5 March 2018

PUBLICATION OF ANNUAL REPORT 2017 AND NOTICE OF ANNUAL GENERAL MEETING 2018

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: www.angloamerican.com

- Annual Report and Accounts for the year ended 31 December 2017 (the “2017 Annual Report”)
- Notice of the 2018 Annual General Meeting to be held on 8 May 2018
- Sustainability Report 2017

The 2017 Annual Report and Notice of the 2018 Annual General Meeting (and proxy form for the 2018 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/agm2018 respectively, and will be posted to shareholders on 26 March 2018. 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 22 February 2018. 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 2017 Annual Report. Page references and references to notes to the financial statements, refer to those contained in the 2017 Annual Report.

An indication of the important events that occurred in 2017 and their impact on the consolidated financial statements and the consolidated financial statements themselves were announced to the London Stock Exchange on 22 February 2018, forming part of the Preliminary Results announcement for the year ended 31 December 2017. Additional content forming part of the management report is set out in the appendix to this announcement.

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Notes to editors:

Anglo American is a globally diversified mining business. Our portfolio of world-class competitive mining operations and undeveloped resources provides the raw materials to meet the growing consumer-driven demands of the world’s developed and maturing economies. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and 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 long-term value that those resources represent for our shareholders and for the communities and countries in which we operate – creating sustainable value and making a real difference.

www.angloamerican.com

Forward-looking statements:

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Anglo American’s financial position, business and acquisition strategy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American’s products, production forecasts and Ore Reserves and Mineral Resources), 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 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 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 Anglo American’s most recent Annual Report. 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 announcement. 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 Guidance and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SWX 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.

Nothing in this announcement should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share.

Certain statistical and other information about Anglo American included in this announcement is sourced from publicly available third party sources. As such, it presents the views of those third parties, though these may not necessarily correspond to the views held by Anglo American.
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. 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 2-11 on pages 42-45

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 42

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 in order to ensure the risks remain within appetite levels.

Further details on the risk management and internal control systems and the review of their effectiveness are provided on pages 85-86
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:** Operating within the limits of our appetite.

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

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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, nullification or non-renewal of existing agreements, mining permits, sales agreements or leases. These may adversely affect the Group’s operations or results of those operations.

**Mitigation:** Anglo American has an active engagement strategy with the governments, regulators and other stakeholders within the
countries in which we operate or plan to operate, as well as at international level. We 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 14 for more detail on how we engage with our key stakeholders.

3. COMPETITIVE POSITION

**Inability to pursue a profitable growth strategy.**

**Root cause:** While Anglo American aims to pursue an asset-driven profitable growth strategy, forecast cash flows may not be adequate to fund growth options that maintain competitiveness owing to low commodity prices or operational performance being below expectations.

**Impact:** Inability to execute growth strategy, resulting in a reduced valuation.

**Mitigation:** A cash improvement programme has been implemented across the business and the Group’s debt profile has been restructured to support business growth plans.

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

**Commentary:** This is a new principal risk for 2017.

4. INVESTOR ACTIVISM

**Inability to execute strategy or significantly change strategy in the event of investors seeking to influence management to take an alternative direction.**

**Root cause:** Any larger, influential shareholder(s) may exert pressure on management of companies they invest in to take a direction they assert is more conducive to realising higher returns.

**Impact:** Investor pressure may cover portfolio composition, commodity choices or geographical locations in which we operate or plan to operate in, all of which may have an impact on longer term financial returns.

**Mitigation:** A proactive and regular engagement programme with shareholders is undertaken to explain the Group’s strategy and portfolio, listen to and consider investor concerns, and to provide reassurance on any risks that are of major concern to investors.

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

**Commentary:** This is a new principal risk for 2017.

5. FUTURE DEMAND FOR DIAMONDS

**Demand for diamonds impacted as production and**

**Impact:** Potential loss of rough diamond sales, leading to a

**This risk has increased since 2016**
### marketing of synthetics increases.

**Root cause:** Technological developments have led to the production of higher quality synthetics. Producers and distributors of this material may attempt to sell fraudulently into the diamond pipeline (undisclosed) or market and sell as 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 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 and protect 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; and investment in bespoke technology to readily detect all synthetics. Details of how technology is developed and used to mitigate this risk are provided on page 48.

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

**Commentary:** We believe the likelihood of the disclosed synthetics risk materialising has increased owing to the factors described.

### 6. FUTURE DEMAND FOR PGMs

**Longer term demand for PGMs is impacted 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 Platinum 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 Indian and Chinese jewellery markets.

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

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

### 7. CYBER SECURITY

**Potential loss or harm to our**

**Impact:** Theft or loss of

**A new principal risk**
### 8. SAFETY

**Failure to deliver a sustained improvement in safety performance.**

**Root cause:** Inability to deliver a sustained improvement in safety performance 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. Our Operating Model has been updated to further integrate safety.

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

**Commentary:** During 2017 there were nine fatalities, compared with 11 in 2016. This is an unacceptable level and explains why the risk has increased. Management remains committed to eliminating fatalities.

This risk has increased since 2016

### 9. COMMODITY PRICES

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

**Root cause:** The most significant factors contributing to this risk at present are the 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 environment and contribute to weak commodity prices.

**Impact:** Low commodity 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 commodity prices – which may, in turn, affect future performance.

**Mitigation:** The successful delivery of cash improvement and operational performance

**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.

This risk has decreased since 2016
targets remains the key mitigation strategy for this risk. Regular updates of economic analysis and commodity price assumptions are discussed with executive management and the Board.

10. CORRUPTION

| Bribery or other forms of corruption committed by an employee or agent of Anglo American. | Impact: Potential criminal investigations, adverse media attention and reputational damage. A possible negative impact on licensing processes and valuation. |
| Root cause: Anglo American has operations in some countries where there is a relatively high risk of corruption. | Mitigation: A comprehensive Anti-Bribery and Corruption Policy and programme, including risk assessment, training and awareness, with active monitoring is in place. |

Risk appetite: Operating within the limits of our appetite.

Commentary: This is a new principal risk for 2017, given the heightened prominence of corruption issues in the extractives sector.

11. OPERATIONAL PERFORMANCE INCLUDING DELIVERY OF CASH TARGETS

| Unplanned operational stoppages impacting production and inability to deliver the underlying EBITDA improvement target of $0.8 billion in 2018. | 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. |
| 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. | 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. |

This risk has decreased since 2016

Risk appetite: Operating within the limits of our appetite.

Commentary: An underlying EBITDA improvement target of $0.8 billion is planned for 2018. The Operating Model is contributing to the mitigation of this risk.

RELATED PARTY TRANSACTIONS

The Group has a related party relationship 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 less favourable to the Group than those arranged with third parties.
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 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 Company’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 Company’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 2017

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 Company’s performance, business model and strategy.

By order of the Board

Mark Cutifani  Stephen Pearce
Chief Executive  Finance Director