sup>(1)</sup>	Barro Alto re-build <sup>(3)</sup>
<b>H1 15</b>	13.0kt	568c/lb	494c/lb	\$0m	\$(17)m	0%	16.1kt	96% complete
<b>vs. H1 14</b>	-34%	-18%	+1%	-100%	-32%	(3)pp	-15%	

## Barro Alto C1 unit cost (USc/lb)



Note:

(1) Nickel BU only.

(2) Codemin and Barro-Alto.

(3) As at 19 July 2015.

## Performance

- Lower sales volume reflects the furnace rebuilds at Barro Alto.
- First rebuild commissioned ahead of schedule and the second due to complete in Q4 2015.
- Barro Alto earnings continue to be capitalised until commercial production achieved.

## 2015 outlook and priorities

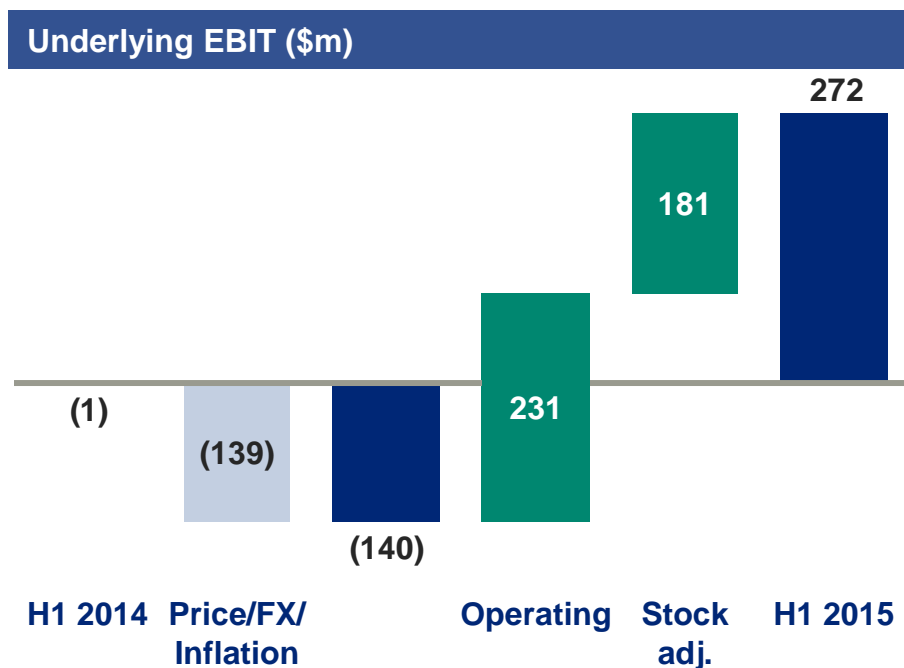
- Focus on completing the Barro Alto furnace rebuilds ahead of schedule.
- Production guidance raised to 25-30kt.

*...positions the business well on the cost curve.*

# PLATINUM

*Operational recovery, post prolonged strike...*

	Equ. ref. production	Realised Basket price	Unit cost	Underlying EBIT	Capex	ROCE	Pt sales	Headcount
<b>H1 15</b>	1,108 koz	\$2,157/oz	\$1,627/oz	\$272m	\$179m	7%	1,159 k/oz	47,548
<b>vs. H1 14</b>	+55%	-13%	-37%	nm	-27%	+7pp	+11%	-4%



## Performance

- Production record at Mogalakwena and recovery from 2014 strike, drives earnings, despite weaker basket price.
- Inventory adjustment adds \$181m.

## 2015 outlook and areas of focus

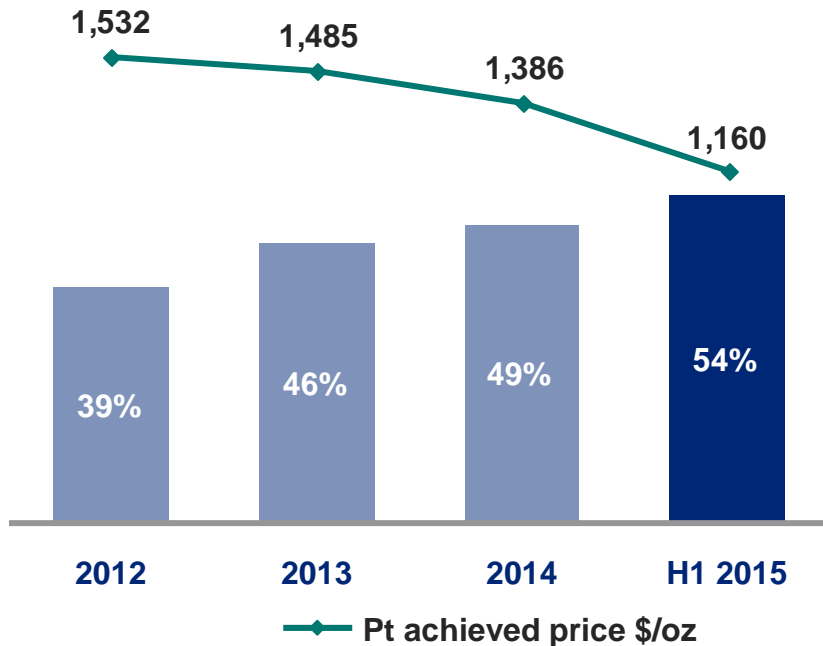
- ~2.3 to 2.4Moz platinum maintained for 2015.
- Focus is on recovery and optimisation at Rustenburg and Union ahead of disposal/IPO.
- Minimising local mining inflation through operational improvement. Unit cost guidance R19,250-R19,750.

*...boosted by strong performance from Mogalakwena.*

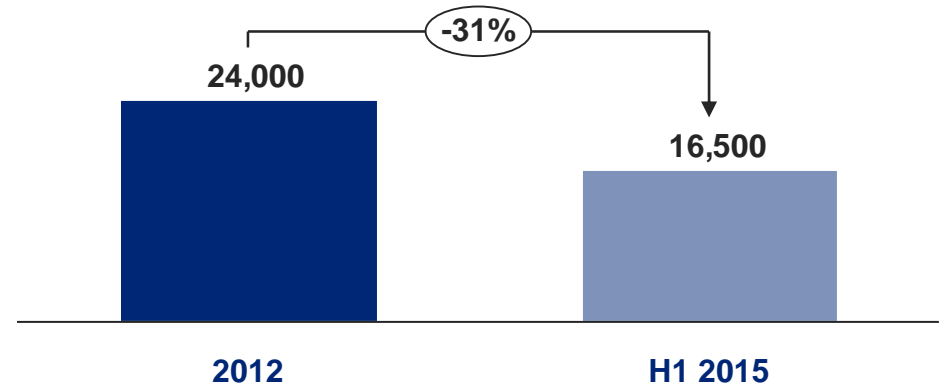
# PLATINUM PERFORMANCE IMPROVEMENT

Cash operating margin reaches 54% at Mogalakwena, with minimal capital invested...

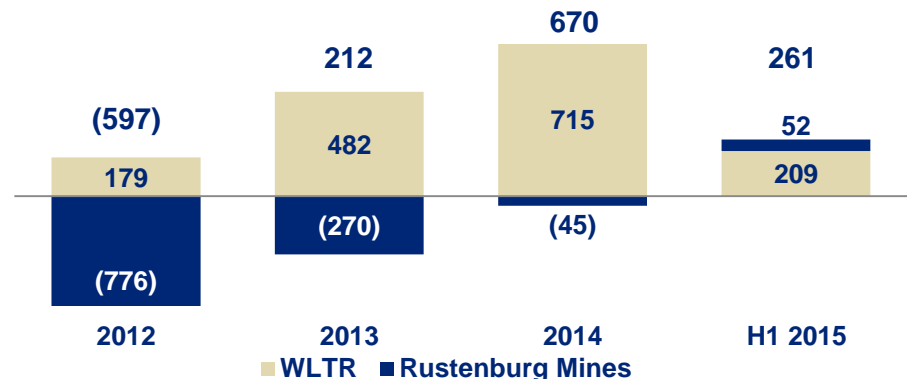
Mogalakwena cash operating margin (%) <sup>(1)</sup>



Rustenburg - headcount



Rustenburg - free cash flow (Rm) <sup>(2)</sup> <sup>(3)</sup> <sup>(4)</sup>



(1) Cash operating margin reflects Mogalakwena net sales revenue less cash operating costs.

(2) Free cash flow reflects on-mine costs and SIB, share of processing and overhead costs.

(3) In 2014, on a produced basis (prior to the benefit of sales from stock) Rustenburg's free cash flow was R(1.5)bn.

