

## News Release

19 February 2010

### Anglo American announces operating profit of \$5.0 billion

#### Financial results

- Group operating profit<sup>(2)</sup> of \$5.0 billion (\$4.5 billion from core operations<sup>(3)</sup>)
- Underlying earnings<sup>(4)</sup> of \$2.6 billion and underlying earnings per share of \$2.14
- Profit attributable to equity shareholders of \$2.4 billion
- Net debt<sup>(6)</sup> maintained at \$11 billion at 31 December 2009
- Committed undrawn bank facilities and cash of over \$12 billion at 31 December 2009

#### Delivering operational efficiencies

- Asset optimisation and procurement delivered more than \$1.6 billion of benefits in 2009 (\$1.4 billion from core operations), exceeding target
  - Asset optimisation and procurement target of \$2 billion now to be delivered from core businesses alone by 2011
- Anglo Platinum – significant restructuring achieved, flat cash operating costs target met, 3 high cost shafts on care and maintenance, labour productivity up 21% in 2 years
- Significant cash cost reduction of \$712 million (5%) and productivity improvements achieved across the Group – headcount reduced by 23,400<sup>(7)</sup>

#### Creating a more effective, focused business

- Major Group reorganisation completed, creating new generation of leadership within a leaner, more effective structure
- Board strengthened and refreshed – new chairman and 3 new non-executive directors to bring further mining, commercial and financial expertise
- Divestment programme under way – running businesses to maximise value; sales of Tarmac's European aggregates and Polish concrete products businesses agreed with expected proceeds of approximately \$400 million; Zinc sale process initiated with significant buyer interest

#### Clear strategy driving targeted, high quality growth of selected commodities

- \$17 billion of approved projects in most attractive commodities to drive organic production growth of more than one third by 2013:
  - Copper to grow by 33%; iron ore by 82%; nickel by 139%
  - Development of four key strategic projects on track: Minas Rio, Los Bronces, Barro Alto and Kolomela (previously Sishen South)
  - New growth projects: Quellaveco (copper) and Grosvenor (metallurgical coal) – first stage approvals expected in 2010

#### Step change in safety performance

- New safety practices embedded and delivering further improved results:
  - 57% reduction in fatalities since January 2007
  - 52% improvement in lost time injury rates since January 2007, on a like-for-like basis
  - Anglo Platinum achieved 4 consecutive fatality-free months through to January 2010

#### Dividend

- Resumption of dividend expected in respect of 2010

<b>HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2009</b> <i>US\$ million, except per share amounts</i>	<b>Year ended 31 Dec 2009</b>	<b>Year ended 31 Dec 2008</b>	<b>Change</b>
Group revenue including associates <sup>(1)</sup>	<b>24,637</b>	32,964	(25.3)%
Operating profit including associates before special items and remeasurements – core operations <sup>(2),(3)</sup>	<b>4,451</b>	9,003	(50.6)%
Operating profit including associates before special items and remeasurements <sup>(2)</sup>	<b>4,957</b>	10,085	(50.8)%
Underlying earnings <sup>(4)</sup>	<b>2,569</b>	5,237	(50.9)%
EBITDA <sup>(5)</sup>	<b>6,930</b>	11,847	(41.5)%
Net cash inflows from operating activities	<b>4,087</b>	8,065	(49.3)%
Profit for the financial year attributable to equity shareholders	<b>2,425</b>	5,215	(53.5)%
<b>Earnings per share (US\$):</b>			
Basic earnings per share	<b>2.02</b>	4.34	(53.5)%
Underlying earnings per share <sup>(4)</sup>	<b>2.14</b>	4.36	(50.9)%

<sup>(1)</sup> Includes the Group's attributable share of associates' revenue of \$3,779 million (2008: \$6,653 million). See note 3 to the Condensed financial statements.

<sup>(2)</sup> Operating profit includes attributable share of associates' operating profit (before attributable share of associates' interest, tax and minority interests) and is before special items and remeasurements, unless otherwise stated, see notes 3 and 4 to the Condensed financial statements. For the definition of special items and remeasurements see note 6 to the Condensed financial statements.

<sup>(3)</sup> Operations considered core to the Group are Platinum, Diamonds, Copper, Nickel, Iron Ore and Manganese (Kumba Iron Ore, Iron Ore Brazil and Samancor), Metallurgical Coal, Thermal Coal, Exploration and Corporate Activities. See page 12 in the Financial review of Group results section for a reconciliation of operating profit from core operations to total operating profit. Due to the portfolio and management structure changes announced in October 2009, operations considered core have changed from those reported at 31 December 2008. The comparative has been updated to reflect this.

<sup>(4)</sup> See note 9 to the Condensed financial statements for basis of calculation of underlying earnings.

<sup>(5)</sup> EBITDA is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates. See note 13 to the Condensed financial statements.

<sup>(6)</sup> Net debt excludes hedges, but includes the net debt in disposals groups. See note 11 to the Condensed financial statements.

<sup>(7)</sup> Headcount reduction includes contractors and 100% of De Beers.

**Cynthia Carroll, Chief Executive**, said, “Anglo American is now a more focused and performance-oriented international mining company. We have a clear strategy in place and are driving harder than ever in pursuit of being the investment, partner and employer of choice in the mining industry. In 2009, we made significant progress on several fronts, delivering on and exceeding our targets – achieving a step change in safety performance, restructuring the Group and laying the foundation for significant cultural change. We have continued our highly successful cost and efficiency initiatives, taking Anglo American into a new, more dynamic era of value delivery. Against what has been an unpredictable economic background, Anglo American delivered a solid operating performance, with operating profit of \$5.0 billion and underlying earnings of \$2.6 billion, with strong performances across our businesses.

In October, we announced a major corporate reorganisation to ensure the delivery of our clear corporate strategy. We have created a more streamlined and efficient management structure and have further focused the Group on its core mining businesses. Through our redesign of the Group’s structure, we have created seven focused commodity businesses, with their management teams located in the area of core geographic focus for each commodity, responsible for operational performance and project delivery. The rationalised corporate centre will be responsible for providing strategic support to the businesses and will be focused on delivering synergies, technology and business performance. We have worked quickly to implement these new structures and we expect full implementation by the end of the first quarter of 2010, with associated annualised cost savings of approximately \$120 million. Taken together with our overall Group restructuring and efficiency initiatives, this has resulted in a reduction of 23,400 to our total headcount during 2009.

Two areas of synergy where we are continuing to deliver clear and substantial value are in our asset optimisation and global procurement programmes. We are now well advanced towards delivering our stated combined target of \$2 billion of uplift in 2011, generating more than \$1.6 billion in 2009, ahead of expectations. Based on our excellent progress to date, we now expect to achieve our \$2 billion asset optimisation and procurement targets from our core businesses alone on the same timeline.

Cost control continues to be a major focus for Anglo American. In 2009, we delivered significant cash cost reductions across the Group totalling \$712 million, a 5% decrease. Anglo Platinum has a clear strategy to move the cost position of its operations to the first and second quartile while, in 2009, it achieved flat cash operating unit costs and significant further productivity improvements. Furthermore, following a full restructuring of the operations at Rustenburg and Amandelbult to enable greater operational control and flexibility, it has removed 140,000 ounces of high cost production by placing three shafts on care and maintenance. Anglo American has provided strong support to the recapitalisations of both Anglo Platinum and De Beers, positioning them to take full advantage of economic recovery and to deliver on their long term growth prospects as respective industry leaders.

Our decision to continue the development of several of our key strategic growth projects during the economic downturn positions us to capitalise on the next phase of global economic growth and to deliver our projected organic production growth of more than one third by 2013. Four major projects – the Minas Rio iron ore project and the Barro Alto nickel project, both in Brazil, the Los Bronces copper expansion project in Chile and the Kolomela (previously Sishen South) iron ore project in South Africa – are all well placed on their respective industry cost curves, have long resource lives, further expansion potential and are on track to enter production, some from next year onwards, in what we expect to be a growing commodity demand environment.

We will be driving forward these and other projects during 2010, investing \$4.2 billion in projects out of a total planned capital expenditure investment of \$6.0 billion for the year. We are also modernising our project management processes and standards to ensure they not only capture lessons from previous projects but that they provide us with world class tools for the future allocation of capital and control of major projects.

I am encouraged by further safety improvements during the year. Our lost time injury frequency rate is 27% lower than 2008 and shows a 52% like-for-like improvement since January 2007. The number of fatalities continues to be reduced and, while still unacceptable until we reach zero, are now 32% fewer than 2008 and nearly 60% fewer than January 2007. In January 2010, Anglo Platinum also achieved a significant milestone of four consecutive months without a fatal incident, a first for the company.

Looking ahead, the medium and long term outlook for the mining industry remains strong. Demand for commodities is expected to remain robust with the continuing shift in the pattern of economic growth towards fast-growing emerging economies. In order to sustain its growth potential, we anticipate that China will

continue to upgrade and develop its infrastructure, while the longer term potential of India and Brazil is expected to provide further support. These economies also have the greatest scope for strong consumer spending growth, the principal long term demand driver for platinum group metals and diamonds.”

