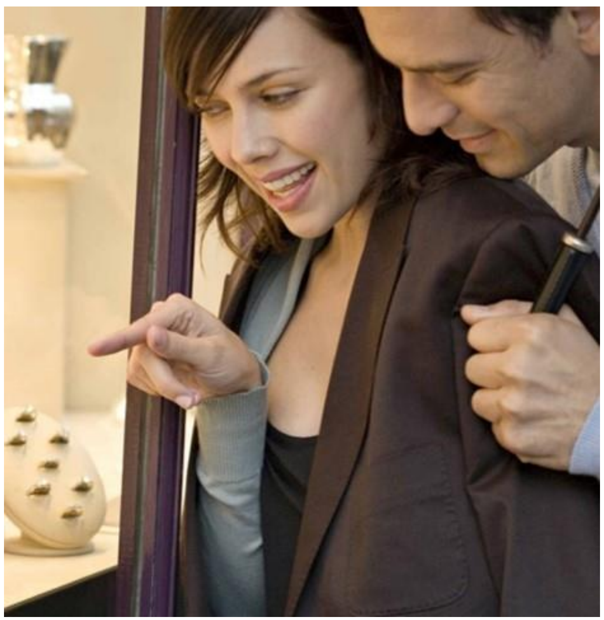
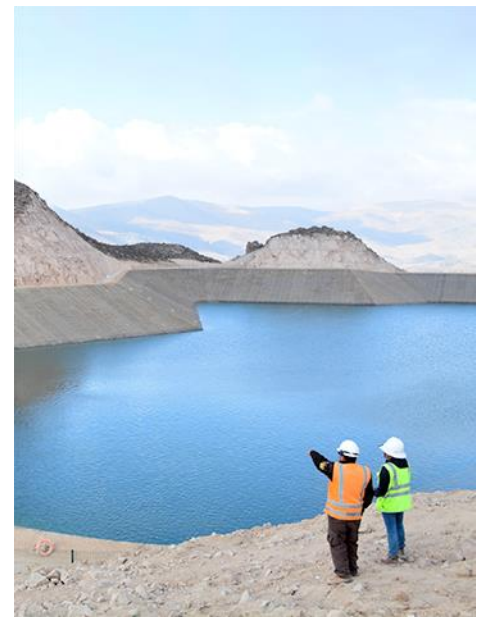
2015 SUSTAINABLE DEVELOPMENT PERFORMANCE

Presentation to Investors. 15 March 2016





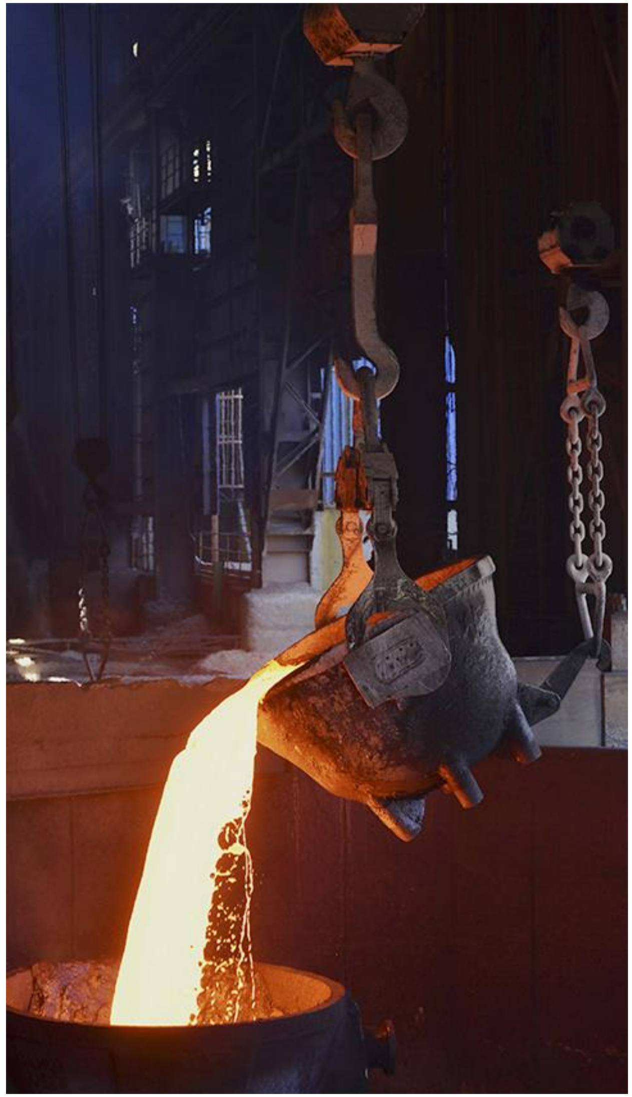


Real Mining. Real People. Real Difference.

