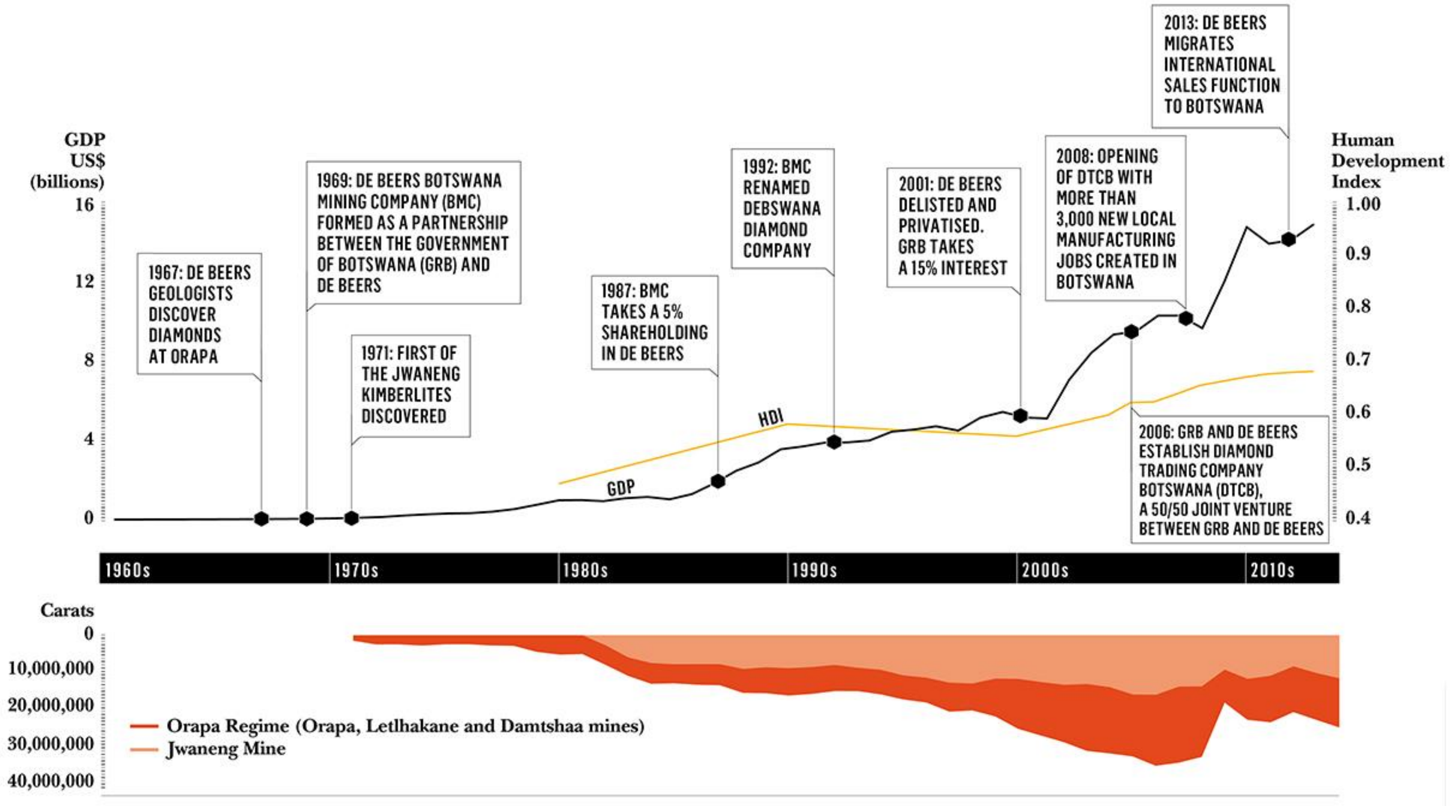
DE BEERS
GROUP OF COMPANIES

DE BEERS IN BOTSWANA
SITE VISIT – NOVEMBER 2016

Bruce Cleaver

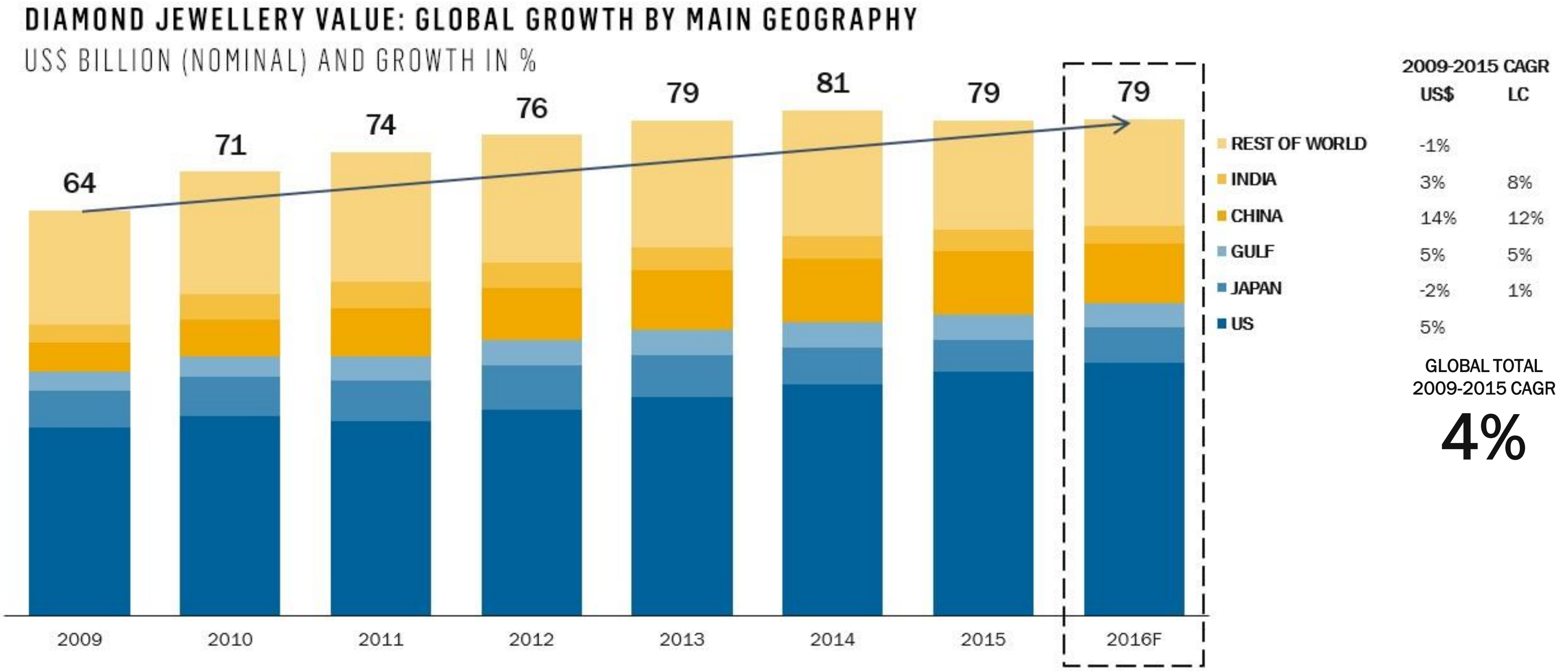
A haul truck transports ore at Jwaneng Mine, Botswana