## Review of 2009

### Financial results

Anglo American's underlying earnings were \$2.6 billion, from \$5.2 billion in 2008, with operating profit of \$5.0 billion, from \$10.1 billion in 2008. The impact of the global economic downturn on realised platinum group metals (PGMs), iron ore, export coal, nickel and diamond prices has been the key driver of the decline in earnings, coupled with falling demand, particularly in the Metallurgical Coal and Thermal Coal businesses. Against the backdrop of the challenging economic environment, notable performances include Copper, with increased production driving operating profit growth; production and sales volume increases at Kumba Iron Ore from the Sishen jig project; and Nickel, as well as significant cost reduction programmes at Platinum, Metallurgical Coal and Diamonds.

**Copper** delivered an operating profit of \$2,010 million, 6% higher as a result of record production and lower costs as well as marginally higher realised copper prices.

**Nickel** reported an operating profit of \$2 million, \$121 million lower despite a 32% increase in sales volumes. This reflects the impact of a 30% decrease in the average nickel price and Venezuelan inflation of 25%.

**Platinum** generated an operating profit of \$32 million, down 99% due to a 38% decrease in the dollar basket price of metals sold. Management's focus on costs, including moving production away from higher cost shafts, has enabled cash operating unit costs to remain flat despite inflationary pressures.

**Iron Ore and Manganese** generated an operating profit of \$1,489 million, 42% lower. Within this commodity group, Kumba Iron Ore had a strong performance with operating profit of \$1,487 million, 6% lower, despite average export prices falling 40%, achieving strong export sales to China and product shift to higher margin blended fines product.

**Metallurgical Coal** delivered an operating profit of \$451 million, a 59% decrease, with lower price and demand from steelmakers, partially mitigated by cost reduction programmes.

**Thermal Coal's** operating profit of \$721 million was 33% lower, principally as a result of lower prices and demand reduction.

**Diamonds** recorded an attributable operating profit of \$64 million, down 87%, with Diamond Trading Company (DTC) revenues down 45%. The second half of the year benefited from the cost saving initiatives undertaken in the first half, improved demand from Sightholders and delivered an operating profit of \$60 million.

**Other Mining and Industrial** generated an operating profit of \$506 million, 53% lower. Strong performances from the Zinc and Niobium businesses, driven by improved production, were offset by the impact of the economic slowdown on Tarmac and Scaw Metals.

### Production

2009 saw significant improvements in operating efficiency and production, demonstrating the Group's flexibility to react to market demand. Copper achieved record production, up 5%, with operating efficiencies and grade improvements in the second half at Los Bronces and a 15% attributable increase at Collahuasi, despite production at Collahuasi having been impacted by 44 days following the failure of a conveyor electrical control centre. Nickel production at Codemin and Loma de Níquel was flat, despite a run out at the EP2 furnace and an environmental permitting issue at Loma, which had a combined impact of reducing production by 5,600 tonnes (equivalent to 30% of full year 2009 production). Platinum achieved a 3% increase in refined platinum ounces whilst also restructuring its two largest operations to ensure a sustainable reduction in the unit cost of production. Iron ore production from Kumba's Sishen Mine increased by 16% due to the continuing ramp up of the Sishen jig plant. Production from Diamonds,

Metallurgical Coal and Thermal Coal was aligned to lower demand, with the exception of the Mafube and Kriel coal mines in South Africa, which increased production to Eskom.

## **Capital structure**

Net debt, excluding hedges, of \$10,995 million was marginally lower than at 31 December 2008, and \$340 million lower than at 30 June 2009. Cash inflows from operations of \$4.9 billion and the proceeds from the sales of the residual holdings in AngloGold Ashanti, Tongaat Hulett and Hulamin of \$2.4 billion funded capital investment of \$4.6 billion principally in the Group's core assets, including combined investment in excess of \$1.8 billion in the Los Bronces, Barro Alto, Minas Rio and Kolomela (previously Sishen South) near-term strategic growth projects. The Group also provided \$225 million of shareholder loans to De Beers. Net debt was adversely impacted by the strength of the rand at the end of the year on the rand denominated debt.

## **Special items and remeasurements**

We have recognised the need for balance sheet value adjustments via a number of impairments, offset by gains on disposals of assets, resulting in a net reduction in asset values of approximately \$0.5 billion (after tax and minority interests).

Operating special items and remeasurements, including associates, amounted to a charge of \$1,840 million. Included in operating special items, including associates, are impairments totalling \$2,130 million. This included an impairment charge against the Amapá iron ore system. Amapá was acquired in 2008 as an operating asset as part of the acquisition of the Minas Rio project. During 2009, Amapá has experienced significant operational challenges across its mine, plant and logistics chain, producing 2.7 Mt compared to the design capacity of 6.5 Mtpa. Management's focus has been, and remains, on seeking to markedly improve performance from the existing operations, rather than investing to expand the operation. The Amapá system is currently believed to have capacity to increase production to 5 Mtpa without significant further capital expenditure. Due to the focus on improving operational performance and preserving cash, limited exploration drilling has been undertaken in 2009 and the anticipated growth potential of surrounding licence areas remains untested. Given these operational difficulties and delays in increasing production, the Group has recorded an impairment charge of \$1.5 billion (after tax and minority interest) against the carrying value of the asset.

## **Dividends**

The resumption of the dividend at the earliest possible time remains a key priority for the board. Assuming that the commodity price environment and outlook continue to improve and the business performance remains robust, the board would expect to be able to announce the resumption of a dividend in respect of the current financial year.

## **Delivering value through operational efficiencies**

Anglo American has two Group-wide synergy initiatives which are continuing to deliver clear and substantial value. The asset optimisation and global supply chain and shared services programmes are both well advanced towards delivering their combined \$2 billion target. In 2009, a total in excess of \$1.6 billion was achieved (\$1.4 billion from core operations), ahead of expectations. On the basis of the excellent progress made, it is expected that the \$2 billion asset optimisation and procurement targets by 2011 will now be achieved from our core businesses alone on the same timeline.

Asset optimisation delivered \$863 million of sustainable value for the full year 2009 (\$749 million from core operations), towards its \$1 billion target, building on the \$335 million delivered in the first half of the year. Asset optimisation is a formalised process across the Group, with nominated representatives in all mines, rigorous internal and external benchmarking and specific targets for every mine and business, all directed towards unlocking value from existing assets through cost and productivity improvements.

The global supply chain and shared services initiatives delivered savings of \$510 million (\$445 million from core operations), nearly \$200 million ahead of its target for the full year, having achieved \$131 million in the first half of the year towards a targeted \$1 billion of savings in 2011. The Group is leveraging its global scale

to deliver cost savings across the supply chain, taking a holistic approach and forming strategic global partnerships with key suppliers, such as for fuels and lubricants, and consolidating the number of different suppliers for any given product or service.

In February 2009, the Group announced a global headcount reduction of 19,000 to be achieved by the end of 2009 followed, in October, by the announcement of the Group's restructuring. Headcount reductions for the year have totalled 23,400.

Anglo Platinum's strong operational performance during 2009 reflects its focus on driving value from its operations through a series of decisive cost and efficiency initiatives to deliver its clear strategy to move the cost position of its operations to the first and second quartile. The Rustenburg and Amandelbult mines were divided into smaller operating units of five and two operations respectively to enable greater operational flexibility. The sourcing of production ounces has been optimised, resulting in three high cost shafts at Rustenburg being put on care and maintenance and a total of 140,000 ounces (annualised) of high cost production being removed. These efforts will result in a sustainable reduction in the cost position of the Rustenburg mines and effectively move them from the fourth quartile to the third quartile of the cost curve. The benefits of such significant restructuring are clear, with headcount reduced by 15,752 during 2009, cash operating costs per equivalent refined platinum ounce decreasing in real terms (and flat in nominal terms) against the prior year. Over the past two years, employee productivity, measured as square metres mined per total operating employee per month, has improved by 21% to 6.50m<sup>2</sup> in the second half of 2009.

De Beers implemented a successful restructuring and achieved aggressive cost reductions, with production and operating costs reduced by 45% and a 23% reduction in its global workforce, as production was brought in line with demand.

### **Clear strategy driving targeted, high quality growth of selected commodities**

Anglo American has a clear strategy of deploying its capital in those commodities that deliver long term, through-the-cycle returns for its shareholders, and which have strong fundamentals and the most attractive risk-return profiles. Those commodities are copper, diamonds, iron ore, manganese, metallurgical coal, nickel, platinum and thermal coal.

Anglo American has developed a portfolio of world-class operating assets and development projects focused on those commodities, with the benefits of scale, expansion potential and cost position. The Group's \$17 billion pipeline of approved projects spans the core commodities and is expected to deliver organic production growth of more than one third by 2013.

Anglo American's decision to preserve the development of its key near-term strategic growth projects during the economic downturn positions the Group to capitalise on the next phase of global economic growth. The four major projects are all well placed on their respective industry cost curves, have long resource lives and are on track to enter production from 2011 onwards, in what is expected to be a growing commodity demand environment.

Anglo American's Los Bronces copper expansion project is on schedule, with first production in the fourth quarter of 2011 and is expected to increase, from the fourth quarter of 2012, to an average of 490 ktpa over the first three years of full production (an average of over 400 ktpa over the first 10 years). At peak production levels, Los Bronces is expected to be the fifth largest copper mine in the world, with reserves that support a mine life of 30 years. Resource and mineralisation studies carried out by Anglo American's technical teams support further potential expansion. Anglo American has also announced two very significant and high quality new discoveries at Los Sulfatos and San Enrique Monolito close to its Los Bronces mine in Chile. These two new copper prospects together increase the Group's copper resources (excluding reserves) by approximately 50%.

