AngloAmerican

INVESTOR UPDATE & PRELIMINARY 2015 RESULTS

16th February 2016

Real Mining. Real People. Real Difference.

As you've all been expecting, today's presentation goes well beyond our full year results.

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AngloAmerican

THE NEW ANGLO AMERICAN

Mark Cutifani

Anglo American has been a company that has been in constant evolution for almost 100 years, and today, we will outline the next phase in that evolution.

We are all very excited by what we see as an opportunity to reset and build our company off a reinvigorated and unique asset foundation. We have the resources, we have the people and we have the plan to create, The NEW ANGLO AMERICAN.

So, let's get straight down to business.

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.

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We are presenting to our investors a very unique investment proposition – great assets with a mid to late cycle bias.

First up, the quality of our assets in diamonds, platinum and copper provide the foundation for our core portfolio of commodities. Our leadership position in diamonds through De Beers, our platinum assets in South Africa and our copper assets in Chile provide a quality core of resources and assets that can deliver robust cash flow and returns, even through and below the price cycles we are currently experiencing.

Second, we are advising that we will be cash positive in 2016 after identifying $1.9bn worth of business improvements incorporating productivity growth and cost reductions. These improvements incorporate the $1.1bn improvements identified in December along with an additional $800m worth of opportunities we have now moved into the planned and deliverable category. We have also made further reductions in capital from the December conversations.

We are forecasting Group EBITDA of $4.8bn – with cash and EBITDA numbers calculated using current spot commodity and FX rates. A number of these opportunities are already in play.

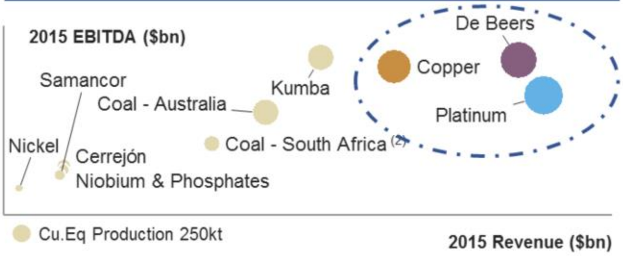
Third, we have increased our target asset disposal program to deliver $3 to $4bn proceeds in 2016. This target is in addition to the $2bn delivered in 2015. Our confidence in delivering on this target rests with our view of the quality of assets we are offering for consideration and based on the early interest we have had since our December Investor day.

Finally, with the combination of improved cash flow and asset sales we expect our net debt to be less than $10bn by year end. Consistent with our intention to rebuild investment grade credentials we are targeting a Net Debt/EBITDA ratio of less than 2.5. In relation to the core portfolio structure that would be around $6bn net debt at current spot prices.

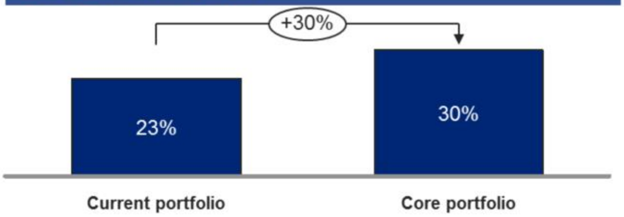
OUR CORE BUSINESS

Relative earnings contributions driven by scale and quality…

2015 EBITDA vs. Revenue ($bn)[1]



2015 EBITDA Margin (%)[3]



(1) Barro Alto, BVFR and Minas-Rio were commissioning and therefore capitalised during 2015
(2) Cu equivalent production shown for Export thermal coal only.
(3) Pro forma based on actual 2015 results. Excludes impact of non-equity owned diamond sales at De Beers and platinum ounces.

QUALITY ASSETS

- Long life, low cost and scalable.
- Step change in EBITDA margin for core.
- Sustainably free cash flow positive.

UNIQUE END MARKET EXPOSURE

- Consumer exceeds infrastructure exposure.
- Attractive long term end market growth potential.

SIMPLIFICATION

- Accelerating overhead and support cost reductions.
- Asset concentration provides leverage for business improvement programs.
- Critical mass supports effective financing and technical requirements.

…and simplification supports overheads and further support cost reductions. 5

The acceleration of our move to a well defined core around De Beers, Platinum and Copper is best demonstrated when you consider the relative earnings contribution of each business.

However, it is not simply about scale, it is more about the quality of the earnings, representing a 30% improvement on EBITDA margin on our current portfolio – or more than 40% above the non-core asset mix.

The stronger margins are driven by the relative quality of our asset base – which will support positive cash flow generation and returns through the cycle.

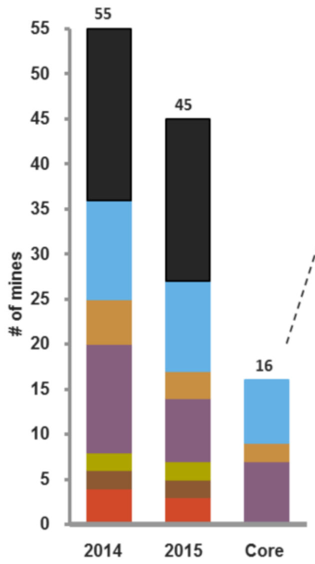
Our unique market exposure is relatively favoured in a world where consumption is being driven by a growing middle class – as China rebalances its economy and India continues on its consumer based demand growth. Of course, we then have to add the US – still the world's largest economy.

On simplification, we are implementing a much leaner corporate and regional structure to support a very different asset configuration. We are designing for 16 assets – compared to our original 65 assets – with the centre having a much clearer mandate around a few, core functional areas.

At the same time we retain the critical mass advantages of a diversified miner, allowing us to lead and drive performance from a package of large scale, low cost and long life mining assets.

REDUCED COMPLEXITY

Large, scalable resource and low cost operations…



De Beers[1]	
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
	• Sakatti

(1) Excludes Element 6 – De Beers' industrial diamonds division

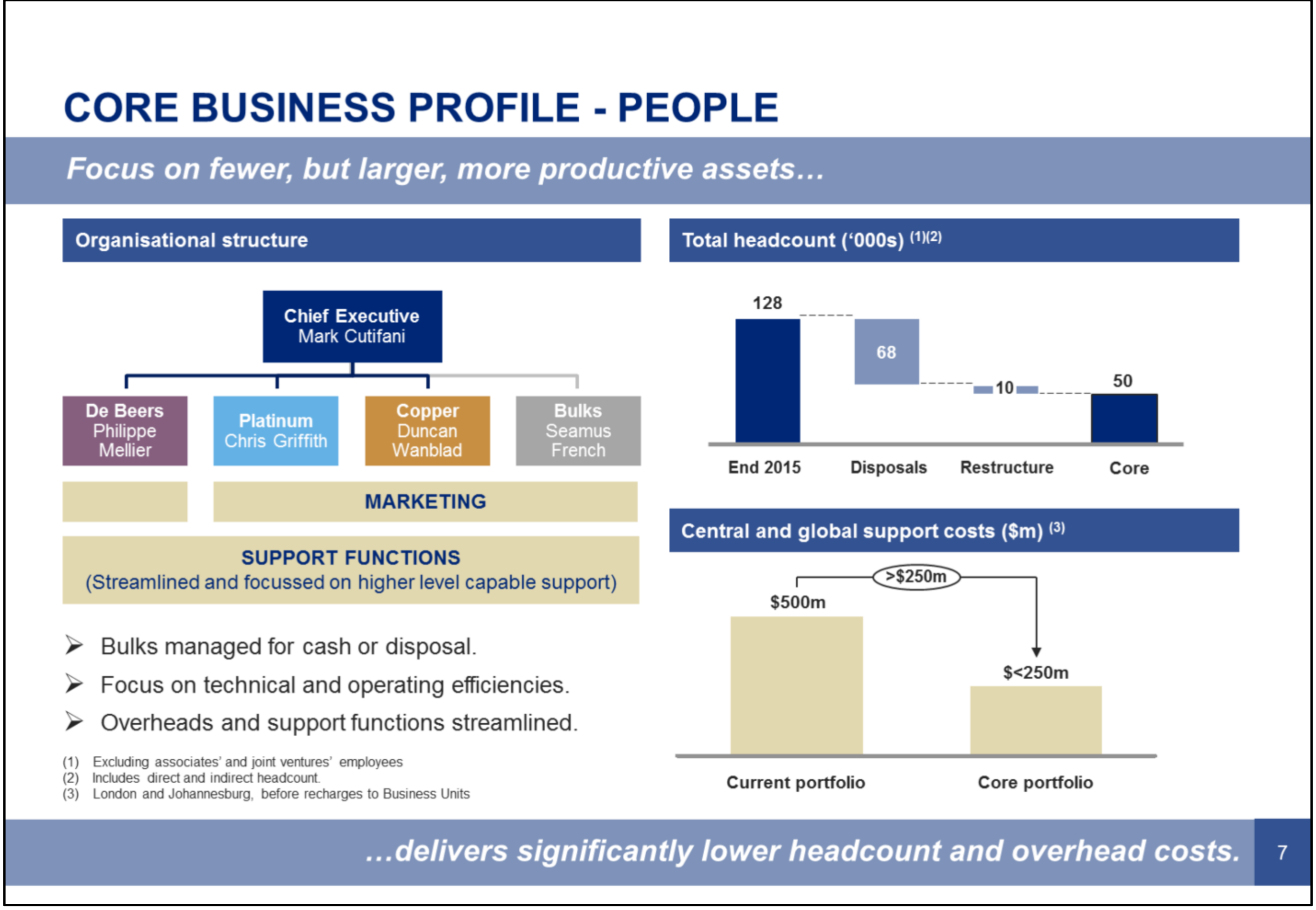
…in a streamlined and more focused portfolio.

In late 2013 we started with more than 65 mining assets. Today, we are down more than 30% to 45 assets, and we have well advanced sale processes on another 10 assets.

So, the move to 16 assets represents an acceleration and deepening of our portfolio restructuring.

