

NEWS RELEASE

19 July 2018

Anglo American plc Production Report for the second quarter ended 30 June 2018

Anglo American reports a 6% increase in total production on a copper equivalent basis in the second quarter of 2018, compared to the same period of 2017, excluding the Minas-Rio stoppage⁽¹⁾.

Mark Cutifani, Chief Executive of Anglo American, said: “We have delivered another strong performance, with Copper and Metallurgical Coal in particular driving a 6% increase in production. This reflects our consistent and relentless focus on driving efficiency and productivity from our existing world class asset base.”

Highlights

- De Beers production increased by 3% to 9.0 million carats reflecting sustained healthy trading conditions.
- Copper production increased by 12% to 158,000 tonnes despite major planned maintenance at Collahuasi, with strong operational performance as well as higher grades.
- Platinum and palladium production was broadly unchanged despite Bokoni having been placed on care and maintenance in Q3 2017. Platinum guidance increased to 2.4-2.45 million ounces following strong operational performance.
- Kumba iron ore production increased by 2% to 11.6 million tonnes, driven by good performance at Kolomela. Guidance marginally decreased to 43-44 million tonnes to align production to rail availability.
- Metallurgical coal production increased by 33% to 5.3 million tonnes driven by strong performance at Moranbah and Grosvenor.
- Thermal coal export production decreased by 1% to 7.2 million tonnes due to challenging geology. Guidance revised to 28-30 million tonnes.
- Minas-Rio iron ore production in the quarter was immaterial as operations remain suspended.

Production Summary

	Q2 2018	Q2 2017	% vs. Q2 2017	H1 2018	H1 2017	% vs. H1 2017
Diamonds (Mct) ⁽²⁾	9.0	8.7	3%	17.5	16.1	8%
Copper (kt) ⁽³⁾	158	141	12%	313	283	10%
Platinum (koz) ⁽⁴⁾	620	617	-	1,233	1,189	4%
Palladium (koz) ⁽⁴⁾	406	402	1%	813	775	5%
Iron ore – Kumba (Mt)	11.6	11.4	2%	22.4	21.9	3%
Iron ore – Minas-Rio (Mt) ⁽⁵⁾	0.1	4.3	nm	3.2	8.7	(64)%
Metallurgical coal (Mt)	5.3	4.0	33%	10.8	9.2	17%
Thermal coal (Mt) ⁽⁶⁾	7.2	7.3	(1)%	14.0	14.8	(6)%
Nickel (kt) ⁽⁷⁾	10.8	11.3	(4)%	19.4	21.2	(8)%
Manganese ore (kt)	866	843	3%	1,747	1,666	5%

(1) Copper equivalent production is normalised for Bokoni being placed on care and maintenance in Q3 2017 and the Minas-Rio production stoppage in 2018. Including the Minas-Rio stoppage, production is up 1% compared to Q2 2017.

(2) De Beers production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.

(3) Contained metal basis. Reflects copper production from the Copper business unit only (excludes copper production from the Platinum business unit).

(4) Produced ounces. Reflects own mine production and purchases of metal in concentrate.

(5) Wet basis.

(6) Reflects export production from South Africa and Colombia.

(7) Reflects nickel production from the Nickel business unit only (excludes nickel production from the Platinum business unit).

Anglo American plc

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DE BEERS

De Beers ⁽¹⁾		Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017	Q1 2018	Q2 2018 vs. Q1 2018	H1 2018	H1 2017	H1 2018 vs. H1 2017
Botswana (Debswana)	000 carats	6,279	5,933	6%	5,808	8%	12,087	11,124	9%
Namibia (Namdeb Holdings)	000 carats	515	391	32%	528	(2)%	1,044	863	21%
South Africa (DBCM)	000 carats	1,018	1,405	(28)%	1,093	(7)%	2,111	2,511	(16)%
Canada	000 carats	1,185	1,013	17%	1,069	11%	2,253	1,644	37%
Total carats recovered	000 carats	8,997	8,742	3%	8,498	6%	17,495	16,142	8%

Rough diamond production increased by 3% to 9.0 million carats, reflecting production increases to meet stronger demand as well as the contribution from the ramp-up at Gahcho Kué.

Botswana (Debswana) production increased by 6% to 6.3 million carats in response to stronger trading conditions. Jwaneng production increased by 4% to 3.0 million carats due to an increase in tonnes mined and treated. Similarly at Orapa⁽²⁾, production increased by 8% to 3.3 million carats due to the ramp up of additional processing capacity in response to stronger trading conditions.

Namibia (Namdeb Holdings) production increased by 32% to 0.5 million carats driven by access to consistently higher grades at the land operations and technology-led optimisation of the marine drill fleet.

South Africa (DBCM) production decreased by 28% to 1.0 million carats, primarily owing to a period of suspended production at Venetia following a fatal incident in March.

Canada production increased by 17% to 1.2 million carats due to the completion of the ramp-up at Gahcho Kué.

Rough sales volumes were 10.0 million carats (9.4 million carats on a consolidated basis⁽³⁾) from three sales cycles in Q2 2018, compared with 5.9 million carats (5.4 million carats on a consolidated basis⁽³⁾) from two sales cycles in Q2 2017. In addition to the different number of sales cycles over the period, sales volumes benefited from positive sentiment in the midstream following growth in consumer demand for diamond jewellery in late 2017, and a continuing positive outlook.

The H1 2018 average realised rough diamond price increased by 4% to \$162/carats (H1 2017: \$156/carats) due to a 1.6% increase in the average rough price index and an improvement in the sales mix, driven by the substantial volumes of lower value goods sold in H1 2017, following the Indian demonetisation programme in late 2016. Excluding this impact, the average value of the production mix was lower in H1 2018 as a higher proportion of lower value carats was delivered from Orapa and Gahcho Kué.