PARTNERSHIP BETWEEN BOTSWANA AND DE BEERS IS MUTUALLY BENEFICIAL



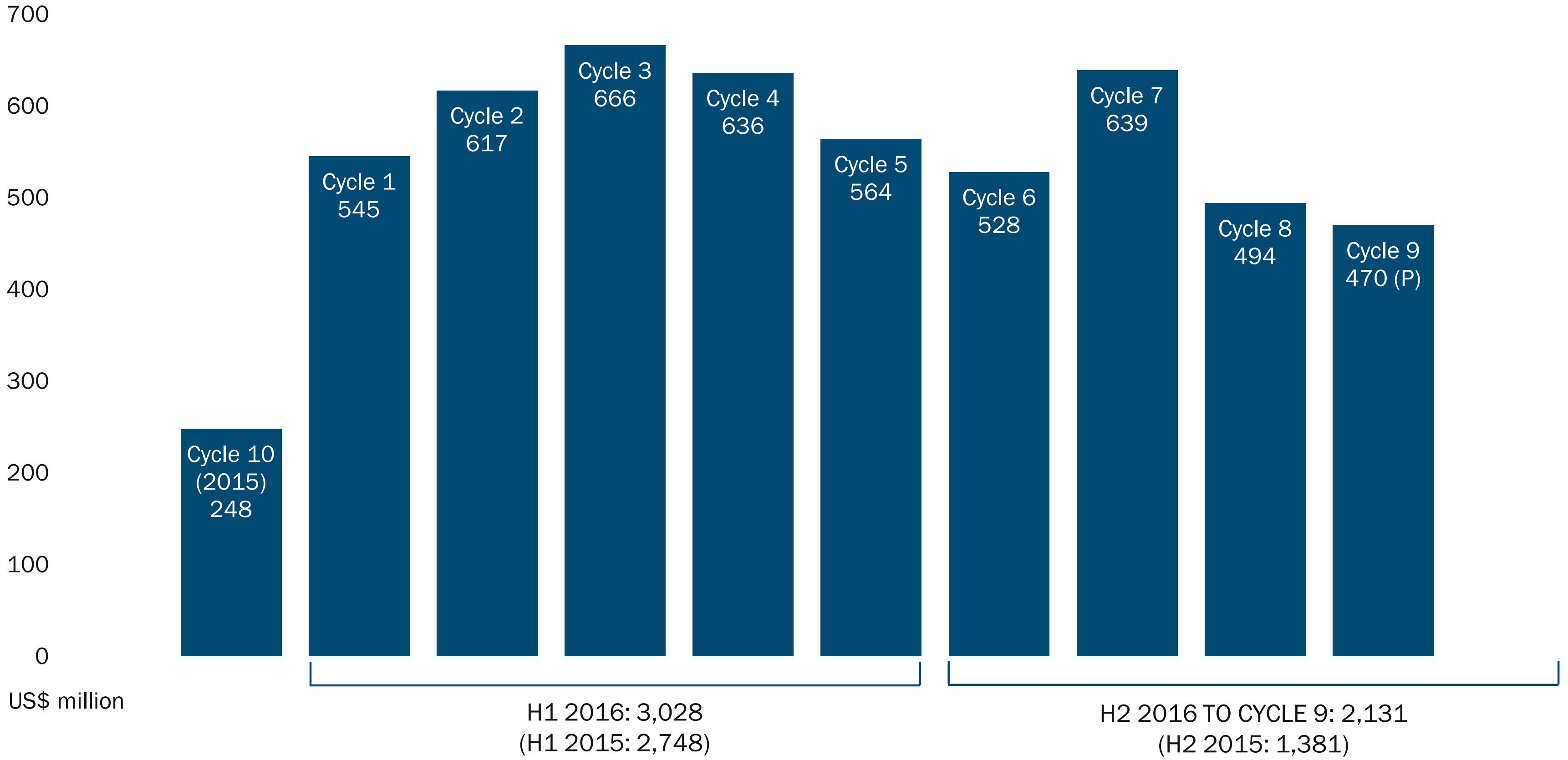
Source: World Bank (2015) and United Nations Development Porgramme (2014)