The Barro Alto nickel project is also on schedule towards start up in early 2011, with the overall development almost 80% complete at the year end. This project, which has further potential from an extensive resource base, leverages an existing operation and proven technology and will produce an average 36 ktpa of nickel in full production with a position in the lower half of the cost curve.

Kumba Iron Ore's Kolomela project, previously known as the Sishen South project, is on track and progressing well towards first production in the first half of 2012. Kolomela is situated 80km to the south of

Kumba's world class Sishen mine and, when full production is achieved in 2013, will produce 9 Mtpa of high quality iron ore, with further potential for expansion.

The Minas Rio iron ore project in Brazil is a multi-billion tonne resource in the highly attractive seaborne iron ore market with the benefit of an integrated logistics system. Anglo American obtained a series of important licences for the first phase of the project during the year, most notably the first part of the Installation Licence for the mine and beneficiation plant, awarded in December, following the earlier award of the federal permit for land clearance at the mine. The second part of the Installation Licence is expected to be approved during the early part of 2010. The construction of the port at Açú is well advanced and the earthworks for the beneficiation plant and pipeline are progressing towards first production in the second half of 2012, with ramp-up to 26.5 Mtpa. Anglo American's forecast attributable share of the post acquisition capital expenditure for the first phase of the project has increased from \$2.7 billion to \$3.8 billion owing to scoping changes at the mine, pipeline and port, as well as foreign exchange movements.

The size of the Minas Rio orebody and the project's dedicated logistics infrastructure means that it has considerable expansion potential, with studies under way for the expansion of the project up to 80 Mtpa. Anglo American acquired the Minas Rio project in two transactions in 2007 and 2008 and at the end of 2007 declared a resource of 476 Mt (Measured and Indicated) and an additional 770 Mt of Inferred resource. After considerable geological work, this total resource has increased fourfold since 2007 to 5 billion tonnes, including 843 Mt of Inferred resource. The anticipated final product Fe grade over the life of the mine, expected to be above 68%, is particularly high compared to other products on the market and benefits from extremely low alumina, silica and phosphorus contaminants. With such quality characteristics, Minas Rio pellet feed will rank as a top quality product. Across Anglo American's iron ore interests in Brazil and South Africa, the Group has the potential to increase iron ore production to in excess of 150 Mtpa within 10 years.

In addition, Anglo American expects to make decisions during 2010 in relation to first stage approvals for the development of two further high quality growth projects – the 225 ktpa Quellaveco copper project in Peru and the 4.3 Mtpa Grosvenor metallurgical coal project in Australia.

## **Divestment portfolio update**

During 2009, Anglo American sold its residual holdings in AngloGold Ashanti, Tongaat Hulett and Hulamin, realising total proceeds of approximately \$2.4 billion.

In October 2009, Anglo American announced that it would further sharpen the focus of the Group onto the most attractive commodities and, building on the programme of non-core shareholding sales completed over the last three years, the Group's portfolio of zinc assets, Scaw Metals, Copebrás and Catalão will be divested in due course, together with Tarmac.

The preparatory work to separate the businesses for divestment from the Group is under way and the divestments will be carried out in a manner and to a timetable that maximises value for Anglo American's shareholders. It is envisaged that there will be a different divestment timetable for each of the businesses.

During the first quarter of 2010, Anglo American agreed the sales of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish concrete products business, with expected total proceeds of approximately \$400 million.

The sale process for the portfolio of zinc assets is under way and significant levels of buyer interest have been shown.

## **Outlook**

The medium and long term outlook for the mining industry remains strong. Demand for commodities is expected to remain robust with the continuing shift in the pattern of economic growth towards fast-growing emerging economies. In order to sustain its growth potential, China is expected to continue to upgrade and develop its infrastructure, while the longer term potential of India and Brazil is expected to provide further support. These economies also have the greatest scope for strong consumer spending growth, the principal long term demand driver for platinum group metals and diamonds.

In 2009, huge policy stimulus and a turn in the inventory cycle drove the rebound in industrial activity. In 2010, the positive effects of these factors are likely to start to fade. The economic headwinds are most noticeable in the advanced economies, where continuing balance sheet repair will constrain demand prospects. However, the outlook for the emerging economies is much brighter. China and India are likely to grow strongly, though the potential for setbacks remains as a weak external environment combines with intensifying domestic inflation pressures.

## Selected major projects

Completed in 2009						
Sector	Project	Country	Completion date		Capex \$m <sup>(1)</sup>	Production volume <sup>(2)</sup>
<b>Iron Ore and Manganese</b>	Sishen expansion	South Africa	Q4 2009		657	13.0 Mtpa iron ore
<b>Metallurgical Coal</b>	Lake Lindsay	Australia	Q1 2009		726	4.0 Mtpa
<b>Thermal Coal</b>	Mafube	South Africa	Q3 2009		230	5.4 Mtpa
	Cerrejón	Colombia	Q1 2009		130	3.0 Mtpa (2 <sup>nd</sup> stage)
Approved						
Sector	Project	Country	First production date	Full production date	Capex \$m <sup>(1)</sup>	Production volume <sup>(2)</sup>
<b>Platinum</b>	MC Plant Capacity Expansion – phase 1	South Africa	Q3 2009	Q1 2010	80	11 ktpa waterval converter matte
	Mogalakwena North	South Africa	Q4 2007	2012	922	350-400 kozpa refined platinum
	Dishaba (Amandelbult) East Upper UG2	South Africa	Q3 2007	Q4 2012	224	100 kozpa refined platinum
	Styldrift Merensky phase 1	South Africa	Q2 2017	Q2 2018	1,621	245 kozpa refined platinum
	Unki Mine	Zimbabwe	Q3 2010	Q4 2013	457	65 kozpa refined platinum
<b>Diamonds</b>	Jwaneng – Cut 8	Botswana	2010	2024	3,000 <sup>(3)</sup>	95 million carats
<b>Copper</b>	Los Bronces expansion	Chile	Q4 2011	Q4 2012	2,300 - 2,500	200 ktpa copper <sup>(4)(5)</sup>
	Collahuasi 150 ktpd	Chile	Q1 2011	Q2 2011	92	Expansion to 150 ktpd capacity
<b>Nickel</b>	Barro Alto	Brazil	Q1 2011	Q3 2012	1,800 - 1,900	36 ktpa nickel
<b>Iron Ore and Manganese</b>	Minas Rio phase 1	Brazil	H2 2012	Q3 2013	3,800 <sup>(6)</sup>	26.5 Mtpa iron ore pellet feed (wet basis)
	Kolomela (previously Sishen South)	South Africa	Q2 2012	Q1 2013	1,022	9.0 Mtpa iron ore
<b>Thermal Coal</b>	Zibulo (previously Zondagsfontein)	South Africa	Q3 2009	Q4 2012	512	6.6 Mtpa thermal coal



<b>Future unapproved</b>					
<b>Sector</b>	<b>Project</b>	<b>Country</b>	<b>First production date</b>	<b>Full production date</b>	<b>Production volume<sup>(2)</sup></b>
<b>Copper</b>	Quellaveco	Peru	2014	2015	225 ktpa copper <sup>(4)</sup>
	Collahuasi expansion phase 1	Chile	2012	2012	510 ktpa copper <sup>(4) (7)</sup>
	Michiquillay	Peru	2017	2018	155 ktpa copper <sup>(4) (8)</sup>
	Pebble	US	TBD	TBD	350 ktpa copper <sup>(4)</sup>
<b>Nickel</b>	Jacaré phase 1	Brazil	2015	2016	34 ktpa nickel
	Morro Sem Bone	Brazil	2015	2016	32 ktpa nickel
<b>Iron Ore and Manganese</b>	Sishen Expansion Project 2	South Africa	2017	2019	10.0 Mtpa iron ore
	Sishen Concentrate	South Africa	2017	2018	2.0 Mtpa iron ore pellets
	Minas Rio expansion	Brazil	TBD	TBD	Up to 53 Mtpa iron ore pellet feed (wet basis)
<b>Metallurgical Coal</b>	Grosvenor	Australia	2013	2016	4.3 Mtpa metallurgical
<b>Thermal Coal</b>	Heidelberg underground	South Africa	2013	2017	4.2 Mtpa thermal
	Elders opencast	South Africa	2013	2013	6.4 Mtpa thermal
	Elders underground	South Africa	2013	2017	3.2 Mtpa thermal
	New Largo	South Africa	2012	2016	14.7 Mtpa thermal
	Correjón P40	Colombia	2012	2014	8.0 Mtpa thermal

<sup>(1)</sup> Capital expenditure shown on 100% basis in nominal terms. Platinum projects reflect approved capital expenditure.

<sup>(2)</sup> Represents 100% of average incremental or replacement production, at full production, unless otherwise stated.

<sup>(3)</sup> Debswana will provide \$500 million of the \$3 billion project investment over the next 15 years.

<sup>(4)</sup> Pebble will produce molybdenum and gold by-products, Michiquillay will produce molybdenum, gold and silver by-products and other projects will produce molybdenum and silver by-products.

<sup>(5)</sup> Production represents average over first 10 years of the project. Production over the first three years of the project will average 278 ktpa.

<sup>(6)</sup> Capital expenditure, post acquisition of Anglo American's share holding in Minas Rio, for 100% of the mine and pipeline, and Anglo American's 49% share of the port. The aggregate cost of 100% of the mine, pipeline and port – and capital expenditure incurred both before and after Anglo American's shareholding in Minas Rio – has increased from \$3.6 billion to \$5 billion.

