

NEWS RELEASE

26 January 2012

Anglo American plc Production Report for the fourth quarter ended 31 December 2011

Overview

- Iron ore production increased by 5% to 12.4 million tonnes mainly due to initial production from Kolomela mine and a continued improvement in performance at Amapá
 - 9 Mtpa Kolomela mine commissioned five months ahead of schedule, with first shipment from Saldanha port in December 2011
 - Production ramp up schedule for Kolomela mine of 4-5 million tonnes in 2012
- Metallurgical Coal delivered record production from its Australian open cut metallurgical coal operations, resulting in a 4% increase in metallurgical coal production to 4.1 million tonnes
- Export thermal coal production from South Africa and Colombia increased by 5% to 8.6 million tonnes
- Copper production increased by 10% to 170,000 tonnes, and by 22% compared to Q3 2011, due to the commissioning of the Los Bronces expansion and higher ore grades at Los Bronces, Collahuasi and El Soldado
- Nickel⁽¹⁾ production increased by 125% to 9,900 tonnes, and by 52% compared to Q3 2011, as production from Barro Alto continued to ramp up
- Platinum refined production decreased by 19% to 710,000 ounces, mainly due to a greater number of safety stoppages resulting in lower mine production and increased processing of lower grade surface stockpiles. Equivalent refined platinum production declined by 9% to 583,200 ounces, due to a higher number of safety stoppages. This was offset by a strong performance at Mogalakwena's North pit and full ramp up at Unki mine
- Diamond production decreased by 24% to 6.5 million carats. This reduction mainly reflects De Beers' deliberate focus on increasing waste stripping, as well as scheduled maintenance at the Debswana and DBCM operations in recognition of short-term global macro-economic volatility

This Production Report for the fourth quarter ended 31 December 2011 is unaudited.

Preliminary Results for the full year to 31 December 2011 will be announced on 17 February 2012.

⁽¹⁾ Nickel production from the Nickel business unit

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Iron Ore and Manganese		Q4 2011	Q4 2010	Q4 2011 vs. Q4 2010	Q3 2011	Q4 2011 vs. Q3 2011
Iron ore	000 t	12,427	11,808	5%	12,183	2%
Manganese ore	000 t	722	732	(1)%	808	(11)%
Manganese alloys	000 t	78	77	2%	78	1%
Attributable sales volumes						
RSA export iron ore	000 t	9,600	8,977	7%	9,167	5%
RSA domestic iron ore	000 t	1,242	1,722	(28)%	1,538	(19)%
South American export iron ore	000 t	1,374	1,254	10%	1,452	(5)%

Iron Ore – Excellent progress was made at Kolomela mine, which was brought into production ahead of schedule. The plant was successfully commissioned during 2011, delivering production of 1.2 Mt during the fourth quarter, bringing total production for 2011 to 1.5 Mt. Sishen mine's production decreased by 4% year on year to 9.8 Mt and by 6% quarter on quarter. Production from the mine's dense media separation plant was hampered by mining feedstock constraints. Sishen mine proactively supplemented the production by temporarily adjusting the jig plant ore quality in order to operate at above design capacity.

In Brazil, total production of 1.3 Mt was 15% higher compared to Q4 2010 and 3% higher than Q3 2011. The increase in Q4 production was driven by the Pellet Feed Production which was 32% higher compared to Q4 2010 (Q4 2011:495 kt vs. Q4 2010:376 kt) following a process improvement throughout 2011.

Manganese Ore – Production was lower than Q3 2011 as planned maintenance at Hotazel Manganese Mines (South Africa) and lower plant availability due to wet weather at GEMCO (Australia) impacted performance.

Manganese Alloys – Alloy production was in line with prior periods.

