

BERNSTEIN STRATEGIC DECISIONS CONFERENCE

26 September 2018

Copper – Quellaveco

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Throughout this presentation a range of financial and non-financial measures are used to assess our performance, including a number of the financial measures that are not defined or specified under IFRS, which are termed ‘Alternative Performance Measures’ (APMs). Management uses these measures to monitor the Group’s financial performance alongside IFRS measures to improve the comparability of information between reporting periods and business units. These APMs should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. APMs are not uniformly defined by all companies, including those in the Group’s industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies.

WHAT YOU SHOULD TAKE AWAY...



A transformed business



Continuing delivery



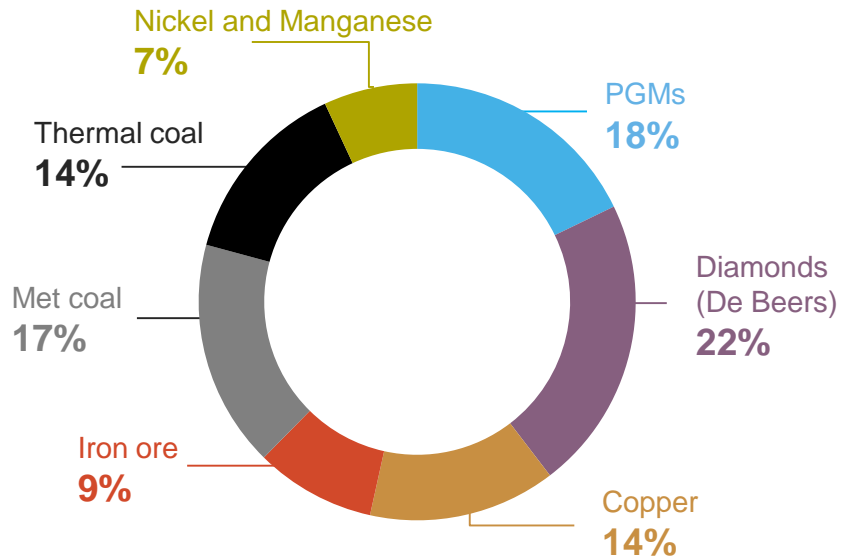
Disciplined growth



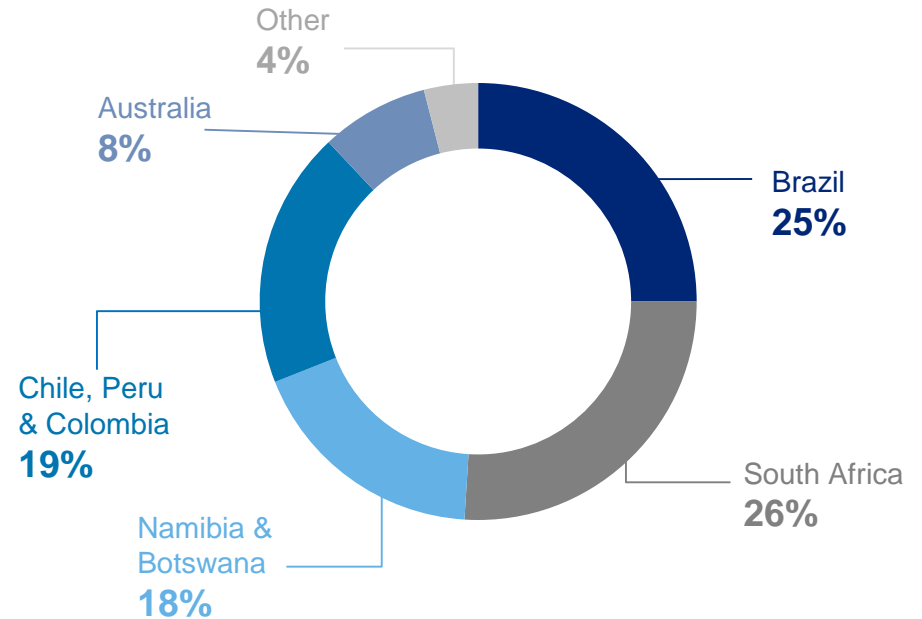
Portfolio strength

ASSET QUALITY – DIFFERENTIATED PORTFOLIO

Revenue by product¹



Capital employed by geography¹



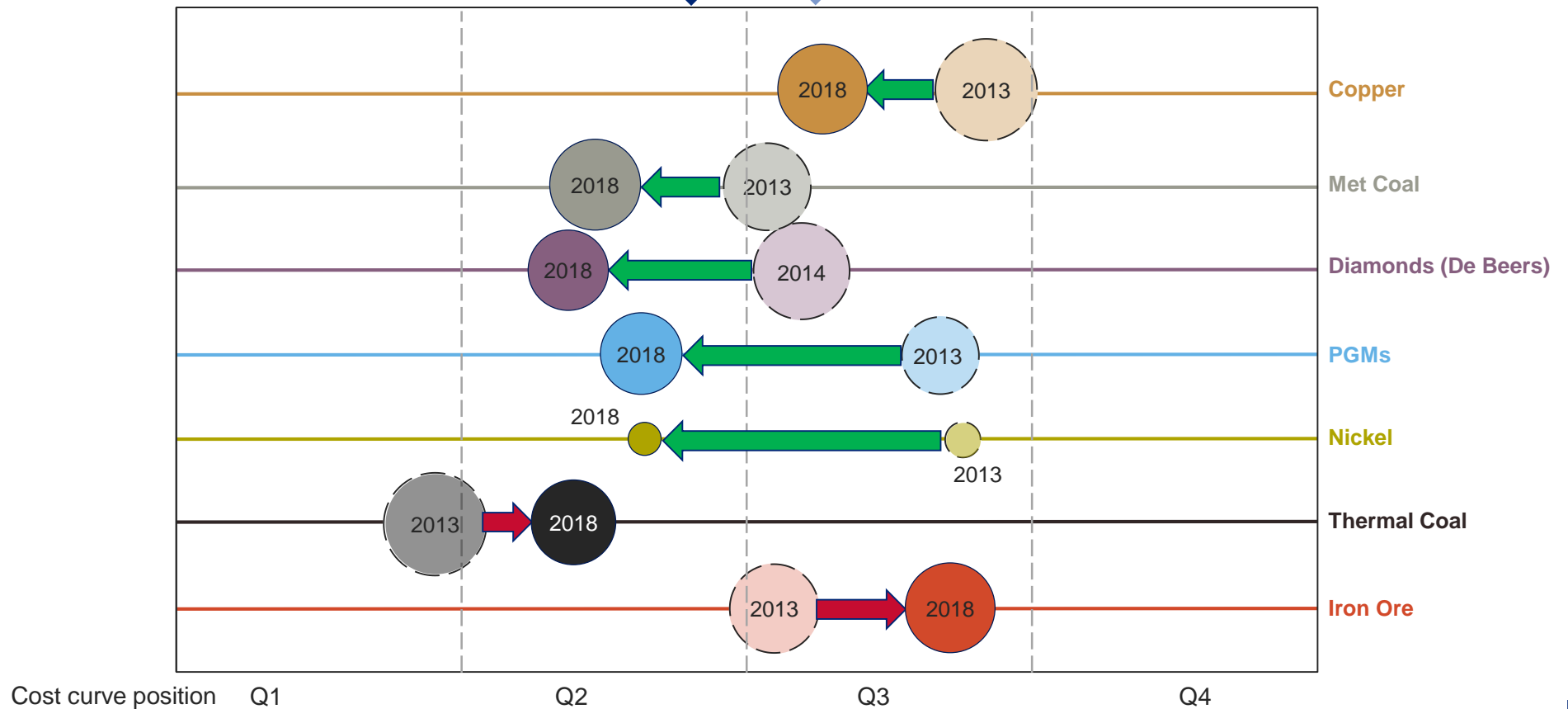