CUMULATIVELY, THE LAST THREE YEARS HAVE SEEN THE STRONGEST DIAMOND JEWELLERY DEMAND EVER, DESPITE SOME WEAKER CONDITIONS IN H2 2015



Source: The Diamond Insight Report 2016, De Beers

CONSOLIDATED ROUGH DIAMOND SALES TO Q3 2016 UP 39% (AFTER A WEAK H2 2015)



OUR FIVE KEY AREAS OF FOCUS

1 Enduring partnerships

2 Implementation of the operating model to optimise cost and productivity

3 Innovation across the pipeline

4 Tailored consumer propositions

5 Attractive portfolio – profitable growth options

THE RIGHT PEOPLE IN THE RIGHT PLACES DOING THE RIGHT THINGS

BRUCE CLEAVER
CEO

MINING

PHILLIP BARTON
CEO,
De Beers Consolidated Mines

BALISI BONYONGO
Managing Director,
Debswana

KIM TRUTER
CEO,
De Beers Canada

MARKUS LUBBE
Acting CEO,
Namdeb Holdings

MIDSTREAM & DOWNSTREAM

PAUL ROWLEY
EVP,
Global Sightholder Sales

NEIL VENTURA
EVP,
Auction Sales

STEPHEN LUSSIER
CEO, Forevermark;
EVP, Marketing

WALTER HUHN
CEO,
Element Six

GROUP FUNCTIONS

NIMESH PATEL
CFO

GARETH MOSTYN
Executive Head,
Strategy and Corporate Affairs

BURGER GREEFF
Executive Head,
Technical

ARTHUR HEWETT
Executive Head,
Human Resources

YOUR VISIT: GSS AND JWANENG ARE UNIQUE AND VALUABLE ASSETS

Global Sightholder Sales

Key facts

- Relocated from London to Gaborone in 2013
- Sells 90%, by value, of De Beers production
- Sells to 85 of the world's leading diamond companies

Key takeaways

- World's leading rough diamond facility
- Underpins ability to achieve optimum price as part of integrated distribution system
- Additional value captured from service offering
- Showcases technological leadership