Metallurgical Coal⁽¹⁾		Q4 2011	Q4 2010	Q4 2011 vs. Q4 2010	Q3 2011	Q4 2011 vs. Q3 2011
Production						
Export metallurgical	000 t	4,061	3,892	4%	4,015	1%
Thermal	000 t	3,359	3,728	(10)%	3,978	(16)%
Weighted average achieved FOB prices						
Export metallurgical	US\$/t	234	201	16%	267	(12)%
Export thermal	US\$/t	103	90	14%	98	5%
Domestic thermal	US\$/t	34	32	6%	35	(3)%
Attributable sales volumes						
Export metallurgical	000 t	4,010	3,704	8%	3,721	8%
Export thermal	000 t	1,850	1,602	15%	1,878	(1)%
Domestic thermal	000 t	1,853	2,250	(18)%	1,843	1%

⁽¹⁾ In 2011 the Group decided to retain Peace River Coal and to manage it within the Metallurgical Coal business unit. Information presented includes Peace River Coal and comparatives have been reclassified.

Metallurgical Coal – The Australian open cut metallurgical coal operations delivered a record quarterly performance for Q4 2011, as flood recovery actions initiated in the first half of 2011, increased production by 57% compared to Q4 2010. The increase was in part offset by unplanned interruption at the Moranbah underground operation.

Thermal Coal		Q4 2011	Q4 2010	Q4 2011 vs. Q4 2010	Q3 2011	Q4 2011 vs. Q3 2011
Production						
RSA thermal (non-Eskom)	000 t	5,846	5,885	(1)%	5,198	12%
Eskom	000 t	9,487	9,485	–	8,751	8%
RSA metallurgical	000 t	84	103	(18)%	76	12%
Colombia export thermal	000 t	2,753	2,316	19%	2,852	(3)%
Weighted average achieved FOB prices						
RSA export thermal	US\$/t	107	84	27%	115	(7)%
RSA domestic thermal	US\$/t	20	20	–	22	(9)%
Colombia export thermal	US\$/t	98	79	24%	103	(5)%
Attributable sales volumes						
RSA export thermal	000 t	5,146	4,358	18%	4,605	12%
RSA domestic thermal	000 t	10,842	10,546	3%	9,901	10%
Colombia export thermal	000 t	2,784	2,672	4%	2,901	(4)%

Thermal Coal – Production in South Africa was in line with Q4 2010, and improved compared to Q3 2011, mainly due to the recovery from industrial action which occurred in Q3 2011. Zibulo commenced commercial production in October 2011. Cerrejón, in Colombia, delivered a strong performance, benefiting from a reduction in weather related stoppages compared to 2010. This performance enabled Cerrejón to exceed, for the first time, its theoretical annual production capacity of 32 Mtpa.

Export sales volumes in South Africa increased 18% on Q4 2010 due to high stock level availability as well as optimised load out efficiencies on the operations complemented by improved Transnet Freight Rail performance.

Copper		Q4 2011	Q4 2010	Q4 2011 vs. Q4 2010	Q3 2011	Q4 2011 vs. Q3 2011
Copper	t	170,000	154,400	10%	139,900	22%

Copper – Production of 170,000 tonnes increased by 10%, primarily due to the ramp-up of production from the expansion at Los Bronces following its commissioning in October and higher ore grades at Los Bronces, Collahuasi and El Soldado. The Los Bronces expansion produced 19,000 tonnes during the quarter, this was partly offset by production interruptions at Collahuasi owing to adverse weather conditions in December 2011 and a safety stoppage at Los Bronces after a fatal accident in September 2011.

As at the end of 2011, Anglo American had 138,400 tonnes of copper provisionally priced at 345 c/lb. Provisional pricing of copper sales resulted in a negative operating profit adjustment of \$278 million for 2011, versus a positive operating profit adjustment of \$195 million in the prior year.

Nickel		Q4 2011	Q4 2010	Q4 2011 vs. Q4 2010	Q3 2011	Q4 2011 vs. Q3 2011
Nickel	t	9,900	4,400	125%	6,500	52%

Nickel – Production increased by 125% to 9,900 tonnes reflecting the contribution of Barro Alto which delivered 4,100 tonnes in Q4 2011. At Loma de Níquel, production was 13% higher due to improved equipment availability and increased reliability of power supply for the furnaces. Production at Codemin was 75% higher due to the relining of an electric furnace during Q4 2010.