Full Year Guidance

Full year production guidance⁽¹⁾ remains unchanged at 34-36 million carats, subject to trading conditions.

(1) De Beers production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.

(2) Orapa constitutes the Orapa Regime which includes Orapa, Lethakane and Damtshaa.

(3) Consolidated sales volume excludes De Beers' JV partners' 50% proportionate share of sales to entities outside De Beers from Diamond Trading Company Botswana and the Namibia Diamond Trading Company, which are included in total sales volume (100% basis). Q2 2017 includes pre-commercial production sales volumes from Gahcho Kué.

De Beers ⁽¹⁾	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	H1 2018 vs. H1 2017
Carats recovered (000 carats) 100% basis (unless otherwise stated)										
Jwaneng	3,025	2,984	2,512	3,477	2,913	1%	4%	6,009	5,868	2%
Orapa ⁽²⁾	3,254	2,824	2,992	2,579	3,020	15%	8%	6,078	5,256	16%
Botswana (Debswana)	6,279	5,808	5,504	6,056	5,933	8%	6%	12,087	11,124	9%
Debmarine Namibia	349	365	328	353	319	(4)%	9%	714	697	2%
Namdeb (land operations)	166	163	160	101	72	2%	131%	330	166	99%
Namibia (Namdeb Holdings)	515	528	488	454	391	(2)%	32%	1,044	863	21%
Venetia	922	1,008	1,023	1,401	1,239	(9)%	(26)%	1,931	2,178	(11)%
Voorspoed	96	85	126	147	166	13%	(42)%	180	333	(46)%
South Africa (DBCM)	1,018	1,093	1,149	1,548	1,405	(7)%	(28)%	2,111	2,511	(16)%
Gahcho Kué (51% basis)	985	838	830	930	831	18%	19%	1,822	1,273	43%
Victor	200	231	163	190	182	(13)%	10%	431	371	16%
Canada (DBCi)	1,185	1,069	993	1,120	1,013	11%	17%	2,253	1,644	37%
Total carats recovered	8,997	8,498	8,134	9,178	8,742	6%	3%	17,495	16,142	8%
Sales volumes										
Total sales volume (100%) (Mct) ⁽³⁾	10.0	8.8	8.2	6.9	5.9	14%	69%	18.8	20.0	(6)%
Consolidated sales volume (Mct) ⁽³⁾	9.4	8.4	7.5	6.5	5.4	12%	74%	17.8	19.1	(7)%
Number of Sights (sales cycles)	3	2	3	2	2			5	5	

(1) De Beers production is on a 100% basis, except for the Gahcho Kué joint venture which is on an attributable 51% basis.

(2) Orapa constitutes the Orapa Regime which includes Orapa, Letlhakane and Damtshaa.

(3) Consolidated sales volumes exclude De Beers' JV partners' 50% proportionate share of sales to entities outside De Beers from Diamond Trading Company Botswana and the Namibia Diamond Trading Company, which are included in total sales volume (100% basis). 2017 includes pre-commercial production sales volumes from Gahcho Kué.

COPPER

Copper ⁽¹⁾	Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017	Q1 2018	Q2 2018 vs. Q1 2018	H1 2018	H1 2017	H1 2018 vs. H1 2017
Los Bronces	t 89,700	79,000	14%	85,000	6%	174,700	154,800	13%
Collahuasi (44% share)	t 54,700	51,000	7%	60,600	(10)%	115,300	108,700	6%
El Soldado	t 13,600	10,800	26%	9,300	46%	22,900	19,900	15%
Total Copper	t 158,000	140,800	12%	154,900	2%	312,900	283,400	10%

(1) Copper production shown on a contained metal basis.

Production from Los Bronces increased by 14% to 89,700 tonnes, driven by a combination of strong mine and plant performance, as well as an increase in ore grade (0.76% vs. 0.70%).

At Collahuasi, attributable production increased by 7% to 54,700 tonnes due to planned higher grades and strong plant performance, offset partially by planned major maintenance. Production decreased compared with Q1 2018 owing to the impact of the planned major maintenance which was successfully completed on 8 July.

El Soldado production increased by 26% to 13,600 tonnes due to the temporary mine stoppage in 2017.

Sales volumes in H1 2018 were 306,000 tonnes, an increase of 18%, reflecting the strong production performance in the period. At the end of H1 2018, Anglo American had 120,300 tonnes of copper provisionally priced at 301 c/lb.

Full Year Guidance

Full year production guidance remains unchanged at 630,000 – 660,000 tonnes.