Our new portfolio is dominated by current world class or Priority 1 assets, including Jwaneng, Orapa, Venetia, Mogalakwena, Los Bronces and Collahuasi. We also have high quality assets and projects with Priority 1 potential in Quellaveco, Amandebult and Sakatti.

Our interests in Priority 2 assets in these commodities reflects our focus on maintaining commodity leadership positions that provide leverage or opportunities to enhance our value proposition for these markets. When combined with our stronger operating and capital disciplines we believe we can continue to improve our underlying business performance at an increasing rate.



Our overhead and support structures are being re-shaped and down-sized to fit the new organisation.

Total headcount will be reduced from 128k today to around 50k. To be clear for those reporting these changes in the public domain, 68k people will stay with the assets being sold. Our internal restructuring will reduce the numbers by around 10k.Consistent with our efficiency work Central and Global support cost will fall by more than 50%.

The remaining functions will be scaled to support the divisions as is appropriate. At the same time we will continue to upgrade our technical and operating capabilities.

Philippe, Duncan and Chris will lead the three ongoing business units.

Seamus will manage bulks - being focused on managing for cash and disposing the assets. Norman isn't shown here but still reports to me as the CEO of Kumba. Norman will lead the work on positioning Kumba for an appropriate exit from the Anglo American portfolio.

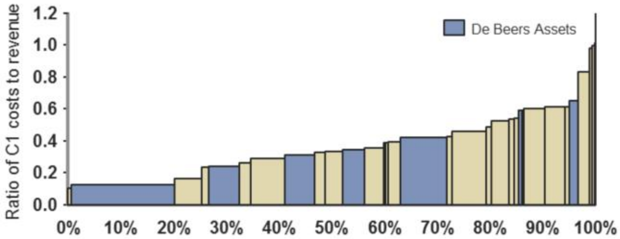
As I mentioned before we are aiming to consolidate the De Beers and Anglo offices here in London – to reduce costs and improve efficiencies for both.

Finally, we implemented a pay freeze across the globe for management functions back in November last year.

DE BEERS

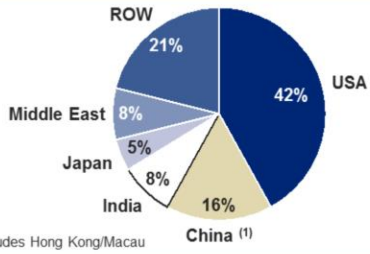
Industry leadership across the pipeline…

Diamond mining industry margin curve



Source: De Beers (projected 2020 cost curve)

Global polished diamond demand (2014)



(1) China includes Hong Kong/Macau

UPSTREAM LEADERSHIP

- Best-in-class mining assets – large, long life with scalable production and low cost.
- Strong government partnerships – Botswana and Namibia.
- Ability to respond proactively to conditions in both the mid and downstream markets.

MID AND DOWNSTREAM POSITION

- Attractive longer term supply/demand fundamentals.
- Proven marketing ability and deep consumer insights.
- Strong brand recognition and premium on products.
- Broad exposure to consumer markets.
- Element 6 – leading industrial diamonds business.

…and we will continue to improve costs and margins as the market recovers. 8

In relation to De Beers, our assets are well positioned with product quality and cost advantages reflecting our competitive position on the margin curve.

The market for our products remains robust, despite the recent supply side inventory indigestion. We have taken the rights steps to manage that situation and so we are encouraged with our start to the year. However, we would want to see those trends hold for a sustainable period to become more comfortable about where we are.

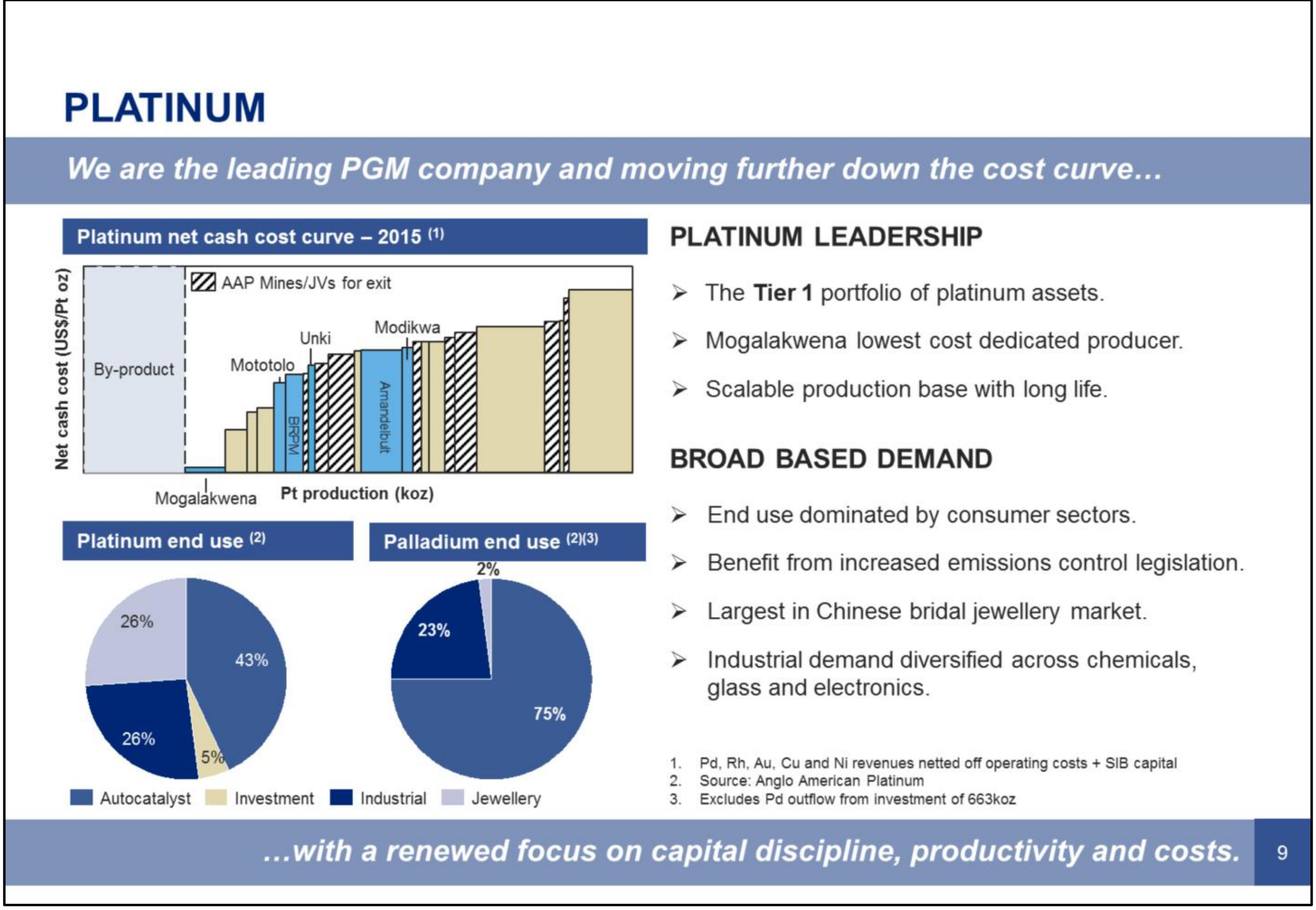
At the asset level – we have large, low cost and long life assets. We also have incremental capacity that can be turned up to meet increasing demand.

We continue to manage our downstream position and are working to do a lot better on anticipating and driving consumer demand trends. The US remains our most important market and recent trends have turned modestly positive for polished prices.

In Element Six we have the world's leading industrial technologies business providing products for use in a wide range of applications.

What we have to continue to drive – when people think diamonds we want them to think De Beers and our premium ForeverMark brand. Our $100m investment in key markets through 2015 was an important catalyst for market support as we all worked to unblock the mid-stream inventory build up. At this point in time it looks like it was money well spent.

While industry leadership has its advantages – it also has a price that requires some courage in tougher times. We will continue to take the long term view to encourage growth in our products and Brand.



We continue to improve our operations and move to the left of the cost curve. We have *the* Tier 1 asset portfolio in the platinum industry.

The Mogalakwena operation is clearly the standout platinum producer, with a long life and scalable resource. It is a unique asset providing us with attractive revenue diversity as well – with 50% of its revenues coming from palladium, rhodium, nickel and copper.

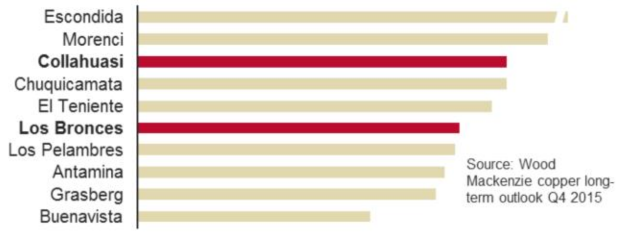
The assets that we will retain in the core are well positioned on the cost curve and also have short and longer term improvement potential.

We are becoming more active in market development as we seek to promote broader uses for platinum – reflecting its physical versatility in industrial and jewellery products.

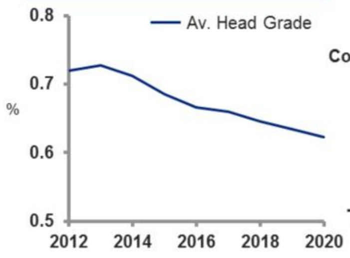
COPPER

Highly competitive position in copper…

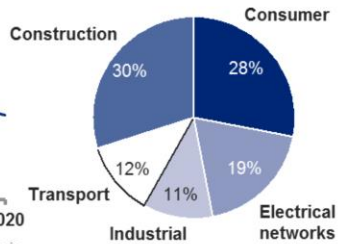
Top 10 Producing Mines (2015 Cu kt)



Declining global ore grade



Copper demand



Source: Wood Mackenzie, Anglo American analysis.

