PUBLICATION OF ANNUAL REPORT 2018 AND NOTICE OF ANNUAL GENERAL MEETING 2019

In accordance with Listing Rule 9.6 and Disclosure Guidance and Transparency Rule (“DTR”) 4.1, the Company announces that the following documents are today published on its website:

- Annual Report and Accounts for the year ended 31 December 2018 (the “2018 Annual Report”)
- Notice of the 2019 Annual General Meeting to be held on 30 April 2019
- Sustainability Report 2018

The 2018 Annual Report and Notice of the 2019 Annual General Meeting (and proxy form for the 2019 Annual General Meeting) have been submitted to the UK Listing Authority via the National Storage Mechanism and will shortly be made available for inspection at www.morningstar.co.uk/uk/NSM.

The above mentioned documents (except for the Proxy form) are available on our website at www.angloamerican.com/investors/annual-reporting and www.angloamerican.com/investors/shareholder-information/agm/agm2019 respectively, and will be posted to shareholders on 18 March 2019. Shareholders can obtain additional copies of the proxy form from our Registrar, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or view online at www.shareview.co.uk.

This announcement should be read in conjunction with the Company’s announcement issued on 21 February 2019. Together these constitute the material required by DTR 6.3.5 to be communicated to the media in full unedited text through a Regulatory Information Service. This material is not a substitute for reading the Company’s 2018 Annual Report. Page references and references to notes to the financial statements, refer to those contained in the 2018 Annual Report.

An indication of the important events that occurred in 2018 and their impact on the consolidated financial statements and the consolidated financial statements themselves were announced to the London Stock Exchange on 21 February 2019, forming part of the Preliminary Results announcement for the year ended 31 December 2018. Additional content forming part of the management report is set out in the appendix to this announcement.

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Anglo American is a leading global mining company 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 that enable a cleaner, more electrified world and that meet the fast 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 – safely, responsibly and sustainably.

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

www.angloamerican.com

Forward-looking statements:

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American’s financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American’s products, production forecasts and Ore Reserve and mineral resource estimates), are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Anglo American’s present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transportation infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as permitting and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in the section of this document titled ‘Managing Risk Effectively’. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the “Takeover Code”), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Certain statistical and other information about Anglo American included in this document is sourced from publicly available third-party sources. As such, it has not been independently verified and presents the views of those third parties, though these may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such third party information.
APPENDIX

PRINCIPAL RISKS

We define a principal risk as a risk or combination of risks that would threaten the business model, future performance, solvency or liquidity of Anglo American. In addition to these principal risks, we continue to be exposed to other risks related to currency, inflation, community relations, environment, litigation and regulatory proceedings, changing social expectations, infrastructure and human resources. These risks are subject to our normal procedures to identify, implement and oversee appropriate mitigation actions, supported by internal audit work to provide assurance over the status of controls or mitigating actions. These principal risks are considered over the next three years as a minimum, but we recognise that many of them will be relevant for a longer period.

Principal risks 2-10 on pages 44-47

CATASTROPHIC RISKS

We also face certain risks that we deem catastrophic risks. These are very high severity, very low likelihood events that could result in multiple fatalities or injuries, an unplanned fundamental change to strategy or the way we operate and have significant financial consequences. We do not consider likelihood when assessing these risks, as the potential impacts mean these risks must be treated as a priority. Catastrophic risks are included as principal risks.

For more on catastrophic risks see page 44

RISK APPETITE

We define risk appetite as ‘the nature and extent of risk Anglo American is willing to accept in relation to the pursuit of its objectives’. We look at risk appetite from the context of severity of the consequences should the risk materialise, any relevant internal or external factors influencing the risk, and the status of management actions to mitigate or control the risk. A scale is used to help determine the limit of appetite for each risk, recognising that risk appetite will change over time.

If a risk exceeds appetite, it will threaten the achievement of objectives and may require a change to strategy. Risks that are approaching the limit of the Group’s risk appetite may require management actions to be accelerated or enhanced to ensure the risks remain within appetite levels.

For catastrophic and operational risks, our risk appetite for exceptions or deficiencies in the status of our controls that have safety implications is very low. Our internal audit programme evaluates these controls with technical experts at operations and the results of that audit work will determine the risk appetite evaluation, along with the management response to any issues identified.