CONTENTS

CHAIRMAN’S WELCOME

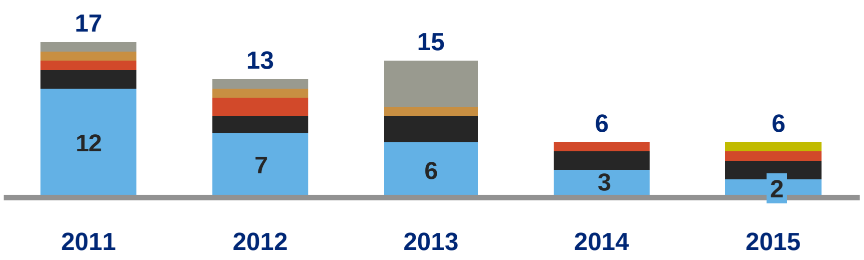
Sir John Parker



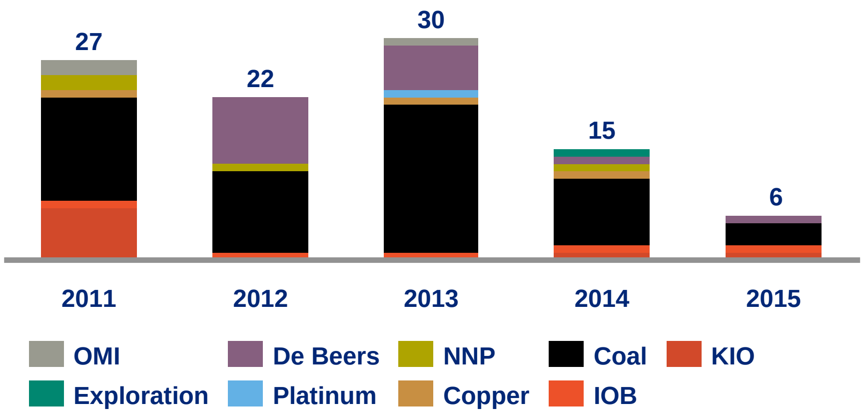
CHAIRMAN'S WELCOME

Improved performance…

Loss of life (by business)



Environmental incidents (levels 3 to 5)(1)



Our year in review

- Best safety performance in a full production year.
- Q4 fatal-free, 1 fatal incident in H2.
- Improvements in environmental incidents reflect operations planning and associated attention to detail.
- Active Board Sustainability Committee overseas safety, health, environmental, socio-political and people risks.
- Review of ethical policies and introduction of new Code of Conduct for employees.
- Structured materiality process with Board sign-off.

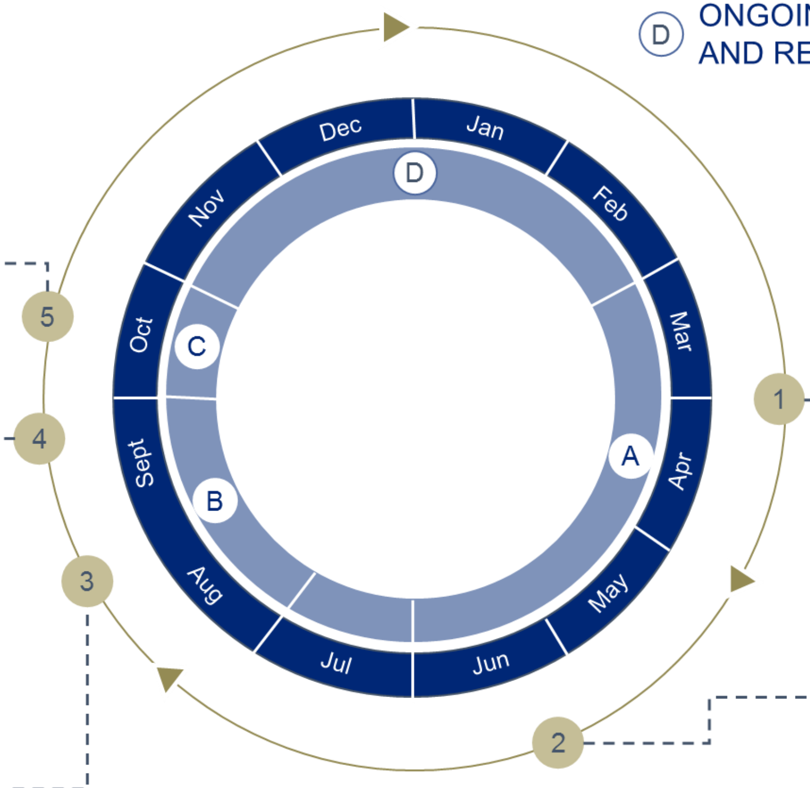
(1) Environmental incidents are classified in terms of a 5-level severity rating. Incidents with medium, high and major impacts, as defined by standard internal definitions, are reported as level 3-5 incidents.

…underpinned by sound governance, policies and systems.

MATERIALITY PROCESS

A structured process…

MATERIALITY PROCESS



Ⓓ ONGOING PERFOMANCE MONITORING AND REPORTING

BOARD APPROVAL

Board Sustainability Committee discusses and approves material issues and reporting themes

Ⓒ WHAT IS MATERIAL?

EXECUTIVE REVIEW

Material issues reviewed by Executive level Reporting Committee

Ⓑ WHAT IS IMPORTANT?

MATERIALITY PANEL

Discussion with panel of external experts to discuss completeness and prioritisation of issues identified

IDENTIFY INTERNAL RISKS

Internal risks are regularly reviewed via the Anglo American Integrated Risk Management and Operational Risk Management process

Ⓐ WHAT IS RELEVANT?

UNDERSTAND STAKEHOLDER PERSPECTIVES

Stakeholder perspectives are based on stakeholder engagement and desktop research

…ensures comprehensive identification of risks.

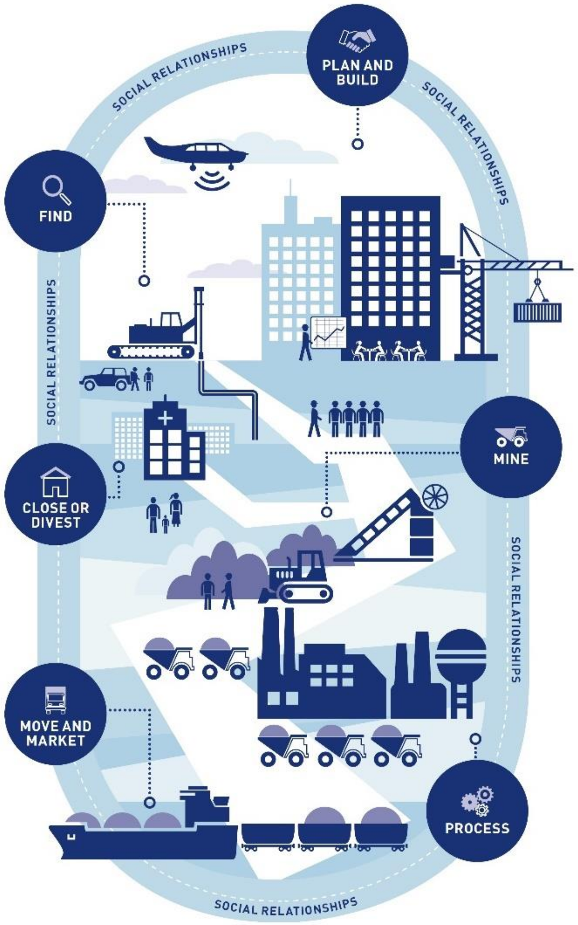
SUSTAINABILITY IN ANGLO AMERICAN'S STRATEGY