WORLD CLASS ASSETS

- Attractive combination of scale, life and cost positions.
- Extensive high-quality resources underpin substantial organic growth opportunities.
- Long-term growth options in Quellaveco.
- Sakatti, high grade, polymetallic resource.

ATTRACTIVE MARKET FUNDAMENTALS

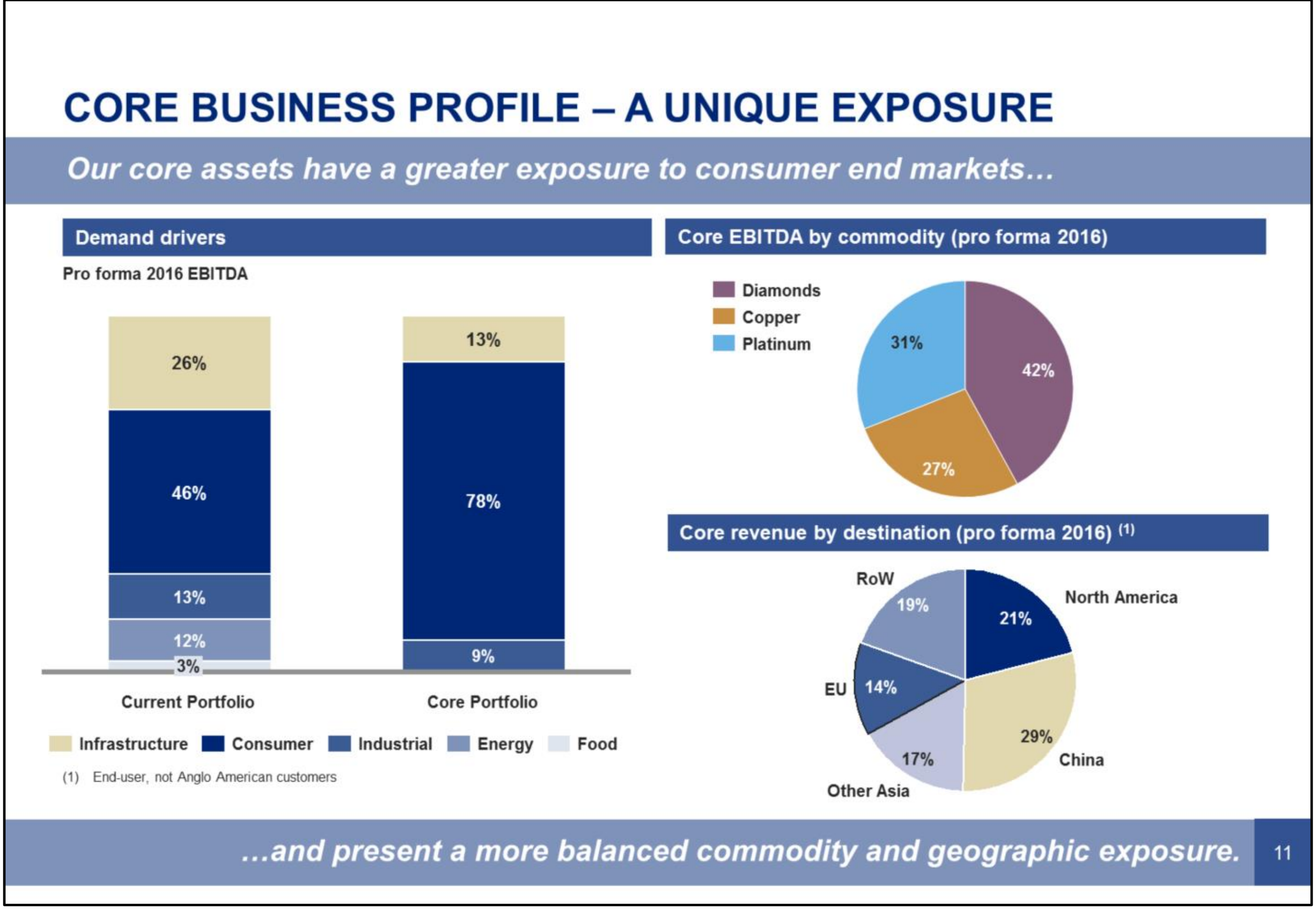
- Copper market forecast to be in structural deficit in medium term.
- Industry capacity is at “stretch” and continues to disappoint on the downside.
- We will maintain our capital discipline to support cash flow and returns.

…that will continue to enhance as we improve and build off our resource positions. 10

We have a very competitive position in copper. Both Los Bronces and Collahuasi are clear Priority 1 assets that we can continue to develop and improve over the longer term.

In Quellaveco we have another clear Priority 1 asset and a unique high grade/high margin polymetallic project with Sakatti in Finland. While the market is not ready for either, the positions are material and certainly important assets in our longer term metals strategy.

On the industry side – the declining grade curve and the stretch on current supply has helped shape our view that the supply side of the market will remain challenged.



Finally and to reinforce the point I made earlier – our core portfolio has a clear bias to consumer goods – a good place to be in the context of the changes we are seeing in global markets.

However, in our strategic context the more important point to make is the asset foundation that underpins the real strength in our portfolio. While all commodities experience some ebb and flow in pricing – what remains key to long term success is the quality of your assets in volatile markets.

Our commodity and market geographic diversity supports the thesis that we have a good blend of downstream customer exposures. If we put the quality of our assets with this market exposure, which is unique for our industry, it provides investors with some very different investment options.

The message is simple:

- Great assets,
- Exciting market exposure, and
- We’re going to fix the balance sheet.

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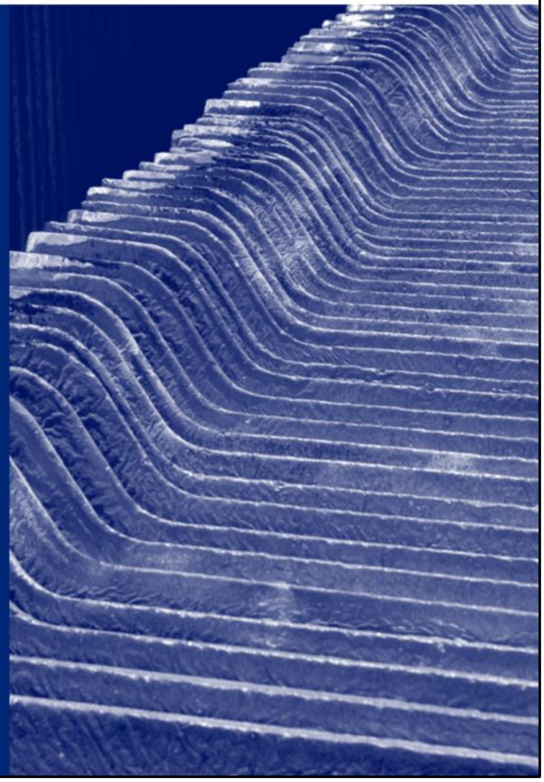
NON-CORE ASSETS AND BALANCE SHEET

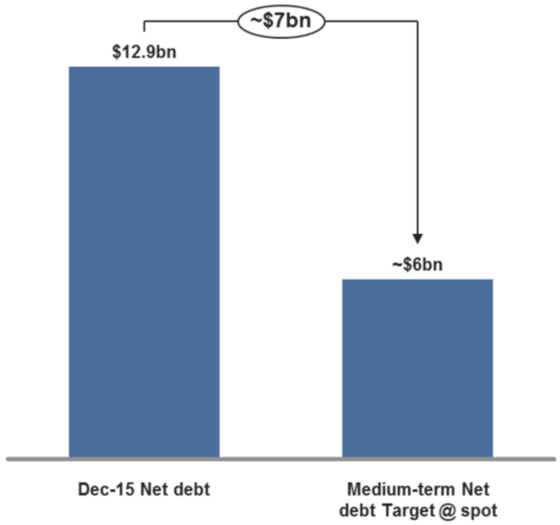
René Médori



Now, with that simple summary I will hand across to Rene to describe the story in numbers.

NON-CORE ASSETS AND BALANCE SHEET

The Challenge



The Agenda

- Disposals processes
- Dealing with the tail
- Cash flow position in 2016 at spot
- Net debt end 2016 and beyond
- Liquidity position maintained

