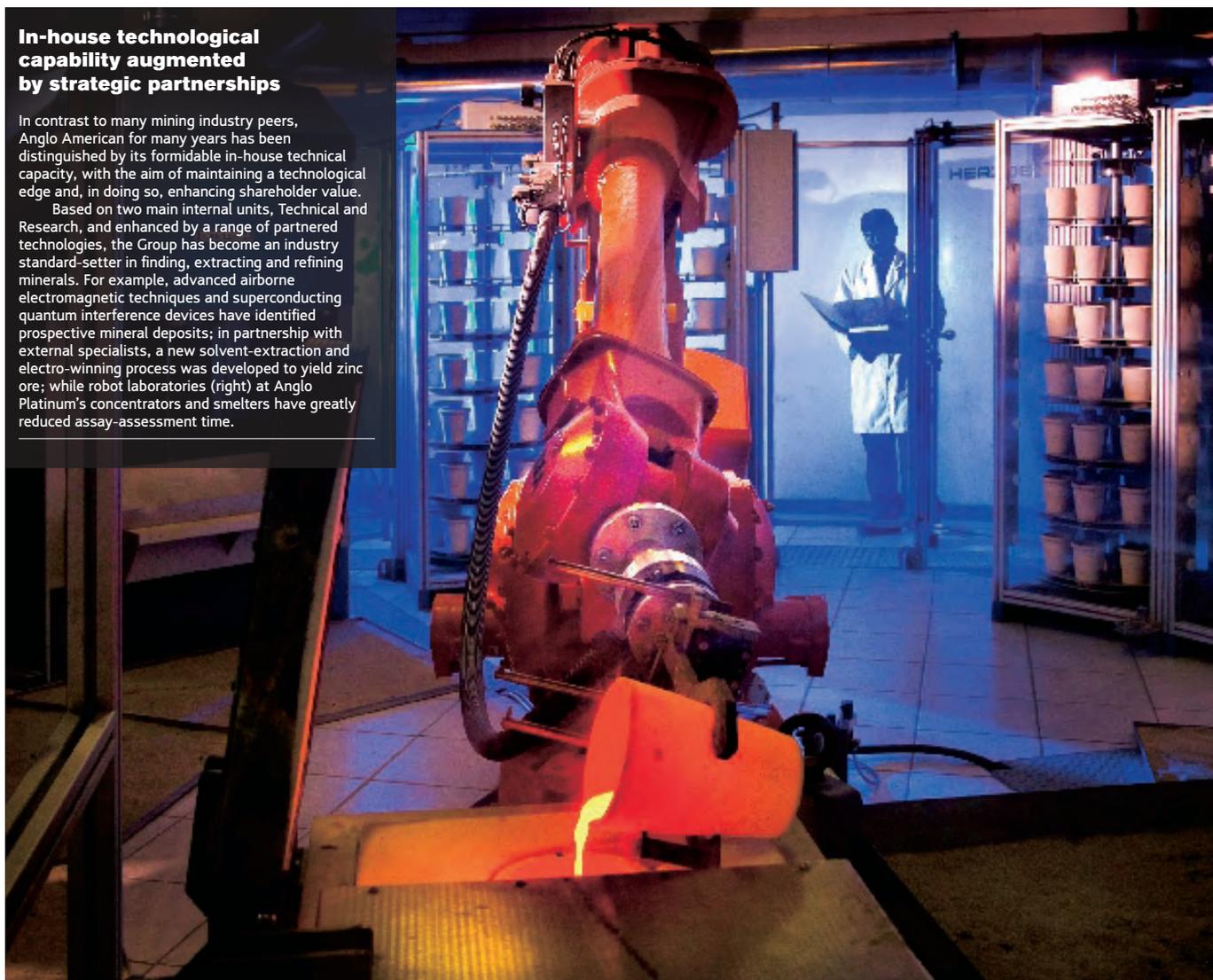


In-house technological capability augmented by strategic partnerships

In contrast to many mining industry peers, Anglo American for many years has been distinguished by its formidable in-house technical capacity, with the aim of maintaining a technological edge and, in doing so, enhancing shareholder value.

Based on two main internal units, Technical and Research, and enhanced by a range of partnered technologies, the Group has become an industry standard-setter in finding, extracting and refining minerals. For example, advanced airborne electromagnetic techniques and superconducting quantum interference devices have identified prospective mineral deposits; in partnership with external specialists, a new solvent-extraction and electro-winning process was developed to yield zinc ore; while robot laboratories (right) at Anglo Platinum's concentrators and smelters have greatly reduced assay-assessment time.



Performance

As part of our strategy to become the leading global mining company, Anglo American has disposed of a number of non-core assets and is focusing on ensuring that its assets have economies of scale, long lives, are in the lowest quartile in terms of costs and have the potential to give the Group critical mass in each of our commodities.

Today, Anglo American is centred around three core commodity categories – precious (with our unique platinum and diamond assets), base and bulk.

We are now progressing into the second phase of our strategy, where we are seeking to maximise the value we derive from each of our assets.

Asset optimisation

We are identifying, and seeking to close, any value gaps between the performance of our operations and the industry's best in class.

To this effect, a major asset optimisation programme is under way across our business

units. This initiative seeks to identify the full potential of each operation and put programmes in place to manage actual performance towards this goal. This has involved a rigorous, bottom-up analysis of our assets and operations and their subsequent benchmarking against our peers to bring our operations up to the highest level.

Supply chain efficiencies

Taking an integrated global approach to procurement while maximising efficiencies through the supply chain are other ways we are looking to drive performance.

We have made major improvements with progressively more demanding efficiency targets. In 2007, the Group achieved supply chain efficiencies of almost \$200 million. We are working closely with our suppliers to eliminate waste from all areas of our supply chain by developing a detailed understanding of cost drivers, standardising requirements and leveraging economies of scale across the Group.

In addition, we are optimising our sourcing footprint by increasing purchasing from lower

cost countries such as China, while also continuing to develop small and medium sized entrepreneurs close to existing operations.

In recent years, many parts of the mining industry supply chain have been operating at or close to full capacity, resulting in constraints and delays for equipment and services. We are mitigating these issues by developing clear plans and engaging more effectively with our suppliers. For example, we are entering innovative longer term supply arrangements with suppliers to secure tyres for our existing operations and new projects.