Mark Cutifani

WHY SUSTAINABLE DEVELOPMENT MATTERS

Mining impacts on sustainable development in many ways…

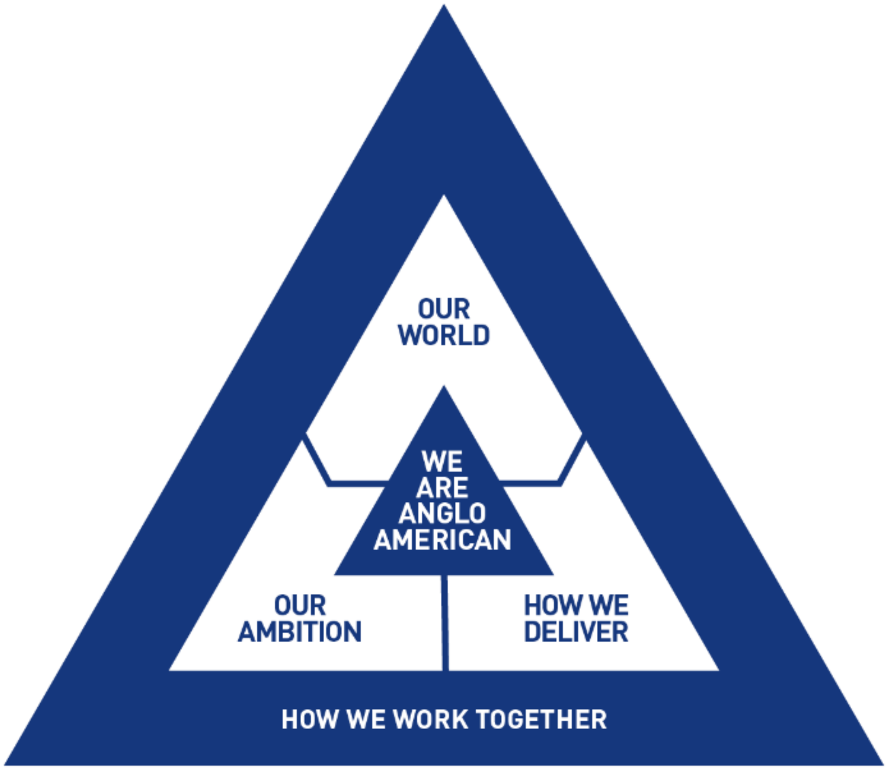
- Our concept of sustainability is broad, and encompasses:
  - health and safety
  - environment
  - socio-economic and political factors
  - employee development and wellbeing
  - productivity
  - costs
  - returns
- Through every stage of the mining life cycle sustainability issues are critical for delivery of our strategy.
- While our global footprint is relatively small as an industry, at the local level impacts can be significant.
- How we manage our material sustainability issues at a local level gives us our legal and social licence to operate.
- Zero harm, constructive relationships with stakeholders, resource efficiency, and 100% compliance with permit conditions are core characteristics of high-quality assets.



…effective management of sustainability through the lifecycle is critical.

OUR STRATEGY

Sustainable development is interwoven in the Anglo American strategy…



OUR WORLD
The global and industry context in which we operate including the expectations of our shareholders and stakeholders

OUR AMBITION
What we want to achieve and the key elements to do this

HOW WE DELIVER
What we must do to deliver on our ambition and how we will measure success

HOW WE WORK TOGETHER
Our organisation and operating models, which determine how we work together

WE ARE ANGLO AMERICAN
Our vision, mission, values and brand

…and integral to our objective of being Partners in the Future.

KEY CHALLENGES

Our business needs to address key challenges…

1. **Strengthen our balance sheet by reducing costs everywhere and realising value via disposals**
2. **Achieve *Zero Harm* and minimize our impacts on the environment**
3. **Meet shareholder expectations**
4. **Nurture talent and sound labour relations**
5. **Generate cash and profits through the cycle with the right portfolio**
6. **Maintain constructive relationships with stakeholders**

…all are familiar, but some need more urgent attention.

OUR AMBITION

In 2016 we will focus on transforming our business…

Asset portfolio

- A world class core portfolio of assets in De Beers, platinum group metals (PGMs) and copper.
- Highly competitive assets positioned to deliver robust profitability and cash flows through the cycle.
- Bulk commodities and other minerals to be managed for cash generation or disposal.

Our 2016 targets are to:

- Be free cash flow positive at current prices and exchange rates.
- Deliver $1.9 billion of EBIT from additional cost and productivity improvements vs 2015.
- Generate $3-4 billion from disposals in 2016.
- Reduce net debt to less than $10 billion (once the above targets are reached) by end of 2016.
- Deliver the step-change reduction in central and global support costs.

…but how will we deliver this?

HOW WE DELIVER AND MEASURE SUCCESS

HOW WE DELIVER AND MEASURE SUCCESS

We have focused on our four strategic imperatives…

Our four strategic imperatives, set out in 2014, provide the framework for how we deliver…

1. **Focus the portfolio**
2. **Focus on delivery**
3. **Enhance core business processes**
4. **Create a high performance culture**

Now with a strategic focus to deliver our 2016 targets.

Ensure the delivery of our strategy

The delivery of our strategy requires a major transformation. It is a challenge that will require us to track our progress on an ongoing basis. We will measure results through a business scorecard based on our **seven pillars of value**:

HEALTH & SAFETY	ENVIRONMENT	SOCIO-POLITICAL	PEOPLE	PRODUCTION	COSTS	FINANCIAL RETURNS

…and we measure success across our seven pillars of value.