Asset focused strategy

Quality asset diversification

Balanced geographic exposure

AN IMPROVED COMPETITIVE POSITION

Group: 46th percentile **2018** **2013** 52nd percentile



H1 2018 – CONTINUED DELIVERY

Operating performance

Production volumes²

↑ 6%

Cost & volume improvements³

\$0.4bn

Earnings and cash flow

EBITDA⁴

\$4.6bn

Attributable free cash flow⁵

\$1.6bn

Margins and returns

EBITDA margin⁶

41%

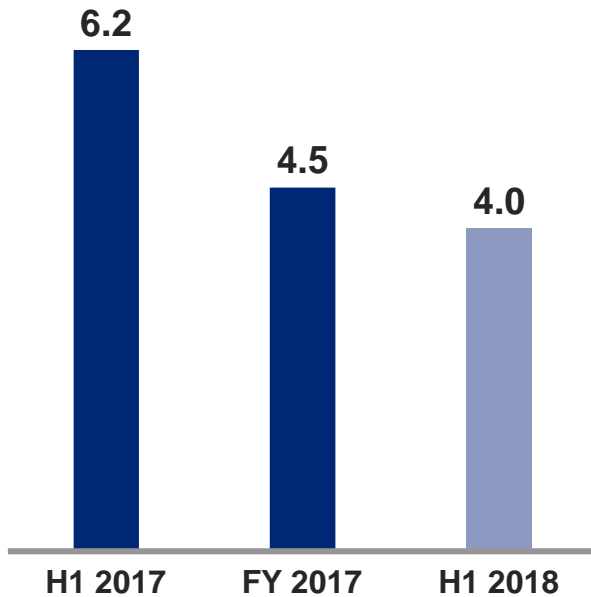
ROCE⁷

19%

A RESILIENT BALANCE SHEET

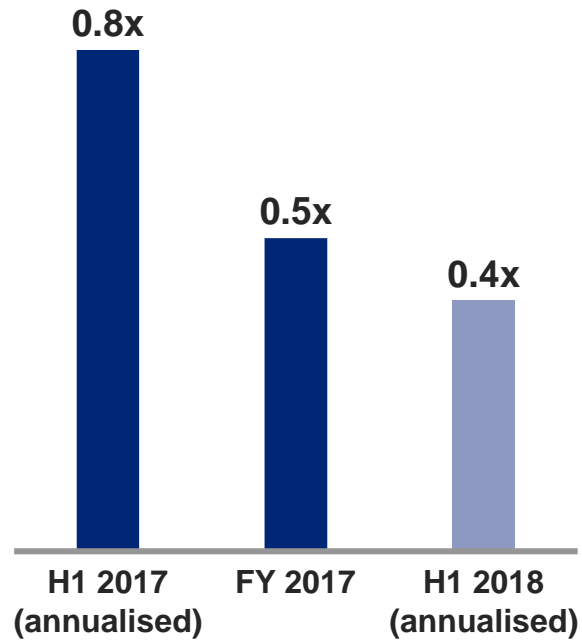
Net debt⁸ (\$bn)