Copper ⁽¹⁾	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	H1 2018 vs. H1 2017
Collahuasi 100% basis (Anglo American share 44%)										
Ore mined	11,454,400	11,859,300	17,478,300	18,467,800	14,984,100	(3)%	(24)%	23,313,700	28,787,400	(19)%
Ore processed - Sulphide	10,605,100	12,894,200	13,658,400	13,084,900	10,807,100	(18)%	(2)%	23,499,300	23,143,500	2%
Ore grade processed - Sulphide (% TCu) ⁽²⁾	1.34	1.24	1.28	1.24	1.27	8%	5%	1.29	1.25	3%
Production - Copper cathode	-	-	-	-	-	-	-	-	100	nm
Production - Copper in concentrate	124,500	137,600	144,400	132,600	115,900	(10)%	7%	262,100	246,900	6%
Total copper production for Collahuasi	124,500	137,600	144,400	132,600	115,900	(10)%	7%	262,100	247,000	6%
Anglo American's share of copper production for Collahuasi⁽³⁾	54,700	60,600	63,500	58,300	51,000	(10)%	7%	115,300	108,700	6%
Los Bronces⁽⁴⁾	89,700	85,000	75,400	78,100	79,000	6%	14%	174,700	154,800	13%
Ore mined	17,837,300	15,675,300	11,553,900	12,707,100	11,630,200	14%	53%	33,512,600	25,078,600	34%
Ore processed – Sulphide	12,346,700	12,477,100	10,610,600	11,675,700	11,876,300	(1)%	4%	24,823,800	23,753,700	5%
Ore grade processed - Sulphide (% TCu)	0.76	0.71	0.76	0.69	0.70	7%	8%	0.73	0.69	6%
Production - Copper cathode	10,000	8,500	9,800	9,800	9,800	18%	3%	18,500	18,700	(1)%
Production - Copper in concentrate	79,700	76,600	65,600	68,300	69,200	4%	15%	156,200	136,100	15%
El Soldado⁽⁴⁾	13,600	9,300	9,700	10,900	10,800	46%	26%	22,900	19,900	15%
Ore mined	2,905,800	2,112,500	1,698,500	1,462,200	1,272,200	38%	128%	5,018,300	2,177,700	130%
Ore processed - Sulphide	1,825,000	1,785,600	1,846,600	1,851,700	1,899,200	2%	(4)%	3,610,600	3,696,800	(2)%
Ore grade processed - Sulphide (% TCu)	0.90	0.67	0.65	0.73	0.72	36%	25%	0.79	0.69	14%
Production - Copper in concentrate	13,600	9,300	9,700	10,900	10,800	46%	26%	22,900	19,900	15%
Chagres Smelter⁽⁴⁾										
Ore smelted	39,300	34,700	35,600	35,400	31,500	13%	25%	74,000	62,800	18%
Production	38,400	33,800	34,700	34,400	30,600	14%	25%	72,200	60,900	19%
Total copper production⁽⁵⁾	158,000	154,900	148,600	147,300	140,800	2%	12%	312,900	283,400	10%
Total payable copper production	152,600	149,100	143,100	141,900	135,800	2%	12%	301,700	273,300	10%
Total sales volumes	174,400	131,600	156,400	163,900	144,100	33%	21%	306,000	259,400	18%
Total payable sales volumes	168,400	126,700	150,600	158,000	138,900	33%	21%	295,100	250,100	18%
Third party sales⁽⁶⁾	40,700	30,800	40,500	33,700	27,400	32%	49%	71,500	37,200	92%

(1) Excludes Anglo American Platinum's copper production. Units shown are tonnes unless stated.

(2) TCu = total copper.

(3) Anglo American's share of Collahuasi production is 44%.

(4) Anglo American ownership interest of Los Bronces, El Soldado and the Chagres Smelter is 50.1%. Production is stated at 100% as Anglo American consolidates these operations.

(5) Total copper production includes Anglo American's 44% interest in Collahuasi.

(6) Relates to sales of copper not produced by Anglo American operations.

PLATINUM

		Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017	Q1 2018	Q2 2018 vs. Q1 2018	H1 2018	H1 2017	H1 2018 vs. H1 2017
Platinum									
Produced M&C⁽¹⁾ ounces	000 oz	619.6	617.1	-	613.8	1%	1,233.4	1,189.1	4%
<i>Own mined⁽²⁾</i>	000 oz	340.2	346.1	(2)%	343.0	(1)%	683.2	668.8	2%
<i>Purchase of concentrate⁽³⁾</i>	000 oz	279.4	271.0	3%	270.8	3%	550.2	520.3	6%
Palladium									
Produced M&C⁽¹⁾ ounces	000 oz	406.0	402.2	1%	407.4	(0)%	813.2	774.9	5%
<i>Own mined⁽²⁾</i>	000 oz	260.8	255.1	2%	267.7	(3)%	528.3	494.4	7%
<i>Purchase of concentrate⁽³⁾</i>	000 oz	145.2	147.1	(1)%	139.7	4%	284.9	280.5	2%
Refined production									
Platinum	000 oz	572.7	528.7	8%	502.6	14%	1,075.3	1,105.6	(3)%
Palladium	000 oz	366.7	373.1	(2)%	319.8	15%	686.5	726.5	(6)%
Rhodium	000 oz	73.8	82.8	(11)%	62.5	18%	136.3	156.4	(13)%
Gold	000 oz	27.3	29.3	(7)%	22.9	19%	50.2	54.0	(7)%
Nickel	t	5,700	6,000	(5)%	5,100	12%	10,800	11,200	(4)%
Copper	t	4,000	3,500	14%	3,200	25%	7,200	6,700	7%

(1) Mined and purchase of concentrate

(2) Includes managed operations and 50% of joint venture production.

(3) Purchase of concentrate includes 50% of joint venture production, and the purchase of concentrate from associates (Bokoni and BRPM) and third parties.

Platinum and palladium production increased marginally to 619,600 ounces and 406,000 ounces respectively, due to improved operational performances across the portfolio, offset by the placing of unprofitable production from Bokoni on care and maintenance in Q3 2017.

Own mined production

Own mined platinum production decreased by 2% to 340,200 ounces and palladium production increased by 2% to 260,800 ounces, with strong operational performance across the portfolio offset by the sale of Union mine. Excluding Union, own mined platinum production increased by 11% and palladium production increased by 10%.

Mogalakwena platinum production increased by 17% to 133,400 ounces and palladium production increased by 14% to 145,100 ounces, driven by higher grade, an increase in concentrator throughput and higher recoveries.

Amandelbult platinum production increased by 7% to 116,300 ounces and palladium production increased by 5% to 52,200 ounces, driven by continued operational improvement that was supported by increased development at Dishaba as mining activities transition to this section.