THE NEW ANGLO AMERICAN

CORE PORTFOLIO of De Beers, PGMs and Copper…

- **Global leadership** in diamonds and platinum and a high quality copper business.
- **World class** suite of assets.

FREE cash flow POSITIVE IN 2016 at spot prices and FX…

- Planned **$1.9bn** of cost and business improvements vs 2015.
- Forecast **$4.8bn** Group EBITDA at spot.

NON-CORE PORTFOLIO of Bulks and other minerals managed for cash or disposal…

- Targeting **$3-$4bn in disposal proceeds** in 2016.
- **Tier 1** assets will attract value.

NET DEBT target < $10bn by end 2016…

- Targeting **Net debt/EBITDA ratio of less than 2.5x.**
- Medium term net debt target ~$6bn achieved through cash flow and further disposals.

FOCUS THE PORTFOLIO

We are focused on those assets that offer us the greatest competitive advantage…

To achieve this, we will:

- Move focus away from the bulks, where our asset positions are less competitive.
- Focus on our global leadership positions in diamonds and PGMs and world class copper assets to form a core portfolio of highly competitive, long life assets that will benefit from expanding consumer markets.
- Target $3-4 billion from disposals in 2016.

De Beers

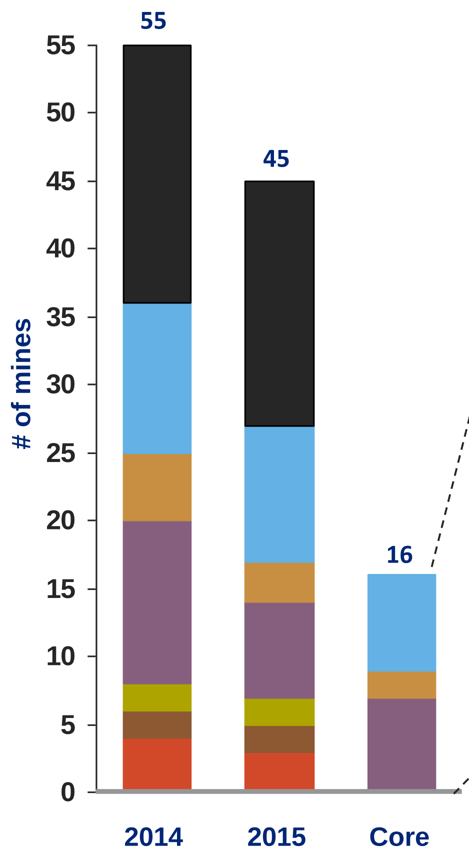
PGMs

Copper

…and we will make decisions about non-core assets at the appropriate time to secure value.

FOCUS THE PORTFOLIO

Our core portfolio of large, scalable resources and low cost operations…



De Beers	
Botswana	• **Jwaneng** • **Orapa**
South Africa	• **Venetia** • Voorspoed
Namibia	• Debmarine • Namdeb
Canada	• Gahcho Kué • Victor

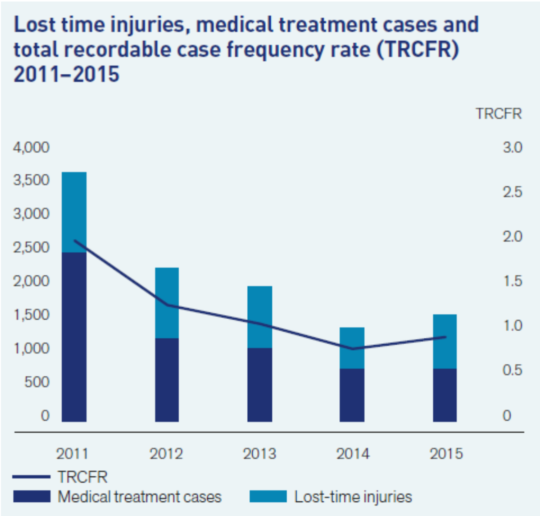
Platinum	
South Africa	• **Mogalakwena** • **Amandelbult** • BRPM • Mototolo • Modikwa
Zimbabwe	• Unki

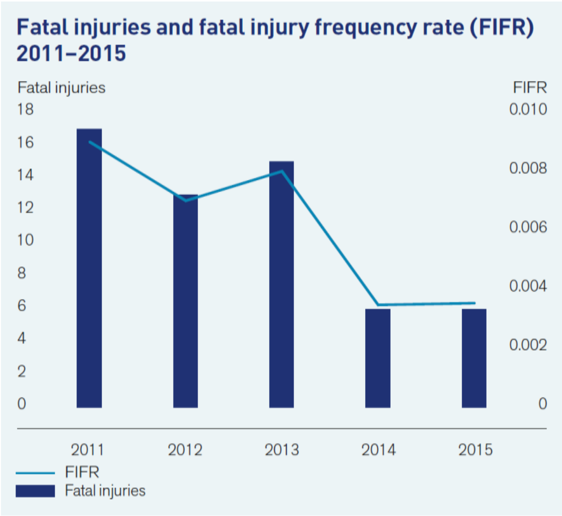
Copper	
Chile	• **Los Bronces** • **Collahuasi**
Projects	• Quellaveco (Peru) • Sakatti (Finland)

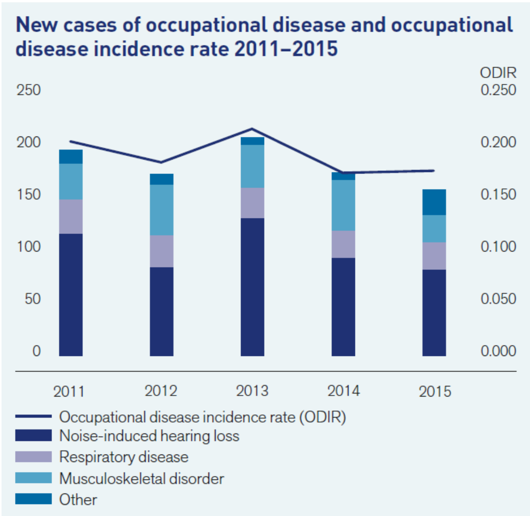
…in a streamlined and more focused business.

