Anglo American Funding Factsheet

28 July 2016

This factsheet provides a high level overview of the Group's main financing arrangements as at 30 June 2016.

1. Recent Developments: Bond Buyback:

In March 2016, the Group announced the successful completion of its bond buy-back transaction launched on 18 February 2016, consisting of Euro, Sterling and US dollar denominated maturities from December 2016 to September 2018. The Group utilised $1.7bn of cash to retire $1.83bn of contractual repayment obligations (including derivatives hedging the bonds).

The Group maintained its conservative levels of liquidity by entering into a $1.5 billion Club Facility with three international banks.

2. Available Committed Liquidity

At 30 June 2016 the Group maintained a liquidity position of $15.6bn comprised of $5.8bn of cash and $9.9bn of undrawn committed bank facilities. A breakdown of the liquidity position is shown below:

US$bn	Cash	*Total committed bank facilities*	*Drawings under committed facilities*	Undrawn committed facilities	Total Available Liquidity
Global[1]	3.9	*8.6*	*1.5*	7.1	11.0
SA	1.9	*3.3*	*0.5*	2.8	4.7
GROUP	5.8	*11.9*	*3.0*	9.9	15.6

(1) Global drawn debt includes the impact of derivatives hedging non-USD denominated debt.

2.1 Access to cash:

The majority of the Group's cash is held at the London or South African Corporate Centres. It is company policy for excess cash balances to be repatriated to the Corporate Centres by way of dividends or deposits. The remaining cash balances are held by the businesses for local working capital purposes.

Cash held at the London Corporate Centre and by the Copper and Coal Australia businesses is primarily invested in highly rated, instant access USD denominated money market funds. Cash held in South Africa is first applied inter-group and any residual is invested in similar highly secured funds, bank deposits as well as Government bonds through repo funds.

South Africa operates exchange controls which restrict the use of cash balances outside the country. Under the terms of its listing in 1999, the Group is able to remit cash earned from operating activities in South Africa to the London Corporate Centre, with the amount capped at the level of the Anglo American plc dividend to shareholders. The remittance of any cash balances outside of these parameters would require South African Reserve Bank approval. These restrictions do not have a material impact on the Group's ability to meet its ongoing obligations.

1.2 Bank Facilities

Undrawn committed bank facilities at 30 June 2016 amounted to $9.9bn. The terms of the Group's bank facilities, including the pricing, are confidential.

1.2.1 Core Credit Facilities

The core of the Group's available undrawn bank liquidity comprises a 26-bank $5bn revolving credit facility ('RCF') which is guaranteed by Anglo American plc. Of the $5bn, $4.8bn matures in April 2020 and $0.2bn in April 2019.

Pricing on the RCF is subject to a credit rating margin grid with a floor at BBB- (S&P) and Baa3 (Moody's). There is therefore no increase in the cost of the facility for a sub-investment grade credit rating. As the facility is undrawn, the Group is currently only paying commitment fees which are 35% of the margin on the facility.

In December 2015 the Group signed two bilateral bank facilities of $200m each ($400m total) with new relationship banks, to further enhance liquidity. The facilities are on the same terms as the Group's Core $5bn RCF (including with respect to the floor in the margin grid) and each bilateral facility matures in April 2020.

In February 2016 the Group signed a $1.5bn 2-year Club facility with three relationship banks in order to minimise the impact on liquidity of the $1.83bn bond buyback.

The RCF, bilateral facilities and Club facility contain no financial covenants and other covenants are typical of facilities of this nature covering items such as enforceability and capacity, encumbrances over assets and events of default. The facilities are guaranteed by Anglo American plc

1.2.2 Subsidiary Bank Facilities

The Group also has committed bank facilities in place for certain subsidiaries. The principal facilities are as follows:

<u>Anglo American South Africa ('AASA'):</u> AASA has committed bilateral bank facilities totaling ZAR17.4bn. These facilities were undrawn at 30 June 2016. The facilities are with a number of long-term relationship banks and mature between 2017-2018. ZAR6.1bn of the facilities have a 364 day maturity which rolls automatically unless notice is given. The bank facilities contain financial covenants based on maximum net debt to tangible net worth ratios and minimum tangible net worth values. The facilities are not guaranteed by Anglo American plc.

<u>Anglo American Platinum ('Platinum'):</u> Platinum has committed bank facilities totaling ZAR13.2bn, in addition to a ZAR9.1bn intercompany facility provided by AASA which matures in November 2017. Total drawn bank borrowings at 30 June 2016 were ZAR1.8bn. The bank facilities are with a number of long-term relationship banks and mature between 2016-2018. ZAR2.3bn of the facilities (undrawn) have a 364 day maturity which rolls automatically unless notice is given. The bank facilities contain financial covenants based on maximum net debt to tangible net worth ratios and minimum tangible net worth values. The facilities are not guaranteed by Anglo American plc.