Unki platinum production increased by 7% to 20,900 ounces and palladium production increased by 11% to 18,400 ounces due to increased concentrator throughput and recoveries.

Union mine was sold to a subsidiary of Siyanda Resources on 1 February 2018, after which Union production was purchased as concentrate.

Joint venture platinum production (Mototolo, Modikwa and Kroondal) increased by 8% to 139,300 ounces (of which 69,600 ounces is own mined production and 69,600 ounces is purchased concentrate). Palladium production increased by 6% to 90,200 ounces (of which 45,100 ounces is own mined production and 45,100 ounces is purchased concentrate). This was driven by a strong production performance across the portfolio, supplemented by continued additional processing of ore stockpiles built up at Mototolo following the temporary closure of the concentrator in Q3 2017.

Purchase of concentrate

Purchase of concentrate from joint ventures increased by 8% for platinum and 6% for palladium, in line with the increased production as outlined above.

Purchase of concentrate from associates decreased by 25% for platinum and 39% for palladium due to the removal of unprofitable ounces from Bokoni, which was placed onto care and maintenance in Q3 2017.

Purchase of concentrate from third parties increased by 16% for platinum and 15% for palladium due to concentrate purchased from Union mine following its sale.

Refined production and sales volumes

Refined platinum production increased by 8% to 572,700 ounces, despite a planned smelter rebuild at Mortimer smelter in Q2 2018. Prior period refined production was adversely affected by the planned Waterval Number 2 smelter rebuild, as well as the high-pressure water leak at the converter plant.

Refined palladium production decreased by 2% to 366,700 ounces owing to a stock count loss that impacted palladium as well as rhodium.

Platinum sales volumes (excluding refined metal purchased from third parties) increased by 6% to 636,400 ounces while palladium sales volumes increased by 23% to 405,300 ounces as refined production was supplemented by a draw down in refined inventory. Refined inventory is expected to return to normalised levels in H2 2018.

Full Year Guidance

Full year platinum production guidance has been revised to 2.4-2.45 million ounces (previously 2.3-2.4 million ounces) due to strong operational performance.

Full year palladium production remains unchanged at 1.5-1.6 million ounces.

Platinum	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	H1 2018 vs. H1 2017
Produced platinum (000 troy oz)	619.6	613.8	587.0	621.4	617.1	1%	-	1,233.4	1,189.1	4%
Own mined	340.2	343.0	349.8	357.7	346.1	(1)%	(2)%	683.2	668.8	2%
Mogalakwena	133.4	139.4	121.7	116.3	113.9	(4)%	17%	272.9	225.8	21%
Amandelbult	116.3	103.9	114.8	119.5	108.6	12%	7%	220.2	203.7	8%
Unki	20.9	20.6	16.4	19.9	19.5	1%	7%	41.4	38.4	8%
Joint ventures ⁽¹⁾	69.6	67.5	59.8	62.2	64.3	3%	8%	137.1	123.3	11%
Union	0.0	11.6	37.1	39.9	39.8	nm	nm	11.6	77.5	nm
Purchase of concentrate	279.4	270.8	237.2	263.7	271.0	3%	3%	550.2	520.3	6%
Joint ventures ⁽¹⁾	69.6	67.5	59.8	62.2	64.3	3%	8%	137.1	123.3	11%
Associates ⁽²⁾	54.3	52.3	54.8	73.5	72.5	4%	(25)%	106.5	137.2	(22)%
Third parties	155.5	151.0	122.6	128.0	134.2	3%	16%	306.5	259.8	18%
Palladium										
Produced palladium (000 troy oz)	406.0	407.4	374.9	407.5	402.2	(0)%	1%	813.2	774.9	5%
Own mined	260.8	267.7	251.5	262.7	255.1	(3)%	2%	528.3	494.4	7%
Mogalakwena	145.1	150.5	127.8	129.9	127.8	(4)%	14%	295.5	251.2	18%
Amandelbult	52.2	50.7	53.7	55.1	49.9	3%	5%	102.9	93.6	10%
Unki	18.4	17.8	14.2	17.2	16.6	3%	11%	36.2	33.0	10%
Joint ventures ⁽¹⁾	45.1	43.5	38.7	42.1	42.5	4%	6%	88.5	80.7	10%
Union	0.0	5.2	17.1	18.4	18.3	nm	nm	5.2	35.9	nm
Purchase of concentrate	145.2	139.7	123.4	144.8	147.1	4%	(1)%	284.9	280.4	2%
Joint ventures ⁽¹⁾	45.1	43.5	38.7	42.1	42.5	4%	6%	88.5	80.7	10%
Associates ⁽²⁾	22.0	21.7	22.1	36.3	36.4	1%	(39)%	43.8	69.4	(37)%
Third parties	78.1	74.5	62.6	66.4	68.1	5%	15%	152.6	130.3	17%
Refined production										
Platinum (000 troy oz)	572.7	502.6	722.2	684.1	528.7	14%	8%	1,075.3	1,105.6	(3)%
Palladium (000 troy oz)	366.7	319.8	491.4	450.6	373.1	15%	(2)%	686.5	726.5	(6)%
Rhodium (000 troy oz)	73.8	62.5	87.4	79.4	82.8	18%	(11)%	136.3	156.4	(13)%
Gold (000 troy oz)	27.3	22.9	30.3	31.1	29.3	19%	(7)%	50.2	54.0	(7)%
Nickel (tonnes)	5,700	5,100	7,800	7,000	6,000	12%	(5)%	10,800	11,200	(4)%
Copper (tonnes)	4,000	3,200	4,700	4,300	3,500	25%	14%	7,200	6,700	7%
4E Head grade (g/tonne milled) ⁽³⁾	3.60	3.45	3.53	3.44	3.41	4%	6%	3.52	3.44	2%
Platinum sales volumes (000 troy oz)⁽⁴⁾	636.4	480.8	721.7	663.6	600.5	32%	6%	1,117.1	1,119.3	-
Palladium sales volumes (000 troy oz)⁽⁴⁾	405.3	328.2	473.5	462.0	330.3	23%	23%	733.5	636.2	15%
Platinum third party sales volumes (000 troy oz)⁽⁵⁾	45.8	19.8	-	-	-	nm	nm	65.6	-	nm
Palladium third party sales volumes (000 troy oz)⁽⁵⁾	45.0	8.0	-	-	-	nm	nm	53.0	-	nm