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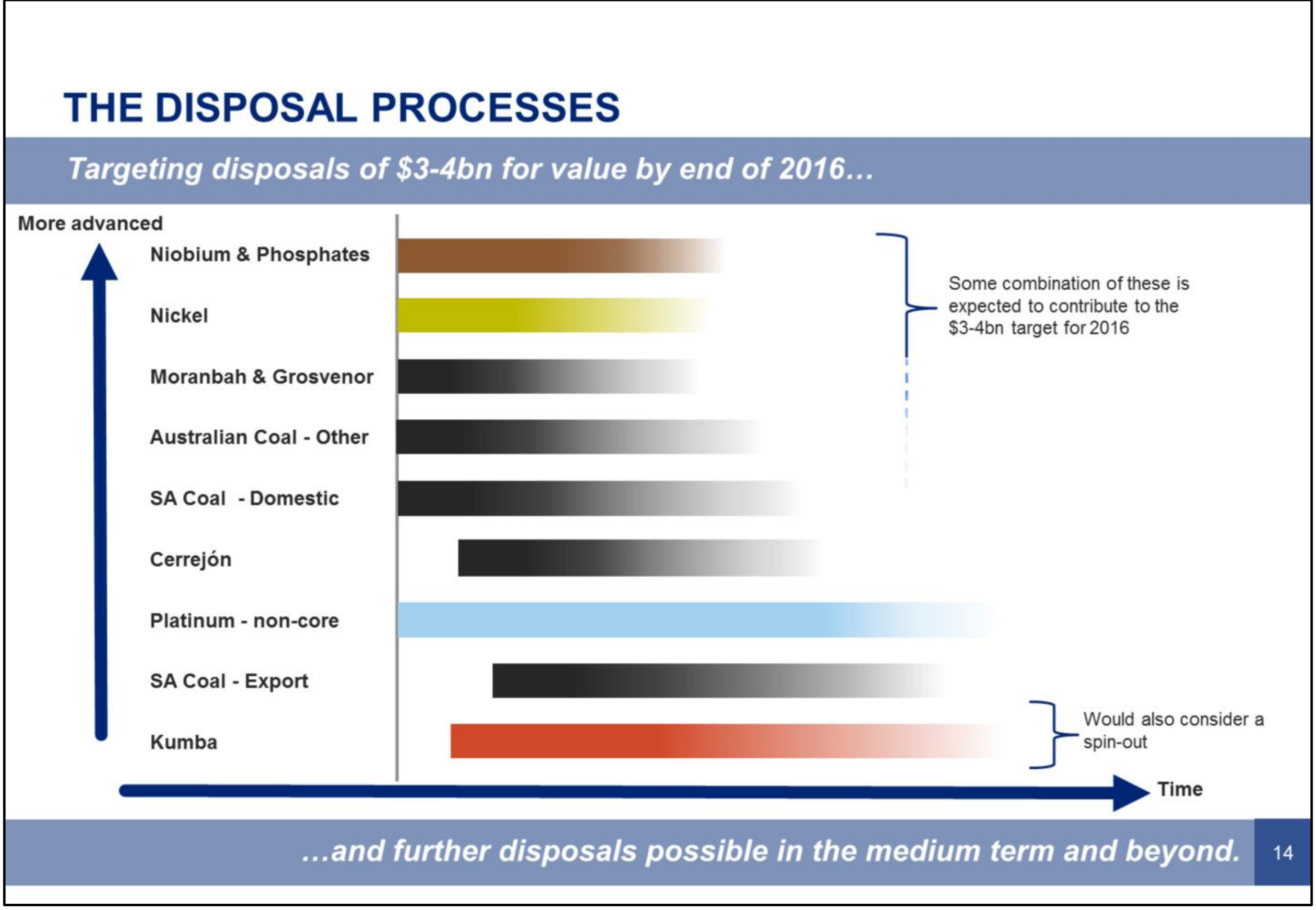
Our objective is to get to net debt of below $6bn

Over the next few slides I will speak to the levers available to us that we are in the process of pulling to achieve this.



Mark has described our intention to transition to a core portfolio of assets

We have planned, and are in the process of executing against, a comprehensive programme to exit our non-core assets during 2016 and 2017.

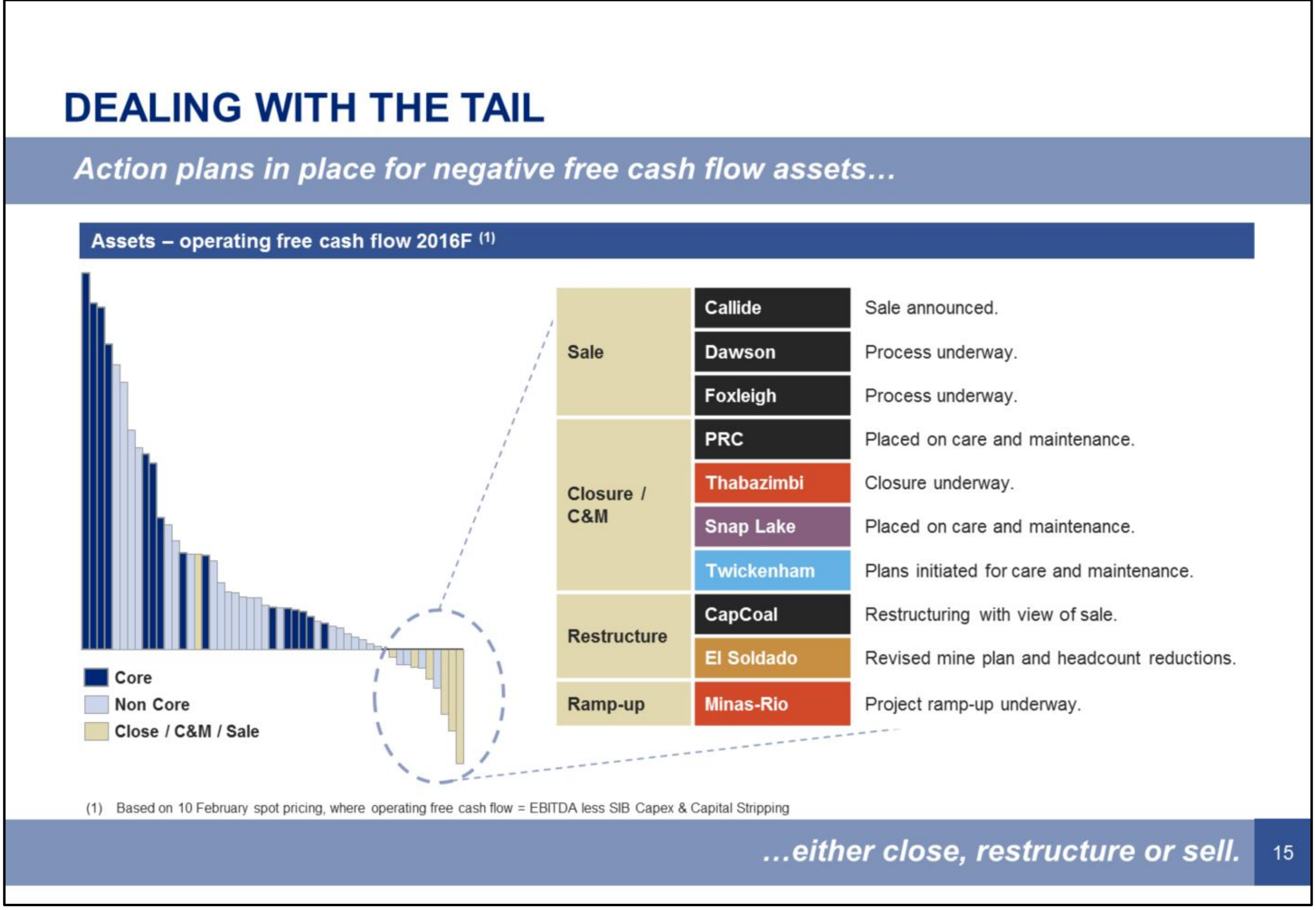
We have appointed advisers, prepared the key due diligence information and data rooms, and are already engaged with potential buyers for the first five asset groupings shown on this slide. The remaining assets are being prepared for exit and we expect to be underway later in 2016.

For Kumba, a number of different options will be considered, including a potential de-merger.

We recognise that this is a tough market for disposing of assets. The assets we are exiting, for example Niobium & Phosphates, Nickel, our Long Wall mines in Australia (Moranbah and Grosvenor) and Cerrejón, are all high quality, low cost, long-life assets.

Running our asset disposals in parallel gives us the flexibility to execute on those assets that deliver value and meet our target. Our objective for 2016 is to deliver $3-4bn of disposals from a number of these transactions. In addition, our $15bn of balance sheet liquidity gives us time to achieve value.

Overall our expected proceeds for all of these disposal will be greater than the $3-4bn.



This slide shows our current expectation for free cash flow from each of our assets in 2016 at spot prices and FX.

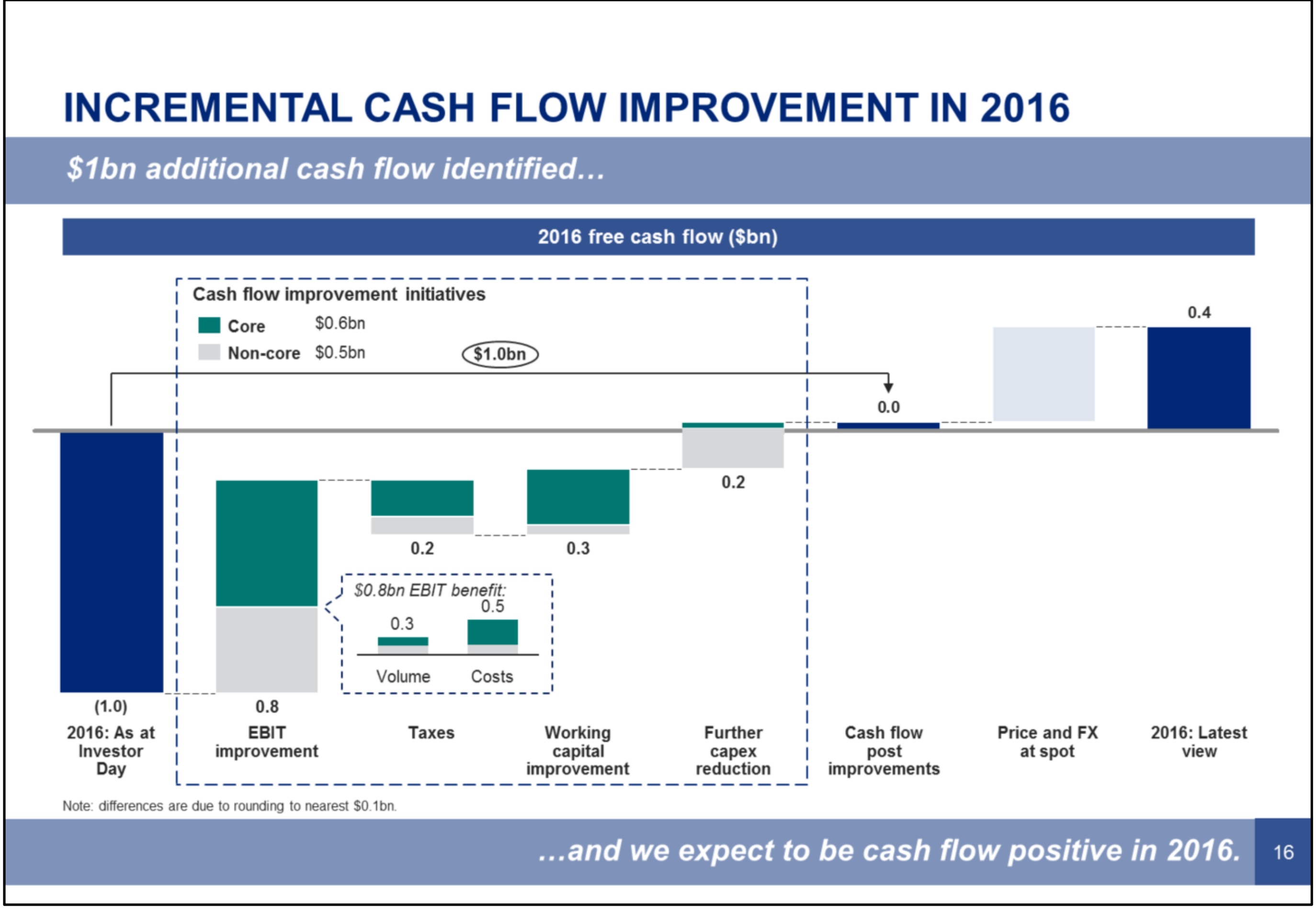
When we presented this slide in December the negative tail included 19 assets with a total of ~$600m negative free cash flow. This represented a mark-to-market of our preliminary budget at that time. Over the last two months we have finalised our budget and accelerated our cost reduction and business improvement plans.