<u>Kumba Iron Ore ('Kumba'):</u> Kumba has committed bank facilities totaling ZAR16.5bn which are held at the Sishen Iron Ore Company ('SIOC')[1] level. At 30 June 2016, ZAR4.5bn was drawn under the facilities. The facilities are syndicated with a number of long-term relationship banks and have February 2020 maturity dates. Financial covenants under the facilities are based on Net Debt to EBITDA and EBITDA to Interest Expense ratios. The facilities are not guaranteed by Anglo American plc.

<u>De Beers:</u> De Beers is, primarily funded through intercompany arrangements with Anglo American.

<u>Brazil:</u> The Group has two loans from the Brazil Development Bank ('BNDES') to finance the Minas-Rio project. Currently approximately BRL4.4bn is outstanding under these loans which have an amortising repayment profile through to 2023. These loans have been hedged to US$ Libor through cross currency swaps matching the amortization profile of the liability. The Group's contractual repayment obligations

[1] Kumba holds an effective 73.9% of SIOC which in turn owns Sishen and Kolomela.

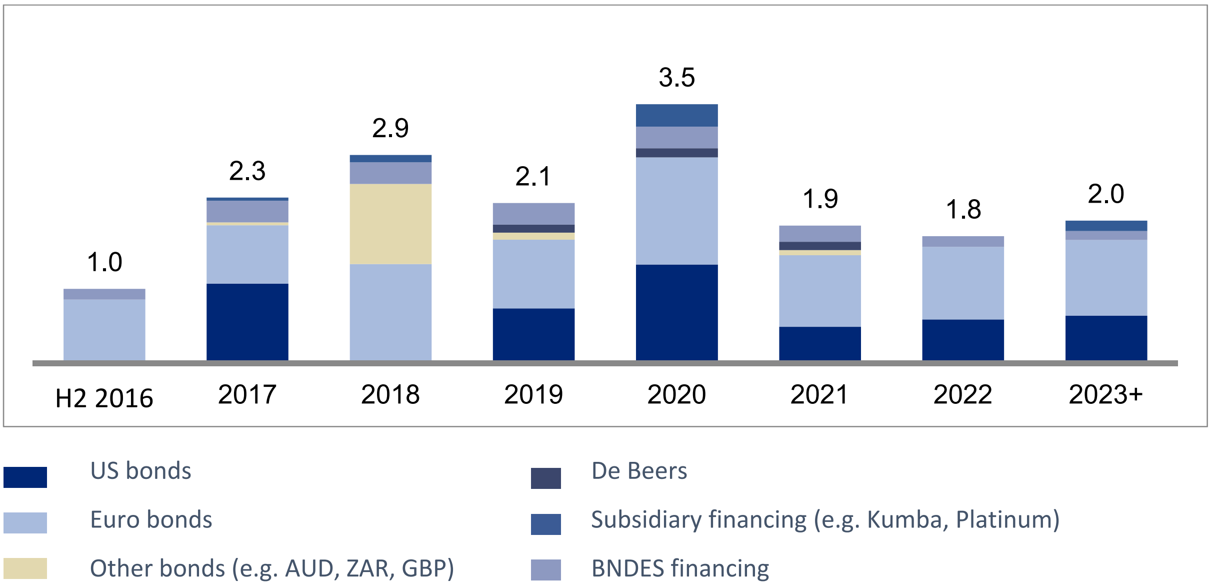
under these contracts is c.$1.8bn taking into account the derivatives. The facilities do not contain financial covenants and are guaranteed by Anglo American plc.

Uncommitted group debt: The Group has access to $1.0bn of uncommitted bank facilities, the undrawn portion of which does not form part of the Group's liquidity disclosures. At 30 June 2016 the Group had c$0.2bn drawn on uncommitted facilities (accounted for in our Gross and Net Debt disclosures).

Secured debt: The Group does not have any material secured debt. At 30 June 2016, the total amount of secured borrowings was $73m, of which $15m related to borrowings and the rest to finance leases.

3. Debt Maturity Profile

At 30 June, the group had $14.7bn of senior unsecured bonds outstanding in the European EMTN, US144a, Australian AMTN and South African DMTN markets. The bonds have a balanced maturity profile through to 2025. All of the Group's bonds in issuance are guaranteed by Anglo American plc.



All bonds, other than the South African DMTN, have been swapped to US$ Libor at or around the time of issuance through the use of interest rate and cross currency swaps with Group relationship banks. These swaps are guaranteed by Anglo American plc and are not subject to any further credit support such as Credit Support Annex (CSA) or collateralization arrangements.

4. Credit rating

The Group has two formal ratings from Standard & Poor's and Moody's. On 3 May 2016 Moody's changed the outlook to **Ba3 (Positive)** from Ba3 (Negative).