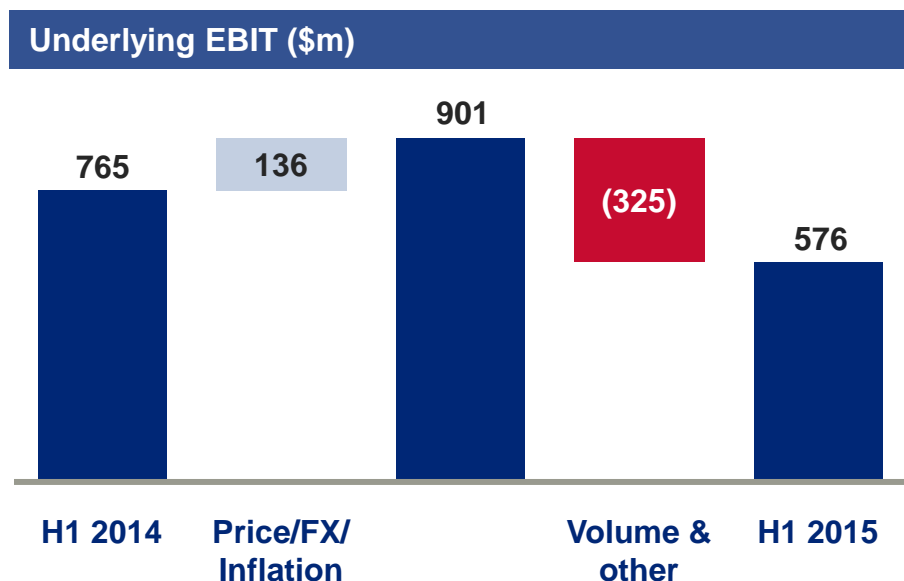
(4) WLTR is Western Limb Tailings Retreatment plant.

...restructuring at Rustenburg complete and delivering positive cash flow.

# DE BEERS

## Solid operating and cost performance...

	Production <sup>(1)</sup>	Realised price	Unit cost <sup>(2)</sup>	Underlying EBIT	Capex	ROCE <sup>(3)</sup>	Sales (Cons.)	Average index price
<b>H1 15</b>	15.6Mct	\$206/ct	\$103/ct	\$576m	\$363m	12%	13.3Mct	139
<b>vs. H1 14</b>	-3%	+7%	-10%	-25%	+17%	+1pp	-27%	-4%



(1) Shown on a 100% basis.

(2) Total cost per carat recovered, calculated including 19.2% of Debswana and 50% of Namdeb volumes.

(3) De Beers ROCE definition included in appendix.

### Performance

- Lower rough diamond sales volume and weaker prices, partly offset by better product mix.
- Production flexibility at some mines used to respond to softer market conditions.
- Current focus on further cost reductions.

### 2015 outlook and priorities

- Production guidance revised to 29 - 31Mct reflecting market softness.
- Continued focus on driving further cost reductions from operating efficiencies. Update to be provided at year end.
- Maintain progress on key capital projects (Gahcho Kué, Venetia underground and Jwaneng Cut-8).

...against backdrop of difficult market conditions.

# DIAMOND SECTOR CHALLENGES

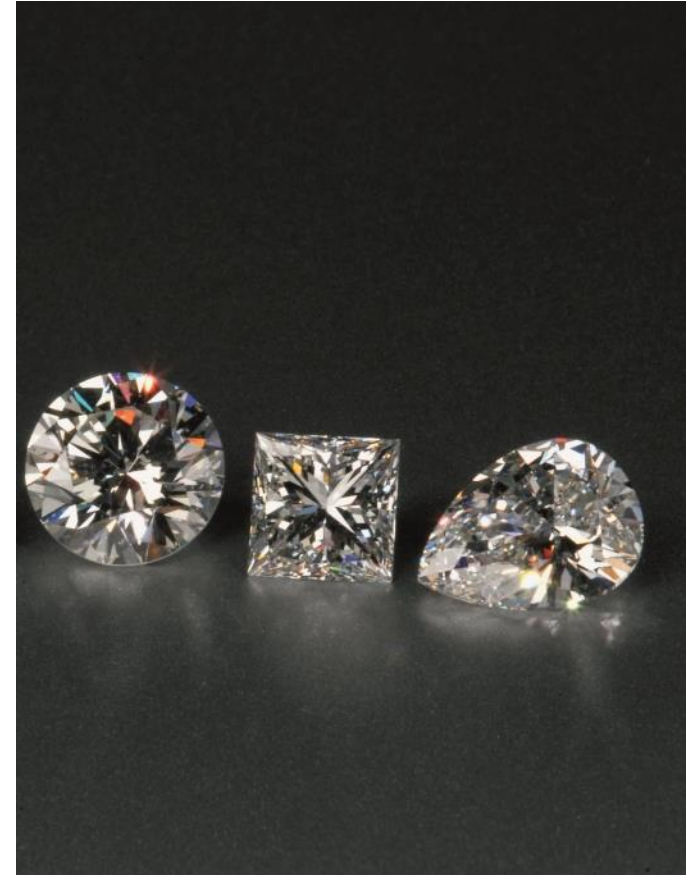
*Several issues have impacted the diamond pipeline...*

## Market observations

- **Polished inventories:** higher than normal at the start of the year, weaker Q4 2014 and grading lab suffered a major backlog.
- **Consumer demand:** reduced growth in diamond jewellery demand in 2015 due to a weaker macroeconomic environment.
- **USD strength:** impacted demand in non-USD denominated markets.
- **Liquidity:** financial pressures have impacted a number of companies in the midstream.

## De Beers' response

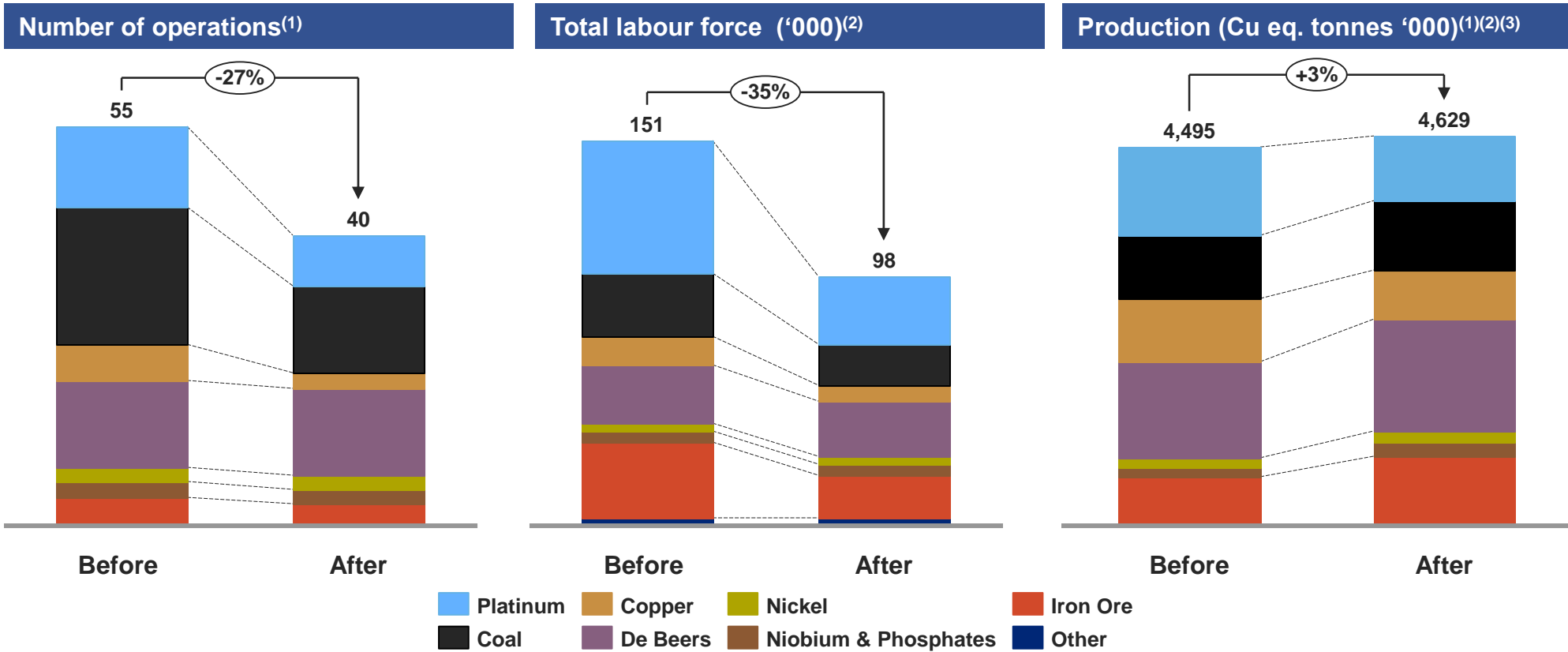
- Production guidance for 2015 lowered to 29 - 31Mct.
- New Sightholder qualification requirements.
- Provision of additional flexibility to Sightholders.