SAFETY AND HEALTH

Safety and health remain at the top of our agenda…







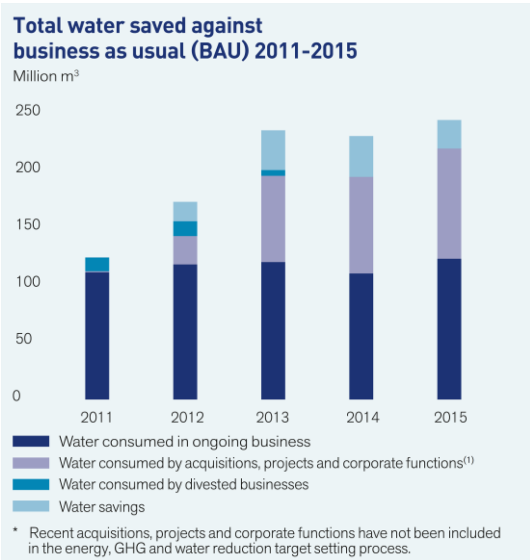
- We deeply regret the loss of six members of our workforce in 2015.
- Our first 'full production' fatality free quarter in Q4 demonstrates that zero harm is within reach.
- TRCFR up since 2014, but is the lowest on record for a full production year.
- Priorities in 2016 remain safety leadership, effective planning and standards, supervision, incident and risk management.

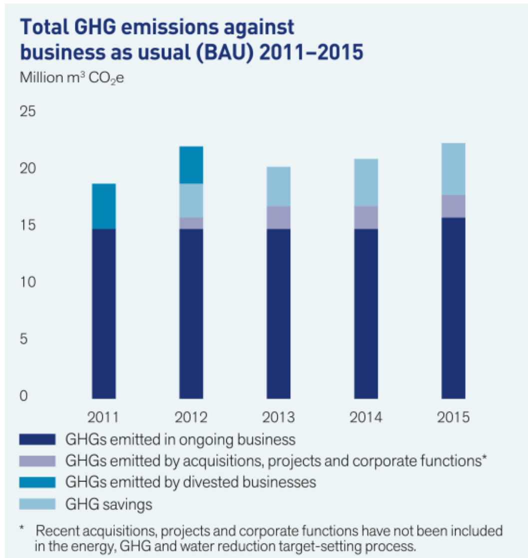
- New cases of occupational disease and incident rates continue to decline.
- No new cases of silicosis since 2011; settlement concluded for 4,400 stand-alone silicosis claims.
- Health focus remain on eliminating/ mitigating the sources of health hazards, particularly noise and dust.

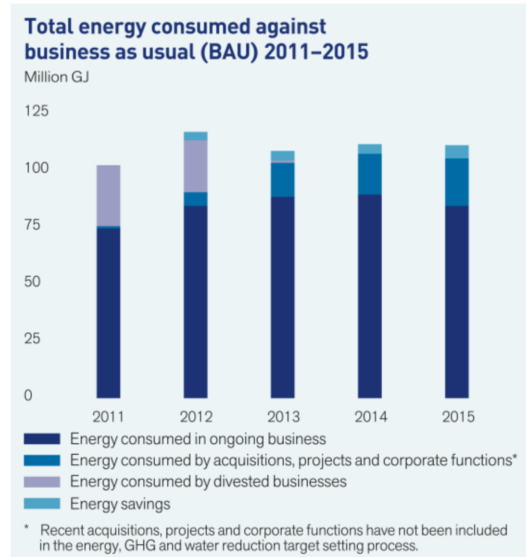
…world-class mines are safe mines.

ENVIRONMENT

Incidents are declining and efficiencies growing…







- 2020 water target already exceeded.
  - ✓ 16% reduction against business as usual.
  - ✓ 25 million m^3 saved in 2015.

- 325 energy, carbon and business improvement projects implemented through ECO_2MAN programme.

2011-2015 GHG target exceeded.
- ✓ Equivalent to ~1 million cars off the road each year.
- ✓ Avoided 4.6 million tonnes CO_{2e}.

2011-2015 energy target met.
- ✓ ~$100 -150 million annual saving.
- ✓ Avoided 5.8 million GJ consumption.

…environmental impacts reducing.

WATER

We are targeting to reduce our water demand and footprint impacts…

- **Water security**

  75% of our operations are located in high water risk regions.
  - water balances at critical sites reviewed and additional efficiency measures identified (Los Bronces tailings water recovery).
  - alternate water sourcing a focus as are opportunities to improve community water supplies (Monte Verde desalination).

- **Water quality**

  High salinity and acid rock drainage.
  - reverse osmosis (eMalahleni 50Ml/day) and passive water treatment (Mafube crop irrigation pilot).
  - reduce water demand and impacts (Sishen de-watering, Greenside dry tailings disposal).

- **Engagement & partnership**

  FutureSmart™ Open Forum on Water.
  - aspiration for water free mining (closed loop re-cycled water).
  - access new step change technology solutions (evaporation control, new approaches to dry disposal and the innovative application of coarse particle flotation).
  - targeting significant reduction in water consumption in medium term, of up to 50% at relevant operations.

  Catchment Forums.
  - tackle cumulative ecosystem impacts.
  - regional infra-structure solutions.

…conserving the ecosystem and improving livelihood.

GHG EMISSIONS

Hold the increase in global average temperature to well below 2˚C…

- The transition **path to a low carbon** world will influence the demand and markets for our products
  - current downstream GHG emissions from thermal coal combustion ˜108Mt/pa.
  - our portfolio re-structure reduces the fossil fuel industry risk.
  - low emission energy technology path presents opportunities for PGMs (e.g. fuel cells) and Copper (e.g. electric vehicles).