↓ **36%** y-o-y



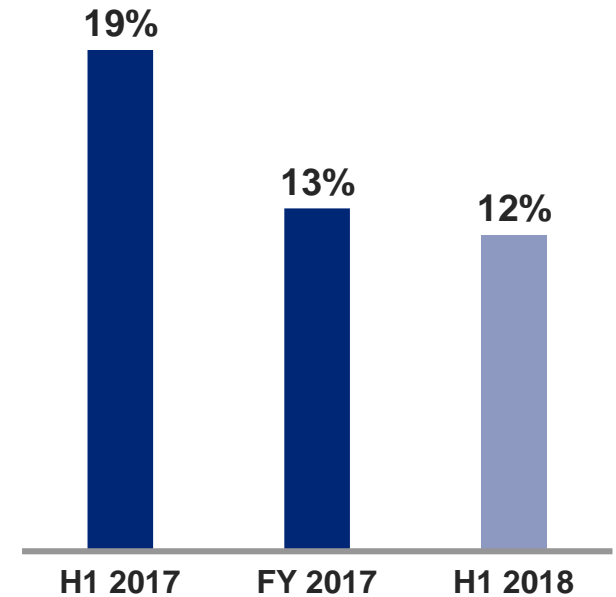
Net debt / EBITDA

↓ **42%** y-o-y



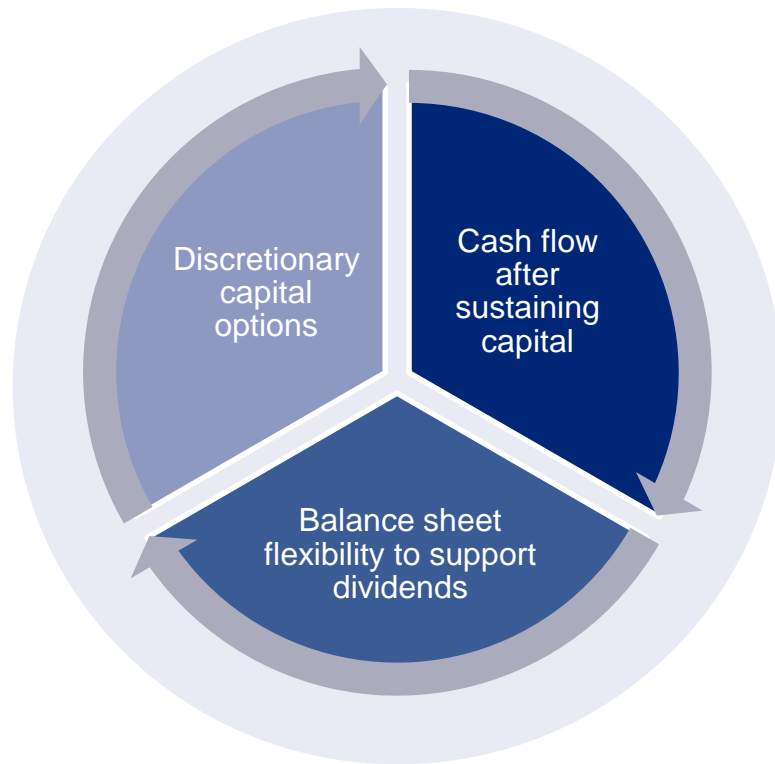
Gearing ratio⁹

↓ **37%** y-o-y



DELEVERAGING AND DIVIDEND SUSTAINABILITY

Capital allocation framework¹⁰



Discretionary capital options

Portfolio upgrade

Future project options

Additional shareholder returns

H1 2018

1.8

- Attributable free cash flow of \$1.6bn
- Add back discretionary spend

(1.7)

- Reduced net debt by \$0.5bn
- Paid final dividend of \$0.7bn
- Other adjustments
- *(H1 2018 dividend declared: \$0.6bn)*

(0.2)

- Discretionary capital including exploration/evaluation
- Portfolio upgrading

DISCIPLINED GROWTH



Copper - Quellaveco

PORTFOLIO – ASSET QUALITY FOCUS

	Longer term positioning	Quality asset focus
Copper	Exceptional resource endowment Long life, low cost assets	High quality growth opportunities Los Bronces, Collahuasi & Quellaveco
Diamonds (De Beers)	Industry leader with diversification Focus on market growth & development	Capacity to respond to demand Botswana, Marine Namibia
PGMs	Repositioned portfolio Low cost industry leader	Mogalakwena opportunities Amandelbult optimisation
Bulks	High quality assets Focus on cash margins & returns	Minas-Rio ramp-up & Kumba enhancements Moranbah-Grosvenor de-bottlenecking

Discretionary Capital
is asset focused

\$4.6BN COST & VOLUME IMPROVEMENT DELIVERED

...the next \$3-4bn



Operational Efficiency

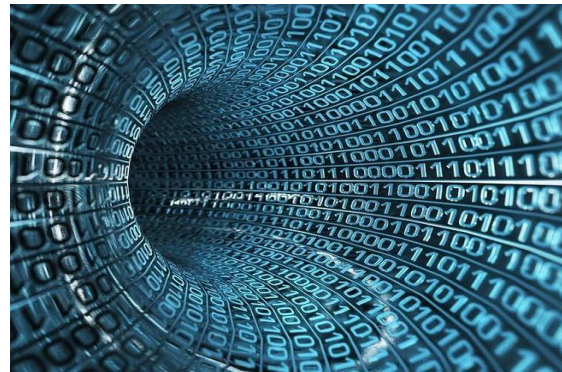
~\$1.5bn

1-5 years

Benchmark and beyond

Amandelbult turnaround (PGMs)

Minas-Rio (Iron Ore)



Technology and Innovation

~\$1.0bn

3-5 years

Concentrated Mine

Digitally Intelligent Mine

Modern Mine



Project Delivery

~\$1.5bn

3-5 years

Quellaveco (Copper)

Moranbah-Grosvenor (Met Coal)

Marine Namibia (Diamonds)

QUELLAVECO – A WORLD CLASS COPPER PROJECT

Attractive returns...