Further details on the risk management and internal control systems and the review of their effectiveness are provided on pages 97-98
## 1. CATASTROPHIC RISKS

We are exposed to the following risks we deem as potentially catastrophic: tailings dam failure; slope wall failure; mineshaft failure; and fire and explosion.

**Root cause:** Any of these risks may result from inadequate design or construction, adverse geological conditions, shortcomings in operational performance, natural events such as seismic activity or flooding, and failure of structures or machinery and equipment.

**Impact:** Multiple fatalities and injuries, damage to assets, environmental damage, production loss, reputational damage and loss of licence to operate. Financial costs associated with recovery and liability claims may be significant. Regulatory issues may result and community relations may be affected.

**Mitigation:** Technical standards exist that provide minimum criteria for design and operational performance requirements, implementation of which is regularly inspected by technical experts. Additional assurance work is conducted to assess the adequacy of controls associated with these risks.

**Risk appetite:** Tailings dam failure and slope and underground excavation failure risks are operating within the limits of our appetite. Fire and explosion and mineshaft failure risks are currently operating outside of our risk appetite, but actions being taken are expected to bring these risks back within our risk appetite during 2019.

**Commentary:** These very high impact but very low frequency risks are treated with the highest priority.

## 2. POLITICAL AND REGULATORY

Uncertainty and adverse changes to mining industry regulation, legislation or tax rates can occur in any country in which we operate.

**Root cause:** The Group has no control over political acts, actions of regulators, or changes in local tax rates. Our licence to operate through mining rights is dependent on a number of factors, including compliance with regulations.

**Impact:** Uncertainty over future business conditions leads to a lack of confidence in making investment decisions, which can influence future financial performance. Increased costs can be incurred through additional regulations or resource taxes, while the ability to execute strategic initiatives that reduce costs or divest assets may also be restricted, all of which may reduce profitability and affect future performance. Political instability can also result in civil unrest and nullification or non-renewal of existing agreements, mining permits, sales agreements or leases. These may adversely affect the Group’s operations or performance of those operations.

**Mitigation:** Anglo American has an active engagement strategy with governments, regulators and other stakeholders within the countries in which we operate, or plan to operate, as well as at an international level. We

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** Global economic conditions can have a significant impact on countries whose economies are exposed to commodities, placing greater pressure on governments to find alternative means of raising revenues, and increasing the risk of social and labour unrest. These factors could increase the political risks faced by the Group.
to assess portfolio capital investments against political risks and avoid or minimise exposure to jurisdictions with unacceptable risk levels. We actively monitor regulatory and political developments at a national level, as well as global themes and international policy trends, on a continuous basis. See page 16 for more detail on how we engage with our key stakeholders.

3. SAFETY

**Failure to eliminate fatalities.**

**Root cause:** Inability to eliminate fatalities will result from management interventions and training initiatives failing to translate into behavioural change by all employees and contractors. Non-compliance with critical controls is a common failure in safety incidents.

**Impact:** Loss of life, workplace injuries and safety-related stoppages all immediately affect production, while, over the longer term, such factors are also a threat to our licence to operate.

**Mitigation:** All operations continue to implement safety improvement plans, with a focus on: effective management of critical controls required to manage significant safety risks; learning from high potential incidents and hazards; embedding a safety culture; and leadership engagement and accountability. An elimination of fatalities taskforce is assessing safety risks at all operations to establish further actions necessary to improve safety performance.

**No change in risk**

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** During 2018, there were five fatalities in our managed operations, compared with nine in 2017. This is still an unacceptable level. Management remains committed to eliminating fatalities and the risk definition has been updated to focus on this.

4. PRODUCT PRICES

**Global macro-economic conditions leading to sustained low product prices and/or volatility.**

**Root cause:** The most significant factors contributing to this risk at present are a continued slowdown in growth in China and other emerging markets, low growth rates in developed economies and an oversupply of commodities into the market. Other factors such as weak regional economies, fiscal crises and conflict can also influence the economic

**Impact:** Low product prices can result in lower levels of cash flow, profitability and valuation. Debt costs may rise owing to ratings agency downgrades and the possibility of restricted access to funding. The Group may be unable to complete any divestment programme within the desired timescales or achieve expected values. The capacity to invest in growth projects is constrained during periods of low product prices – which may, in turn, affect future performance.