Platinum		Q4	Q4	Q4 2011	Q3	Q4 2011
		2011	2010	vs. Q4 2010	2011	vs. Q3 2011
Refined						
Platinum	000 oz	710	872	(19)%	647	10%
Palladium	000 oz	393	503	(22)%	376	4%
Rhodium	000 oz	97	111	(13)%	75	29%
Nickel	t	5,100	5,000	2%	4,900	4%
Equivalent refined						
Platinum	000 oz	583	640	(9)%	667	(13)%

Platinum – Equivalent refined platinum production was 9% lower mainly due to a higher number of safety stoppages resulting in lower production from Tumela, Dishaba, Union and Rustenburg and increased processing of lower grade surface stockpiles. This was partly offset by a strong performance at Mogalakwena's North pit and ramp up at Unki mine. Mogalakwena's head grade and recoveries improved by 7% and 4% year on year respectively during the fourth quarter of 2011. Unki mine reached steady state during the fourth quarter of 2011, which is a year ahead of schedule. There were 32 safety stoppages during the fourth quarter of 2011 compared with 14 during the fourth quarter of 2010 and 16 during the third quarter of 2011. Refined production decreased by 19% year on year primarily due to lower mine output.

Palladium, Rhodium & Nickel – Refined production of palladium and rhodium decreased by 22% and 13% respectively, while nickel increased by 2%. These variances are due to a different source mix from operations and different pipeline processing times for each metal.

Diamonds		Q4	Q4	Q4 2011	Q3	Q4 2011
		2011	2010	vs. Q4 2010	2011	vs. Q3 2011
Diamonds	000 carats	6,489	8,532	(24)%	9,305	(30)%

Diamonds – Carats recovered decreased 24% to 6.5 million carats, and 30% compared to Q3 2011, primarily reflecting a deliberate focus by De Beers to increase waste stripping, as well as scheduled maintenance at the Debswana and DBCM operations in recognition of short-term global macro-economic volatility.

Other Mining and Industrial – Core⁽¹⁾		Q4	Q4	Q4 2011	Q3	Q4 2011
		2011	2010	vs. Q4 2010	2011	vs. Q3 2011
Phosphates	t	274,900	270,900	1%	284,500	(3)%
Niobium	t	1,000	1,200	(17)%	1,100	(9)%

⁽¹⁾ Assets originally identified for divestment as part of the restructuring programme announced in October 2009, are managed as a separate business unit, Other Mining and Industrial. In 2011 the Group decided to retain Copebrás and Catalão.

Phosphates – Phosphates production was in line with Q4 2010, however, the production mix was varied in response to changes in market demand. Production decreased by 3% to 274,900 tonnes compared to Q3 2011, reflecting softening demand.

Niobium – Niobium production decreased by 17% as a result of the significant change in production profile at Boa Vista, as the mine advanced further into the transition ore between weathered material and unoxidised ore, resulting in lower niobium recoveries. Niobium ore grades from the Copebrás mine were also lower leading to a decreasing niobium output from the tailings plant.