(1) The joint venture operations are Mototolo, Modikwa and Kroondal. Platinum owns 50% of these operations, which is presented under 'Own mined' production, and purchases the remaining 50% of production, which is presented under 'Purchase of concentrate'.

(2) Associates are Platinum's 33% interest in BRPM and, also in 2017, its 49% interest in Bokoni, which was placed on care and maintenance in Q3 2017.

(3) 4E: the grade measured as the combined content of: platinum, palladium, rhodium and gold.

(4) Sales from own mined and purchased concentrate, excludes refined metal purchased from third parties.

(5) Relates to sales of metal not produced by Anglo American operations.

IRON ORE

Iron Ore		Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017	Q1 2018	Q2 2018 vs. Q1 2018	H1 2018	H1 2017	H1 2018 vs. H1 2017
Kumba	000 t	11,572	11,382	2%	10,855	7%	22,427	21,854	3%
Minas-Rio ⁽¹⁾	000 t	106	4,324	nm	3,049	nm	3,155	8,666	(64)%

(1) Wet basis.

Kumba – Kumba a solid operational performance, increasing iron ore production by 2% to 11.6 million tonnes, largely driven by strong performance at Kolomela.

Sishen's production was broadly flat at 7.9 million tonnes, with improved DMS plant performance. Waste stripping increased by 4% to 44.4 million tonnes as a result of continued improvements in efficiencies.

Kolomela's production increased by 4% to 3.6 million tonnes, supported by the full ramp-up of the modular plant. Waste stripping decreased by 15% to 13.1 million tonnes primarily due to the impact of high rainfall.

Export sales improved marginally to 9.6 million tonnes (Q2 2017: 9.4 million tonnes). Kumba is working closely with its rail provider, Transnet, to secure delivery of its contracted rail volumes and to reduce the risk of further derailments. As a result of these rail constraints, total finished product stock increased from 4.3 million tonnes at 31 December 2017 to 6.2 million tonnes at 30 June 2018, above optimal levels.

Minas-Rio – Production decreased to 0.1 million tonnes (Q2 2017: 4.3 million tonnes), as a result of the suspension of operations from March 2018, following two leaks in the iron ore slurry pipeline.

The detailed pipeline inspection work is on track. A 4km section of the pipeline, where the leaks occurred will be replaced as a precautionary measure and is expected to be completed in Q4 2018, followed by the restart of the operation, subject to required clearance from authorities. There is no change to the earnings impact of the pipeline incident from the guidance provided in April, with a 2018 loss of \$300-\$400 million in EBITDA.

Full Year Guidance

Full year production guidance for Kumba has been revised marginally to 43-44 million tonnes (previously 44-45 million tonnes) to align production rates to rail availability. Waste guidance for 2018 remains unchanged at 170-180 million tonnes for Sishen and 55-57 million tonnes for Kolomela.

Full year production guidance for Minas-Rio remains at 3 million tonnes reflecting production delivered to date in 2018.

Iron Ore (tonnes)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	H1 2018 vs. H1 2017
Kumba production	11,572,000	10,855,100	11,642,600	11,485,700	11,381,600	7%	2%	22,427,000	21,854,200	3%
Lump	7,889,600	7,243,500	7,719,100	7,609,200	7,504,200	9%	5%	15,133,100	14,483,000	4%
Fines	3,682,400	3,611,600	3,923,500	3,876,500	3,877,400	2%	(5)%	7,293,900	7,371,200	(1)%
Kumba production by mine:										
Sishen	7,930,300	7,324,600	7,782,300	7,786,100	7,871,900	8%	1%	15,254,900	15,550,800	(2)%
Kolomela	3,641,700	3,530,500	3,860,300	3,699,600	3,509,700	3%	4%	7,172,100	6,303,400	14%
Kumba sales volumes										
Export iron ore	9,560,100	9,945,700	11,354,800	10,783,200	9,423,600	(4)%	1%	19,505,800	19,476,600	-
Domestic iron ore	781,900	885,400	875,700	644,100	924,600	(12)%	(15)%	1,667,300	1,757,300	(5)%
Minas-Rio production										
Pellet feed (wet basis)	105,800	3,049,400	3,949,900	4,171,500	4,324,100	nm	nm	3,155,200	8,665,900	(64)%
Minas-Rio sales volumes										
Export – pellet feed (wet basis)	320,800	2,896,100	4,140,700	3,739,800	4,371,000	nm	nm	3,216,800	8,627,500	(63)%

COAL

Coal		Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017	Q1 2018	Q2 2018 vs. Q1 2018	H1 2018	H1 2017	H1 2018 vs. H1 2017
Metallurgical Coal (Australia)	000 t	5,262	3,964	33%	5,539	(5)%	10,801	9,206	17%
Export Thermal Coal (Australia)	000 t	290	305	(5)%	209	39%	499	784	(36)%
Export Thermal Coal (South Africa) ⁽¹⁾	000 t	4,440	4,841	(8)%	4,328	3%	8,767	9,593	(9)%
Export Thermal Coal (Colombia)	000 t	2,762	2,450	13%	2,444	13%	5,206	5,231	-
Domestic Thermal Coal (South Africa)	000 t	2,780	8,187	(66)%	4,970	(44)%	7,750	15,743	(51)%

(1) Includes export primary production, and secondary production sold into export markets. Comparatives have been restated to align with current presentation.