The Group targets an investment grade credit rating from both agencies, however there is no significant impact of a sub-investment grade rating in the near term on the Group's ability to operate or cost of funds. The Group's bonds in issue are not subject to coupon step-ups for sub-investment grade credit ratings and the pricing on the Group's bank facilities at 30 June 2016 does not increase. However, it is likely that the cost of any new financing raised would be higher than the cost of the Group's current financing arrangements.

5. Other financing arrangements

5.1 Letters of Credit (including Rehabilitation provisions)

For certain operations, the Group is required to provide rehabilitation guarantees to local authorities. These are performance bonds rather than financial guarantees. In order for fulfil its obligations, the Group enters into environmental guarantee facilities with relationship banks, sometimes providing a counter-indemnity at the holding company level.

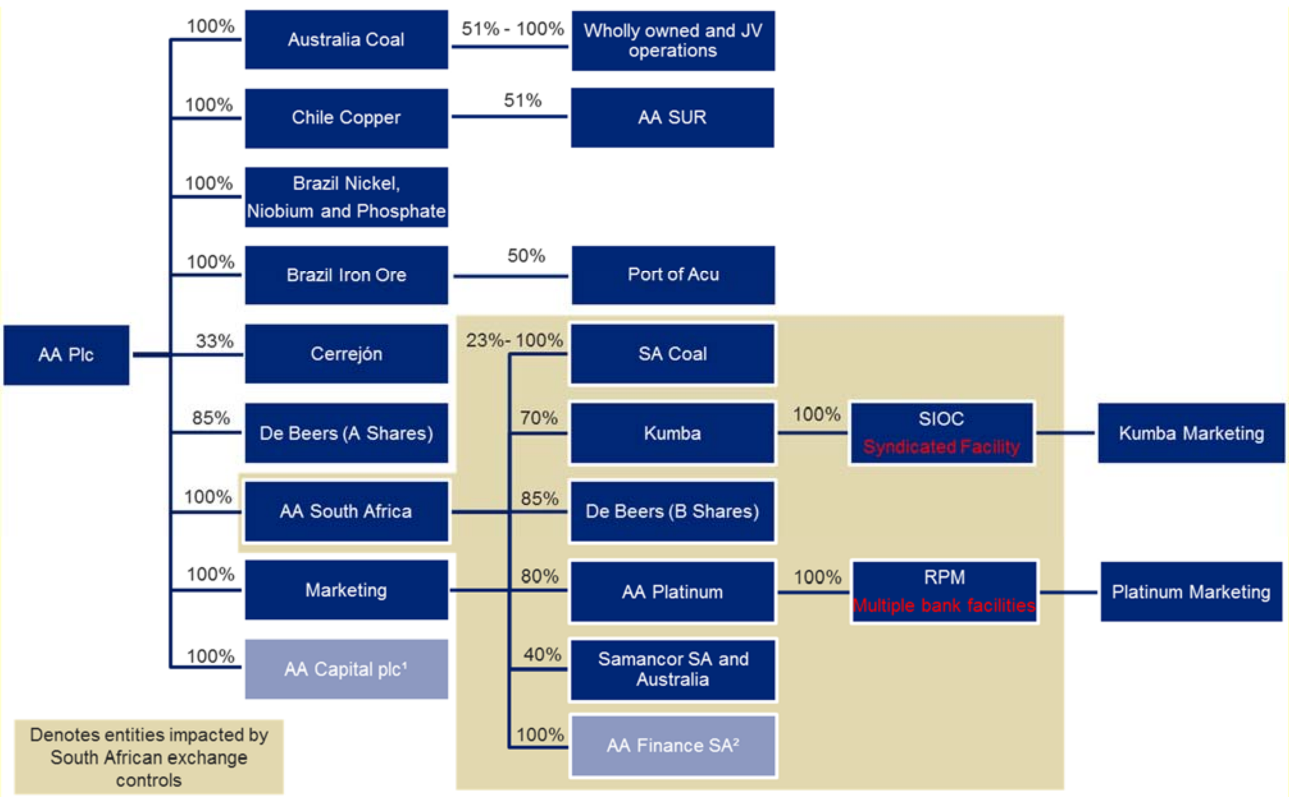
Although the Group trades on open account with the majority of its customers, certain sales transactions are covered by Letters of Credit (LC). The Group is not required to issue material amounts of LCs in the context of its marketing business.

The use of financial guarantees is very limited around the Group.

5.2 Commercial Paper

The Group has a dormant European Commercial Paper programme that was last used in 2009.

<u>Group Simplified Corporate Structure:</u>



1. Issuer under EMTN and US 144a transactions – guaranteed by Anglo American plc, borrower under US$5.4bn Revolving Credit Facilities – guaranteed by Anglo American plc, principal financing vehicle outside of South Africa.
2. Issuer under the South African DMTN programme guaranteed by AA plc, Borrower under a number of bank facilities - guaranteed by AASA, principal financing vehicle for South African companies.

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