Debswana: Jwaneng Mine

Key facts

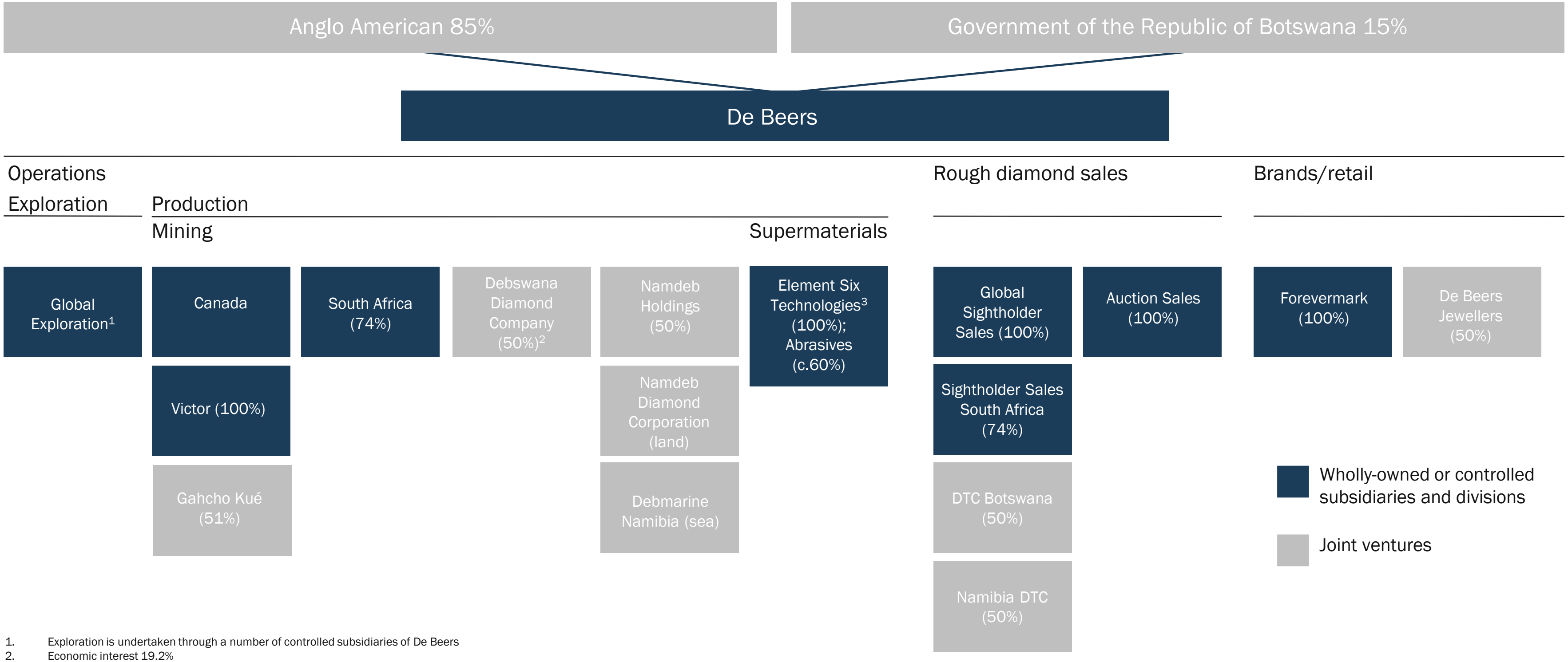
- Originally incorporated as De Beers Botswana Mining Company in 1969
- 50/50 JV between GRB & De Beers
- Profit share (pre-tax) 80.8% GRB:19.2% De Beers
- Current mining licence runs until 2029

Key takeaways

- Jwaneng is the world's most valuable diamond mine
- Large resource/long life/low cost
- Produces c.12m carats p.a. with production flexibility via tailings

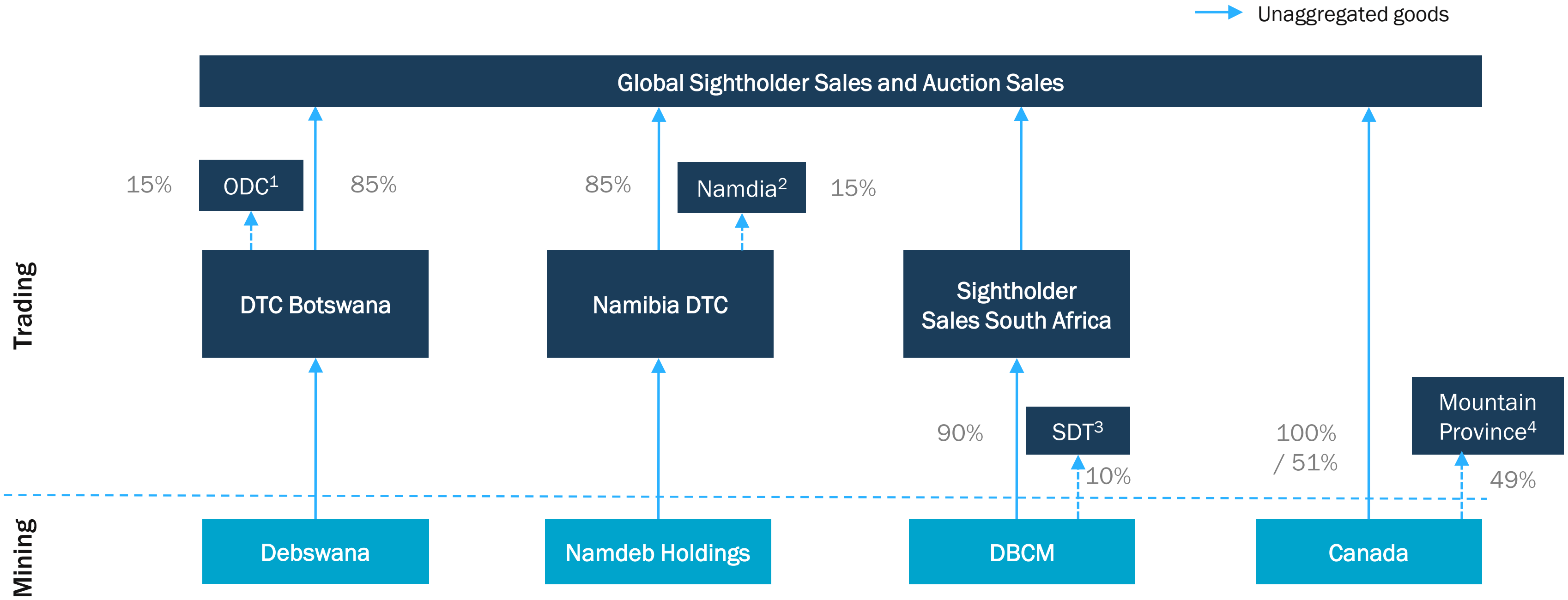
APPENDIX

COMPANY OVERVIEW



1. Exploration is undertaken through a number of controlled subsidiaries of De Beers
2. Economic interest 19.2%
3. Element Six is made up of two businesses: Technologies, which is 100% by De Beers, and Abrasives, which is c.60% owned by De Beers