Metallurgical Coal – Export metallurgical coal production increased by 33% to 5.3 million tonnes as Grosvenor ramped up performance following geotechnical challenges in 2017. Moranbah production also improved following strong operational performance, and due to timing of longwall moves.

Thermal Coal South Africa – Export thermal coal production decreased by 8% to 4.4 million tonnes as Khwezela and Goedehoop ramp down in areas transitioning to closure and Mafube continues to transition into a new pit. This was partially offset by strong operational performance at Greenside.

Domestic thermal coal production decreased by 66% to 2.8 million tonnes primarily due to the completion of the sale of the Eskom-tied operations (New Vaal, New Denmark and Kriel) to Seriti on 1 March 2018.

Thermal Coal Colombia – Attributable export thermal coal production from Cerrejón increased by 13% to 2.8 million tonnes.

Full Year Guidance

Full year production guidance for Metallurgical Coal remains unchanged at 20-22 million tonnes.

Full year production guidance for Export Thermal Coal has been revised down to 28-30 million tonnes (previously 29-31 million tonnes) due to dust-related stoppages at Cerrejón and challenging geology at sections of South African operations approaching end of life.

Coal, by product (tonnes)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	H1 2018 vs. H1 2017
Metallurgical Coal (Australia)	5,261,900	5,539,100	4,923,900	5,531,500	3,963,500	(5)%	33%	10,801,100	9,206,000	17%
Hard Coking Coal	4,534,800	4,853,200	4,300,300	4,696,200	3,237,000	(7)%	40%	9,388,100	7,984,400	18%
PCI / SSCC	727,100	685,900	623,600	835,300	726,500	6%	0%	1,413,000	1,221,600	16%
Thermal Coal	10,271,300	11,950,300	15,172,700	15,637,100	15,782,500	(14)%	(35)%	22,221,600	31,350,400	(29)%
Export (Australia)	289,900	208,700	408,600	421,400	304,700	39%	(5)%	498,600	783,600	(36)%
Export (South Africa) ⁽¹⁾	4,439,600	4,327,500	4,647,800	4,352,000	4,840,800	3%	(8)%	8,767,100	9,592,800	(9)%
Export (Colombia)	2,761,500	2,444,300	2,913,600	2,496,700	2,449,600	13%	13%	5,205,800	5,231,300	-
Domestic (South Africa)	2,780,300	4,969,800	7,202,700	8,367,000	8,187,400	(44)%	(66)%	7,750,100	15,742,700	(51)%
Total coal production	15,533,200	17,489,400	20,096,600	21,168,600	19,746,000	(11)%	(21)%	33,022,700	40,556,400	(19)%
Sales volumes										
Metallurgical Coal (Australia)	5,094,500	5,632,900	5,323,600	5,341,700	4,155,000	(10)%	23%	10,727,400	9,105,200	18%
Hard Coking Coal	4,402,800	4,885,500	4,653,000	4,707,600	3,649,700	(10)%	21%	9,288,300	8,126,800	14%
PCI / SSCC	691,700	747,400	670,600	634,100	505,300	(7)%	37%	1,439,100	978,400	47%
Thermal Coal										
Export (Australia)	357,800	293,800	466,900	468,500	422,800	22%	(15)%	651,600	893,300	(27)%
Export (South Africa) ⁽¹⁾	4,092,700	4,615,700	4,843,500	4,921,200	4,150,800	(11)%	(1)%	8,708,400	8,844,100	(2)%
Export (Colombia)	2,762,900	2,480,200	2,619,400	2,517,500	2,770,500	11%	-	5,243,100	5,416,800	(3)%
Domestic (South Africa)	3,146,500	4,711,000	7,370,300	8,549,300	8,385,400	(33)%	(62)%	7,857,500	16,103,400	(51)%
Third party sales	2,544,400	2,127,100	1,779,400	2,436,100	1,835,400	20%	39%	4,671,500	3,403,200	37%

(1) Includes export primary production, and secondary production sold into export markets. Comparatives have been restated to align with current presentation.

