



## News Release

23 October 2008

### Anglo American plc Interim Management Statement Production Report for the third quarter ended 30 September 2008

#### Overview

- Production increases in iron ore, metallurgical coal, Eskom thermal coal, South American thermal coal, manganese ore, manganese alloys and steel products compared with the third quarter of 2007.
- Platinum remains on target for full year refined production of 2.4 million ounces.
- Strong performance from Kumba Iron Ore's Sishen expansion, with production ramp up continuing at the jig plant.
- Kumba Iron Ore's benchmark export price expected to increase by an average of 100-110% on a rand per tonne basis for the 2008/09 iron ore contract year.
- Transaction to acquire control of the Minas-Rio and Amapá iron ore projects completed in August for \$3.5 billion.
- Sale of Namakwa Sands and a 26% interest in the Black Mountain zinc mine and Gamsberg zinc project to Exxaro Resources.
- Memorandum of Understanding signed with Eskom to identify and implement solutions to guarantee the integrity of South Africa's electricity supply.

Anglo American believes that its strong strategic position and the market fundamentals of its core commodities will continue to drive growth over the medium and long term, with constrained supply and growing demand led by the secular trend of urbanisation and industrialisation in China and other developing countries.

The current volatility and uncertainty in global markets, coupled with the slowdown in the world's major economies, has had a significant impact on commodity prices. The mining industry has already seen the curtailment of some high cost operations and the credit environment is expected to limit the funding and expansion capabilities of many of the junior mining companies.

Against this economic background, Anglo American is conducting a review of its project pipeline to assess capital expenditure profiles on a project by project basis, as well as intensively driving its asset optimisation programme and related cost discipline across the businesses.

There have been no material events, transactions or changes in the financial position of the Group since 30 June 2008 other than as outlined in this statement.

Results for the full year to 31 December 2008 will be announced on 20 February 2009.

This report forms Anglo American plc's Interim Management Statement for the purpose of the UK Listing Authority's Disclosure and Transparency Rules.

### Production report

<b>PLATINUM - Refined production</b>		Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Platinum	000 oz	543	611	-11.1%	-5.1%
Palladium	000 oz	322	343	-6.2%	+6.9%
Rhodium	000 oz	75	81	-6.6%	+26.8%
Nickel	tonnes	4,000	4,000	0.0%	+8.1%

**Platinum** – Refined production was lower than Q3 2007 and Q2 2008 due to the planned downtime for maintenance at Waterval of the Number 2 Furnace, the slag cleaning furnace and the ACP plant, including the acid plant. Lower grade ore and safety stoppages also contributed to the reduced refined output. The trend in refined platinum production increased significantly, as expected, towards the end of the third quarter, with output exceeding forecasts as all furnaces were run at full capacity.

**Rhodium** – Refined production was lower than Q3 2007 for the same reasons that reduced platinum output. The slag run-out at the Polokwane smelter in Q2 2008 reduced rhodium production in that quarter, accounting for the 27% increase in production between Q3 2008 and Q2 2008.

<b>BASE METALS</b>		Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Copper	tonnes	148,600	170,300	-12.7%	-7.7%
Nickel	tonnes	5,600	6,200	-9.7%	+12.0%
Zinc	tonnes	86,500	86,800	-0.3%	-1.9%

**Copper** – Copper production for the quarter was lower than Q3 2007 and Q2 2008 primarily due to lower production at Collahuasi, following pipeline and filter constraints and a mill motor stator failure on SAG mill 3. The stator failure occurred as a result of an electrical fault and was repaired *in situ* between 19 September and 2 October. Production has returned to normal.

**Nickel** – Production for the quarter was lower than Q3 2007 due to a number of technical issues experienced at Loma de Niquel following the unplanned shutdown associated with the strike at that operation in the first quarter. However, production was 12% higher than Q2 2008 as these issues are resolved.