<sup>(7)</sup> Total production of mine when project has ramped up to full production. Further phased expansions have the potential to increase production to 1 Mtpa.

<sup>(8)</sup> Expansion potential to 300 ktpa.

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**Anglo American plc** is one of the world's largest mining groups. With its subsidiaries, joint ventures and associates, it is a global leader in platinum group metals and diamonds, with significant interests in copper, iron ore, metallurgical coal, nickel and thermal coal, as well as a divestment portfolio of other mining and industrial businesses. The Group is geographically diverse, with operations in Africa, Europe, South and North America, Australia and Asia.

**Webcast of presentation:**

A live webcast of the results presentation, starting at 9.00am UK time on 19 February, can be accessed through the Anglo American website at [www.angloamerican.co.uk](http://www.angloamerican.co.uk).

Note: Throughout this results announcement, '\$' denotes United States dollars and 'cents' refers to United States cents; operating profit includes attributable share of associates' operating profit and is before special items and remeasurements, unless otherwise stated; special items and remeasurements are defined in note 6 to the Condensed financial statements. Underlying earnings unless otherwise stated is calculated as set out in note 9 to the Condensed financial statements. EBITDA is operating profit before special items and remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates. EBITDA is reconciled to 'Total profit from operations and associates' in note 13 to the Condensed financial statements and to 'Cash inflows from operations' in note 13. Tonnes are metric tons, 'Mt' denotes million tonnes and 'kt' denotes thousand tonnes unless otherwise stated.

**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 reserve and resource positions), are forward-looking statements. 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 and Transparency Rules of the Financial Services 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, but may not necessarily correspond to the views held by Anglo American.

## Financial review of Group results

Group operating profit was \$4,957 million, with operating profit from core operations of \$4,451 million, 51% lower than 2008. This decline in operating profit has been driven by significant decreases in realised prices of all commodities with the exception of copper. Price decreases included a 38% reduction in the platinum basket, an average 40% reduction in benchmark export iron ore, a 30% decline in average nickel and a more than 20% decline in export metallurgical coal.

Copper operating profit was 6% higher than 2008, with record production and a 2% increase in the realised price of copper, partially due to favourable final settlements of sales into a rising market. Nickel profits declined due to a combination of lower price with destocking in the stainless steel sector and a 25% inflation rate in Venezuela. Platinum was impacted by significantly lower average prices compared to 2008. Kumba Iron Ore maintained a strong operating profit margin despite a 40% decline in average benchmark export iron ore prices, achieved through increased volumes, principally sold to China. Samancor's profits declined due to the decrease in global steel demand. Metallurgical Coal and Thermal Coal profits were impacted by the decline in export demand and prices, partially offset by cost reduction programmes. Diamonds saw Diamond Trading Company (DTC) revenues fall by \$2.7 billion and, through production holidays and restructuring, De Beers cut its production and operating costs by \$900 million; however, despite these measures, operating profit fell by 87%.

Other Mining and Industrials' operating profit increased in the Zinc and Niobium businesses, with growth in sales volumes. This was more than offset by lower profits from Tarmac, due to the housing market decline in Europe, and significant volume decline for Scaw Metals' products. Other Mining and Industrial's operating profit in 2009 relative to 2008 was lower following the sale of Tongaat Hulett and Hulam in the third quarter of 2009 and also the sale of Namakwa Sands in October 2008.

Group underlying earnings were \$2,569 million, 51% lower than 2008, which reflects the operational results above. The net finance costs charge, before remeasurements, of \$273 million is \$179 million lower than 2008. The effective tax rate, before special items and remeasurements and including attributable share of associates' tax, reduced in the year from 33.4% to 33.1%.

Group underlying earnings per share were \$2.14 compared with \$4.36 in 2008, a 51% reduction.

<b>Underlying earnings \$ million</b>	<b>Year ended 31 Dec 2009</b>	Year ended 31 Dec 2008
Profit for the financial year attributable to equity shareholders of the Company	<b>2,425</b>	5,215
Operating special items including associates	<b>2,574</b>	477
Operating remeasurements including associates	<b>(734)</b>	880
Net profit on disposals including associates	<b>(1,632)</b>	(1,027)
Financing special items including associates	<b>7</b>	-
Financing remeasurements including associates:		
Exchange loss / (gain) on De Beers preference shares	<b>21</b>	(28)
Unrealised net losses / (gains) on non-hedge derivatives related to net debt	<b>94</b>	(8)
Other financing remeasurements	<b>13</b>	-
Tax special items including associates	<b>152</b>	-
Tax remeasurements	<b>(469)</b>	153
Tax on special items and remeasurements including associates	<b>180</b>	(264)
Minority interests on special items and remeasurements including associates	<b>(62)</b>	(161)
<b>Underlying earnings</b>	<b>2,569</b>	5,237
<b>Underlying earnings per share (\$)</b>	<b>2.14</b>	4.36

The Group's results are influenced by a variety of currencies owing to the geographic diversity of the Group. In 2009, there was a negative exchange variance in underlying earnings of \$68 million. The Group results benefited from the weaker Australian dollar, Chilean peso and Brazilian real. Despite the average rand rate in 2009 being 2% weaker than 2008, there was a negative rand exchange impact on underlying earnings. This reflects a significantly stronger rand in the second half of the year when operating activities increased

with stronger demand. There was a negative impact on underlying earnings from a significant decline in prices amounting to \$2,290 million, reflecting lower prices across all commodities.

<b>Summary income statement \$ million</b>	<b>Year ended 31 Dec 2009</b>	<b>Year ended 31 Dec 2008</b>
Operating profit before special items and remeasurements	4,377	7,981
Operating special items	(2,275)	(352)
Operating remeasurements	638	(779)
Operating profit from subsidiaries and joint ventures	2,740	6,850
Net profit on disposals	1,612	1,009
Share of net income from associates <i>(see reconciliation below)</i>	84	1,113
Total profit from operations and associates	4,436	8,972
Net finance costs before remeasurements	(273)	(452)
Financing remeasurements	(134)	51
Profit before tax	4,029	8,571
Income tax expense	(1,117)	(2,451)
Profit for the financial year	2,912	6,120
Minority interests	(487)	(905)
Profit for the financial year attributable to equity shareholders	2,425	5,215
Basic earnings per share (\$)	2.02	4.34
Group operating profit including associates before special items and remeasurements <sup>(1)</sup>	4,957	10,085
Operating profit from associates before special items and remeasurements	580	2,104
Operating special items and remeasurements	(203)	(226)
Net profit on disposals	20	18
Net finance costs (before special items and remeasurements)	(28)	(147)
Financing special items	(7)	-
Financing remeasurements	6	(15)
Income tax expense (after special items and remeasurements)	(286)	(606)
Minority interests (after special items and remeasurements)	2	(15)
Share of net income from associates	84	1,113

<sup>(1)</sup> Operating profit before special items and remeasurements from subsidiaries and joint ventures was \$4,377 million and attributable share from associates was \$580 million.

For special items and remeasurements see note 6 to the Condensed financial statements.

Towards the beginning of this document, reference has been made to core operations. Operations considered core to the Group are Platinum, Diamonds, Copper, Nickel, Iron Ore and Manganese (Kumba Iron Ore, Iron Ore Brazil and Samancor), Metallurgical Coal and Thermal Coal. The table below reconciles operating profit from core operations to total Group operating profit.

<b>Operating profit \$ million</b>	<b>Year ended 31 Dec 2009</b>	<b>Year ended 31 Dec 2008</b>
Platinum	32	2,169
Diamonds	64	508
Copper	2,010	1,892
Nickel	2	123
Iron Ore and Manganese	1,489	2,554
Metallurgical Coal	451	1,110
Thermal Coal	721	1,078
Exploration	(172)	(212)
Corporate Activities and Unallocated costs	(146)	(219)
Operating profit including associates before special items and remeasurements – core operations	4,451	9,003
Other Mining and Industrial	506	1,082
Operating profit including associates before special items and remeasurements	4,957	10,085
Underlying earnings – core operations <sup>(1)</sup>	2,166	4,503

<sup>(1)</sup> See note 4 to the Condensed financial statements

## Special items and remeasurements

\$ million	Year ended 31 Dec 2009			Year ended 31 Dec 2008		
	Excluding associates	Associates	Total	Excluding associates	Associates	Total
Operating special items	(2,275)	(299)	(2,574)	(352)	(125)	(477)
Operating remeasurements	638	96	734	(779)	(101)	(880)
Operating special items and remeasurements	(1,637)	(203)	(1,840)	(1,131)	(226)	(1,357)

Operating special items and remeasurements, including associates, amounted to a charge of \$1,840 million. Included in operating special items including associates are impairments totalling \$2,130 million. This included an impairment charge against the Amapá iron ore system. Amapá was acquired in 2008 as an operating asset as part of the acquisition of the Minas Rio project. During 2009, Amapá has experienced significant operational challenges across its mine, plant and logistics chain, producing 2.7 Mt compared to the design capacity of 6.5 Mtpa. Management's focus has been, and remains, on seeking to markedly improve performance from the existing operations, rather than investing to expand the operation. The Amapá system is currently believed to have capacity to increase production to 5 Mtpa without significant further capital expenditure. Due to the focus on improving operational performance and preserving cash, limited exploration drilling has been undertaken in 2009 and the anticipated growth potential of surrounding licence areas remains untested. Given these operational difficulties and delays in increasing production, the Group has recorded an impairment charge of \$1.5 billion (after tax and minority interest) against the carrying value of the asset.