*...and we are responding to market demand.*

# A SLIMMED DOWN HIGH QUALITY DIVERSIFIED PORTFOLIO

*Focus on larger, higher margin operations...*

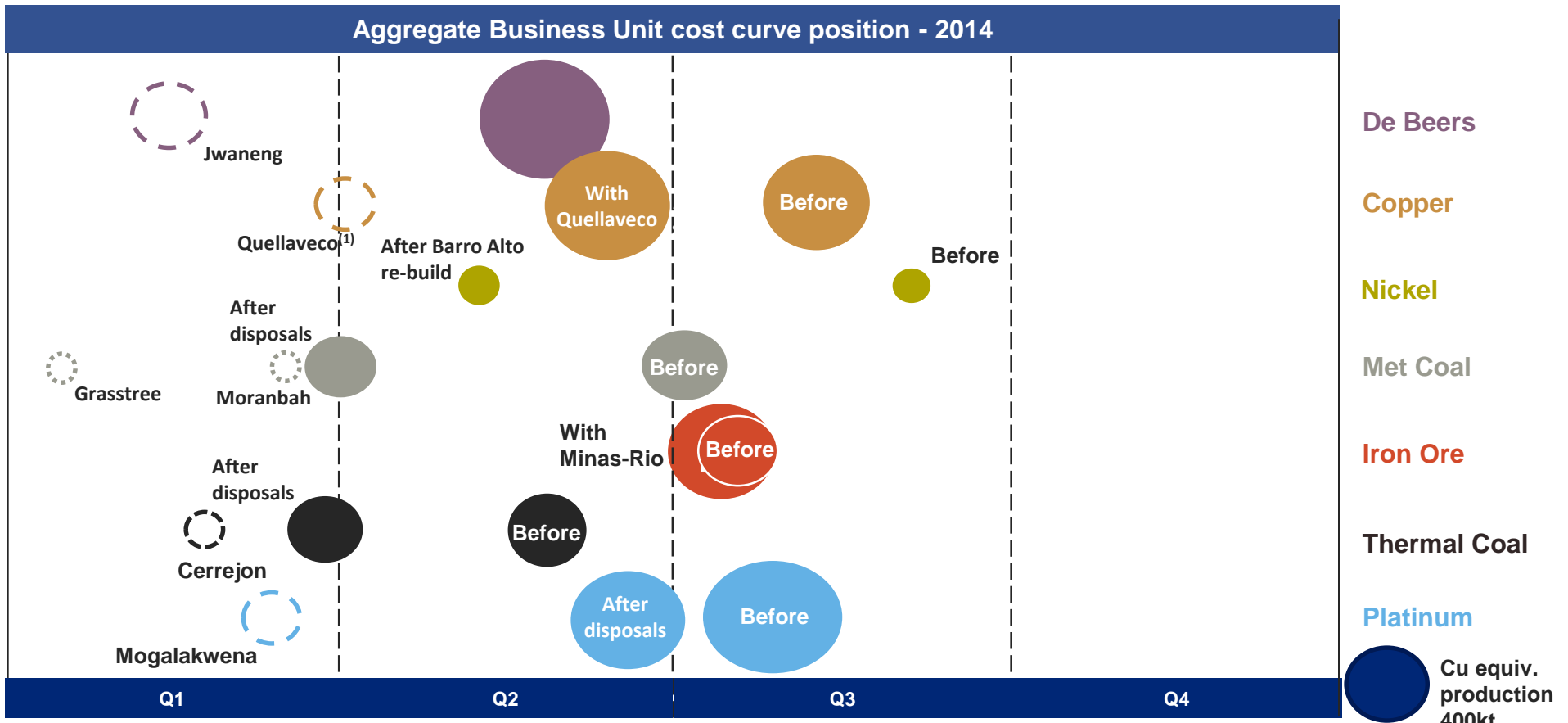


(1) Excludes Lafarge Tarmac JV and Manganese. (2) Includes contractors. 2014 baseline used for all analysis. (3) For Coal and Iron Ore excludes domestic production. Platinum "Before" adjusted for strikes, "After" excludes purchase of concentrate for disposed Platinum assets. Reflects Minas-Rio at 26.5Mtpa.

*...contributing to a ~50% productivity improvement and a lower cost base.*

# PORTFOLIO QUALITY...COMPETITIVE POSITIONS

Reflecting current project completions and portfolio restructure...



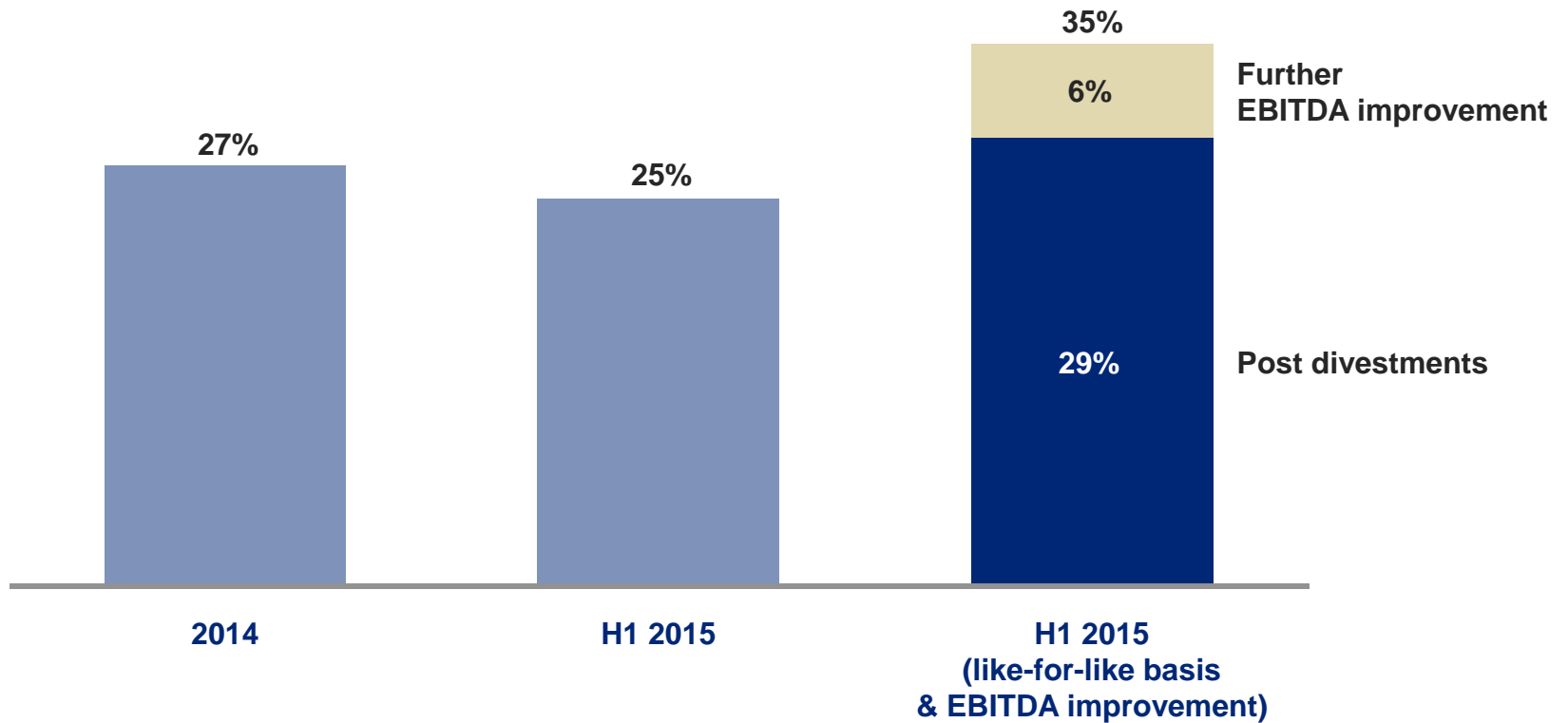
Notes: Cost curve positions reflect the aggregate of 2014 individual mine site cost curves positions weighted by 2014 production. Mogalakwena reflects 2015 performance. Thermal Coal is on an energy adjusted basis. Met Coal is on value in use adjusted basis. Phosphates and Niobium not shown as standard industry cost curve not available. Source: Wood MacKenzie, CRU and internal analysis. (1) Quellaveco unapproved.

...with industry leading assets driving returns across the portfolio.

# HIGHER MARGIN BUSINESS POST CHANGE

*Like-for-like EBITDA margins increase to 29% post divestments...*

EBITDA margin (%)



*...and further enhanced with additional business improvement.*

# ACHIEVEMENTS IN H1 2015

*We have focused on driving operations and reducing costs...*

## PRODUCTION...

- Up 8%.....despite mine closures.

