NEWS RELEASE
25 July 2019

Anglo American to return up to $1 billion to shareholders

Anglo American plc ("Anglo American") announces its intention to return up to $1 billion to its shareholders through an on-market irrevocable and non-discretionary share buyback programme (the "Programme"). The Programme will begin immediately and will end no later than 31 March 2020. The sole purpose of this Programme is to reduce the issued share capital of Anglo American.

Mark Cutifani, Chief Executive of Anglo American, said: “We have a disciplined and value-focused approach to capital allocation that is designed to fund the sustainability of our existing business and our base cash dividend for shareholders. With a strong balance sheet in place, we then consider the appropriate balance of options for any discretionary capital, in terms of growth investments and additional returns. Today's announcement of a share buyback programme demonstrates our applied discipline and the Board’s confidence in the business.”

Stephen Pearce, Finance Director of Anglo American, added: “We have deleveraged our balance sheet extensively in recent years and are confident in our funding of our portfolio of highly attractive near and medium term growth opportunities. Given the current levels of cash generated in the business, along with the further value potential we see in Anglo American, we think it appropriate to prioritise returning excess cash to shareholders through a share buyback programme. This additional return of up to $1 billion recognises the resilience of our position and builds upon the $3.4 billion of cash that we will have returned to shareholders since reinstating the dividend in mid-2017.”

The Programme will be executed in two tranches of up to $500 million each. Anglo American has given irrevocable and non-discretionary instructions to Morgan Stanley & Co. International Plc ("Morgan Stanley") in relation to the first tranche of $500 million of the Programme. Morgan Stanley will act as principal and will purchase shares on the Johannesburg Stock Exchange and UK trading venues\(^1\) in line with the proportion of Anglo American’s shareholder register in South Africa and the United Kingdom and will make its trading decisions concerning the timing of the purchases of Anglo American’s ordinary shares independently of Anglo American. The purchased shares will be cancelled.

The number of ordinary shares permitted to be purchased by Anglo American, pursuant to the authority granted by the shareholders at the Annual General Meeting of Anglo American on 30 April 2019 (the “2019 AGM”), is 210.6 million ordinary shares. At an illustrative share price of £21.88 per share as at 24 July 2019, this Programme would involve the purchase of approximately 36.6 million ordinary shares.

Any purchases of ordinary shares by Anglo American in relation to this announcement will be effected within certain pre-set parameters and in accordance with the authority granted by shareholders at the 2019 AGM, the Market Abuse Regulation 596/2014 and Chapter 12 of the Listing Rules and will be discontinued in the event that Anglo American ceases to have the necessary general authority to repurchase ordinary shares.

---

\(^1\) Includes London Stock Exchange and other multilateral facilities including BATS Europe, Chi-X Europe, Turquoise and Aquis.
Notes to editors:

Anglo American’s Capital Allocation approach

A value-focused approach to capital allocation underpins Anglo American’s strategy, with clear prioritisation:

- sustaining capital to maintain asset integrity (including Reserve Life); then
- the base dividend to our shareholders, determined as a payout ratio of 40% of underlying earnings; while
- ensuring a strong balance sheet.

Discretionary capital is then allocated, based on a balanced approach:

- to growth investments or upgrades to the portfolio, that are subject to a demanding risk framework and that meet our stringent value criteria; or
- is considered for additional returns to shareholders.

Notes to editors:

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

Legal Entity Identifier: 549300S9XF92D1X8ME43