SCHEMATIC FLOW OF DIAMONDS AROUND THE GROUP



1. Okavango Diamond Company has the right to 15% of Debswana run of mine production
2. Namib Desert Diamonds has the right to 15% of Namdeb Holdings run of mine production
3. DBCM sells 10% of run of mine production to the State Diamond Trader, in terms of SA diamond legislation
4. Gahcho Kué production split De Beers 51%:49% Mountain Province, Victor 100% De Beers

GROUP STRUCTURE FROM AN ACCOUNTING PERSPECTIVE

Upstream

100%	100%	19.2%	50%
De Beers Canada[1]	De Beers Consolidated Mines (DBCM)[2]	Debswana[3]	Namdeb Holdings[4]

Midstream

100%	100%	50%	50%
De Beers Global Sightholder Sales	De Beers Auction Sales	Partner Diamond Trading Companies[4]	

Downstream and Element Six

50%	100%	c.60%	100%
De Beers Jewellers[5]	Forevermark	Element Six Abrasives[6]	Element Six Technologies

1. Gahcho Kué 51%; joint venture with Mountain Province
2. Full consolidation; 26% minority held by BEE shareholder (Ponahalo), but fully consolidated due to financial arrangements. No minority interest accounted for
3. Debswana pays income tax and royalty in Botswana, albeit the profit share mechanism is calculated on a pre-tax basis. Master agreement grants De Beers 19.2% of all pre-tax profit. Proportionate consolidation of 19.2% with nil tax and royalty
4. Proportionate consolidation
5. Equity accounted
6. Full consolidation, with c.40% minority interest of Umicore SA provided for

DIAMOND MINING OPERATIONS AND CARATS RECOVERED

Canada
100% owned
Established 1998
Gahcho Kué 51% joint venture
with Mountain Province

<u>Carats recovered</u>
2016 Q1-Q3: 0.5m
2015: 1.9m

A – Snap Lake (on C&M)
B – Gahcho Kué
C – Victor

Botswana
Debswana
50/50 joint venture
with the Government
of the Republic of Botswana
19.2% economic interest

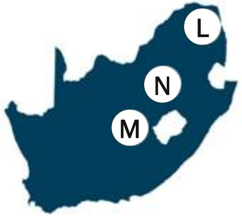
<u>Carats recovered</u>
2016 Q1-Q3: 15.1m
2015: 20.4m

D – Damtshaa
E – Orapa
F – Letlhakane
G – Jwaneng

Namibia
Namdeb Holdings
50/50 joint venture
with the Government
of the Republic of Namibia

<u>Carats recovered</u>
2016 Q1-Q3: 1.1m
2015: 1.8m

H – Atlantic 1
I – Northern Coastal Mines
J – Southern Coastal Mines
K – Orange River Mines



South Africa
De Beers Consolidated
Mines (DBCM)
74/26 BEE Partnership
with Ponahalo Holdings
Established 1888

<u>Carats recovered</u>
2016 Q1-Q3: 2.8m
2015: 4.7m

L – Venetia
M – Kimberley (sold January 2016)
N – Voorspoed

DIAMOND RESOURCE AND RESERVE ESTIMATES AS AT 31 DECEMBER 2015

Selected De Beers Assets	% De Beers Ownership	Classification	EXCLUSIVE Diamond Resource Estimates as at 31 December 2015				Diamond Reserve Estimates as at 31 December 2015				LOM years
			Tonnes (Mt)	Carats (Mc)	Grade[1] (cpht)	BCO[1] (mm)	Treated Tonnes (Mt)	Saleable Carats (Mc)	Recovered Grade[1] (cpht)	BCO (mm)	
Gahcho Kué (OP)	51	Indicated	2.3	3.2	137.1	1.00	33.8	52.0	153.8	1.00	13
		Inferred	12.9	18.1	140.6	1.00					
Victor (OP)	100	Indicated	0.4	0.1	23.8	1.50	4.3	0.7	16.8	1.50	3
		Inferred	2.8	0.6	22.8	1.50					
Venetia (OP)	100	Indicated	0.1	0.1	148.6	1.00	25.8	28.7	111.3	1.00	31 (OP&UG)
		Inferred	20.3	3.4	16.9	1.00					
Venetia (UG)	100	Indicated	-	-	-	-	92.9	71.8	77.2	1.00	31 (OP&UG)
		Inferred	69.9	59.6	85.3	1.00					
Debswana Jwaneng (OP),	50	Indicated	129.5	138.8	107.2	1.47	113.0	149.2	132.0	1.47	20
		Inferred	85.7	68.7	80.3	1.47					
Debswana Orapa (OP)	50	Indicated	292.4	298.8	102.2	1.65	171.9	151.4	88.0	1.65	14
		Inferred	77.6	66.2	85.3	1.65					
			Area (k m^2)	Carats (kc)	Grade[2] (cpm^2)	BCO[1] (mm)	Area (k m^2)	Saleable Carats (kc)	Recovered Grade[2] (cpm^2)	BCO (mm)	LOM years
Namdeb Holdings – Atlantic 1 (MM)	50	Indicated	108,175	7,302	0.07	1.47	43,866	3,933	0.09	1.47	20
Inferred			1,080,989	88,226	0.08	1.47					