## OPERATING UNIT COSTS...

- Down 5% in local currencies...14% in USD.

## CAPITAL SPEND...

- Down 22%...driven by sustainable reductions in SIB.
- Expansion projects on budget...on schedule.

## DISPOSALS...

- Lafarge Tarmac delivered \$1.6bn.
- Copper in progress.
- Platinum on dual track.



*...while continuing to role out the operating model.*

# CREATING THE ANGLO AMERICAN OF THE FUTURE

*We are accelerating our restructuring initiatives...*

## **DELIVERY...**

- Delivered \$1.7bn EBIT improvement up to the end of June 2015.
- Production growth in H1'15 of 8% (Cu eq.) and USD unit costs reduced by 14%.

## **ACCELERATING...**

- We are targeting \$1.5bn EBIT improvement by the end of 2016.
- Including a 4,000 headcount reduction from support functions (inc. head office).

## **THE FUTURE...**

- We are focused on a diversified portfolio of large, low cost operations.
- Aim to maintain production following circa one third reduction in operations and labour.
- Resulting in a significant improvement in like-for-like EDITDA margins.

*...to deliver a leaner, high quality diversified miner.*

# APPENDIX

# PRODUCTION OUTLOOK<sup>(1)</sup>

	2013	2014	2015	2016	2017
<b>Copper</b> <sup>(2)</sup>	775Kt	748kt	720-750kt	720-750kt	710-740kt
<b>Nickel</b>	34kt	37kt	25-30kt Previously 20-25 Mt	40-45kt	42-45kt
<b>Iron ore (Kumba)</b> <sup>(3)</sup>	42Mt	48Mt	~44Mt Previously 47-48Mt	~47Mt Previously 47-49Mt	~49Mt Previously 49-51Mt
<b>Iron ore (Minas-Rio)</b> <sup>(4)</sup>	-	0.7Mt	11-14Mt	24-26Mt	26.5Mt
<b>Metallurgical coal</b>	19Mt	21Mt	20-21Mt	21-22Mt	24-25Mt
<b>Thermal coal</b> <sup>(5)</sup>	28Mt	29Mt	28-30Mt	28-30Mt	28-30Mt
<b>Platinum</b> <sup>(6)</sup>	2.3Moz	1.8Moz	2.3-2.4Moz	2.4-2.5Moz <sup>(7)</sup>	2.5-2.6Moz <sup>(7)</sup>
<b>Diamonds</b>	31.2Mct	32.6Mct	29-31Mct Previously 30-32Mct	-	-

(1) All numbers are stated before impact of potential disposals

(2) Copper business unit only. On a contained metal basis.

(3) Excluding Thabazimbi

(4) Minas-Rio 2016 guidance is dependent on the 18 to 20 month ramp-up schedule

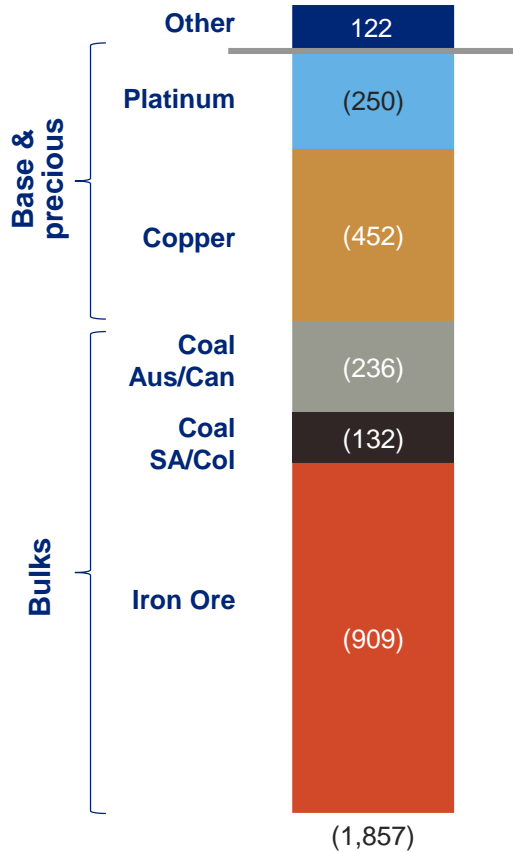
(5) Export South Africa and Colombia

(6) Equivalent refined production

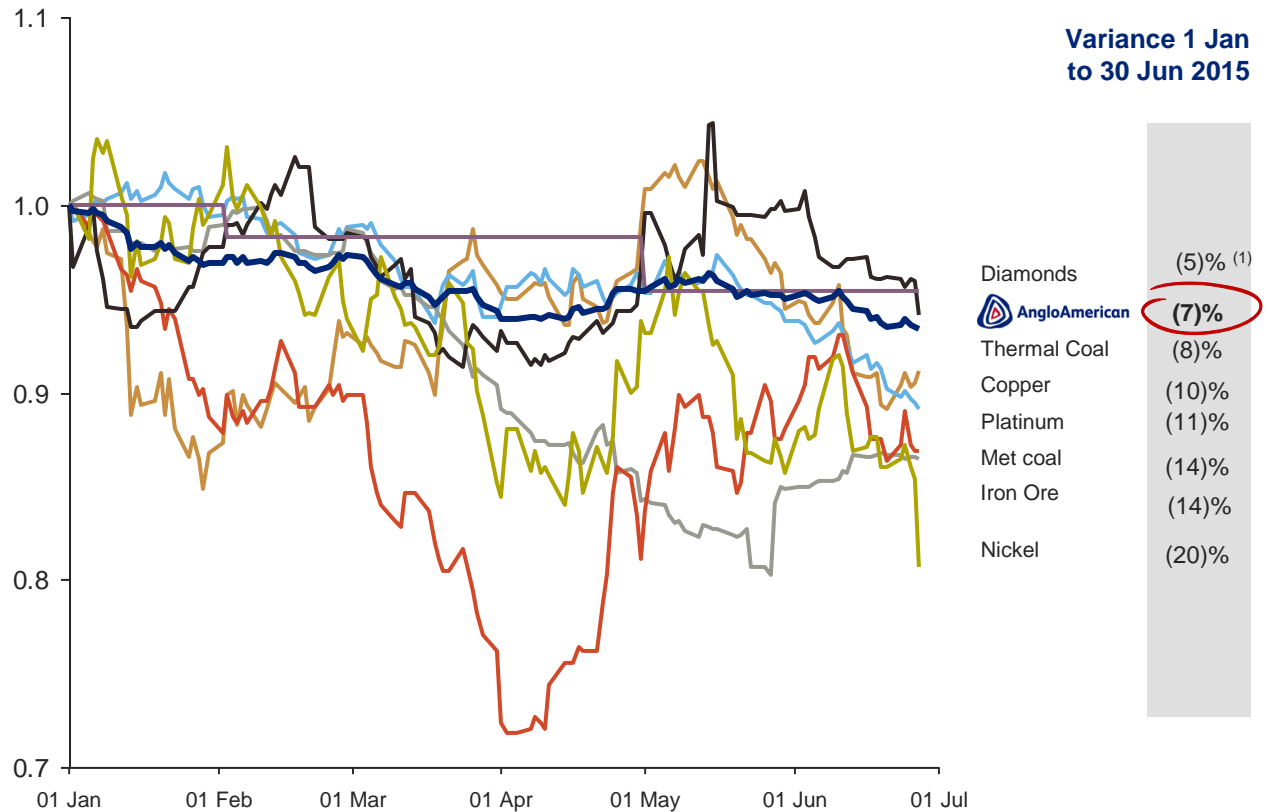
(7) Reflects additional production from JVs and third parties