This chart now reflects a number of actions taken on these assets. Placing some on C&M, as well as identifying operating improvements. At spot commodity and FX rates, this has now reduced to 10, with a combined negative free cash flow of ~$300m. We have plans for all of these 10. We are aiming to sell three assets, including Callide, which was announced last month. A further four assets are being closed or put on care and maintenance. We would expect the ongoing cost of keeping these assets on C&M to be lower over time.

Work is underway to improve the performance at El Soldado and Capcoal by optimising the mine plans at those operations. You will have seen at El Soldado we announced a 10% downsizing of headcount last week.

At a $40/t iron ore price Minas-Rio will be close to break-even and will continue to improve as it ramps-up.

Over time we would expect this $300m cash outflow to reduce further to around ~$100m, representing mostly C&M costs.



Over the last few months we have been working with Tony's technical function and the BUs to identify which initiatives we can accelerate and embed into 2016. We have now finalised our plans.

At the investor day in December I indicated that marking to market for the sharp fall in commodity prices at the end of November we would be $1bn negative free cash flow for 2016. As a result of these additional initiatives we expect that we can deliver further enhancements to EBITDA of $0.8bn from where we were in December, which when adding further capex and working capital reductions, equates to a $1bn free cash flow improvement.

Also reflecting the relative changes to spot prices and FX in the period, mean that we now expect to be $400m free cash flow positive in 2016.

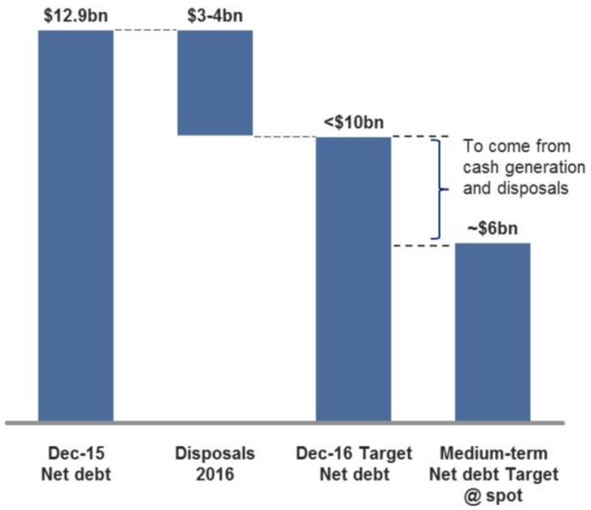
In December I also guided to a 2016 EBITDA number. Under these latest plans we now expect this to be $4.8bn, split $2.5bn for the core and $2.3bn for the non-core as defined today.

As you can imagine we stress test our business under a number of scenarios. For example under a 10% weaker price scenario and 5% local currency weakening, we would expect EBITDA for 2016 to be $4.1bn.

NET DEBT TARGET

Targeting net debt of below $10bn by end 2016…

Target net debt evolution



Considerations

- Medium-term target - solid investment grade rating.
  - ~$6bn net debt @ spot for core portfolio.
- End 2016 net debt target of <$10bn.
- At spot Kumba has no net debt by year end.

…and in the medium term net debt of ~$6bn for Core 17

For 2015 we finished the year at $12.9bn net debt – in line with 2014 and below our most recent guidance of $13 to $13.5bn.

Looking forward we are guiding a 2016 net debt below <$10bn. This will be achieved through delivering the disposal proceeds I have already mentioned of between $3 and $4bn in 2016. And positive operating free cash flow we generate will also add to the net debt reduction.

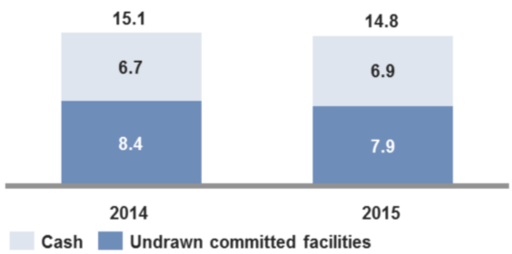
In the medium term we are targeting a net debt: EBITDA ratio of below 2.5 times. Which for our core portfolio means ~$6bn net debt. We will achieve this through further disposals and through free cash flow generation which should increase further from 2017 onwards as capex reduces, volumes increase and cost out programmes continue.

We believe that this level of net debt will be consistent with a solid investment grade credit rating

LIQUIDITY POSITION

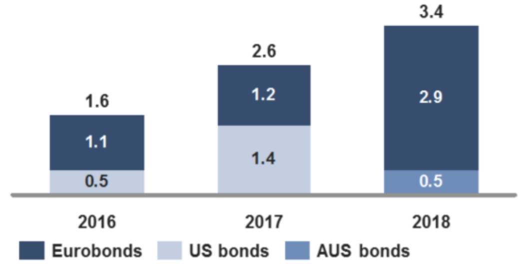
Liquidity maintained at ~$15bn…

Liquidity headroom ($bn)



Liquidity headroom – December 2015 ($bn)

Bond maturity profile ($bn)[1]



- Limited impact from credit rating downgrade.
- No financial covenants on the core $5.0bn RCF or new $0.4bn bilateral facilities and no further margin increase.
- No margin step up on the issued bonds.

(1) SA bonds maturing in 2016 ($13m) and 2017 ($39m) not shown separately.

…limited impact from rating downgrade. 18

Last night we received notification from Moody's that they have downgraded us to Ba3, this is consistent with the view I expressed in December. We understand from Moody's that they are taking a more pessimistic view across the sector. Nevertheless, as I have previously said, we see minimal operational or financial impact from being sub-investment grade.

We continue to maintain a significant level of liquidity at around $15bn. This includes a $5.4bn RCF held in London, as well as $7bn of cash on hand.

We have minimal bond refinancing over the next 24 months, $1.6bn in 2016 and $2.6bn in 2017.

Now I will hand back to Mark to take you through the operating performance for the year.

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FULL YEAR RESULTS 2015 – OPERATING PERFORMANCE

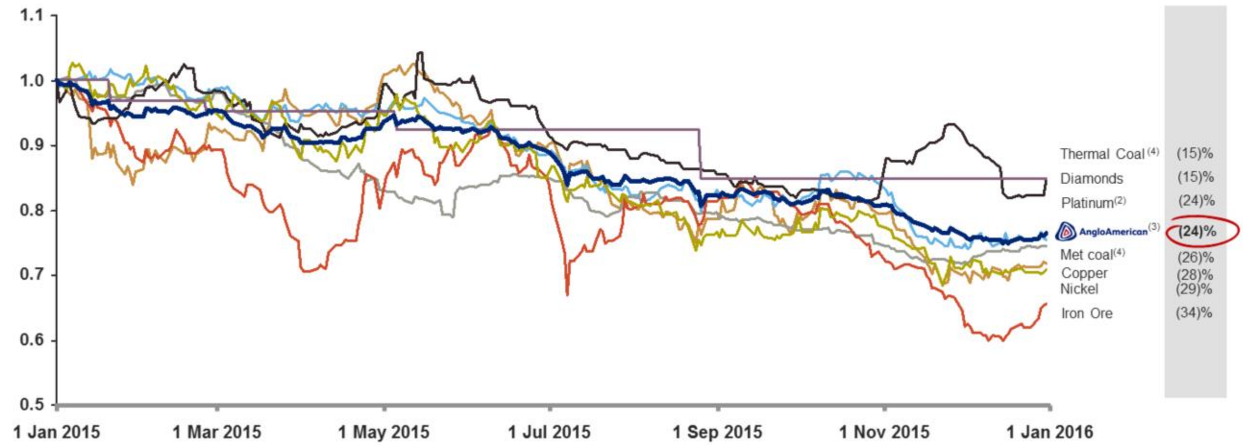
Mark Cutifani

I will go through our 2015 results fairly quickly. My primary purpose will be to give you a simple insight into the numbers and how we have accelerated the improvement works to also help you understand why we believe the targeted improvements in 2016 are readily deliverable. We are a little over 2 years into the change work and you will see the numbers are starting to reflect the change foundations we have been putting in place.

COMMODITY PRICES

Prices continued their slide during 2015…

Indexed commodity prices (1 Jan 2015 = 1)[(1)]



Source: Thermal Coal - globalCOAL; Diamonds – De Beers Rough Price Index, Platinum, Copper & Nickel - London Metal Exchange; Met Coal - Platts Steel markets daily; Iron Ore – Platts 62% CFR China has been used in this instance as a generic industry benchmark.

(1) Price line is equivalent to weighted average daily revenue for 2015 sales volumes
(2) Platinum basket price
(3) Anglo American excludes Samancor, Niobium, Phosphates, Corporate and OMI.
(4) Met coal price line based on HCC spot and API6 thermal coal

…with Q4 acceleration and De Beers impacting our full year forecasts. 20

Not much to say here – commodities under pressure across the board.