Notes:
For further information refer to the Anglo American Ore Reserves and Mineral Resources Report 2015.
Due to the uncertainty that may be attached to some Inferred Diamond Resources, it cannot be assumed that all or part of an Inferred Diamond Resource will necessarily be upgraded to an Indicated or Measured Diamond Resource after continued exploration.
[1] Grade is quoted as carats per hundred metric tonnes (cpht). [2] Grade is quoted as carats per square metre (cpm^2).

DIAMOND RESOURCE AND RESERVE ESTIMATES AS AT 31 DECEMBER 2015: EXPLANATORY NOTES

Unless otherwise stated, tonnage is quoted as dry metric tonnes. Estimates of Diamond Reserve tonnes reflect the tonnage to be treated.
Reported Diamond Reserves/Resources are based on a Bottom Cut Off (BCO) which refers to the bottom screen size aperture and varies between 1.00mm and 3.00mm (nominal square mesh).
The estimates reported represent 100% of the Diamond Reserves and Diamond Resources.
Diamond Resources are reported as additional to Diamond Reserves.
The Canadian Diamond Reserve and Diamond Resource estimates are reported in accordance with the Canadian Institute of Mining and Metallurgy (CIM) Definition Standards on Mineral Resources and Mineral Reserves.
The Southern African Diamond Reserve and Diamond Resource estimates are reported in accordance with The South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (The SAMREC Code, 2007 Edition as amended July 2009).
LoM = Life of Mine (years) is based on scheduled Probable Reserves including Indicated and some Inferred Resources considered for Life of Mine planning.
OP = Open Pit; UG = Underground; MM = Marine Mining; Mt = Million tonnes; Kt = Thousand tonnes; k m^2 = thousand square metres

Projects

Jwaneng Cut 8

The Life of Mine Plan approved in 2015 includes the Cut-8 estimates of 84 Mt of material to be treated containing an estimated 93 M¢ (North, Centre and South Pipes, excluding the 4th Pipe which is mined as part of waste stripping and stockpiled).

Venetia Underground

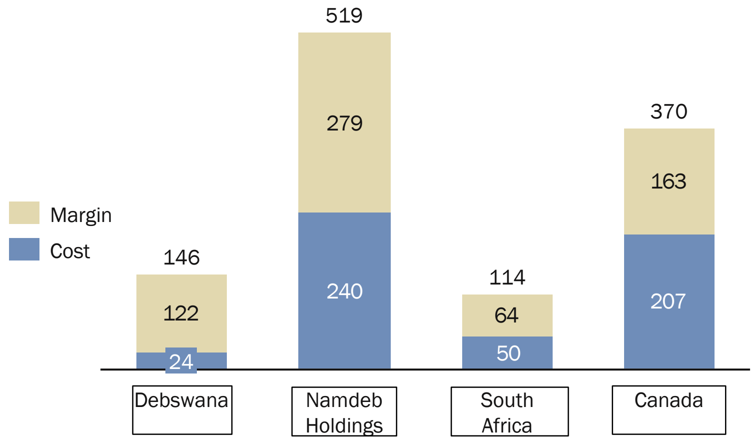
The project is expected to treat approximately 132 Mt of material containing an estimated 94 M¢. Scheduled Inferred Resources (39.5 Mt) constitute 24% (22.4 M¢) of the estimated carats. These estimates are scheduled tonnes and carats as per the Life of Mine Plan approved in 2015.

Gahcho Kué

The project is expected to treat approximately 35 Mt of material containing an estimated 54 M¢ (100% basis). Scheduled Inferred Resources (1.2 Mt) constitute 2.7% (1.5 M¢) of the estimated carats. The estimates are scheduled tonnes and carats as per the Life of Mine Plan approved in 2015.

MARGINS AND SALES

2016 H1 Margin analysis by mine ($/ct)



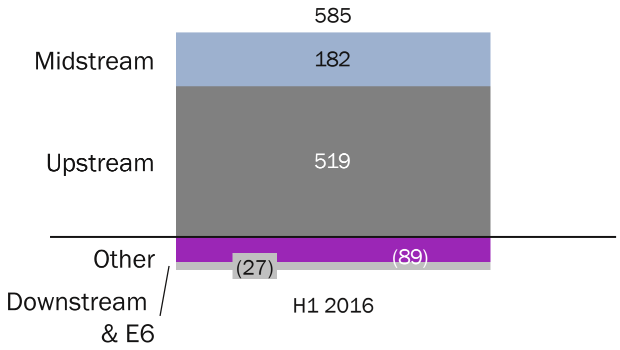
	Debswana	Namdeb Holdings	South Africa	Canada
Margin (%)	84	54	56	44
Production (Mct)	10.5	0.7	1.8	0.3
Grade (cpht) [(3)]	109.2	3.0	40.0	19.8