# PRICE VARIANCE

## H1 2015 vs. H1 2014 EBIT variance (\$m)

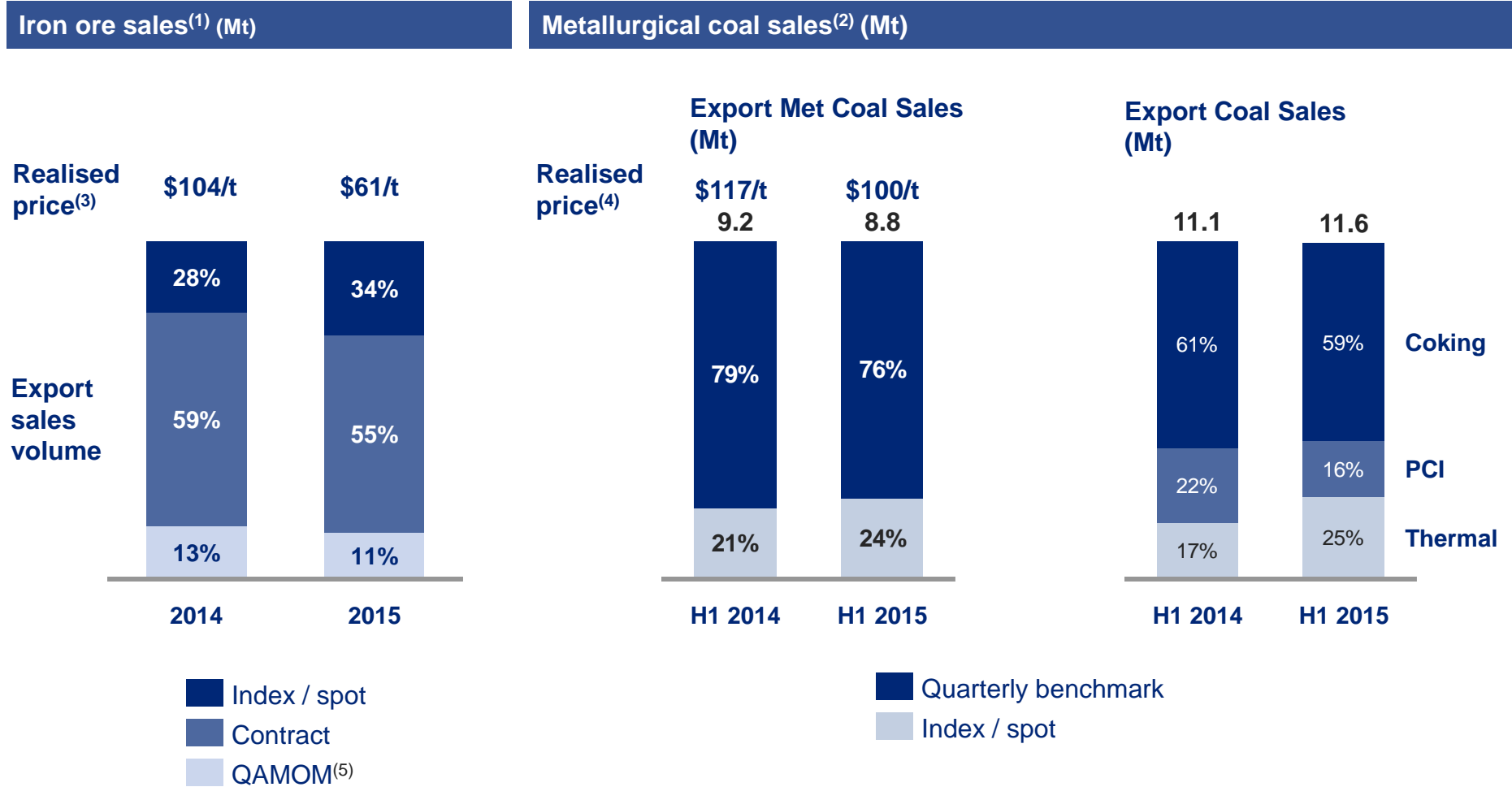


## Indexed commodity prices (1 Jan 2015 = 1)



(1) De Beers index price movement of -5% calculated between Sights 1 and Sight 5 2015. The equivalent price decrease from Sight 10 2014 to Sight 5 2015 is -8%.

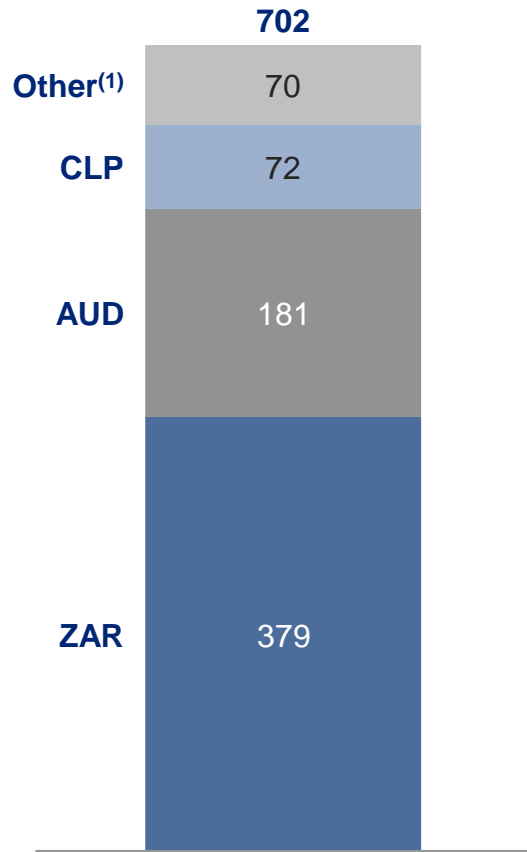
# PRICE VARIANCE – BULKS



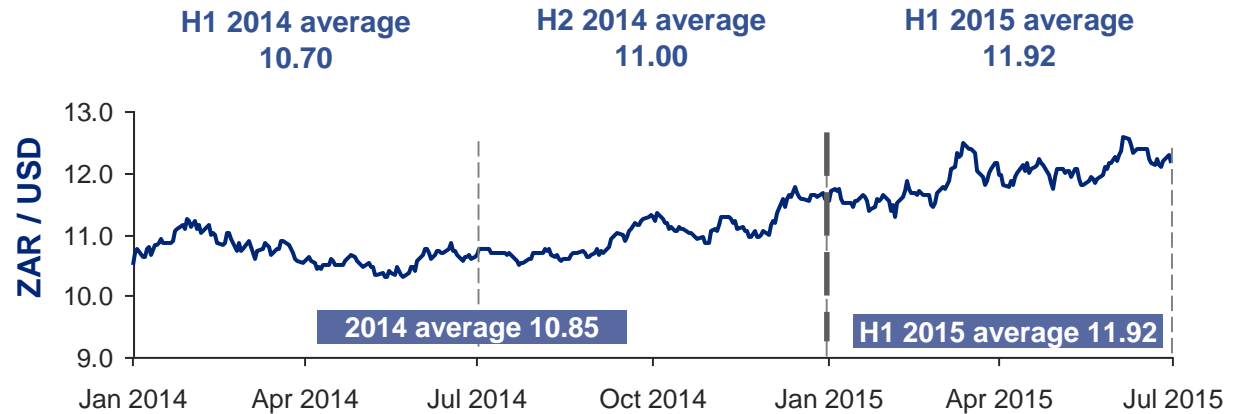
(1) Kumba Iron Ore.  
 (2) Excludes Jellinbah (an associate).  
 (3) Kumba's realised export basket price.  
 (4) Realised price for metallurgical coal (hard coking coal and pulverised coal injection).  
 (5) QAMOM is a pricing mechanism based on average quarter in arrears minus one month.

# EXCHANGE VARIANCE

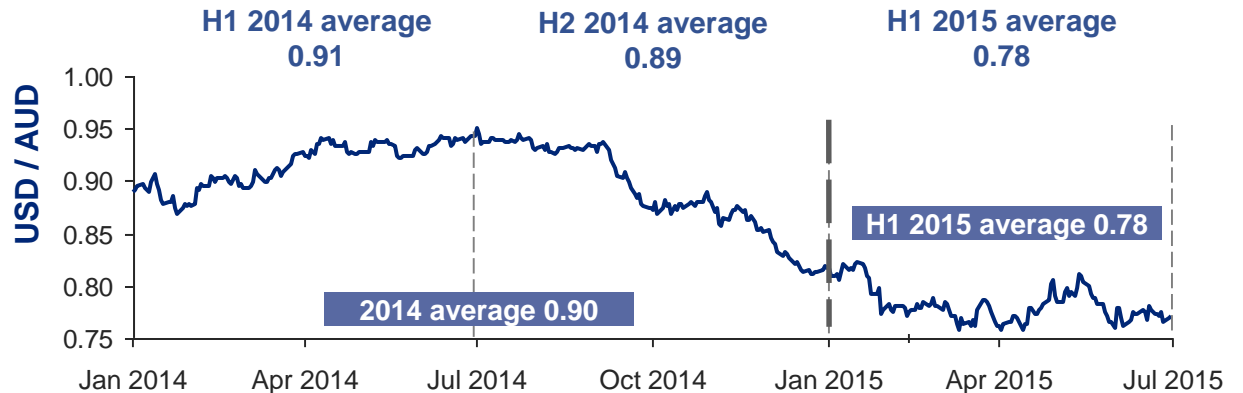
H1 2015 vs. H1 2014 (\$m)