Production summary

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

	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	% Change	
						Q4 2011 vs. Q3 2011	Q4 2011 vs. Q4 2010
Iron Ore and Manganese segment (tonnes)							
Iron ore	12,427,300	12,182,900	11,534,100	9,944,800	11,807,700	2%	5%
Manganese ore ⁽¹⁾	722,500	807,600	716,100	540,600	731,600	(11)%	(1)%
Manganese alloys ⁽¹⁾⁽²⁾	78,000	77,600	76,100	68,800	76,800	1%	2%
Metallurgical Coal segment (tonnes)⁽³⁾							
Export metallurgical	4,060,600	4,015,000	3,949,400	2,164,700	3,891,500	1%	4%
Thermal	3,358,700	3,978,000	3,087,500	3,002,300	3,727,500	(16)%	(10)%
Thermal Coal segment (tonnes)							
RSA thermal (non-Eskom)	5,846,000	5,198,400	5,264,400	5,079,300	5,885,000	12%	(1)%
Eskom	9,487,000	8,751,400	8,782,600	8,275,000	9,484,800	8%	–
RSA metallurgical	84,500	75,600	83,800	79,500	103,000	12%	(18)%
Colombia export thermal	2,752,700	2,851,800	2,537,700	2,609,500	2,315,700	(3)%	19%
Copper segment (tonnes)⁽⁴⁾	170,000	139,900	150,300	138,800	154,400	22%	10%
Nickel segment (tonnes)⁽⁵⁾	9,900	6,500	6,600	6,100	4,400	52%	125%
Platinum segment							
Platinum (troy ounces)	710,000	646,500	640,700	532,900	872,400	10%	(19)%
Palladium (troy ounces)	392,700	376,000	373,800	288,200	502,600	4%	(22)%
Rhodium (troy ounces)	96,800	75,200	79,900	85,700	111,400	29%	(13)%
Nickel (tonnes)	5,100	4,900	5,500	4,800	5,000	4%	2%
Equivalent refined Platinum (troy ounces)	583,200	666,800	592,500	567,600	640,100	(13)%	(9)%
Diamonds segment (De Beers) (diamonds recovered – carats)							
Total diamonds production for De Beers	6,489,000	9,305,000	8,138,000	7,396,000	8,532,000	(30)%	(24)%
Anglo American's share of diamonds production for De Beers	2,920,000	4,187,000	3,662,000	3,328,000	3,839,000	(30)%	(24)%
Other Mining and Industrial segment (tonnes)⁽⁶⁾							
Phosphates	274,900	284,500	260,700	240,800	270,900	(3)%	1%
Niobium	1,000	1,100	900	900	1,200	(9)%	(17)%
South Africa Steel Products	163,100	158,000	183,100	173,200	151,000	3%	8%
Coal production by commodity (tonnes)							
Metallurgical	4,145,100	4,090,600	4,033,200	2,244,200	3,994,500	1%	4%
Thermal	11,957,400	12,028,200	10,889,600	10,691,100	11,928,200	(1)%	–
Eskom	9,487,000	8,751,400	8,782,600	8,275,000	9,484,800	8%	–

(1) Saleable production.

(2) Production includes Medium Carbon Ferro Manganese.

(3) Includes Peace River Coal which in 2011 was reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.

(4) Excludes Platinum and Black Mountain mine copper production.

(5) Excludes Platinum nickel production.

(6) Excludes Tarmac.

Exploration and evaluation expenditure

Anglo American continued to progress with its strong exploration and evaluation programme during 2011. Exploration and evaluation operating expenditure for 2011 across all business units was \$539 million, an increase of 51% compared to 2010. This was driven primarily by the advancement of prioritised expansion project studies in Australian Metallurgical Coal, Copper and Nickel, including Quellaveco, Michiquillay, Pebble and Jacaré, and increased exploration expenditure in Metallurgical Coal and Copper.

Production figures are sometimes more precise than the rounded numbers shown in this report. The percentage change will reflect the percentage change using the unrounded production figures shown in this report.

Forward looking statements:

This 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 is one of the world's largest mining companies, is headquartered in the UK and listed on the London and Johannesburg stock exchanges. Anglo American's portfolio of mining businesses spans bulk commodities – iron ore and manganese, metallurgical coal and thermal coal; base metals – copper and nickel; and precious metals and minerals – in which it is a global leader in both platinum and diamonds. Anglo American is committed to the highest standards of safety and responsibility across all its businesses and geographies and to making a sustainable difference in the development of the communities around its operations. The company's mining operations, extensive pipeline of growth projects and exploration activities span southern Africa, South America, Australia, North America, Asia and Europe. www.angloamerican.com