- Drive **energy & GHG emissions savings** at our operations through ECO$_2$MAN
  - energy consumption accounts for 70% of our total GHG emissions and is a significant contributor to input costs.
  - business improvement, energy efficiency and energy recovery technologies are being implemented to save energy (Waterfall waste heat recovery ˜4MW).

- Adapting to **physical climate change**
  - we prioritised our sites according to their potential climate change vulnerability (UK Met. Office).
  - climate scenario models are used to prioritise risks and inform control improvement that need to be implemented at vulnerable sites (Venetia).

- **Engagement and partnership**
  - we are working with industry and government for equitable and effective climate and energy policies.
  - we are targeting carbon neutral new mines and access to low cost carbon offsets (Kathu Solar & forestry projects)
  - improving transparency remains important (CDP).

…to secure a net zero emission global economy.

POLITICAL

Risk mitigation and stakeholder engagement has been a focus…

Effective political engagement

- We have maintained effective political engagement in-country and across all levels of government: this reflected in the measured political response from governments to our portfolio and asset restructure announcement on 16 February.
- In Brazil, the federal government has been weakened by Petrobras scandal but we continue to have good and high-level engagement at State/Provincial level.

Responding to political needs

- The commodity downturn has caused problems not just for us but for our host countries, threatening jobs and revenues. We have tried to understand and respond to their political needs (eg supporting the mining Phakisa in South Africa).

Managing political risk

- There is also wider political risk: in South Africa this includes the local elections later this year which may prompt disturbances (we are working closely with communities and local/provincial authorities).

…and is a key enabler of our repositioning.

GLOBAL ISSUES

Engagement at international level…

- We have also **demonstrated our commitment to our values** / wider goals, as a leading member of the international business and development community, supporting e.g.:
  - the UN Sustainable Development Goals.
  - the Climate Change agreement in Paris in December.
  - the Aiming for A resolution being put before our AGM for shareholder approval.
- We ensure **full compliance with new regulations** and reporting requirements eg on human rights (such as the UK's Modern Slavery Act) transparency and anti-corruption.
  - Enhanced transparency through publishing first Tax and Economic Contribution Report in 2015.
- **Continued engagement** with key voluntary initiatives:
  - Extractive Industries Transparency Initiative.
  - Voluntary Principles on Security and Human Rights.
  - Responsible mine certification: Responsible Jewellery Council, Initiative for Responsible Mining Assurance, Bettercoal.

…with the view to supportive effective policy responses to key industry issues.

SOCIO-POLITICAL

Social performance remains an area of focus…

- New version of the **Social Way**, our community performance standards, came into force in 2015.
  - Significant improvements over baseline. Have almost eliminated material non-compliances.
  - Biggest improvements seen in South America, African operations a focus for 2016.
- Good progress on rolling out Human Rights Policy, and in particular human rights due diligence and compliance with Voluntary Principles on Security and Human Rights. Further focus required on complaints and grievance procedures.
- CSI spend reducing due to economic pressures and roll-out of new socio-economic development strategy, which seeks to leverage value chains and expertise (for example through local procurement and enterprise development) and building local capacity.

Social Way assessment scores 2014–2015[1]

[1] Social Way assessment scores for 2014 and 2015 exclude De Beers' joint venture operations in Namibia and Botswana, as well as operations that were divested, closed, or for which sale agreements were concluded, in 2015.

Global CSI spend by region

	$'000	%
South Africa	85,845	69
Chile	14,147	11
Brazil	11,970	10
Peru	4,453	4
Namibia	3,521	3
Rest of world	2,368	2
Australia	943	1
United Kingdom	480	0
Botswana	418	0
Canada	3	0
Total	**124,148**	

…increased compliance with our demanding standards during 2015.

PEOPLE

Restructuring of the workforce being executed successfully…

- Focus is on creating a leaner and more effective function structure that provides value-adding expert leadership and governance to sites.
- All indirect roles reviewed in 2015.
  - Led to significant reduction in numbers and greater capability. Target is to get to 5,000 in end state (2014: 13,000).
  - Portfolio restructure will see headcount fall to 50,000, with the majority of the reduction coming through disposals.
  - Despite difficult environment we experienced only two strikes, both short and both in Coal South Africa.
- Investment in training of $100 million in 2015.
- Female participation continues to increase steadily:
  - 18% of total workforce (2014: 16%).
  - 25% of management (2014:24%).
- 60% of management in South Africa comprised historically disadvantaged South Africans.
- Silicosis for former gold mine works settlement in South Africa.

Number of permanent employees and contractors by business unit 2015[(1)]

		%
Platinum	50,290	36
De Beers	21,910	16
Copper	11,561	9
Nickel	3,295	2
Niobium	1,574	1
Phosphates	3,022	2
Kumba Iron Ore	15,550	11
Iron Ore Brazil	6,351	5
Coal	21,527	16
Group departments	3,001	2
Total	**138,081**	