IRR

>15%

Real, post-tax

ROCE

>20%

Average over first 10 years

Payback

4 years

From first production (2022)

...for a world class copper project

Low cost

Q1 on cost curve

Significant potential

Long life

Large scale

Endowment upside

Capital discipline

Successful syndication

Permitted

Execution ready

Unique social credentials

Established mining region

EXECUTION READY

Strong local support, key permits in place

Community support

26

Dialogue Table commitments to local community

~\$300m

Community investment commitment for next 30 years¹¹

Job creation

~9,000

on construction,
~2,500 in normal operation

80%

employees from local community¹²

Key permits in place for life of mine

- ✓ Environmental Impact Study
- ✓ Mining and Beneficiation
- ✓ Construction water license

Target construction schedule of <4 years



Land access

- Secured 100% of land access for mine / plant
- All 5 family relocations successfully completed



River diversion tunnel

- 7.7km tunnel excavation completed, river diversion scheduled end-2018



Main access road

- To be completed by Q4 2018. Existing roads provide access to project site



Construction camp

- ~3,000 bed camp completed. ~5,000 additional beds in progress



Water reservoirs

- Water reservoirs for construction completed
- Works for operations water supply commenced



Port

- Long term access agreement in place

HIGH QUALITY BROWNFIELD GROWTH OPTIONALITY

Near term low cost growth potential

Moranbah Grosvenor (Met Coal)

>40% IRR

~25% increase in plant capacity

Capital of ~\$200m



Marine Namibia vessel (De Beers)

<3yrs payback

~0.5Mct per annum production

Capital of ~\$200m (Anglo share)



ASSET FOCUSED STRATEGY



Copper – Los Bronces

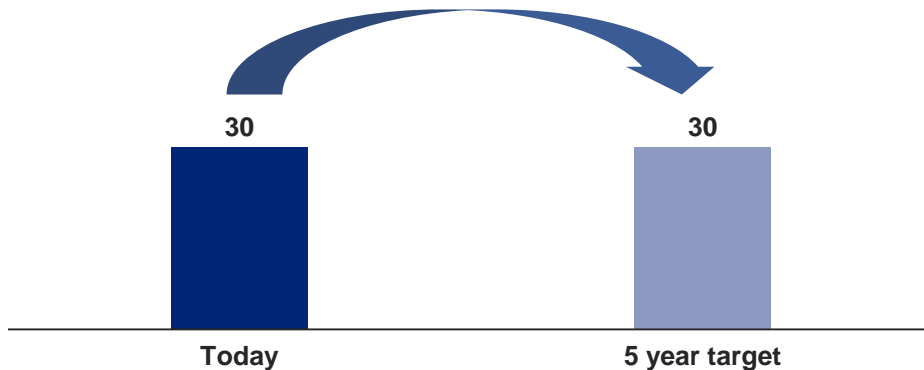
PORTFOLIO: LONG LIFE WITH OPTIONALITY

A unique endowment

2017 average asset life¹³

30 years

Average life¹³ (years)



Longer term asset optionality

Copper

Los Bronces UG, Collahuasi & Sakatti

Diamonds
(De Beers)