Rand weakened 10% compared to 2014



AUD weakened 13% against the USD compared to 2014

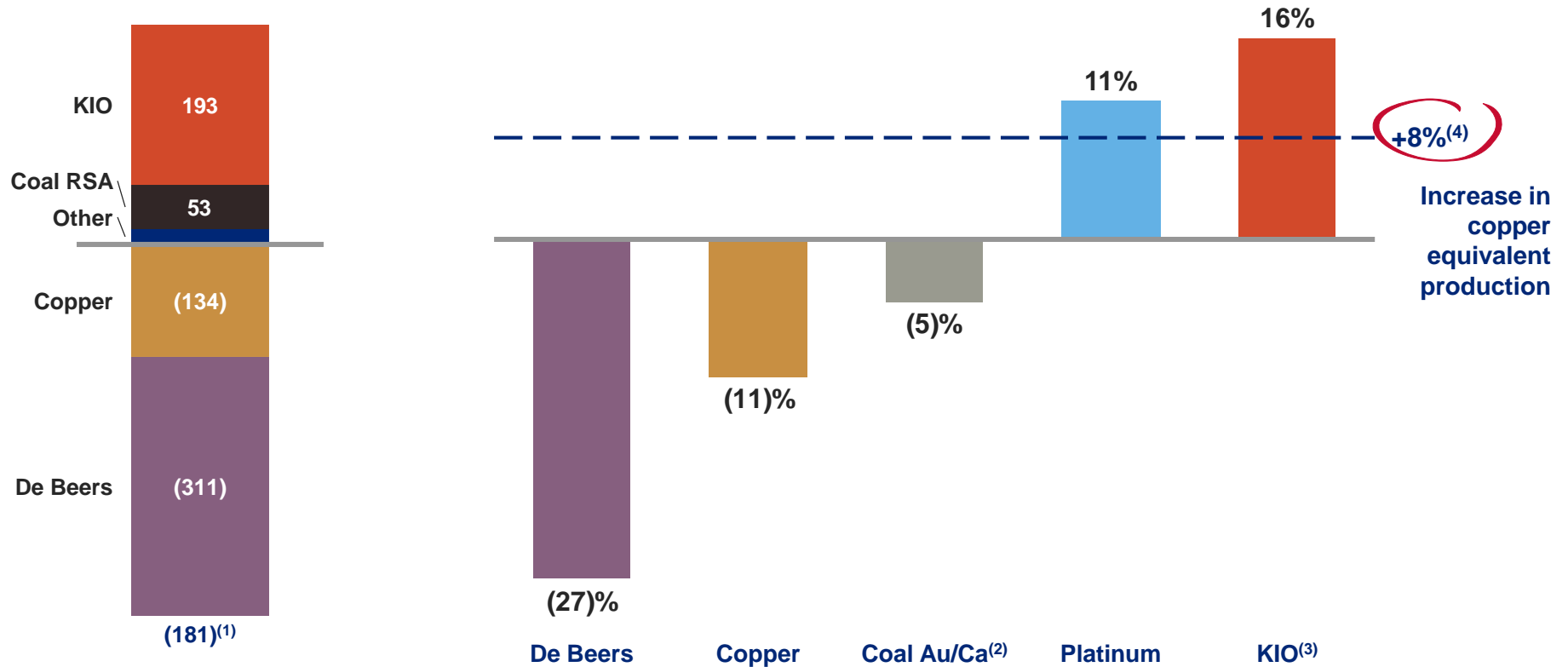


(1) Includes BRL, CAD, BWP, GBP and EUR

# SALES VOLUME VARIANCE

H1 2015 vs. H1 2014 (\$m)

Sales volume performance (% change vs. H1 2014)



(1) Total Business Unit variance (excludes Barro Alto, BVFR and Minas Rio which have not reached commercial production).

(2) Export metallurgical coal sales, excluding Jellinbah up 2%.

(3) Total Kumba sales.

(4) Cu equivalent production is (2%) if adjusting for 2014 platinum strike and excluding PRC Care & Maintenance impact.

# RECONCILIATION OF TOTAL CAPITAL EMPLOYED TO AVERAGE ATTRIBUTABLE CAPITAL EMPLOYED

\$bn	30 Jun 2015	31 Dec 2014	30 June 2014	31 Dec 2013
Net assets	27.7	32.2	38.4	37.4
Less: financial asset investments	(1.3)	(1.3)	(1.5)	(1.5)
Add: net debt	13.5	12.9	11.5	10.7
<b>Total capital employed</b>	<b>39.8</b>	<b>43.8</b>	<b>48.5</b>	<b>46.6</b>
Less: non-controlling interest capital employed	(6.2)	(6.4)	(6.5)	(6.4)
<b>Closing attributable capital employed</b>	<b>33.7</b>	<b>37.4</b>	<b>42.0</b>	<b>40.2</b>
<b>Average attributable capital employed</b>	<b>35.5</b>	<b>38.7</b>	<b>41.1</b>	<b>41.5</b>

\$bn	30 Jun 2015	31 Dec 2014	30 June 2014
Underlying EBIT <sup>(1)</sup>	3.8	4.9	5.9
Non-controlling interest EBIT	(1.0)	(1.5)	(1.9)
<b>Attributable EBIT<sup>(2)</sup></b>	<b>2.8</b>	<b>3.4</b>	<b>4.0</b>

(1) Underlying EBIT is annualised.

(2) Post corporate cost allocation/recharges.

# ATTRIBUTABLE ROCE

Business Unit	H1 2015			H1 2014		
	Attributable EBIT <sup>(1)</sup> (\$bn)	Average attributable capital employed (\$bn)	Attributable ROCE <sup>(2)</sup> (%)	Attributable EBIT <sup>(1)</sup> (\$bn)	Average attributable capital employed (\$bn)	Attributable ROCE <sup>(2)</sup> (%)
Kumba	0.5	1.6	32%	1.2	1.5	78%
IOB	(0.0)	4.7	(1%)	(0.0)	8.1	(0%)
Manganese	0.1	0.6	11%	0.2	0.8	24%
Coal	0.5	5.1	10%	0.5	6.4	8%
- Aus/Canada	0.2	3.1	6%	0.0	4.3	0%
- South Africa	0.2	1.1	20%	0.3	1.1	28%
- Colombia	0.1	0.9	14%	0.2	1.0	19%
Copper	0.2	4.8	5%	1.0	4.8	22%
Nickel	0.0	1.9	0%	0.0	1.9	3%
Niobium	0.1	0.6	12%	0.1	0.4	16%
Phosphates	0.1	0.3	24%	0.0	0.4	5%
Platinum	0.4	5.8	7%	(0.0)	6.3	(0%)
De Beers <sup>(2)</sup>	1.0	8.7	12%	1.0	9.0	11%
<b>Total Group<sup>(3)</sup></b>	<b>2.8</b>	<b>35.5</b>	<b>8%</b>	<b>4.0</b>	<b>41.1</b>	<b>10%</b>

1) Stated after corporate cost allocations and recharges, annualised. Anglo American business units are subject to seasonality and therefore H1 annualised operating profit is not necessarily indicative of our full year results expectations.

2) Underlying EBIT 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 underlying EBIT profile of De Beers.

3) Includes the Corporate and Other segment.

# EARNINGS SENSITIVITIES<sup>(1)</sup>

Sensitivities analysis			Impact of movement on EBIT (\$m)
Commodity / Currency	Movement	H1 2015 average	
Iron Ore (62% CFR China)	+/- \$10/t	60	230
Hard Coking Coal (FOB Australia)	+/- \$10/t	113	66
Pulverised Coal Injection (FOB)	+/- \$10/t	82	27
Thermal Coal (FOB South Africa)	+/- \$10/t	62	102
Thermal Coal (FOB Australia)	+/- \$10/t	66	26
Copper <sup>(2)</sup>	+/- 10c/lb	269	80
Nickel <sup>(3)</sup>	+/- 10c/lb	620	3
Platinum	+/- \$100/oz	1,160	94
Palladium	+/- \$100/oz	773	66
Rhodium	+/- \$100/oz	1,111	13
South African Rand <sup>(4)</sup>	+/- 0.10	11.92	29
Australian Dollar <sup>(4)</sup>	+/- 0.01	0.78 <sup>(5)</sup>	8
Brazilian Real <sup>(4)</sup>	+/- 0.10	2.97	7
Chilean Peso <sup>(4)</sup>	+/- 10.0	621	8
Pound Sterling <sup>(4)</sup>	+/- 0.01	0.66	2
Canadian Dollar <sup>(4)</sup>	+/- 0.01	1.23	2
Oil price <sup>(6)</sup>	+/- \$10/bbl	58	44

(1) Reflects change in actual results for H1 2015 (including the impact on associates & JVs, unless noted otherwise).

(2) Includes copper from both the Copper and Platinum Business Units.

(3) Includes nickel from both the Nickel and Platinum Business Units.

(4) Impact based on average exchange rate for the period.

(5) H1 2015 average Australian dollar shown as USD/AUD.

(6) Excludes the impact from Samancor.