**Zinc** – Production was broadly in line with the previous quarter and Q3 2007.

<b>FERROUS METALS AND INDUSTRIES</b>		Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
<b>Iron ore</b>					
Lump	000 t	5,965	4,661	+27.9%	+12.7%
Fines	000 t	4,119	3,152	+30.7%	+15.0%
<b>Total</b>	<b>000 t</b>	<b>10,084</b>	<b>7,813</b>	<b>+29.1%</b>	<b>+13.6%</b>
<b>Manganese</b>					
Manganese Ore	000 t	732	578	+26.6%	-1.2%
Manganese Alloys	000 t	81	74	+9.5%	+6.6%
<b>Scaw Metals</b>					
South African products	000 t	187	170	+10.0%	-11.4%
International products	000 t	230	197	+16.8%	+4.1%
<b>Total</b>	<b>000 t</b>	<b>417</b>	<b>367</b>	<b>+13.6%</b>	<b>-3.5%</b>

**Iron ore** – Total production from Kumba Iron Ore increased 29.1% in the third quarter from a year earlier to 10.1 million metric tonnes (Mt). This was mainly due to the additional 1.8 Mt produced in the third quarter by the newly commissioned jig plant which continues to ramp up production and is expected to produce some 5 Mt for the full year 2008. Full production of 13 Mtpa on an annualised basis is anticipated in the second half of 2009.

In July, the 9 Mtpa Sishen South project was approved and an agreement was concluded with Transnet in respect of the expansion of the Sishen-Saldanha export railway line. First production is expected in 2012.

**Manganese ore** – Production for the quarter was 26.6% higher than Q3 2007 due to increased production rates at GEMCO and the Hotazel mines and increased availability of rail and port capacity in South Africa. Production for the quarter was in line with Q2 2008, with the South African operations achieving a fourth consecutive quarterly record, while GEMCO, the Australian operation, was impacted by maintenance and activities related to the expansion project.

**Manganese alloys** – Higher production volumes were achieved at TEMCO, the Tasmanian business, and Metalloys in South Africa, mainly due to improved efficiency and stability of the furnaces.

**Scaw Metals** – Production of South African steel products increased 10% versus Q3 2007 due to improved performance from the grinding media and rolled product operations, and was 11.4% lower versus Q2 2008 due to lower demand in rolled products. International steel products increased 16.8% versus Q3 2007 due to higher off-take from the grinding media operations in Chile and Canada, and up 4.1% versus Q2 2008 due to increased demand for steel products in Canada.

<b>COAL - Total</b>		Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Eskom	000 t	9,692	8,908	+8.8%	+12.2%
Thermal	000 t	12,378	13,597	-9.0%	-2.6%
Metallurgical	000 t	3,632	3,188	+13.9%	-19.2%

<b>COAL - South Africa</b>		Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Eskom	000 t	9,692	8,908	+8.8%	+12.2%
Thermal	000 t	6,090	6,448	-5.6%	+7.0%
Metallurgical	000 t	280	278	+0.7%	+13.4%

**Eskom coal** – Production increased 8.8% on Q3 2007 due to the allocation of additional thermal coal to Eskom, following national power shortages in Q1 2008. Volumes increased over Q2 2008, predominantly due to improved performance at New Vaal following a tip outage in April-May which reduced production in Q2.

**Thermal coal** – Production decreased 5.6% on Q3 2007, mainly due to reduced production at Goedehoop caused by adverse geological conditions. In addition, the reallocation of thermal coal to Eskom, to alleviate the power shortages, further impacted thermal coal production. Volumes increased on Q2 2008 primarily as a result of increased production at Isibonelo.

<b>COAL – Australia</b>		Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Thermal	000 t	3,222	4,271	-24.6%	-20.5%
Metallurgical	000 t	3,158	2,910	+8.5%	-23.1%

**Thermal coal** – The decrease of 24.6% against Q3 2007 and 20.5% against the previous quarter was driven by a fall in domestic demand from the power utilities.

**Metallurgical coal** – Production in Q3 2008 was 8.5% higher than Q3 2007, aided by the purchase of Foxleigh in Q1 2008 and the removal of production constraints by securing alternative and additional port entitlements. The decrease of 23.1% against the record prior quarter was caused by rain delays and loss of underground production due to adverse mining conditions.

<b>COAL - South America</b>		Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Thermal	000 t	3,066	2,878	+6.5%	+4.3%

**Thermal coal** – South American production was 6.5% higher than Q3 2007 due to improved mining recovery at Cerrejón, more favourable weather conditions and increased management focus on productivity. This offset CDG's lower production which was caused by the lack of availability of equipment spares and ongoing political and labour disruptions. Production was 4.3% higher than Q2 2008 due to better in-pit performance and productivity.