Jwaneng, Orapa & Marine Namibia

PGMs

Mogalakwena, Amandelbult & Mototolo

Met Coal

Aquila, Moranbah South & Peace River Coal

PROSPECTIVE DISTRICTS IN DIVERSIFIED GEOGRAPHIES

Australia Cu

Mt Isa South, >7,000km² under application

Brazil Cu-Au

Uniao, >19,000km² under application,

Ecuador Cu-Au

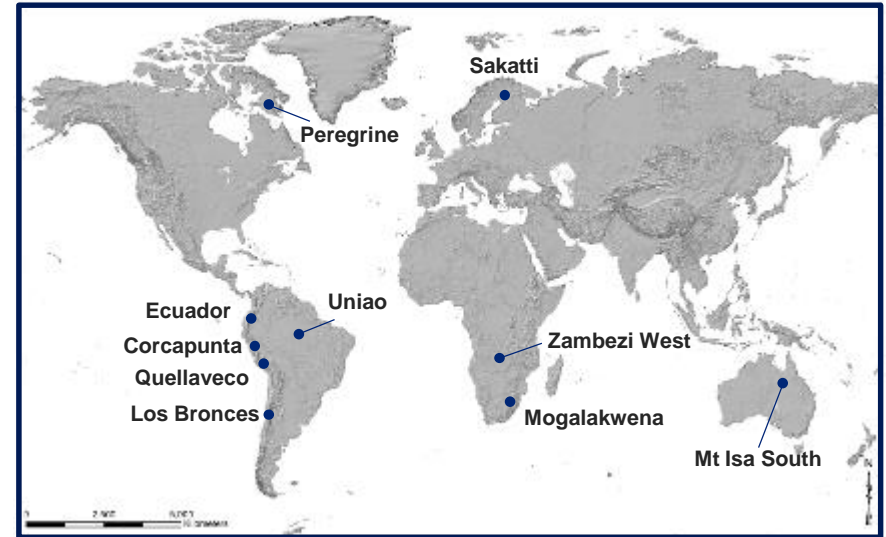
Securing prime position, >800km²

Peru Cu-Au

Corcapunta, near-term drilling target

Zambia Cu-Co

Zambezi West, >10,000km² secured



High-Priority Near Asset Discovery Projects

Los Bronces District: Cu-Mo

Mogalakwena/Northern Limb: PGM-Ni-Cu

Quellaveco District: Cu-Mo

PORTFOLIO POSITIONED FOR A CHANGING WORLD

	An Electrified World	A Greener World	A Richer World
~1Mt copper	✓	✓	✓
~37Mct diamonds (De Beers)			✓
~5Moz PGMs		✓	✓
~70Mt high grade iron ore		✓	
~21Mt premium coking coal		✓	
~30Mt export thermal coal	✓		✓
~75kt nickel and ~3.5Mt manganese	✓		✓

POTENTIAL TURNED INTO DELIVERY

Assets	Capabilities	Returns
<p data-bbox="312 572 457 615">Quality</p> <p data-bbox="240 772 530 808">Diversification</p> <p data-bbox="312 968 457 1003">Growth</p>	<p data-bbox="857 572 1193 615">Operating Model</p> <p data-bbox="872 772 1178 861">Innovation and sustainability</p> <p data-bbox="924 968 1127 1011">Marketing</p>	<p data-bbox="1473 572 1902 615">Strong balance sheet</p> <p data-bbox="1508 772 1860 808">Capital discipline</p> <p data-bbox="1473 968 1895 1003">Sustainable dividend</p>

“World class assets & leading capabilities to deliver a world class business”

FOOTNOTES

1. Attributable basis. Revenue by product based on business unit.
2. Copper equivalent production is normalised for Bokoni being placed on care and maintenance, and the suspension of operations at Minas-Rio.
3. EBITDA variance. Volume variance calculated as increase/(decrease) in sales volumes multiplied by prior period EBITDA margin. For assets in the first 12 months following commercial production all EBITDA is included in the volume variance, as there is no prior period comparative. Cash costs include inventory movements.
4. All metrics in presentation shown on an underlying basis.
5. Attributable free cash flow is defined as net cash inflows from operating activities net of total capital expenditure, net interest paid and dividends paid to minorities.
6. The margin represents the Group's underlying EBITDA margin for the mining business. It excludes the impact of PGMs purchases of concentrate, third party purchases made by De Beers, third party marketing activities, the South African domestic thermal coal business and reflects Debswana accounting treatment as a 50/50 joint venture.
7. Attributable ROCE is defined as attributable underlying EBIT divided by average attributable capital employed. It excludes the portion of the return and capital employed attributable to non-controlling interests in operations where Anglo American has control but does not hold 100% of the equity.
8. Net debt excludes the own credit risk fair value adjustment on derivatives.
9. Net debt / (net assets + net debt).
10. 'Cash flow after sustaining capital' comprises attributable free cash flow of \$1.8bn, excluding discretionary capex and exploration / evaluation expenditure of \$0.2bn. 'Balance sheet flexibility to support dividends' comprises reduction in net debt of \$0.5bn, dividends of \$0.7bn and \$0.4bn of other items, including translation differences, employee share scheme purchases and accrued interest. 'Discretionary capital options' comprises discretionary capex and exploration / evaluation expenditure of \$0.2bn.
11. Commitment of 1bn Peruvian Sol over next 30 years resulting from Dialogue Table commitments.
12. Unskilled workforce.
13. Weighted average asset life based on copper equivalent production.