# AVERAGE MARKET PRICES

	H1 2015	H1 2014	Change
Iron ore (62% Fe CFR) <sup>(1)</sup> - \$/t	60	111	(46)%
Thermal coal (FOB South Africa) - \$/t	62	77	(19)%
Thermal coal (FOB Australia) - \$/t	63	76	(13)%
HCC (FOB Australia average quarterly benchmark) - \$/t	113	132	(14)%
Copper (LME) - cents/lb	269	314	(14)%
Nickel (LME) - cents/lb	620	749	(17)%
Platinum - \$/oz	1,160	1,437	(19)%
Platinum basket (realised) - ZAR/oz	25,748	26,493	(3)%
Palladium - \$/oz	773	779	(1)%
Rhodium - \$/oz	1,111	1,077	+3%

(1) Different products are priced against a number of different indices in the market. IODEX 62% has been used in this instance as a generic industry benchmark against which to assess price movements.

# PRICE AND FX ASSUMPTIONS FOR ROCE TARGET

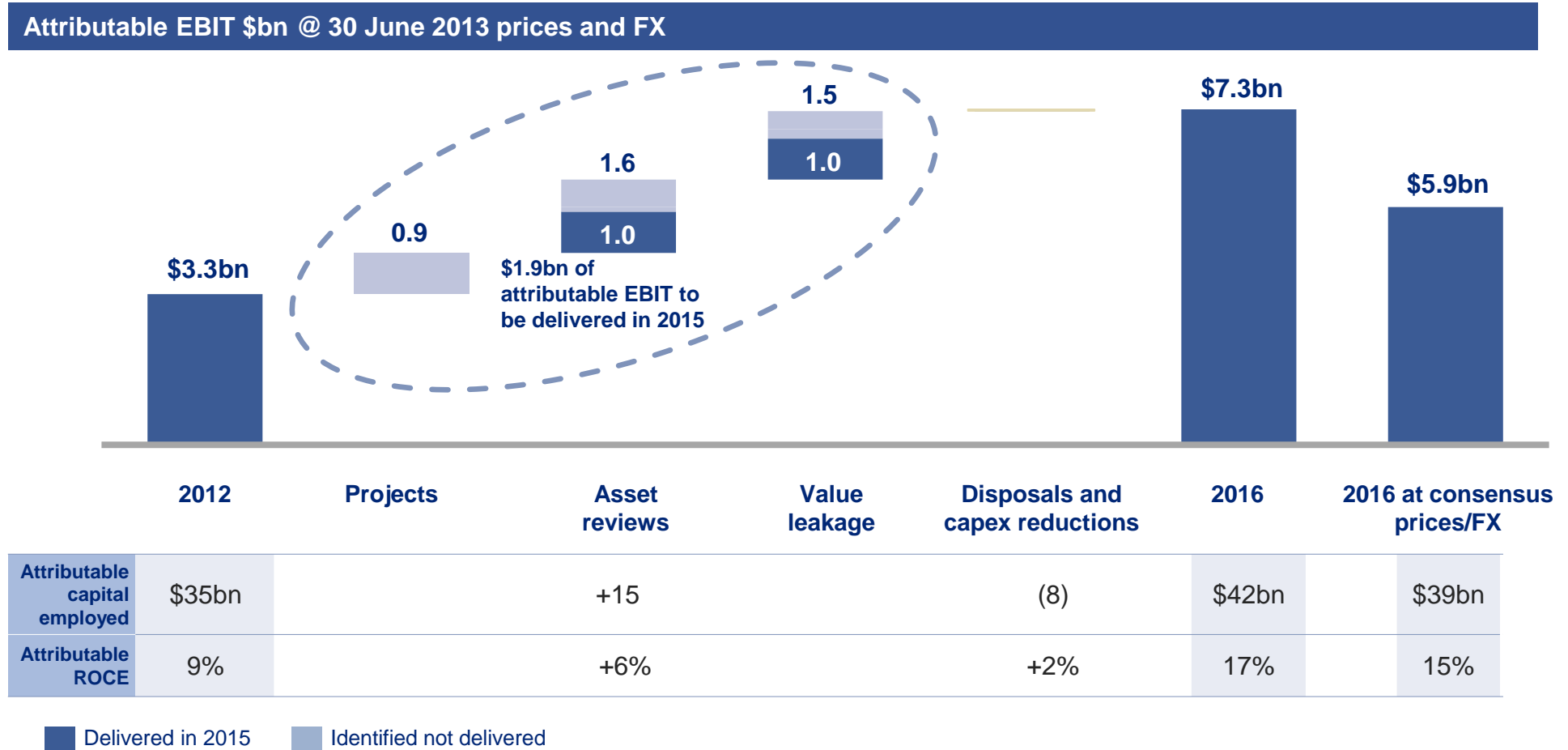
Commodity and currency	30 June 2013	30 June 2015 <sup>(1)</sup>
Iron Ore 62% Fe CFR <sup>(2)</sup>	\$116/t	\$60/t
Thermal FOB South Africa	\$74/t	\$59/t
Thermal FOB Australia	\$78/t	\$63/t
HCC FOB Australia	\$145/t <sup>(3)</sup>	\$110/t
Copper	306c/lb	260c/lb
Nickel	619c/lb	530c/lb
Platinum	\$1,317/oz	\$1,078/oz
Palladium	\$643/oz	\$677/oz
Rhodium	\$1,000/oz	\$820/oz
ZAR/USD	Rand 9.97	Rand 12.14
BRL/USD	Real 2.22	Real 3.11
AUD/USD	A\$1.09	A\$1.30
CLP/USD	Peso 507	Peso 640

(1) 30 June 2015 spot rates

(2) Different products are priced against a number of different indices in the market. IODEX 62% has been used in this instance as a generic industry benchmark against which to assess price movements.

(3) Q3 2013 benchmark. Previously stated \$172/t represented Q2 2013 benchmark

# DRIVING VALUE – \$1.9BN RUN RATE SAVINGS ACHIEVED



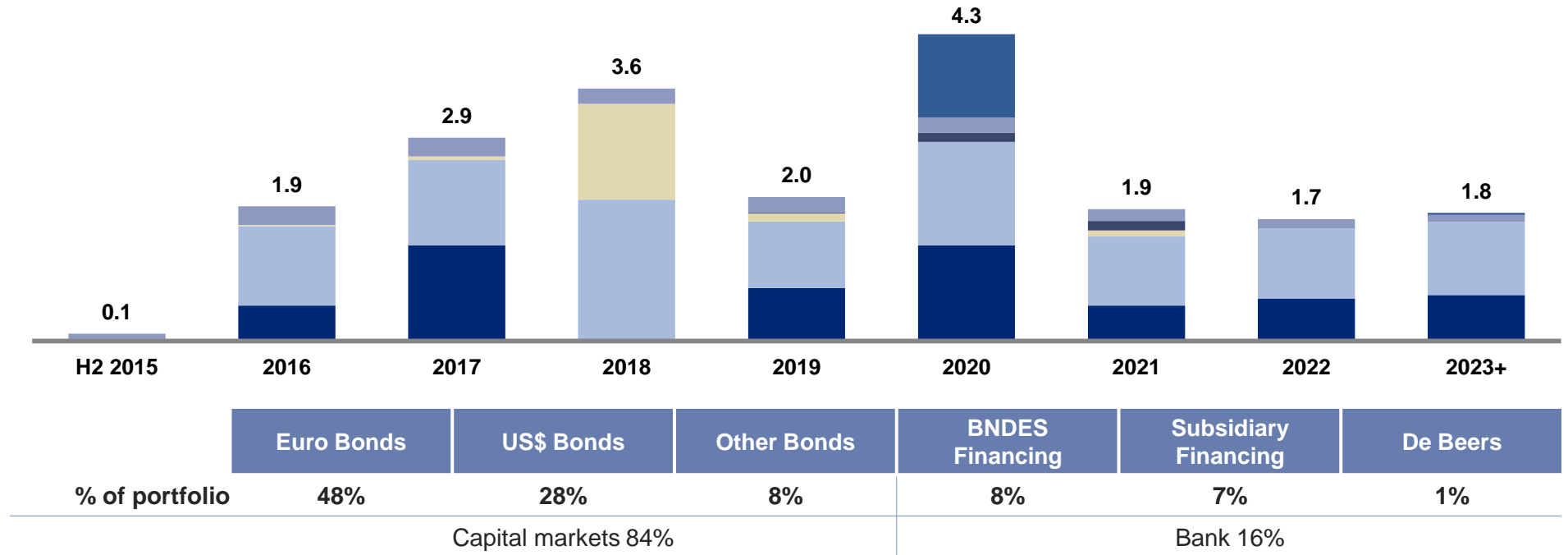
# CAPITAL EXPENDITURE<sup>(1)</sup>

\$m	H1 2015	H1 2014	Change
Kumba Iron Ore	274	305	(10)%
Iron Ore Brazil	555	1,007	(45)%
Coal	416	436	(5)%
Copper	309	312	(1)%
Nickel	(17)	(25)	32%
Niobium and Phosphates	25	107	(77)%
Platinum	179	244	(27)%
De Beers	363	311	17%
Corporate and other	9	15	(40)%
<b>Total capital expenditure</b>	<b>2,113</b>	<b>2,712</b>	<b>(22)%</b>

(1) Shown net of cashflows from derivatives, direct funding received from non-controlling interests, and proceeds from disposals of property, plant and equipment.