As you would expect – a 24% price decline across our basket of commodities took some managing on our side. In terms of what we could control – the fact we have delivered better than our original forecast net debt gives a sense of the progress we are making on the things we can control.

So lets start to unpack the numbers.

FINANCIAL HIGHLIGHTS

Commodity price headwinds dominate results…

➢ **Underlying EBIT**	**$2.2bn**	**-55%**	*...commodity prices down 24%.*
➢ **EPS**	**$0.64**	**-63%**	*……....finance costs impacting.*
➢ **Cost reduction**	**$1.0bn**		*....unit costs down 16% in US$.*
➢ **Capital expenditure**	**$4.0bn**	**-33%**	*……..in control SIB efficiencies.*
➢ **Net disposal proceeds**	**$1.7bn**		*...disposal processes continue.*
➢ **Net debt**	**$12.9bn**		*…..lower reflecting cash focus.*

…as cost/capex reductions and disposals protect delivery of debt targets. 21

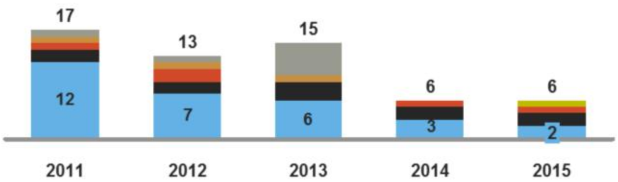
Prices down knocking the financials – while all controllables are better than forecast and providing positive offsets:

- Cost reductions continue to accelerate – with productivity and production increases further helping the result.
- Capital expenditure is now dropping as we complete our major project spends and lower capital development and Stay in Business capex.
- Net cash proceeds from disposals of $1.7bn were above our $1.5bn target – helping us deliver a better net debt number.

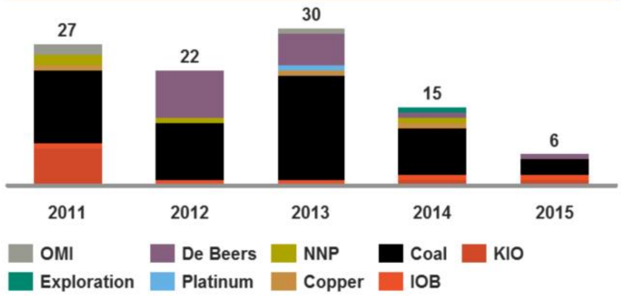
SAFETY AND ENVIRONMENT

Our performance improvement is led by people…for people…

Loss of life (by business)



Environmental incidents (levels 3 to 5)(1)



SAFETY

- Best safety performance in a full production year.
- Q4 fatality free – 1 fatal incident in H2.
- Modernisation strategy will support ongoing broad-based safety improvement.
- Focus on workforce engagement through major restructuring remains key risk to manage.

ENVIRONMENT

- Improvements reflect operations planning and associated attention to detail.
- Water management becoming a key challenge across most jurisdictions.
- We have rigorous JV safety, technical and social controls and approaches.

(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.

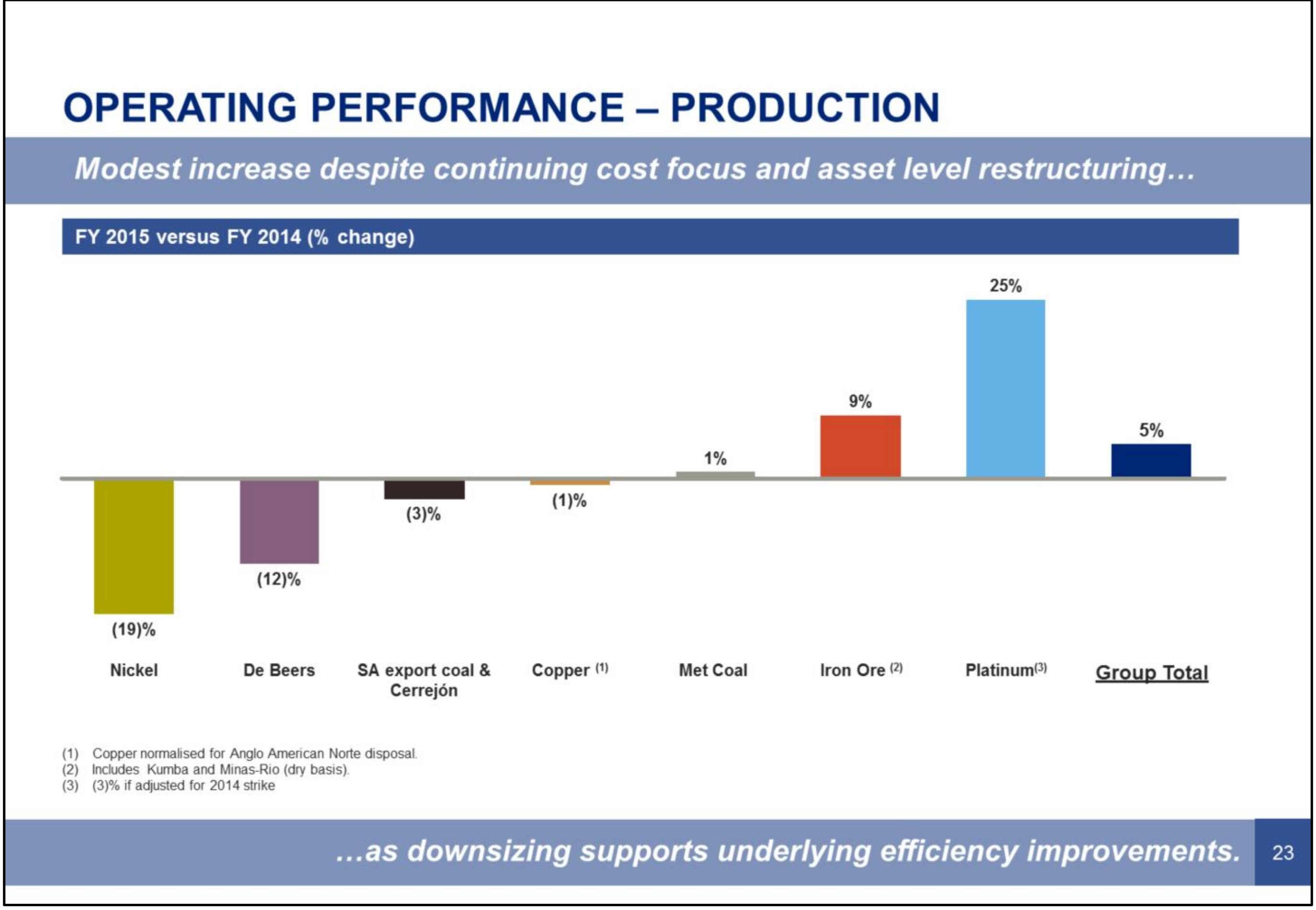
…delivering on our commitment to employees and community. 22

On our first 2 full years of restructuring you can see the progress on safety and environmental performance through 2014 into 2015.

On safety we improved across most measures – while we reported 6 fatal incidents, we have now reported a fatality free Q4 and 1 fatality in the second half. On a full production year for platinum, this was an encouraging effort. Since starting our new leadership work and focussed on the operating model approach we have improved by around 60% in the last 2 years.

On environmental incidents the message is the same - we have reported an 80% reduction in incidents reported.

We see both as lead measures on more general business performance – the focus on planned work and paying attention to the important detail is making a material difference.