Coal, by operation (tonnes)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	Q1 2018 vs. Q4 2017
Metallurgical Coal (Australia)	5,261,900	5,539,100	4,923,900	5,531,500	3,963,500	(5)%	33%	10,801,100	9,206,000	17%
Moranbah North	1,064,300	1,936,700	1,979,800	1,316,800	688,600	(45)%	55%	3,001,000	2,104,700	43%
Grosvenor	1,342,000	825,600	161,300	1,012,500	183,600	63%	nm	2,167,600	893,400	143%
Capcoal (incl. Grasree)	1,324,200	1,396,000	1,604,900	1,712,100	1,467,400	(5)%	(10)%	2,720,200	3,169,500	(14)%
Dawson	714,100	534,500	319,700	670,300	787,500	34%	(9)%	1,248,600	1,492,600	(16)%
Jellinbah	817,300	846,300	858,200	819,800	836,400	(3)%	(2)%	1,663,600	1,545,800	8%
Thermal Coal (Australia)	289,900	208,700	408,600	421,400	304,700	39%	(5)%	498,600	783,600	(36)%
Capcoal (incl. Grasree)	66,000	65,500	95,400	62,000	41,500	1%	59%	131,500	124,800	5%
Dawson	193,400	114,500	310,800	342,500	259,300	69%	(25)%	307,900	646,300	(52)%
Jellinbah	30,500	28,700	2,400	16,900	3,900	6%	nm	59,200	12,500	nm
Total Australia production	5,551,800	5,747,800	5,332,500	5,952,900	4,268,200	(3)%	30%	11,299,600	9,989,600	13%
Thermal (South Africa)⁽¹⁾										
Goedeheop	1,185,900	1,138,000	1,114,300	1,085,400	1,230,800	4%	(4)%	2,323,900	2,452,900	(5)%
Greenside	941,500	1,043,600	1,041,200	906,700	877,700	(10)%	7%	1,985,100	1,882,500	5%
Zibulo	1,553,500	1,673,100	1,587,900	1,534,600	1,672,900	(7)%	(7)%	3,226,600	3,112,300	4%
Khwezela	1,297,200	1,244,000	1,371,300	1,265,300	1,475,000	4%	(12)%	2,541,200	3,071,100	(17)%
Mafube	172,100	105,600	350,900	361,200	407,600	63%	(58)%	277,700	849,000	(67)%
Other ⁽²⁾	1,076,700	-	-	-	-	nm	nm	1,076,700	-	nm
New Vaal ⁽³⁾	-	1,560,500	3,218,500	4,354,300	4,121,900	nm	nm	1,560,500	7,536,200	(79)%
New Denmark ⁽³⁾	-	560,100	963,300	673,700	769,600	nm	nm	560,100	1,724,000	(68)%
Kriel ⁽³⁾	-	704,900	1,237,400	1,392,700	1,420,300	nm	nm	704,900	2,758,800	(74)%
Isibonelo	993,000	1,267,500	965,700	1,145,100	1,052,400	(22)%	(6)%	2,260,500	1,948,700	16%
Total South Africa production	7,219,900	9,297,300	11,850,500	12,719,000	13,028,200	(22)%	(45)%	16,517,200	25,335,500	(35)%
Colombia (Cerrejón)	2,761,500	2,444,300	2,913,600	2,496,700	2,449,600	13%	13%	5,205,800	5,231,300	-
Total Coal production	15,533,200	17,489,400	20,096,600	21,168,600	19,746,000	(11)%	(21)%	33,022,700	40,556,400	(19)%

(1) Export and domestic production; New Vaal, New Denmark, Kriel and Isibonelo produce exclusively domestic volumes.

(2) Other production comes from the recovery of saleable product from mineral resource dumps.

(3) The sale of the Eskom-tied operations was completed on 1 March 2018.

NICKEL

Nickel		Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017	Q1 2018	Q2 2018 vs. Q1 2018	H1 2018	H1 2017	H1 2018 vs. H1 2017
Nickel	t	10,800	11,300	(4)%	8,600	26%	19,400	21,200	(8)%

Nickel output decreased by 4% to 10,800 tonnes, largely owing to a four-day stoppage when plant supplies were affected by a truckers' strike, and lower ore grades. A recovery plan is in place and no losses are expected for the full year.

Full year production guidance remains unchanged at 42,000-44,000 tonnes.

Nickel ⁽¹⁾	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	H1 2018 vs. H1 2017
Barro Alto										
Ore mined	1,208,800	1,001,500	978,600	1,895,000	2,375,700	21%	(49)%	2,210,300	3,399,200	(35)%
Ore processed	588,200	447,600	591,500	578,200	615,700	31%	(4)%	1,035,900	1,139,600	(9)%
Ore grade processed - %Ni	1.67	1.68	1.71	1.72	1.71	-	(2)%	1.67	1.71	(2)%
Production	8,600	6,500	9,100	8,900	9,100	32%	(5)%	15,100	16,900	(11)%
Codemin										
Ore mined	-	-	-	-	7,500	-	-	-	7,500	-
Ore processed	150,600	141,100	147,200	152,200	144,000	7%	5%	291,800	287,600	1%
Ore grade processed - %Ni	1.62	1.66	1.70	1.70	1.69	(2)%	(4)%	1.64	1.67	(2)%
Production	2,200	2,100	2,300	2,300	2,200	5%	-	4,300	4,300	-
Total Nickel segment nickel production	10,800	8,600	11,400	11,200	11,300	26%	(4)%	19,400	21,200	(8)%
Sales volumes	10,800	9,200	10,900	11,300	10,400	17%	4%	20,100	20,800	(3)%

(1) Excludes Anglo American Platinum's nickel production.

MANGANESE

Manganese		Q2 2018	Q2 2017	Q2 2018 vs. Q2 2017	Q1 2018	Q2 2018 vs. Q1 2018	H1 2018	H1 2017	H1 2018 vs. H1 2017
Manganese ore ⁽¹⁾	000 t	866	843	3%	881	(2)%	1,747	1,666	5%
Manganese alloys ⁽¹⁾⁽²⁾	000 t	43	39	10%	41	4%	84	71	19%

(1) Saleable production.

(2) Production includes medium carbon ferro-manganese.

Manganese ore – Manganese ore production increased by 3% to 866,200 tonnes.

Manganese alloy – Manganese alloy production increased by 10% to 42,800 tonnes.

Manganese (tonnes)	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q2 2018 vs. Q1 2018	Q2 2018 vs. Q2 2017	H1 2018	H1 2017	H1 2018 vs. H1 2017
Samancor										
Manganese ore ⁽¹⁾	866,200	880,800	979,600	839,500	843,300	(2)%	3%	1,747,000	1,666,400	5%
Manganese alloys ⁽¹⁾⁽²⁾	42,800	41,200	41,100	37,300	39,300	4%	10%	84,000	70,800	19%
Samancor sales volumes										
Manganese ore	910,100	824,200	874,900	846,900	887,600	10%	3%	1,734,300	1,723,600	1%
Manganese alloys	48,400	38,300	37,300	33,500	37,200	26%	30%	86,700	71,600	21%

(1) Saleable production.