In January 2008, the Venezuelan Ministry of Basic Industries and Mining ("MIBAM") published a resolution cancelling 13 of Minera Loma de Níquel's ("MLdN") 16 exploration and exploitation concessions due to MLdN's alleged failure to fulfil certain conditions of the concessions. The current mining and metallurgical facilities are located on the three concessions that have not been cancelled. MLdN believes that it has complied with the conditions of these concessions and has lodged administrative appeals against the notices of termination and is waiting for a response from MIBAM. MLdN may in the future undertake further appeals, including with Venezuela's Supreme Court, if the MIBAM's ruling does not adequately protect its interests.

An impairment and associated adjustments of \$114 million has been recorded due to increased uncertainty over the renewal of the three concessions that have not been cancelled but that expire in 2012 and over the restoration of the 13 concessions that were cancelled.

At 31 December 2009, Anglo American's interest in the book value of MLdN, including its mineral rights, was \$285 million (as included in the Group's balance sheet). In the 12 months to December 2009, MLdN's production and contribution to Group operating profit were respectively 10,400 tonnes of nickel in ferronickel and a \$7 million loss. The average price of nickel in 2009 was 667 c/lb. As of 17 February 2010, the price of nickel was 910 c/lb.

Due to the nature of the assets, the effect of the strengthening Canadian dollar and the impact of the global recession on pricing and production levels, De Beers has recorded an impairment of \$595 million (attributable share: \$267 million) in respect of its Canadian asset portfolio and written off \$101 million (attributable share: \$45 million) of Canadian deferred tax assets.

Also included in special items and remeasurements were one-off redundancy costs at the corporate centre of \$47 million and within Anglo Platinum, Metallurgical Coal and Thermal Coal of \$136 million. There were operating remeasurement gains of \$734 million which principally related to net gains on non-hedge capital expenditure derivatives held by Iron Ore Brazil and Los Bronces and an unrealised gain on an embedded derivative at MLdN.

Net profit on disposals of \$1,632 million, including associates, comprises a profit on the disposal of the residual shareholdings in AngloGold Ashanti of \$1,139 million, \$247 million on Anglo Platinum's disposal of its 50% share in Booyseindal and \$69 million relating to the disposal of 51% of Anglo Platinum's 100% share in Lebowa Platinum Mines.

Financing remeasurements including associates are made up of an unrealised net loss of \$94 million on non-hedge derivatives and a \$21 million foreign exchange loss on retranslating De Beers US dollar preference shares held by a rand denominated entity.

Tax remeasurements amounted to a gain of \$469 million related to foreign currency translation of deferred tax balances.

## Net finance costs

Net finance costs, excluding a net remeasurement loss of \$134 million (2008: gain of \$51 million), decreased to \$273 million (2008: \$452 million). This was due to a \$70 million reduction in the total interest expense and a \$184 million reduction in other financing losses (principally exchange losses), partially offset by a \$75 million reduction in total investment income.

## Taxation

\$ million (unless otherwise stated)	Year ended 31 Dec 2009			Year ended 31 Dec 2008		
	Before special items and remeasurements	Associates' tax and minority interests	Including associates	Before special items and remeasurements	Associates' tax and minority interests	Including associates
Profit before tax	4,422	234	4,656	8,832	654	9,486
Tax	(1,305)	(235)	(1,540)	(2,545)	(623)	(3,168)
Profit for the financial year	3,117	(1)	3,116	6,287	31	6,318
Effective tax rate including associates (%)			33.1			33.4

IAS 1 *Presentation of Financial Statements* requires income from associates to be presented net of tax on the face of the income statement. Associates' tax is therefore not included within the Group's income tax expense. Associates' tax included within 'Share of net income from associates' for the year ended 31 December 2009 was \$286 million (2008: \$606 million). Excluding special items and remeasurements this becomes \$235 million (2008: \$623 million).

The effective rate of tax before special items and remeasurements including attributable share of associates' tax for the year ended 31 December 2009 was 33.1%. This was broadly in line with the equivalent effective rate of 33.4% for the year ended 31 December 2008. In future periods, it is expected that the effective tax rate, including associates' tax, will remain above the United Kingdom statutory tax rate.

## Balance sheet

Equity attributable to equity shareholders of the Company was \$26,121 million compared with \$20,221 million at 31 December 2008. This increase reflected additional tangible assets of \$5,653 million with capital investment, principally in the Group's core commodity assets. Cash at the end of 2009 was \$498 million higher than 2008 and included a \$316 million benefit of a weak dollar on non-US cash holdings. A weaker dollar, higher commodity prices than at 31 December 2008, as well as a stronger trading performance in later stages of 2009 compared to the prior year, contributed to a \$929 million increase to inventories and current receivables.

This was offset by an increase in short, medium and long term borrowings, which were \$320 million greater than 2008, reflecting refinancing in 2009 and the impact of a stronger rand on rand denominated debt. Deferred tax liabilities also increased in the year by \$637 million. Investments in associates were \$300 million lower as a result of De Beers impairing its Canadian assets, a demand driven decline in earnings at Samancor and the disposal of Tongaat Hulett and Hulamin.

## Cash flow

Net cash inflows from operating activities were \$4,087 million compared with \$8,065 million in 2008. EBITDA was \$6,930 million, a decrease of 42% from \$11,847 million in 2008.

Proceeds from the sale of financial asset investments totalled \$2,041 million, including net cash inflows on the sale of the Group's residual interest in the shares of AngloGold Ashanti and proceeds on the sale of preference shares as part of the disposal of the Booyesendal joint venture.

Purchases of tangible assets amounted to \$4,607 million, a decrease of \$539 million. This spend was focused on the four key near term strategic growth projects (Los Bronces, Barro Alto, Minas Rio and Kolomela). The overall reduction reflected the planned reduction on capital investment outside these key projects.

Net cash used in financing activities was \$1,605 million, compared to net cash inflows in 2008 of \$3,542 million. During the year, the Group used cash to repay \$6,624 million of short term borrowings and the payment of \$741 million of interest. This was partially offset by the proceeds of four bond issuances completed in the year totalling \$5,892 million.

## Liquidity and funding

Net debt, excluding hedges, was \$10,995 million, a decrease of \$48 million from 31 December 2008. Cash and cash equivalents, excluding the impact of exchange, has increased by \$259 million. This reflected operating cash flows, the sale of financial asset investments and investments in associates, purchase of tangible assets and movement in financing activities as detailed in the cash flow section.

Net debt at 31 December 2009 comprised \$14,317 million of debt, partly offset by \$3,319 million of cash and cash equivalents (net of bank overdrafts) and \$3 million current financial asset investments. As a result of refinancing activities outlined below, the debt aging profile has changed with 90% of the total debt being due after more than one year, compared with 52% at 31 December 2008. Net debt to total capital<sup>(1)</sup> at 31 December 2009 was 30.8%, compared with 37.8% at 31 December 2008.

In 2009, Anglo American conducted four major bond transactions raising a total of \$5.9 billion, which refinanced the Group's short term debt position. In April, \$2 billion was raised in a dual tranche issuance, with \$1.25 billion maturing in 2014 and \$0.75 billion in 2019. In May, a convertible bond was issued, maturing in 2014, which raised \$1.7 billion. In September and December, two separate Eurobonds were issued each raising €750 million (\$1.1 billion), maturing in 2013 and 2016 respectively.

At 31 December 2009, Anglo American had undrawn bank facilities of \$9.5 billion, cash deposits of \$3.3 billion and commercial paper maturing throughout 2010 of \$67 million. Anglo American's only significant facilities maturing in 2010 are a £300 million (\$500 million) Eurobond which matures in December 2010, as well as the Amapá facilities of \$538 million. In addition, the Group has undrawn rand facilities equivalent to \$1.9 billion with 364 day maturities, which roll automatically on a daily basis, unless notice is served.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and the refinancing of the facilities above, show that the Group will be able to operate within the level of its current facilities for the foreseeable future.

<sup>(1)</sup> Net debt to total capital is calculated as net debt divided by total capital, less investments in associates. Total capital is net assets excluding net debt.

## Group corporate cost allocation

As a result of the Group announcement on 22 October 2009 to streamline its management structure and remove a layer of global management, certain activities previously performed within the divisions are now to be undertaken at the corporate centre, certain will be undertaken in the new business units and the remainder will no longer be performed. At the same time, it has been decided that the figure presented externally as Group corporate costs will only comprise costs associated with parental or direct shareholder related activities and that costs associated with activities which are value-adding to the business units will be reported within the business units. As a result, a proportion of corporate costs which are believed to be

value-adding to the business units will be allocated to each business unit. The Group corporate costs, as included within the notes to the accounts, can be reconciled to the historical basis for presentation as in the table below.

Corporate costs (on a consistent basis with those reported in the 2008 Annual Report) of \$272 million (2008: \$345 million) were incurred in 2009, a reduction of \$73 million. The reduction was due in part to the strengthening dollar but principally result from stringent cost reduction measures across the corporate offices.