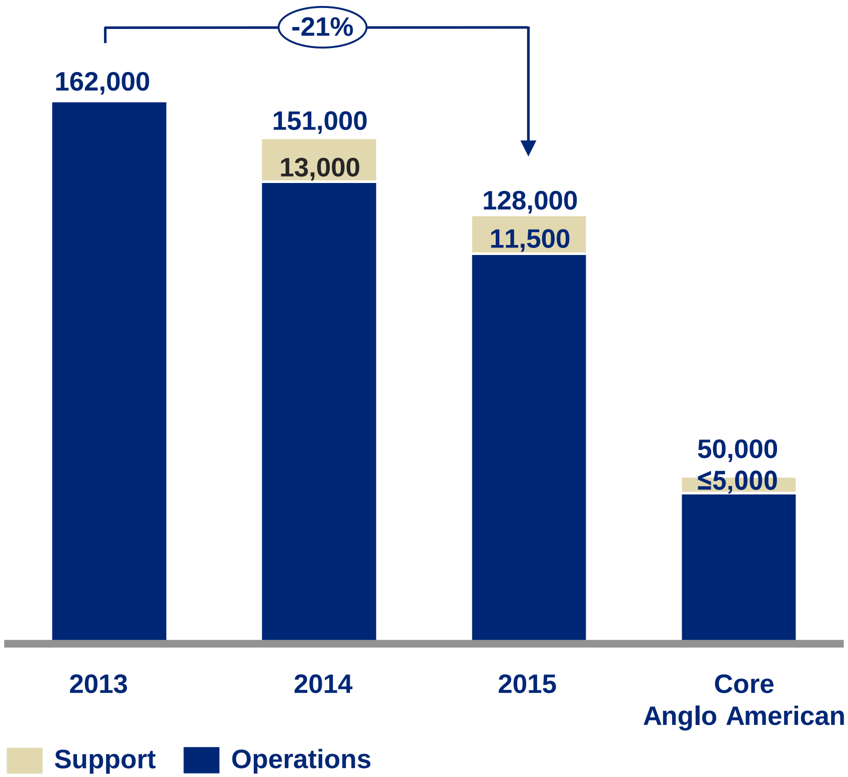
(1) These figures reflect the annual average of employees and contractors during the year.

…stakeholder engagement and showing care and respect crucial.

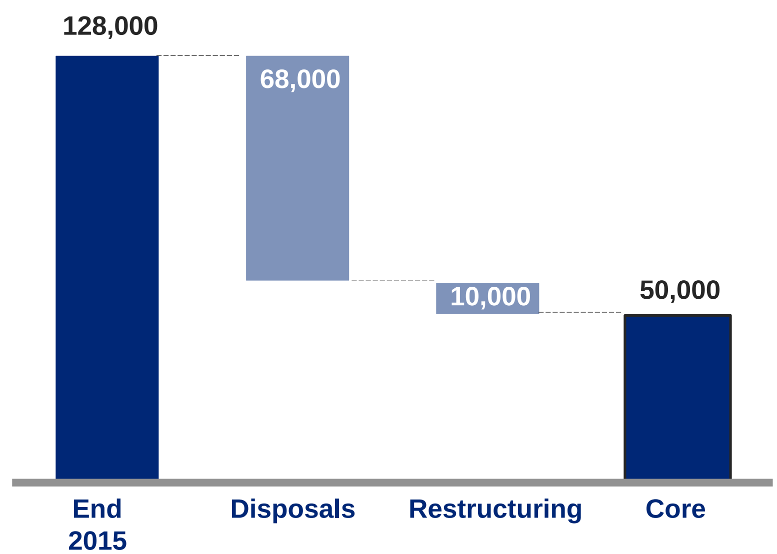
RESTRUCTURING THE ORGANISATION

Employee numbers will reduce…

Employee and contractor numbers



Total headcount



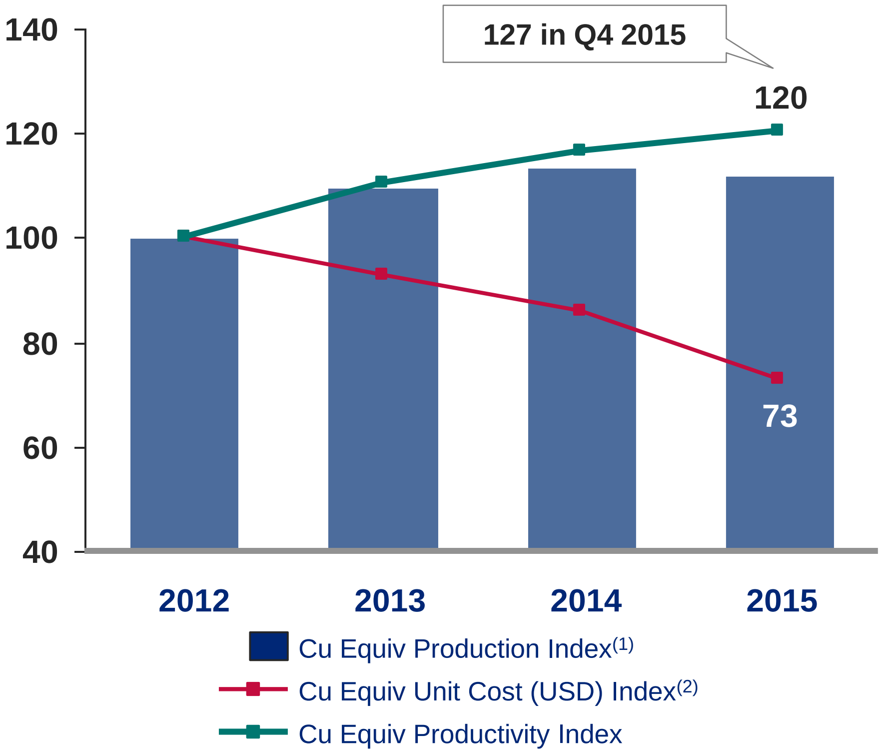
Notes: Excluding LafargeTarmac. All figures are rounded.

…as the optimisation programme and disposals progress.