(2) Production includes medium carbon ferro-manganese.

EXPLORATION AND EVALUATION

Exploration and Evaluation expenditure for the quarter increased by 38% to \$72 million. Exploration expenditure increased by 17% to \$27 million and evaluation expenditure increased by 55% to \$45 million.

Anglo American continues to prioritise and invest in mineral discovery, building upon its long and successful history of identifying viable mineral resources. The Discovery team's objective is to build and maintain a robust greenfield portfolio by identifying and securing extensive mineral tenure covering strategic, highly prospective search space in both established and frontier settings. Their focus is on the discovery of mineral deposits that are capable of delivering sustainable and superior returns on a material scale, and which provide greater long-term optionality for the Group.

The team is active across a number of geographies, using the latest technologies and innovations to pinpoint opportunities for further investigation. These include Australia, Brazil, Ecuador, Peru and Zambia. As an example, exploration activity in the Alta Floresta and Tapajos belts of central Brazil has yielded promising early-stage drilling results. These prompted the team to lodge applications securing >19,000 km² of prospective mineral tenure, which the Group is now systematically evaluating.

REALISED PRICES SUMMARY

Average realised prices	H1 2018	H2 2017	H1 2017	FY 2017	H1 2018 vs. H1 2017	H1 2018 vs. H2 2017
De Beers						
Total sales volumes (100%) (Mct) ⁽¹⁾	18.8	15.1	20.0	35.1	(6)%	25%
Consolidated sales volumes (Mct) ⁽¹⁾	17.8	14.0	19.1	33.1	(7)%	27%
Consolidated average realised price (\$/ct) ⁽²⁾	162	170	156	162	4%	(5)%
Average price index ⁽³⁾	123	122	121	122	2%	1%
PGMs						
Platinum (US\$/oz)	932	946	957	947	(3)%	(1)%
Palladium (US\$/oz)	1,005	926	780	876	29%	9%
Rhodium (US\$/oz)	1,938	1,180	911	1,094	113%	64%
Basket price (US\$/oz)	2,318	2,061	1,843	1,966	26%	12%
Copper (US\$/lb) ⁽⁴⁾	297	309	264	290	13%	(3)%
Iron Ore – FOB prices						
Kumba Export (US\$/dmt) ⁽⁵⁾	69	71	71	71	(3)%	(3)%
Minas-Rio (US\$/wmt) ⁽⁶⁾	70	64	66	65	6%	9%
Coal						
Australia						
Metallurgical – HCC (US\$/t) ⁽⁷⁾	198	180	195	187	2%	10%
Metallurgical – PCI (US\$/t) ⁽⁷⁾	129	126	124	125	4%	2%
Thermal – Export (US\$/t)	99	95	87	91	14%	4%
South Africa						
Thermal - Export (US\$/t) ⁽⁸⁾	88	80	72	76	18%	6%
Thermal – Domestic (US\$/t, FOR) ⁽⁹⁾	20	22	20	21	0%	(9)%
Colombia						
Thermal – Export (US\$/t)	79	79	71	75	11%	0%
Nickel (US\$/lb)	632	508	442	476	43%	24%

(1) Consolidated sales volumes exclude De Beers' JV partners' 50% proportionate share of sales to entities outside De Beers from the Diamond Trading Company Botswana and the Namibia Diamond Trading Company, which are included in total sales volume (100% basis). 2017 includes pre-commercial production sales volumes from Gahcho Kué. Excluding Gahcho Kué's capitalised pre-commercial production sales volumes results in a consolidated sales volume of 18.4Mct for H1 2017.

(2) Consolidated average realised price based on 100% selling value post-aggregation and excludes pre-commercial production sales from Gahcho Kué.

(3) Average of the De Beers price index for the Sights within the six-month period. The De Beers price index is relative to 100 as at December 2006.

(4) The realised price for Copper excludes third party sales volumes.

(5) Average realised export basket price (FOB Saldanha).

(6) Average realised export basket price (FOB Açu) (wet basis).

(7) Weighted average metallurgical coal sales price achieved.

(8) Weighted average export thermal coal price achieved. Excludes third party sales.

(9) Weighted average domestic thermal coal price achieved on all domestic thermal coal sales.

NOTES

- This Production Report for the second quarter ended 30 June 2018 is unaudited.
- Production figures are sometimes more precise than the rounded numbers shown in the commentary of this report. The percentage change will reflect the percentage change using the production figures shown in the Production Summary of this report.
- Copper equivalent production shows changes in underlying production volume. It is calculated by expressing each commodity's volume as revenue, subsequently converting the revenue into copper equivalent units by dividing by the copper price (per tonne). Long-term forecast prices (and foreign exchange rates where appropriate) are used, in order that period-on-period comparisons exclude any impact for movements in price.

Forward-looking statements:

This contains certain forward-looking statements which involve risk and uncertainty because they relate to events and depend on circumstances that may 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 a global diversified mining business and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive mining operations and undeveloped resources provides the metals and minerals to meet the growing consumer-driven demands of the world's developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and mine, process, move and market our products to our customers around the world.

As a responsible miner – of diamonds (through De Beers), copper, platinum and other precious metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the sustainable value that those resources represent for our shareholders, the communities and countries in which we operate and for society at large. Anglo American is re-imagining mining to improve people's lives.

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