<b>Group corporate costs \$ million</b>	<b>2009</b>	<b>2008</b>
Corporate costs as previously reported	<b>272</b>	345
Costs previously reported within divisional results	<b>76</b>	102
Corporate costs allocated to business units	<b>(202)</b>	(228)
Corporate costs as reported under new structure	<b>146</b>	219

## **Dividends**

The resumption of the dividend at the earliest possible time remains a key priority for the board. Assuming that the commodity price environment and outlook continue to improve and the business performance remains robust, the board would expect to be able to announce the resumption of a dividend in respect of the current financial year.

<b>Analysis of dividends US cents per share</b>	<b>2009</b>	<b>2008</b>
Interim dividend	-	44
Recommended final dividend	-	-
Total dividends	-	44



## Operations review 2009

In the operations review on the following pages, operating profit includes attributable share of associates' operating profit and is before special items and remeasurements unless otherwise stated. Capital expenditure relates to cash expenditure on tangible assets.

### COPPER

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	<b>Year ended 31 Dec 2008</b>
Operating profit	<b>2,010</b>	1,892
EBITDA	<b>2,254</b>	2,104
Net operating assets	<b>4,763</b>	3,148
Capital expenditure	<b>1,068</b>	808
Share of Group operating profit	<b>41%</b>	19%
Share of Group net operating assets	<b>12%</b>	10%

Copper generated an operating profit of \$2,010 million, an increase of 6%, underpinned principally by record production and lower operating costs, as well as the benefit of a marginally higher realised copper price and the weaker Chilean peso. This was partly offset by the impact of a lower molybdenum price.

### Markets

<b>Average market price (c/lb)</b>	<b>2009</b>	<b>2008</b>
Copper	<b>234</b>	315

Copper prices rose steadily during the year, reflecting improving global economic conditions, and ended at a high of 333 c/lb. This price increase was driven initially by speculative and investment fund inflows and Chinese stock building, before gaining further ground in the second half as a number of operating incidents and industrial action impacted global supply.

Despite the price increase from 132 c/lb at the end of 2008, the average price for the year was 26% lower than in 2008, although 2% higher on a realised price basis, partially due to the favourable final settlements of sales prices into a rising market.

### Operating performance

	<b>2009</b>	<b>2008</b>
Attributable copper production (tonnes)	<b>669,800</b>	639,800

Record total copper production of 669,800 tonnes was achieved in the year, an increase of 5%, driven by annual production records at both Los Bronces and Collahuasi. Los Bronces production was affected in the first half by lower sulphide grades and recoveries, before improved operating efficiencies and ore grades in the second half lifted full year production to a record high. At Collahuasi, despite production having been impacted for 44 days following the failure of a conveyor electrical control centre, attributable production rose by 15% to 235,800 tonnes.

Operating costs benefited from improved operational efficiencies and price reductions achieved for key consumable items such as sulphuric acid, diesel and power. Lower freight costs were offset by higher concentrate treatment and refining charges.

### Projects

Construction of the Los Bronces expansion project is progressing according to schedule with its target date for commissioning in late 2011. Engineering design was substantially completed by the end of 2009 and construction work on the various sites is on schedule. A significant milestone, the opening of the Los Bronces section of the conveyor tunnel from the mine through to the grinding plant at Confluencia, was

achieved in November 2009. Production at Los Bronces is scheduled to increase to 490 ktpa over the first three years of full production (an average of over 400 ktpa over the first 10 years). At peak production levels, Los Bronces is expected to be the fifth largest producing copper mine in the world, with highly attractive cash operating costs and reserves that support a mine life of 30 years. Resource and mineralisation studies carried out by Anglo American's technical teams support further potential expansion.

Anglo American has also announced two very significant and high quality new discoveries at Los Sulfatos and San Enrique Monolito close to its Los Bronces mine in Chile. These two new copper prospects together increase the Group's copper resources (excluding reserves) by approximately 50%.

At Collahuasi, an expansion project is under way to increase sulphide processing capacity to 150,000 tonnes per day by early 2011, while the significant potential for subsequent phased expansions continues to be evaluated.

At Mantoverde in Chile, pre-feasibility studies are currently under way for a sulphide-ore life extension.

In Peru, good progress was made in the year on a revised feasibility study for the 225 ktpa Quellaveco project. This study is targeted for completion during 2010.

The focus at the Michiquillay project, also in Peru, has been on building relationships with the local communities and, in this respect, land access negotiations were completed in June 2009. The geological exploration programme that began in July had completed 16,000 metres of drilling by the end of the year. Drilling was suspended in late 2009 pending resolution of issues currently under discussion with local communities. Baseline environmental and hydrological studies also commenced during the second half of the year. Conceptual engineering studies have been completed and a decision to award the pre-feasibility engineering studies will be taken during 2010.

Activities at the Pebble project in Alaska advanced on all fronts during 2009. In 2010, the project team will work towards finalising the engineering design, complete the environmental baseline document and carry out additional exploration drilling within the claim area.

## **Outlook**

Increased throughput is not expected to fully compensate for lower ore grades putting pressure on production levels in 2010 prior to the commissioning of the Los Bronces expansion project which, together with targeted throughput improvements at Collahuasi and El Soldado, will deliver a step increase in attributable copper production in 2011. While a continued strong copper price through 2010 would put pressure on the Chilean peso and labour costs, further cost and operating efficiency benefits are expected to be delivered through the Group's global supply chain and asset optimisation initiatives.

Demand for copper from China is expected to continue growing at a healthy rate, while demand in North America and Europe is also showing signs of recovery. On the supply side, production is anticipated to continue to be constrained by industrial action, declining grades, increasing social and environmental demands and other political risks. Notwithstanding Chinese government measures to restrict short term credit and the high level of restocking in 2009 giving rise to potential price volatility in 2010, the strong long term fundamentals for copper remain in place.

## NICKEL

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	Year ended 31 Dec 2008
Operating profit	2	123
EBITDA	28	150
Net operating assets	1,787	1,401
Capital expenditure	554	530
Share of Group operating profit	0.04%	1%
Share of Group net operating assets	5%	4%

Nickel generated an operating profit of \$2 million, strongly impacted by the 30% decrease in average nickel prices for the year and Venezuelan inflation of approximately 25%. Sales volumes of 23,635 tonnes were 32% higher, mainly due to the drawing down of stockpiles at Loma de Níquel and Codemin following the weakening in the nickel market in the fourth quarter of 2008.

### Markets

<b>Average market price (c/lb)</b>	<b>2009</b>	2008
Nickel	667	953

Nickel demand increased during the second half of the year, mainly due to higher Chinese stainless steel output and imports, after being negatively affected in the first half by price-led substitution, destocking in the stainless steel sector and weak global economic conditions. The nickel price reached a low of 427 c/lb during March, increased to 956 c/lb in August and ended the year at 838 c/lb.

### Operating performance

	<b>2009</b>	2008
Attributable nickel production (tonnes) <sup>(1)</sup>	19,900	20,000

<sup>(1)</sup> Excludes Anglo Platinum nickel production

Nickel production decreased marginally to 19,900 tonnes owing to lower production at Loma de Níquel, partially offset by higher production at Codemin.

Loma de Níquel produced 10,400 tonnes of nickel, a decrease of 5%. Production was impacted in January by the non-renewal of the environmental permit to dispose of slag from the smelting process while studies were finalised to find disposal alternatives, an estimated impact of 1,100 tonnes. In May, a metal run-out from the EF2 furnace resulted in its closure for the rest of the year, with a loss of approximately 4,500 tonnes of production during 2009. Reconstruction of the furnace was completed in January 2010 and full production is expected during the second quarter. While only 50% of smelting capacity was available between June and December, production achieved 59% of budget through optimisation of the remaining plant processes.

Operating costs were kept under tight control despite Venezuelan inflation and the artificially pegged exchange rate. Port congestion difficulties faced in the first half were overcome through the use of an alternative port and shipping route.

In January 2008, the Venezuelan Ministry of Basic Industries and Mining ("MIBAM") published a resolution cancelling 13 of Minera Loma de Níquel's ("MLdN") 16 exploration and exploitation concessions due to MLdN's alleged failure to fulfil certain conditions of the concessions. The current mining and metallurgical facilities are located on the three concessions that have not been cancelled. MLdN believes that it has complied with the conditions of these concessions and has lodged administrative appeals against the notices of termination and is waiting for a response from MIBAM. MLdN may in the future undertake further appeals, including with Venezuela's Supreme Court, if the MIBAM's ruling does not adequately protect its interests.

An impairment and associated adjustments of \$114 million has been recorded due to increased uncertainty over the renewal of the three concessions that have not been cancelled but that expire in 2012 and over the restoration of the 13 concessions that were cancelled.

At 31 December 2009, Anglo American's interest in the book value of MLdN, including its mineral rights, was \$285 million (as included in the Group's balance sheet). In the 12 months to December 2009, MLdN's production and contribution to Group operating profits were respectively 10,400 tonnes of nickel in ferronickel and a \$7 million loss. The average price of nickel in 2009 was 667 c/lb. As of 17 February 2010, the price of nickel was 910 c/lb.

Codemin's production increased 4% to 9,500 tonnes, primarily as a result of improved equipment availability. Cash operating costs were reduced by 11%, aided by higher production and lower fuel oil prices.