# DEBT MATURITY PROFILE AT 30 JUNE 2015

Debt repayments (\$bn) at 30 June 2015



- US bonds
- Euro bonds
- Other bonds (e.g. AUD, ZAR, GBP)
- De Beers
- Subsidiary financing (e.g. Kumba, Platinum)
- BNDES financing

# DE BEERS: KEY FINANCIAL METRICS

US\$bn	H1 2015	H1 2014	H2 2014	FY 2014
<b>Revenue<sup>(1)</sup></b>	<b>3.0</b>	<b>3.8</b>	<b>3.2</b>	<b>7.0</b>
Rough diamond sales	2.7	3.5	3.0	6.5
Element Six and other	0.3	0.3	0.2	0.5
Production costs	(0.6)	(0.7)	(0.6)	(1.3)
Purchases of diamonds	(1.5)	(1.9)	(1.6)	(3.5)
Depreciation and amortisation <sup>(2)</sup>	(0.2)	(0.2)	(0.2)	(0.4)
Marketing, overheads and other	(0.1)	(0.2)	(0.2)	(0.4)
<b>Underlying EBIT</b>	<b>0.6</b>	<b>0.8</b>	<b>0.6</b>	<b>1.4</b>
Underlying EBIT – mining	0.55	0.6	0.5	1.1
Underlying EBIT – trading	0.15	0.3	0.3	0.6
Underlying EBIT – other <sup>(3)</sup>	(0.1)	(0.1)	(0.2)	(0.3)
EBIT margin on sales %	19%	20%	18%	19%
<b>EBITDA</b>	<b>0.8</b>	<b>1.0</b>	<b>0.8</b>	<b>1.8</b>
EBITDA margin on sales %	27%	26%	25%	26%
<b>Underlying earnings</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.9</b>
<b>Free cash flow</b>	<b>0.1</b>	<b>0.4</b>	<b>0.3</b>	<b>0.7</b>
<b>Attributable return on capital employed<sup>(4)</sup></b>	<b>12%</b>			<b>13%</b>

(1) Excludes revenue from equity accounted joint ventures and associates.

(2) Includes Anglo American Purchase Price Allocation depreciation and amortisation (PPA) (H1 2015 - \$66m; FY 2014 - \$150m; H1 2014 - \$71m).

(3) Includes E6, downstream, PPA and other.

(4) ROCE is stated after the impact of Anglo American acquisition accounting (PPA – Purchase Price Allocation) and is based on a trailing 12 month attributable EBIT. Comparatives have been restated to align with the updated measure.

# DE BEERS: SUPPLEMENTARY DATA BY KEY MINE (1 OF 2)

		H1 2015	H1 2014	H2 2014	FY 2014
<b>Debswana</b> (50%/19.2% economic interest)	<b>Jwaneng</b>				
	Waste mined (Mt)	55.1	58.5	56.7	115.2
	Ore mined (Mt)	4.2	5.0	5.6	10.6
	Material treated (Mt)	4.3	3.9	4.6	8.5
	Grade (cpht) <sup>(2)</sup>	132	124	142	134
	Carats recovered (Mct) <sup>(3)</sup>	5.7	4.9	6.4	11.3
	Average price (US\$/ct) <sup>(4)</sup>	230	249	249	249
	<b>Orapa Regime</b> <sup>(1)</sup>				
	Waste mined (Mt)	8.0	7.1	7.7	14.8
	Ore mined (Mt)	9.0	9.3	8.9	18.2
	Material treated (Mt)	7.3	7.5	7.6	15.1
	Grade (cpht) <sup>2</sup>	80	95	77	86
Carats recovered (Mct) <sup>(3)</sup>	5.8	7.1	5.8	12.9	
Average price (US\$/ct) <sup>(4)</sup>	111	110	118	113	
<b>Namdeb Holdings</b> (50%)	<b>Namdeb (Land)</b>				
	Waste mined (Mt)	17.5	19.1	17.2	36.3
	Ore mined (Mt)	5.3	5.4	4.4	9.8
	Material treated (Mt)	5.2	6.1	4.8	10.9
	Grade (cpht) <sup>2</sup>	4	6	6	6
	Carats recovered (Mct) <sup>(3)</sup>	0.2	0.3	0.3	0.6
	Average price (US\$/ct) <sup>(4)</sup>	622	571	519	544
	<b>Debmarine Namibia</b>				
	Sq metres mined (million)	6.1	5.6	5.7	11.3
	Grade (cpm <sup>2</sup> ) <sup>(2)</sup>	0.11	0.11	0.11	0.11
Carats recovered (Mct) <sup>(3)</sup>	0.7	0.6	0.7	1.3	
Average price (US\$/ct) <sup>(4)</sup>	584	586	612	599	

(1) Orapa Regime includes Orapa, Lethakane and Damtshaa mines.

(2) cpht is carats per hundred tonnes; cpm<sup>2</sup> is carats per square metre mined.

(3) Mct is million carats.

(4) Based on 100% of Standard Selling Value of carats sold.

# DE BEERS: SUPPLEMENTARY DATA BY KEY MINE (2 OF 2)

		H1 2015	H1 2014	H2 2014	FY 2014
<b>DBC</b> (74%)	<b>Venetia</b>				
	Waste mined (Mt)	19.1	21.7	19.9	41.6
	Ore mined (Mt)	2.0	2.7	3.2	5.9
	Material treated (Mt)	2.9	2.9	2.6	5.5
	Grade (cpht) <sup>(2)</sup>	48	47	70	58
	Carats recovered (Mct) <sup>(3)</sup>	1.4	1.4	1.8	3.2
	Average price (US\$/ct) <sup>(4)</sup>	141	156	178	165
<b>De Beers Canada</b> (100%)	<b>Snap Lake</b>				
	Waste mined (Mt)	0.0	0.1	0.0	0.1
	Ore mined (Mt)	0.6	0.5	0.5	1.0
	Material treated (Mt)	0.6	0.5	0.5	1.0
	Grade (cpht) <sup>2</sup>	116	120	110	115
	Carats recovered (Mct) <sup>(3)</sup>	0.7	0.6	0.6	1.2
	Average price (US\$/ct) <sup>(4)</sup>	178	186	178	182
<b>Victor</b>	Waste mined (Mt)	3.6	3.5	4.0	7.5
	Ore mined (Mt)	1.7	1.3	1.6	2.9
	Material treated (Mt)	1.6	1.4	1.6	3.0
	Grade (cpht) <sup>(2)</sup>	20	24	18	21
	Carats recovered (Mct) <sup>(3)</sup>	0.3	0.3	0.3	0.6
	Average price (US\$/ct) <sup>(4)</sup>	507	559	583	571

(1) Orapa Regime includes Orapa, Letlhakane and Damtshaa mines.

(2) cpht is carats per hundred tonnes.

(3) Mct is million carats.

(4) Based on 100% of Standard Selling Value of carats sold.

# ROCE AND ATTRIBUTABLE ROCE – DEFINITION

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## **Return on capital employed (ROCE)**

ROCE is a ratio that measures the efficiency and profitability of a company's capital investments. It displays how effectively assets are generating profit for the size of invested capital and is calculated as underlying EBIT divided by average capital employed.

## ***Attributable ROCE***

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

## ***Driving Value ROCE***

*Driving Value* ROCE is an adjusted measure of Attributable ROCE allowing measurement on a comparable basis throughout the *Driving Value* recovery programme announced in December 2013. It is calculated using Attributable ROCE based on 30 June 2013 realised prices and foreign exchange rates and includes the following adjustments:

- Impairments announced after 10 December 2013 are not removed from total capital employed. Earnings and return impacts from such impairments (due to reduced depreciation or amortisation expense) are not taken into account.
- The De Beers fair value uplift which resulted from the revaluing upward of Anglo American plc's pre-existing 45% share in De Beers is removed from 2012 capital employed onwards.
- Structural adjustments for the De Beers acquisition assuming ownership of 85% of De Beers from 1 January 2012 (actual acquisition date: 16 August 2012) and disposals from Anglo American Sur assuming ownership of 50.1% from the start of 2012 (actual disposal date: 23 August 2012) have been included.

## **INVESTOR RELATIONS**

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