UNIT COSTS – SUPPORTED BY PRODUCTIVITY IMPROVEMENTS

Significant productivity improvements supported cost reductions…

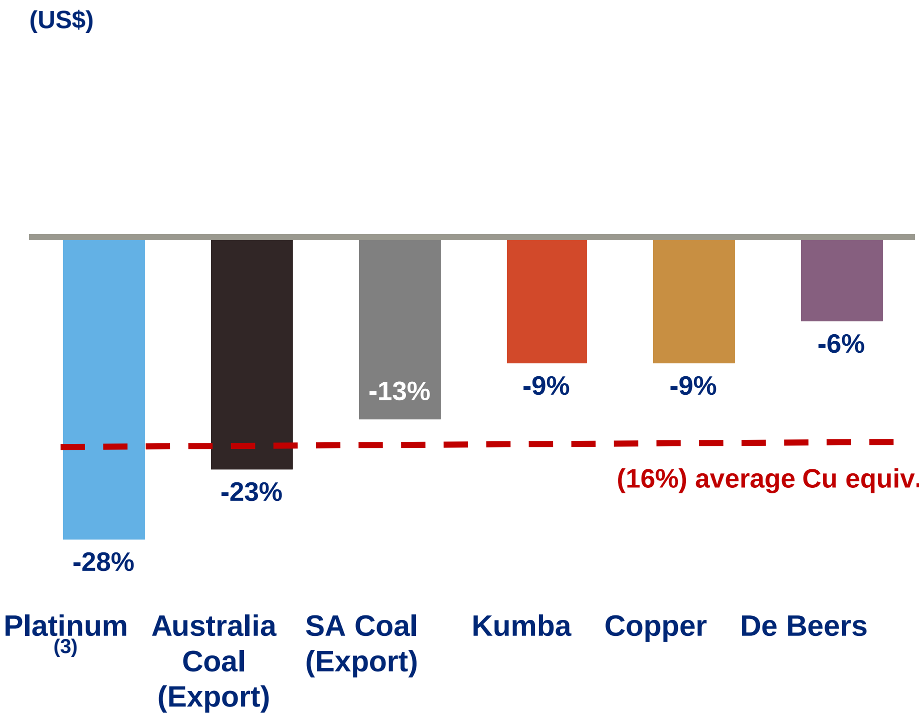
Cu Equivalent production, unit cost & productivity



(1) Calculated using long-term consensus parameters. Excludes domestic / cost-plus production. Proforma production shown adjusted for Platinum strikes and AA Norte

(2) Unit cost includes only AA's equity share of De Beers and Platinum. Excludes associates and assets not in commercial production. Calculated using long-term consensus prices.

2015 vs 2014 Unit cost variance



(3) -10% if adjusted for 2014 Platinum strike

…with the forecast productivity improvements accelerating in 2016 and 2017.

2015 FINANCIAL RESULTS

Falling commodity prices dominate financial results…

Underlying EBIT

$2.2bn

Underlying earnings

$0.8bn

Total dividends paid per share

$0.32

Underlying earnings per share

$0.64

Total capital expenditure

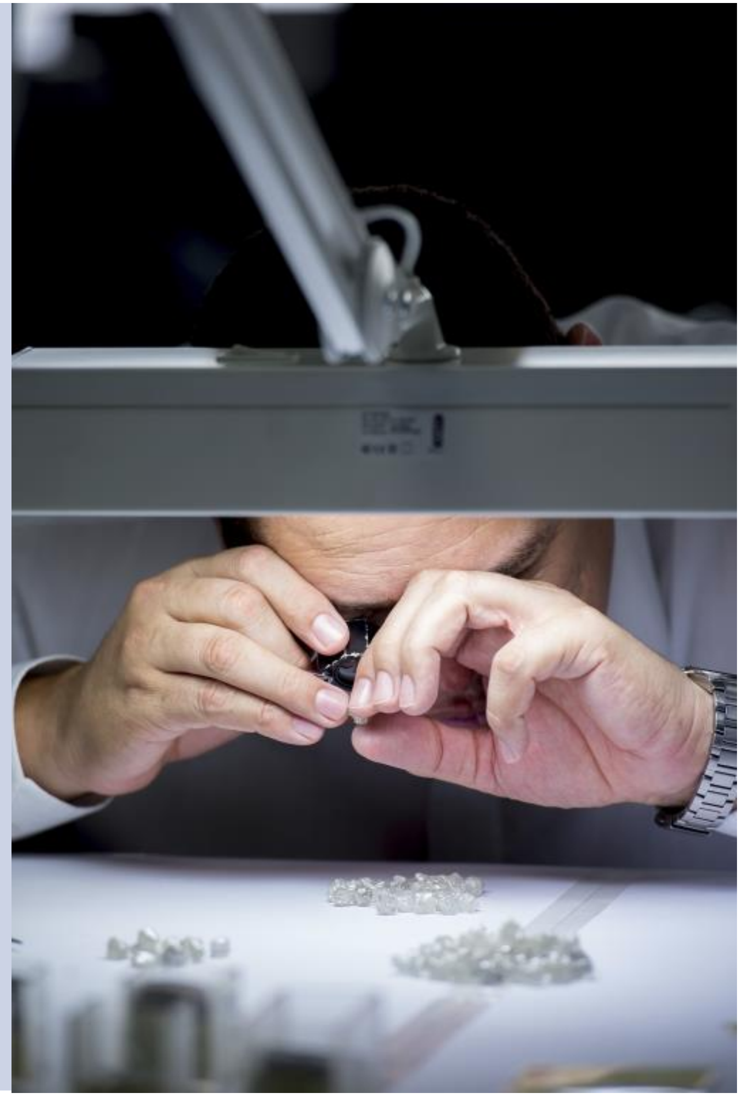
$4.0bn

Net debt

$12.9bn

…as $1.3 billion of cost and productivity improvements mitigate impact.

PERFORMANCE SUMMARY



2015 SCORECARD

We have come a long way since 2012…

- ✓ **SAFETY**………….…………………………over 50% reduction in incident rates.
- ✓ **ENVIRONMENT**………………………………over 70% reduction in incident rates.
- ✓ **SOCIO-POLITICAL**……..SA govt relations reset, improved social performance.
- ✓ **PEOPLE**…………….……..20% improvement in productivities (Cu equivalents).
- ✓ **PRODUCTION**………….……..10% higher despite closures and restructuring.
- ✓ **COSTS**……………………..…………..……unit costs down 27% (Cu equivalents).
- ✓ **CAPEX**……………..…33% down on 2014.
- ✓ **DISPOSALS**……………………..……......$2.1bn completed or announced in 2015.

…and the pace of change continues to accelerate.

Q&A