## **Projects**

The Barro Alto project in Brazil was nearly 80% complete at the year end and is on schedule towards producing its first metal in early 2011 and full production in the second half of 2012. This project makes use of an existing operation and proven technology and will produce an average 36 ktpa of nickel in full production (41 ktpa over the first five years), with a cost position on the lower half of the curve. Further asset optimisation initiatives are under way which are expected to improve its cost positioning further. When Barro Alto reaches full production in 2012, Anglo American's nickel production (excluding nickel production from Anglo Platinum) will reach 61 ktpa, while additional potentially world class projects in the pipeline could further increase production to 120 ktpa, with further upside potential, leveraging the Group's considerable nickel laterite technical expertise. Barro Alto has an approved life of mine of more than 25 years from its extensive resource base.

The unapproved Jacaré and Morro Sem Bone projects submitted their PAE (Economic Exploitation Plan) to the Brazilian mining authorities during 2009.

## **Outlook**

In 2010, Loma de Níquel's production is expected to substantially increase following the start-up of the rebuilt EF2 furnace and the implementation of various process improvements. Production at Codemin is expected to decrease to approximately 8,400 tonnes (12%) due to its planned furnace relining.

The long term outlook for nickel is for robust growth, underpinned by stainless steel uses for applications where corrosion resistance, hygiene and strength are required, such as in the automotive and construction industries, nickel alloys for the energy and electronic (batteries) sectors and the broader industrialisation of the emerging economies, led by China.

## PLATINUM

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	<b>Year ended 31 Dec 2008</b>
Operating profit	<b>32</b>	2,169
EBITDA	<b>677</b>	2,675
Net operating assets	<b>12,141</b>	9,045
Capital expenditure	<b>1,150</b>	1,563
Share of Group operating profit	<b>1%</b>	22%
Share of Group net operating assets	<b>31%</b>	27%

Anglo Platinum generated an operating profit of \$32 million, a 99% decrease compared with 2008. Key contributory factors included a 38% reduction in the dollar price realised on the basket of metals sold, offset by higher sales volumes and proceeds received from a business interruption insurance claim at Amandelbult.

The average dollar price achieved for platinum was \$1,199 per ounce for the year, a 24% decrease compared with \$1,570 in 2008. The average prices achieved for palladium and rhodium sales for the year were \$257 per ounce (2008: \$355) and \$1,509 per ounce (2008: \$5,174) respectively. The average price achieved on nickel sales for 2009 was \$6.54 per pound (2008: \$9.79). The overall basket price achieved for the year of \$1,715 per platinum ounce sold compared with \$2,764 achieved in 2008.

### Markets

The unprecedented volatility in platinum demand and price experienced in 2008 was followed by a period of consolidation in 2009. The inherent strength in the structure of the platinum business saw the platinum market return to balance during 2009, as jewellery and investment demand increased, reacting to lower price levels in the first half of the year, and as investor sentiment improved. These increases offset lower demand for use in autocatalysts and from the industrial sector.

Developments in 2009 again highlight the importance of Anglo Platinum's continued commitment to market development which supports the maintenance of existing, and the development of new, industrial (including autocatalyst) applications, and the maintenance of healthy jewellery markets. Market development for by-product metals, most specifically palladium and rhodium, maximise the contribution to the total revenue from the basket of metals sold.

#### Autocatalysts

Demand for PGMs in the autocatalyst industry declined in 2009 due to lower levels of automobile production. The reduction in metal purchased by auto manufacturers was exacerbated, in the first half of the year, by their need to decrease vehicle inventory levels, therefore restricting production and selling from available stock. Some re-building of these inventories, together with widespread government incentive schemes, saw a firming in PGM demand in the second half of 2009. Incentive schemes resulted in an increase in the sale of smaller gasoline vehicles and a consequent reduction in diesel vehicle demand in Europe.

#### Industrial

Demand for platinum in the industrial sector reduced in line with the global economic decline in 2009. Low utilisation rates in the chemical and petroleum sectors further reduced demand for new metal as companies reduced inventory levels. Glass demand was negatively affected by excess capacity and a return of metal from decommissioned plants.

#### Jewellery

As expected, demand for platinum jewellery fabrication responded quickly and strongly to the lower platinum prices in the latter part of 2008 and the first half of 2009. The increased demand was most notable in the unsaturated Chinese market. Total demand for jewellery in 2009 was 70% higher than in 2008.

#### Investment

Investor inflow into the platinum and palladium Exchange Traded Funds (ETFs) continued strongly throughout the year. Platinum holdings increased by just over 380,000 ounces to 680,000 ounces and

palladium by just over 500,000 ounces to 1,170,000 ounces in 2009. The expected launch of the US based ETFs supported firm investment demand towards the end of 2009.

Anglo Platinum makes use of its extensive knowledge of the PGM market to form the basis of its operating strategy, thereby enhancing the company's ability to forecast the market's needs and, consequently, the level of production required to ensure long term market sustainability.

## **Operating performance**

Anglo Platinum achieved a significant milestone in January 2010 when it recorded four consecutive months without a fatal incident at its operations, including the entire fourth quarter of 2009. Anglo Platinum's continued focus on safety resulted in a further 21% improvement in its lost time injury frequency rate to 1.37, from 1.74 in 2008. Despite these improvements, sadly 13 employees lost their lives at Anglo Platinum's managed operations during the year.

The major restructuring of mining operations announced early in 2009 was completed by the end of the year. The two largest operations, Rustenburg and Amandelbult, were split into more efficient stand-alone units, of five and two mines respectively. This new structure ensures a sustainable reduction in the unit cost of production and underpins the commitment to extracting maximum value from the assets. As part of the restructuring process, the source of ounces across the portfolio was optimised, including placing three high-cost shafts onto care and maintenance indefinitely; Siphumelele 3 shaft and Siphumelele 2 Shaft in April and August respectively and Khuseleka 2 Shaft at Khuseleka Mine in August. Union and Mogalakwena remain untouched by these changes.

### Production

Refined platinum production for the year was 3% higher at 2.452 million ounces, in line with the company's 2009 target. Equivalent refined platinum production (equivalent ounces are mined ounces expressed as refined ounces) was 2.464 million ounces. Sales of refined platinum for the year were 2.57 million ounces compared with 2.22 million ounces in 2008, an increase of 16%. This increase was due to unsold metal at the end of 2008 being available for sale in 2009 and the achievement of higher refined production volumes.

### Costs

Costs were tightly controlled during 2009. The focus on cost management, inbound supply chain projects and asset optimisation initiatives began to bear fruit and resulted in the cash operating cost per equivalent refined platinum ounce remaining flat at R11,236. This was achieved despite upward inflationary pressure caused by wage and electricity tariff increases in excess of consumer price inflation.

Cost increases were curbed through improved productivity and numerous cost management initiatives including:

- Placing the high cost Siphumelele 3 (Bleskop), Siphumelele 2 (Brakspruit) and Khuseleka 2 (Boschfontein) shafts onto "care and maintenance";
- Early renegotiation with suppliers for reduced prices on key input commodities such as diesel, steel tyres and reagents;
- Changing Mogalakwena's mining production levels without sacrificing concentrator throughput;
- Completing the restructuring processes at the Rustenburg and Amandelbult mines; and
- Reducing overhead costs at the corporate and regional offices.

Anglo Platinum reduced its head office and regional office headcount by 724 people in 2009, bringing the total reduction since July 2008 to 1,150. Overall headcount was reduced by 15,752 during the year, and by 18,786 since October 2008. Productivity levels increased 13% compared with 2008, to 6.33m<sup>2</sup> per total operating employee on average per month.

## **Projects**

Capital expenditure for 2009, excluding capitalised interest, was 26% lower at \$1,150 million, of which \$708 million was spent on projects and \$442 million on stay-in-business capital.

Total expected capital expenditure for 2010 has been reduced to approximately \$1 billion, excluding capitalised interest.

The 65,000 ounce per annum Unki platinum project in Zimbabwe is progressing towards the commissioning of its concentrator in the fourth quarter of 2010. The development of the underground declines is 64% complete and the supporting infrastructure is 80% complete.

## **Outlook**

Anglo Platinum expects the platinum market in 2010 to return to a position of deficit as a result of a moderate increase in supply but a significant recovery in demand. South African production is expected to remain constrained as producers adapt to a safer working environment and as lower rand metal prices resulted in production in 2009 being restricted at high-cost operations across the industry.

Vehicle sales in 2010 are expected to be similar to those seen in 2009, though production is likely to increase as fewer sales from stock are expected in 2010. Higher sales of larger sedan vehicles are expected as diesel fleet purchases recover.

While demand for industrial products is expected to recover slowly, platinum demand is expected to be enhanced by a substantial element of restocking.

Another good year is expected from the investment segment, particularly following the launch of the US ETFs.

Jewellery demand is expected to decrease in 2010 in the absence of the extra demand that re-built supply chain inventory levels in 2009. While the higher price may discourage new jewellery demand in mature markets, the Chinese jewellery market continues to react positively to gradual price increases and remains the largest market for platinum jewellery.

The platinum price in 2010 is expected to remain above \$1,500 per ounce on average as small improvements in the global economic recovery and restocking are likely to further increase the expected demand recovery in 2010.

Firm investment demand for palladium and the strong reliance by gasoline engines, more typical in smaller engines and in the growing Chinese market, is likely to see the price of the metal strengthen. Rhodium remains in demand for its particular catalytic properties, but suffered a reduction in demand owing to thrifting at the very high prices during 2008.

Given the prevailing market conditions, the company has targeted 2010 production of 2.5 million ounces of refined platinum and to produce this volume at a unit cost marginally above R11,000 per platinum ounce, the same level as in the preceding two years.