**The risk has decreased since 2017**

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** We believe the risk of an economic shock in China has reduced, with a measured slowdown being the more likely scenario. More broadly, global economic activity has improved slightly, although downside risks remain.
environment and contribute to weak product prices.

**Mitigation:** The successful delivery of cash improvement and operational performance targets remains the key mitigation strategy for this risk. Regular updates of economic analysis and product price assumptions are discussed with executive management and the Board.

### 5. CORRUPTION

**Bribery or other forms of corruption committed by an employee or agent of Anglo American.**

**Root cause:** Anglo American has operations in some countries where there is a relatively high risk of corruption.

**Impact:** Potential criminal investigations, adverse media attention and reputational damage. A possible negative impact on licensing processes and valuation.

**Mitigation:** A comprehensive anti-bribery and corruption policy and programme, including risk assessment, training and awareness, with active monitoring, is in place.

No change in risk

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** During 2018, we commissioned a report from an external law firm to review the Group’s policy and programme to manage bribery risk. The review made recommendations to further strengthen our anti-bribery programme which we have shared with the Audit Committee and are in the process of implementing.

### 6. OPERATIONAL PERFORMANCE

**Unplanned operational stoppages impacting production.**

**Root cause:** Unplanned and unexpected operational issues will affect delivery of the underlying EBITDA target. Failure to implement the Operating Model, manage cost inflation or maintain critical plant, machinery and infrastructure will affect our performance levels. We are also exposed to failure of third party-owned and -operated infrastructure, e.g. rail networks and ports. Our operations may also be exposed to natural catastrophes or extreme weather.

**Impact:** Inability to achieve production, cash flow or profitability targets. There are potential safety-related matters associated with unplanned operational stoppages, along with a loss of investor confidence.

**Mitigation:** Implementation of our Operating Model, supported by operational risk management and assurance processes, are the key mitigations against this risk. Compliance with our technical standards will prevent certain operational risks occurring. Regular tracking and monitoring of progress against the underlying EBITDA targets is undertaken.

No change in risk

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** During 2018, this risk materialised in our Minas-Rio operation (see page 64).

### 7. WATER

A new principal risk
### Inability obtain or sustain the level of water security needed to support operations over the current life of mine plan or future growth options.

**Root cause:** Poor water resource management or inadequate onsite storage, combined with reduced water supply at some operations as weather patterns change, can affect production. Water is a shared resource with local communities and permits to use water in our operations are at risk if we do not manage the resource in a sustainable manner.

**Impact:** Loss of production and inability to achieve cash flow or volume improvement targets. Damage to stakeholder relationships or reputational damage can result from failure to manage this critical resource.

**Mitigation:** Various projects have been implemented at operations most exposed to this risk, focused on: water efficiency; water security; water treatment; and discharge management, as well as alternative supplies. New technologies are being developed that will reduce water demand.

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** This is a new principal risk in 2018, as some of our business units are increasingly reporting water availability issues as a risk to their operations, which increases the need to prioritise this risk at Group level.

### 8. CYBER SECURITY

**Loss or harm to our technical infrastructure and the use of technology within the organisation from malicious or unintentional sources.**

**Root cause:** The number and sophistication of cyber-criminal attacks are increasing.

**Impact:** Theft or loss of intellectual property, financial losses, increased costs and damage to reputation.

**Mitigation:** We have employed a specialist third party to oversee our network security. We have achieved UK Cyber Essentials Certification and an ongoing cyber awareness programme is in place across the Group.

**This risk has decreased since 2017**

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** While the number of attacks continues to increase, the actions taken to mitigate this risk, including physical controls and the programme to improve employee awareness, have reduced the likelihood of successful attack.

### 9. FUTURE DEMAND FOR PGMS

**Longer term demand for PGMs is affected by fundamental shifts in market forces.**

**Root cause:** Longer term demand is at risk from declining internal combustion engine manufacturing, and a switch to battery operated vehicles instead of fuel cell electric vehicles, which continue to use higher volumes of PGMs.