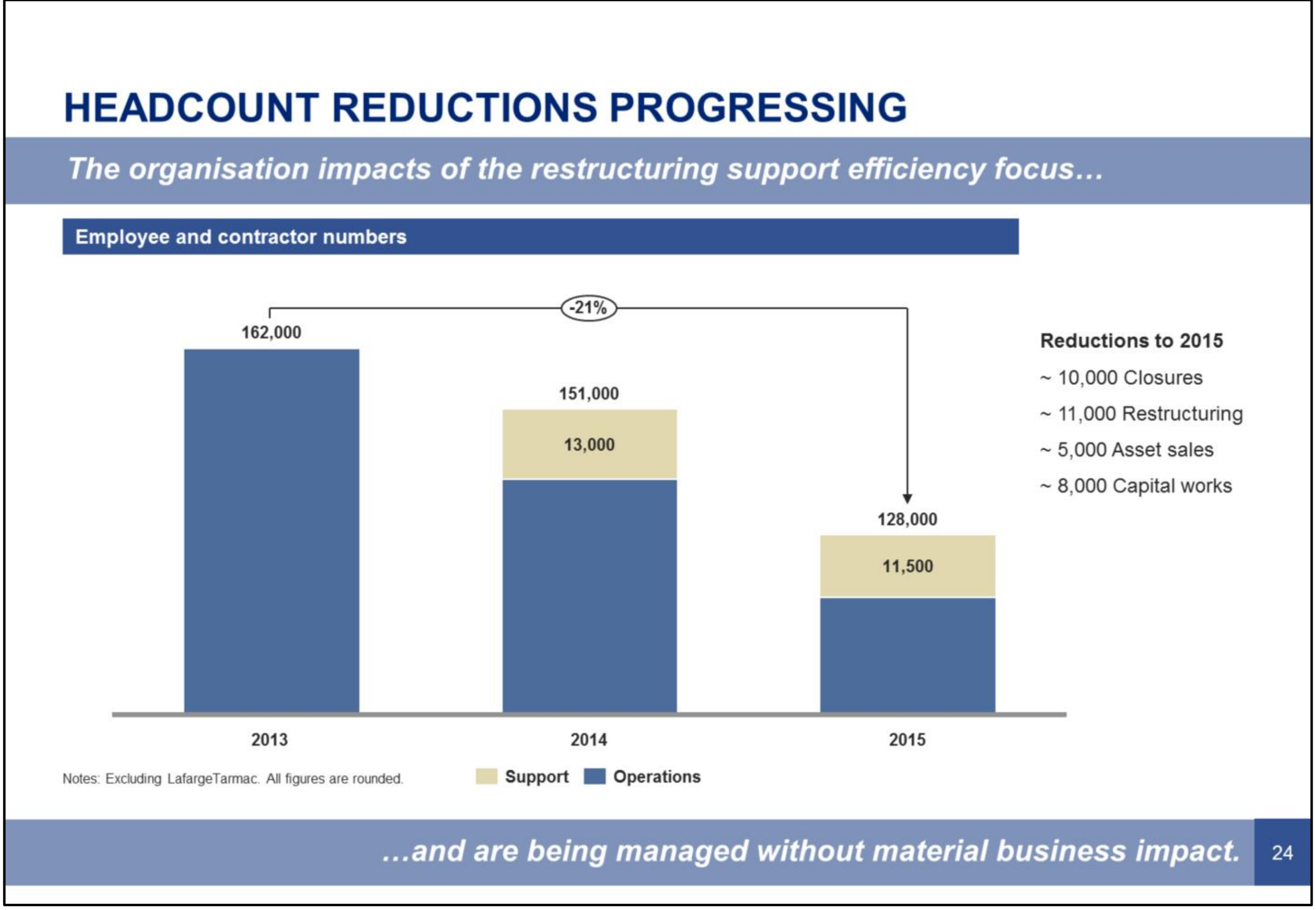


On an aggregate basis we were 5% up on production – despite taking Barro Alto down to sort out the furnaces, pulling back production in De Beers and despite asset closures and broader based restructuring.

Barro Alto is now operating above nameplate capacity at a 40% lower unit cost.

We will continue to produce at De Beers in line with the market's demand.

The really pleasing aspect of this 5% increase is we delivered the improvements even after downsizing the organisation by more than 20% during the course of the year.



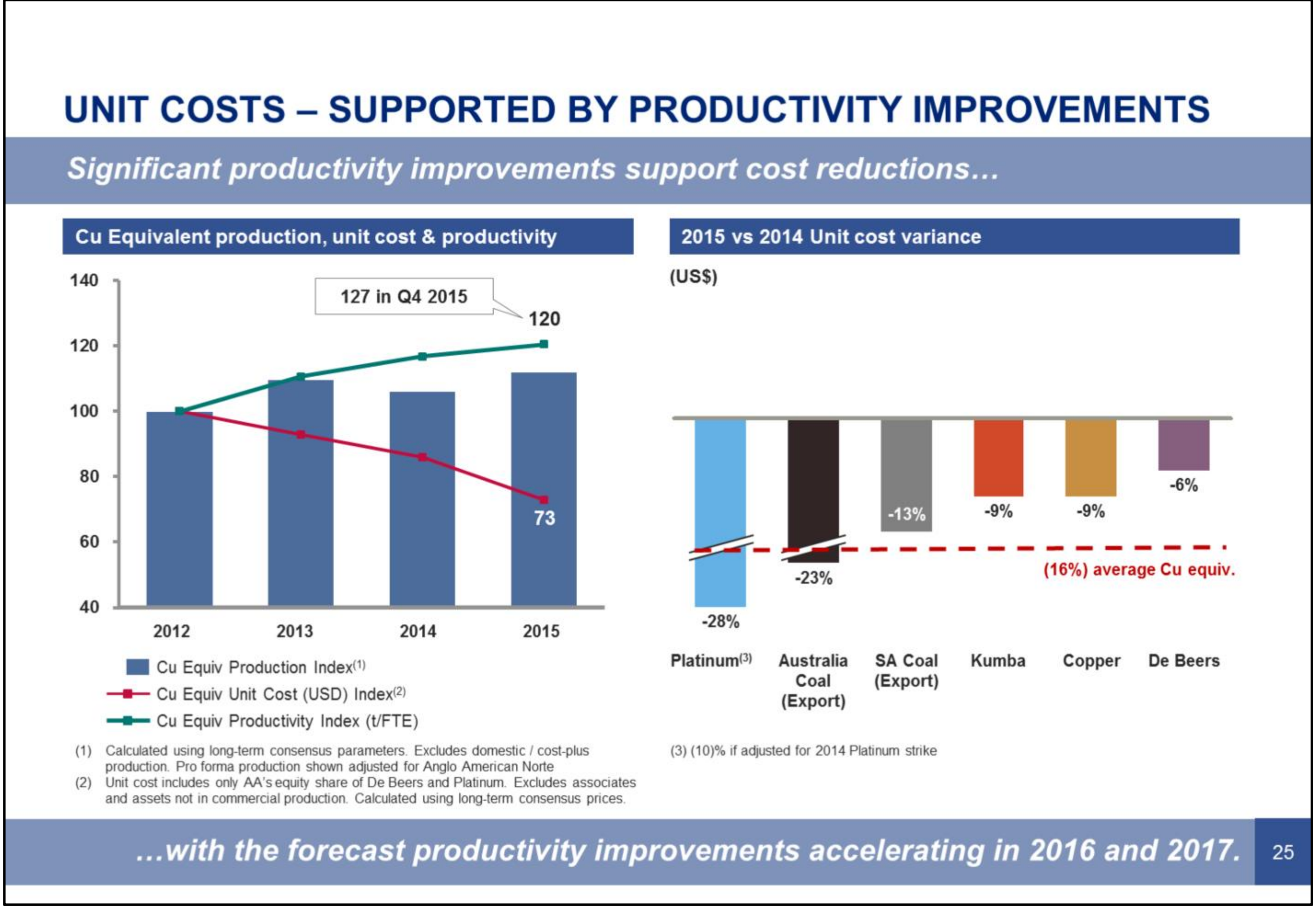
The pace of organisation restructuring has continued to accelerate.

The 23,000 headcount reduction doesn't include the Tarmac disposals – which would have added more than 5,000 to the headline numbers.

We are forecasting more than 40,000 additional reductions through 2016.

On Group overheads we reduced by about 25% between London and J'burg – with more reductions occurring as we speak.

Finally, I want to make sure people understand – today – I am not announcing anything new. We are simply explaining what is happening as we have already started on most of the implementations.



Since the second half of 2013 we have been working with each of the businesses on implementing our operating model approach.

In short:

- Production is up 10% since 2012,
- People numbers are down 20%, and
- Costs are tracking well below where they were in 2012.

The Q4 numbers, in particular, are showing the acceleration of the improvements that we have seen since mid 2014. Productivity is up 27%, as measured in Copper equivalent units – and costs are down 27% since 2012. As you can see we have reported cost reductions across all of our commodities in 2015, despite high local inflation rates in SA and Brazil.

These improvements have also been delivered without material contributions from new projects.

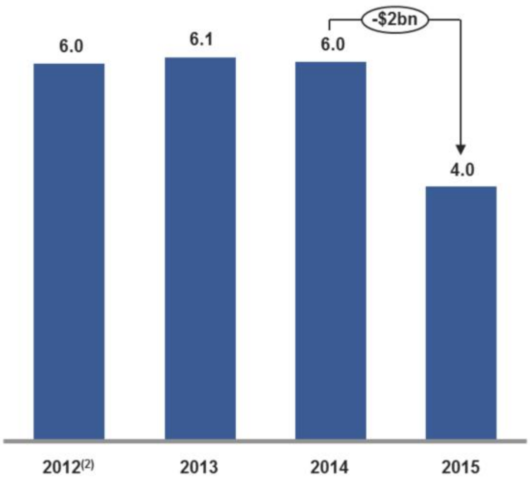
It is with this performance improvement that we head into 2016 – confident we can continue and build on the improvements we recorded in 2015.

In fact, we expect these improvement trends to continue to accelerate through 2016, with a range of more technically driven cost reductions coming into play in 2017 and beyond.

PROJECT DELIVERY – UNDER CONTROL

We are coming to the end of our major project spending commitments…

Group capital expenditure ($bn)(1)



CAPITAL IN CONTROL & REDUCING

- **Minas-Rio $8.3bn**……………~$500m under revised budget.
- **Barro Alto $0.3bn**....~$30m under budget & scope delivered.
- **Boa Vista $0.3bn**…..…marginally over budget and schedule.
- **Grosvenor $1.8bn**……..…on budget and ahead of schedule.
- **Venetia $2bn**……………...…………on budget and schedule.
- **Gahcho Kué $0.5bn**…………………on budget and schedule.

(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.
(2) 2012 presented on a pro forma basis to reflect De Beers acquisition in 2012.

…and reduced capex by 33% in 2015. 26

The general improvement story extends beyond operations and into capital.

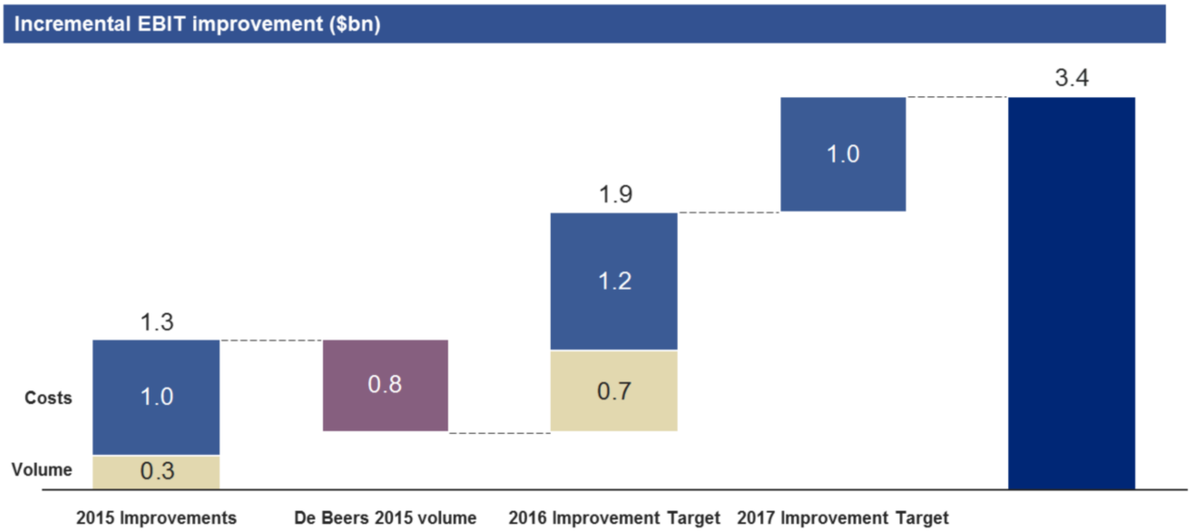
The major projects inherited in 2013 have been closely managed with aggregate expenditures down by around $1bn compared to original forecasts.