<b>COAL - Canada</b>	Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Metallurgical 000 t	194	-	-	+40.1%

Peace River Coal commenced commercial production at the Trend Mine in January. Trend Mine is predominantly a metallurgical coal operation, with limited thermal coal production. Metallurgical coal output for the Trend Mine in the third quarter showed a significant improvement over the second quarter, largely due to accelerated mining activities following the commencement of a second mining contractor and commissioning of the first owner-operated waste fleet.

<b>DIAMONDS - carats recovered</b>	Sep 2008 QTR	Sep 2007 QTR	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
Total 000 carats	13,111	13,696	-4.3%	+5.3%

Production in Q3 2008 was lower than Q3 2007 following a reduction in carats recovered at Orapa in Botswana and the Venetia mine in South Africa. This offset higher recovery at Jwaneng and production starting at the Canadian mines (Victor and Snap Lake) and at Voorspoed (South Africa).

A production increase at Jwaneng led the increase in recovery in Q3 2008 compared with Q2 2008. The third quarter also saw increased recoveries from Victor and Namaqualand and the start of production at Voorspoed in September.

## Production summary

The figures below include the entire output of consolidated entities and the Group's share of joint ventures, joint arrangements and associates where applicable, except for De Beers, which is quoted on a 100% basis.

		Quarter Ended			% Change	
		Sep 2008	Jun 2008	Sep 2007	Sep Q08 vs. Sep Q07	Sep Q08 vs. Jun Q08
<b>Platinum</b>						
Platinum	oz	<b>543,200</b>	572,500	611,300	-11.1%	-5.1%
Palladium	oz	<b>321,700</b>	300,800	342,800	-6.2%	+6.9%
Rhodium	oz	<b>75,300</b>	59,400	80,600	-6.6%	+26.8%
Nickel (Platinum)	t	<b>4,000</b>	3,700	4,000	0.0%	+8.1%
<b>Base Metals</b>						
Copper	t	<b>148,600</b>	161,000	170,300	-12.7%	-7.7%
Nickel	t	<b>5,600</b>	5,000	6,200	-9.7%	+12.0%
Zinc	t	<b>86,500</b>	88,200	86,800	-0.3%	-1.9%
Lead	t	<b>16,700</b>	14,700	13,500	+23.7%	+13.6%
<b>Ferrous Metals</b>						
Iron ore	t	<b>10,084,000</b>	8,873,000	7,813,000	+29.1%	+13.6%
Manganese Ore	t	<b>732,000</b>	741,000	578,000	+26.6%	-1.2%
Manganese Alloys	t	<b>81,000</b>	76,000	74,000	+9.5%	+6.6%
Steel Products	t	<b>417,000</b>	432,000	367,000	+13.6%	-3.5%
<b>Coal</b>						
Coal - Eskom	t	<b>9,692,200</b>	8,637,000	8,908,300	+8.8%	+12.2%
Coal - thermal	t	<b>12,377,600</b>	12,714,300	13,597,100	-9.0%	-2.6%
Coal - metallurgical	t	<b>3,631,600</b>	4,494,400	3,188,200	+13.9%	-19.2%
<b>De Beers</b>						
Diamonds recovered	cts	<b>13,111,000</b>	12,452,000	13,696,000	-4.3%	+5.3%

Note: In the table above and throughout this document, oz refers to troy ounces, t to tonnes and cts to carats.

**Forward looking statements:**

This Interim Management Statement contains certain forward looking statements which involve risk and uncertainty because they relate to events and depend on circumstances that occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.

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**Notes to Editors:**

**Anglo American plc** is one of the world's largest mining and natural resource groups. With its subsidiaries, joint ventures and associates, it is a global leader in platinum group metals and diamonds, with significant interests in coal, base and ferrous metals, as well as an industrial minerals business. The Group is geographically diverse, with operations in Africa, Europe, South and North America, Australia and Asia. ([www.angloamerican.co.uk](http://www.angloamerican.co.uk))