**Impact:** A negative impact on revenue, cash flow, profitability and valuation.

**Mitigation:** Our PGMs business has a strategy to grow PGM demand in industrial and jewellery sectors through marketing and investment initiatives in research, product development and market development opportunities, particularly in the automotive sector and in Indian and Chinese jewellery markets.

**This risk has decreased since 2017**

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** We see this as a longer term threat to the business.

### 10. FUTURE DEMAND FOR DIAMONDS

**Demand for diamonds affected as production and**

**Impact:** Potential loss of rough diamond sales, leading to a negative impact on revenue.

**This risk has decreased since 2017**
**marketing of synthetics increases.**

**Root cause:** Technological developments have led to the production of higher quality gem synthetics. Producers and distributors of this material may attempt to sell fraudulently into the diamond pipeline (undisclosed) or market and sell as gem synthetics (disclosed), with manufacturing and distribution sources for the latter increasing.

**Mitigation:** While research underlines consumers’ continued desire for natural diamonds owing to their inherent value, emotional connection and rarity, De Beers has a comprehensive strategy to mitigate risk of both the entry of undisclosed synthetics into the pipeline and the potentially misleading marketing of disclosed synthetics.

In addition, measures to emphasise, protect and enhance the inherent value of natural diamonds include: increased marketing investment, including through the Diamond Producers Association, e.g. reasserting the emotional symbolism of diamonds through the Real is Rare campaign; investment in blockchain to give consumers confidence as to the natural provenance of a diamond; investment in bespoke technology to readily detect all synthetics; and the launch of Lightbox™ to reinforce with consumers the inherent difference between synthetic and natural diamonds.

**Risk appetite:** Operating within the limits of our appetite.

**Commentary:** We believe that production of, and demand for, disclosed gem synthetics over the natural business has increased owing to the factors described; however, De Beers’ mitigation strategies have matured over 2018 to enable us to respond to this development.

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### RELATED PARTY TRANSACTIONS

The Group has related party relationships with its subsidiaries, joint operations, associates and joint ventures (see notes 34 and 35). Members of the Board and the Group Management Committee are considered to be related parties.

The Company and its subsidiaries, in the ordinary course of business, enter into various sale, purchase and service transactions with joint operations, associates, joint ventures and others in which the Group has a material interest. These transactions are under terms that are no more or less favourable to the Group than those arranged with third parties.

<table>
<thead>
<tr>
<th>US$ million</th>
<th>Associates 2018</th>
<th>Joint ventures 2018</th>
<th>Joint operations 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transactions with related parties</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale of goods and services</td>
<td>1</td>
<td>17</td>
<td>–</td>
</tr>
</tbody>
</table>
Balances with related parties

<table>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>from related parties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables to</td>
<td>(44)</td>
<td>(211)</td>
<td>(7)</td>
<td>(29)</td>
<td>(97)</td>
<td>(93)</td>
</tr>
<tr>
<td>related parties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Loans receivable from</td>
<td>–</td>
<td>–</td>
<td>211</td>
<td>230</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>related parties</td>
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</table>

Balances and transactions with joint operations or joint operation partners represent the portion that the Group does not have the right to offset against the corresponding amount recorded by the respective joint operations. These amounts primarily relate to purchases by De Beers and Platinum Group Metals from their joint operations in excess of the Group’s attributable share of their production.

Loans receivable from related parties are included in Financial asset investments on the Consolidated balance sheet.

Remuneration and benefits received by directors are disclosed in the Remuneration report. Remuneration and benefits of key management personnel, including directors, are disclosed in note 26. Information relating to pension fund arrangements is disclosed in note 27.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and Article 4 of the IAS regulation, and have elected to prepare the parent Company financial statements in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’. The directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent Company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ has been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, IAS 1 requires that directors:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity’s financial position and financial performance
- Make an assessment of the Group’s ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**RESPONSIBILITY STATEMENT**

for the year ended 31 December 2018

We confirm that to the best of our knowledge:
(a) The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of Anglo American plc and the undertakings included in the consolidation taken as a whole
(b) The strategic report includes a fair review of the development and performance of the business and the position of Anglo American plc and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
(c) The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group’s performance, business model and strategy.

By order of the Board

**Mark Cutifani**  **Stephen Pearce**
Chief Executive  Finance Director