Our top line spends in 2015 were down $2bn on 2014 and we forecast this reduction to continue as we improve development productivities and SIB spends.

Consistent with our focus on working our assets to their potential, and our sensitivity to the general market downturn, we have not committed any new major projects. And while it may be a statement of the obvious, we intend to hold our current market and spending disciplines.

EBIT IMPROVEMENT IN 2015 AND BEYOND

We are now targeting $1.9bn of EBIT improvement in 2016…



Note: any apparent differences are due to rounding to nearest $0.1bn.

…and maintain our 2017 target of $1bn in improvements. 27

We continue to build on our business improvements with another $1.9bn improvements targeted in 2016.

In 2015 we delivered $1.3bn improvements, which were partly offset by the pull back in demand in the diamond market. We expect to accelerate our performance improvement in 2016 to the tune of $1.9bn. As we have described – this figure includes the $1.1bn figure we identified in December, which has been expanded with additional improvements of $800 to get to our $1.9bn headline figure. On top of those improvements we also have a further $200m in capex reductions. The additional $1bn improvement expected in 2017 will be detailed later in the year.

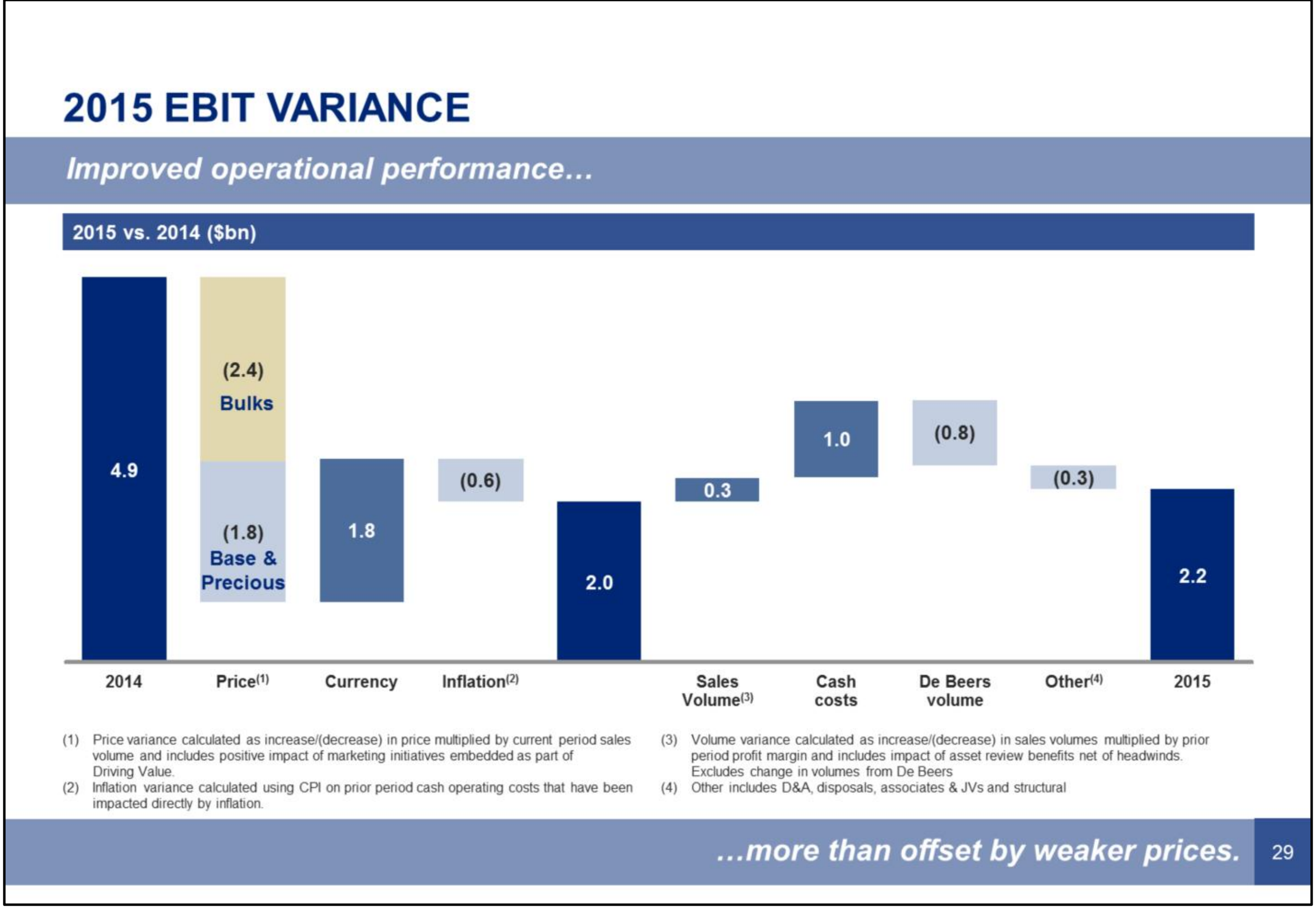
In getting ourselves to cash positive territory it must be remembered we are still funding $1.2bn in expansion capital in 2016. In 2017 we see a material drop in this capital commitment and so we move into material cash flow generation.

So again, over to Rene to talk to the financials.

AngloAmerican

FULL YEAR RESULTS 2015 – FINANCIALS

René Médori



Reconciling our $2.2bn 2015 EBIT to 2014, the largest impact was prices – which gave a $4.2bn negative EBIT variance year on year. This reflects the 24% fall in our basket of commodities during 2015.

Weaker local currencies helped reduce the cost base by $1.8bn, partly offset by inflation of $0.6bn.

Our sales volumes where higher, benefiting us by $0.3bn, and reflecting the return to normal production in Platinum, as well as the benefit of increased sales volumes in Coal and Kumba.

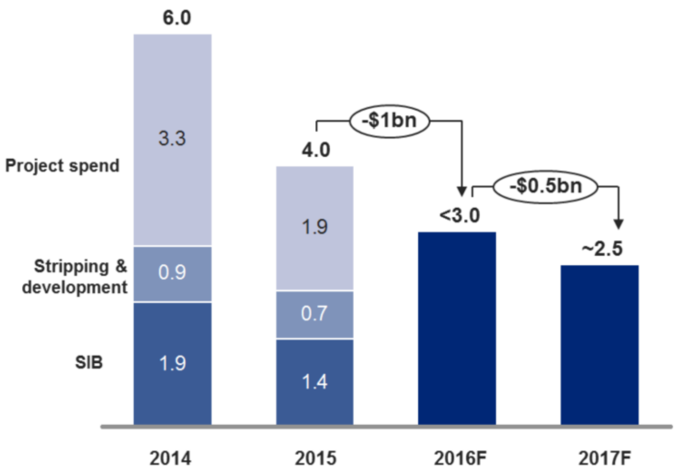
Our cash cost improvement was $1bn, with real cost reductions across most of the BUs, as well as lower corporate costs and exploration expenditure.

As you will be aware De Beers sales volumes were lower, reflecting our actions to help support the destocking in the midstream.

GROUP CAPITAL EXPENDITURE

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

Capital expenditure ($bn)(1)



Net debt ($bn)

Opening net debt – 1 January 2015	12.9
Cash flow from operations	(4.2)
Capital expenditure	4.0
Cash tax paid	0.6
Net interest(2)	0.5
Dividends paid to non-controlling interests	0.2
Dividends from associates, joint ventures and financial asset investments	(0.3)
AA plc interim and final dividend	1.1
Disposals	(1.7)
Other	(0.2)
Closing net debt(3) – 31 December 2015	**12.9**

(1) Capex 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. Excludes capitalised losses

(2) Net interest includes the impact of derivatives hedging net debt.
(3) Net debt excludes the own credit risk fair value adjustment on derivatives.

…2016 capex guidance reduced by an additional $0.2bn

Net debt of $12.9bn was in line with 2014 and lower than our most recent guidance of $13 to $13.5bn. Benefiting from net cash received from disposals of $1.7bn in the year, as well as reductions to capex which came in at $4bn versus $6bn in 2014.

Total dividends paid in the year were $1.1bn. Although as you will remember we announced in December this has been suspended for the foreseeable future.

Looking to capex in 2016, we are now guiding to be below $3bn for the year – as we continue to see the completion of our key growth projects (Minas Rio, Grosvenor and Gahcho Kue). Whilst in 2017 we expect capex to be lower again, at approximately $2.5bn. With Venetia being the only ongoing growth project.

I now hand back to Mark.

SUMMARY

DRIVING CHANGE…DEFINING OUR FUTURE

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.

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So, you have seen the portfolio choices we have made.

You have also heard how we will deliver cash at spot price assumptions and where we see the opportunity to deliver better than $3bn in disposal proceeds to get net debt below $10bn in 2016.

We are building a New Anglo American:

- We have world class assets across our selected commodity suite,
- We have leadership positions in each of those commodities – with opportunities to improve cash flow and returns, and
- We have a plan to fix the balance sheet so that we can take full advantage of the hard work we have done at the asset level.

And what I mean by taking advantage of the positions we have created – it's about delivering cash and returns to and for our shareholders… because it's their money.

Now you have the detail – happy to take questions.