(1) Mine selling price ($/ct). This represents 100% of standard selling value post aggregation of goods. The group realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to group unit costs, which relate to equity production only

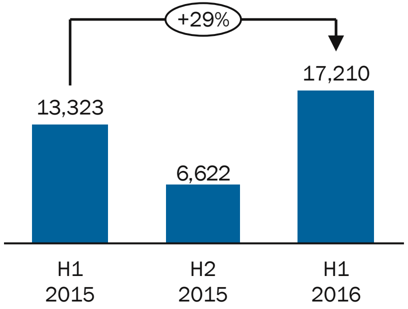
(2) Total cost per carat recovered ($/ct). This represents the total production and operating costs before operating special items (excluding depreciation), divided by carats recovered

(3) Namdeb:DBMN – square metres mined (000's). Only reported land for cpht and ore

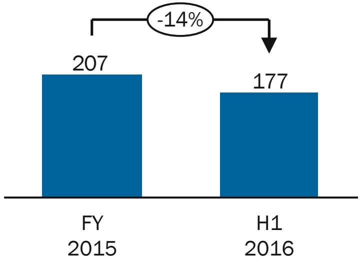
EBIT $m



Carats sold by De Beers ('000)



Overall average realised price was down 14% versus 2015



FINANCIAL OVERVIEW

Income statement

US$bn	H1 2015	H2 2015	FY 2015	H1 2016
Revenue	3.0	1.7	4.7	3.3
of which, rough diamonds	*2.7*	*1.4*	*4.1*	*3.1*
Underlying EBIT	0.6	0.0	0.6	0.6
Margin %	*20%*	*0%*	*13%*	*18%*
EBITDA	0.8	0.2	1.0	0.8
Margin %	*27%*	*12%*	*21%*	*24%*
Underlying Earnings	0.5	(0.1)	0.4	0.5

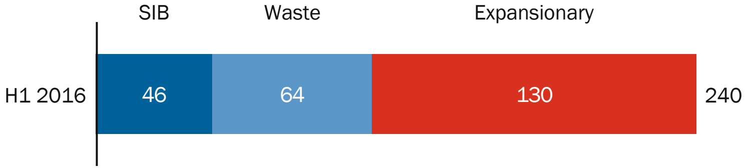
Cash flow statement

US$bn	H1 2015	H2 2015	FY 2015	H1 2016
Cash available from operations	0.4	0.0	0.4	1.0
Cash flow consumed by investing activities	(0.4)	(0.3)	(0.7)	(0.2)
Free cash flow	0.0	(0.3)	(0.3)	0.8

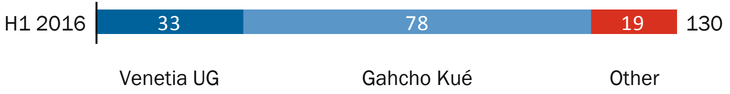
Group stock (US$bn)

Stock is low at June 2016 and is expected to increase.

Capex overview (US$m)

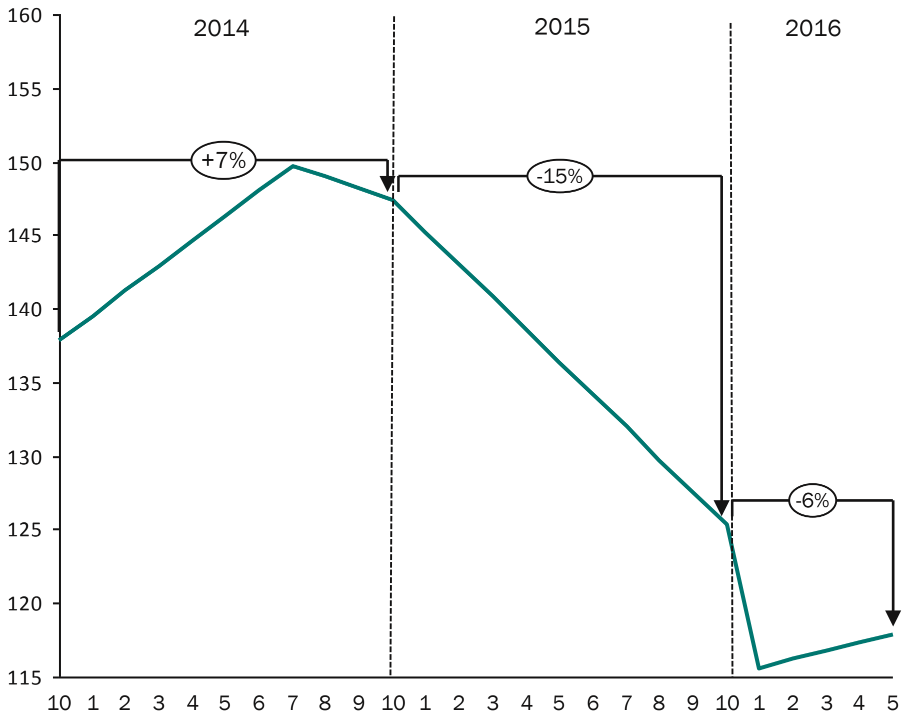


Gahcho Kué project nearing completion (US$m)

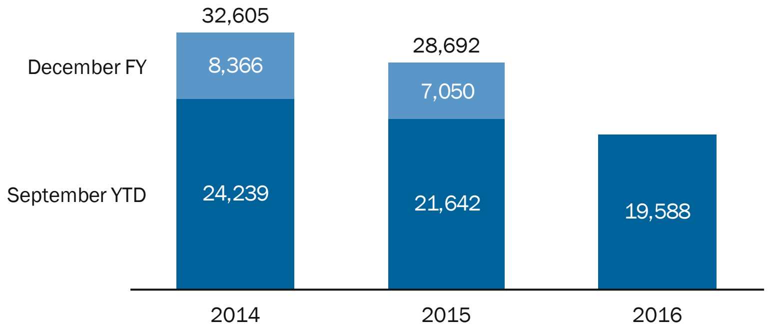


PRICE INDEX AND PRODUCTION

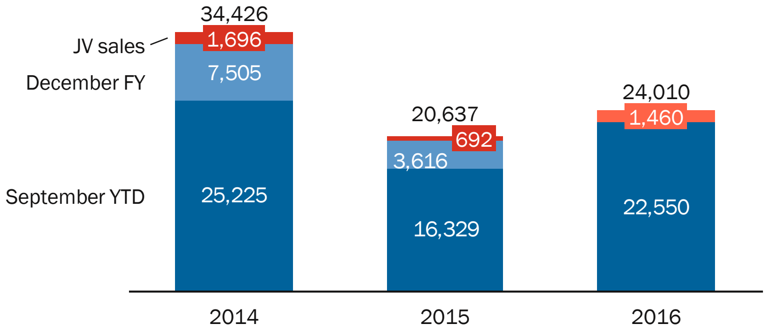
Index prices down 6% in H1 2016…



Carats recovered ('000)



Carats sold ('000)[1]

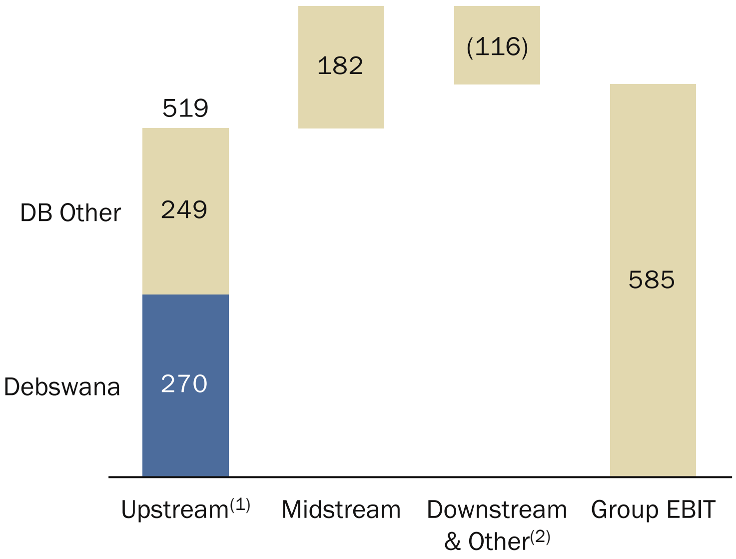


[1] September YTD has 7 sights. Carats sold are reported in line with revenue for sales through GSS JV companies, to ODC and Namdia. JV sales restates all sales to 100%, to be consistent with carats recovered

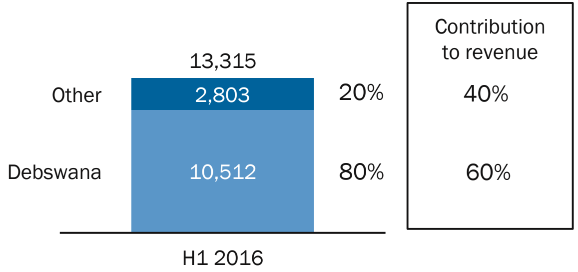
DEBSWANA CONTRIBUTION TO EBIT, PRODUCTION AND CAPEX

EBIT contribution from Debswana is significant

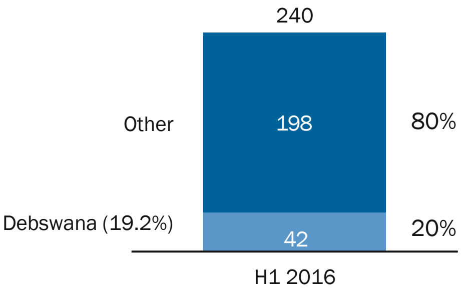
EBIT Build-up 2016 H1 ($m)



Carats recovered ('000)



Capex ($m)



(1) Upstream split is based on EBIT earned as a result of sales external to the Group (i.e. after PURP);
(2) Other includes Element Six, Forevermark, Evaluation, DBDJ, Corporate Centres and PPA adjustments;