## IRON ORE AND MANGANESE

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	Year ended 31 Dec 2008
Operating profit	<b>1,489</b>	2,554
Kumba Iron Ore	<b>1,487</b>	1,583
Iron Ore Brazil	<b>(141)</b>	(9)
Samancor	<b>143</b>	980
EBITDA	<b>1,593</b>	2,625
Net operating assets	<b>10,370</b>	10,457
Capital expenditure	<b>1,044</b>	783
Share of Group operating profit	<b>30%</b>	25%
Share of Group net operating assets	<b>27%</b>	32%

Iron Ore and Manganese generated an operating profit of \$1,489 million, some 42% lower than 2008. This was as a result of lower iron ore prices, partly offset by higher iron ore sales volumes, and lower manganese ore and alloy volumes and prices.

### Markets

World crude steel production continued to increase during the second half of 2009 compared with both the first half of 2009 and second half of 2008, with most major steel producing countries posting an increase in output. World crude steel production of 1.2 billion tonnes was, however, markedly lower than the 1.3 billion tonnes produced in 2008. Steel production in China in 2009 increased 13.5% to 568 Mt. China's economic growth continues to be robust on the back of strong domestic focused consumption and infrastructure based stimulus spending. The increase in steel production, coupled with lower Chinese domestic iron ore production, resulted in record seaborne iron ore imports into China. In the second half of 2009, the European, Japanese and South Korean markets saw a tentative recovery, with an improvement in iron ore demand following some production increases and restocking by the steel industry.

The manganese ore and alloy market reflected the decline in world crude steel production. The market was characterised by uncertainty in ore and alloy demand masked by stocking and de-stocking activities and, consequently, prices for ore and alloy declined significantly during the year. Supply cutbacks swept the manganese sector in an effort to match the reduced levels of demand, which were maintained into the third quarter of 2009. Demand began to improve during the second half of the year, when producers responded to the improved order levels by announcing furnace restarts.

### Operating performance

Kumba Iron Ore's strong financial performance for the year was underpinned by a solid operational performance. The company reported operating profit of \$1,487 million, a decrease of 6%, mainly as a result of lower average export sales prices, mostly offset by higher export sales volumes. Despite lower benchmark iron ore export prices, which decreased on average by 40% for the 2009/10 iron ore year, Kumba maintained a strong operating profit margin of 53%. Total sales volumes increased by 21% from 33.0 Mt to 40.0 Mt. Export sales volumes from Sishen Mine increased by 37% from 24.9 Mt to 34.2 Mt as volumes ramped up from the jig plant (Sishen expansion), the successful introduction of a new blended fines product and an increase in demand from China. Total domestic sales volumes decreased by 28% or 2.3 Mt owing to lower demand from ArcelorMittal SA.

Total production at Sishen Mine increased by 16% from 34.0 Mt to 39.4 Mt, principally as a result of the continued ramp up of the jig plant, which achieved production of 10.4 Mt in 2009 and remains on schedule to achieve approximately 13 Mt during 2010.

The Amapá iron ore system produced 2.7 Mt during the year, compared with 1.2 Mt in 2008 (of which 712,000 tonnes was produced after the Group's acquisition in August 2008). The production rate ramped up during the second half of the year and, in the fourth quarter, monthly average production was 314,000 tonnes.



Amapá was acquired in 2008 as an operating asset as part of the acquisition of the Minas Rio project. During 2009, Amapá has experienced significant operational challenges across its mine, plant and logistics chain, producing 2.7 Mt compared to the design capacity of 6.5 Mtpa. Management's focus has been, and remains, on seeking to markedly improve performance from the existing operations, rather than investing to expand the operation. The Amapá system is currently believed to have capacity to increase production to 5 Mtpa without significant further capital expenditure. Due to the focus on improving operational performance and preserving cash, limited exploration drilling has been undertaken in 2009 and the anticipated growth potential of surrounding license areas remains untested. Given these operational difficulties and delays in increasing production, the Group has recorded an impairment charge of \$1.5 billion (after tax and minority interest) against the carrying value of the asset.

Samancor achieved an operating profit of \$143 million, a 85% decrease, due to lower manganese ore and alloy sales volumes and prices following the decline in global steel demand.

## **Projects**

The development of the 9 Mtpa Kolomela Mine continues and remains on budget and on schedule to deliver first production during the first half of 2012, ramping up to full capacity in 2013. Mining operations commenced during the year, with the first blast carried out on 17 September 2009. To date, 4 Mt of material has been moved. Since the start of construction activities on the project in 2008, capital expenditure has totalled \$367 million, of which \$290 million was incurred during 2009.

The pace of construction and project expenditure at Minas Rio is, in large part, dependent upon receiving a number of environmental licences and other permits. A total of 21 licences and permits were granted in the year, key among these were the first part of the Mine and Beneficiation Plant Installation Licence (granted in December), the federal permit for land clearance at the mine and the approvals of specific permits for the port road modifications. The second part of the Installation License is expected to be approved during the early part of 2010. Anglo American continues to work with local, state and federal authorities and landowners to ensure that the timing of licence and permit receipts and land acquisitions does not further impact the overall timing of the project.

Project development on the plant and pipeline in 2009 has been focused on the areas of earthworks and civil works. Filtration plant ground improvement works were commenced. At the port, offshore works have continued with the construction of the main trestle, now 2.5 km in length, and dredging works, while the temporary jetty for breakwater construction is nearing completion. Onshore, the quarry for production of the breakwater rock is operational and the quarry-to-port road modifications and construction are progressing. First iron ore production is scheduled for the second half of 2012, with a planned annual capacity in the first phase of 26.5 Mtpa of iron ore pellet feed. Forecast attributable capital expenditure for the first phase of the project has increased to \$3.8 billion, owing to scoping changes at the mine, pipeline and port, as well as foreign exchange movements.

Studies for the expansion of the Minas Rio project continued during 2009. The latest resource statement, resulting from geological work, provides a total resource volume (Measured, Indicated and Inferred) of 5 billion tonnes, with further upside potential supporting the envisaged expansion of the project.

## **Outlook**

Analyst forecasts indicate that global steel consumption should grow in excess of 5% per annum over the next three years, which would lead to increasing iron ore demand. Chinese demand for iron ore is expected to grow by at least 5% during 2010. With recovery beyond China expected during 2010, the supply pressures on seaborne iron ore continue to increase. Overall, the global seaborne iron ore market remains structurally tight.

Kumba expects to further increase production volumes during 2010. Export sales volumes into China are expected to normalise at around 60% of the geographical sales mix. Although global steel demand is expected to return to growth in 2010, this is likely to be moderate and the sustainability of the increase in demand from developed countries remains uncertain. Domestic sales volumes remain dependent upon ArcelorMittal SA's offtake requirements, which declined in 2009.

The market for manganese ore and alloys is dependent upon the carbon steel industry. Improvements in demand and prices will be underpinned by strengthening steel production trends, the rate of furnace restarts and the level of Chinese exports.

## METALLURGICAL COAL

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	Year ended 31 Dec 2008
Operating profit	<b>451</b>	1,110
EBITDA	<b>706</b>	1,319
Net operating assets	<b>3,407</b>	2,669
Capital expenditure	<b>96</b>	467
Share of Group operating profit	<b>9%</b>	11%
Share of Group net operating assets	<b>9%</b>	8%

Metallurgical Coal delivered an operating profit of \$451 million, a 59% decrease, primarily due to lower prices as a result of weaker demand conditions, partially offset by lower mining costs.

### Markets

<b>Anglo American weighted average achieved FOB (\$/tonne)</b>	<b>2009</b>	2008
Export metallurgical coal	<b>141.04</b>	187.36
Export thermal coal	<b>73.82</b>	83.22
Domestic thermal coal	<b>26.75</b>	20.75

<b>Attributable sales volumes ('000 tonnes)</b>	<b>2009</b>	2008
Export metallurgical coal	<b>11,542</b>	13,147
Export thermal coal	<b>6,239</b>	5,780
Domestic thermal coal	<b>8,604</b>	9,682

Following a year of tight market conditions and record prices in 2008, demand for coal was severely constrained in the first quarter as steelmaker inventories were wound down, particularly impacting the PCI coal market. Benchmark metallurgical coal prices retreated from their c.\$300 per tonne peak in 2008 by up to 60%, reducing the average selling price for the year by 22%.

Metallurgical coal markets improved in the second quarter owing to significant buying from China, initially of hard coking coal and subsequently a wider range of metallurgical coals, including PCI, thereby underpinning traditional benchmark prices at levels second only to those seen in 2008. The second half of the year saw a significant increase in demand from traditional customers in Japan, South Korea, India and Europe as steel industry production units ramped up.

### Operating performance

<b>Attributable production ('000 tonnes)</b>	<b>2009</b>	2008
Export metallurgical coal	<b>12,623</b>	13,145
Thermal coal	<b>14,052</b>	14,696

Production of metallurgical coal of 12.6 Mt was 4% lower than 2008, in response to weaker demand from steel customers. However, the business was well positioned to weather the volatile market due to its diversified product positioning across all market segments and its strong long term relationships with key customers, enabling market share to be gained during the period. Total attributable coal production was 26.7 Mt, a 4% decrease.

In response to the market downturn in late 2008, Metallurgical Coal acted swiftly to restructure its operations and reduce its cost base while continuing development of key strategic projects. Marginal activities were closed, headcount was reduced by 20%, a new streamlined organisational model was implemented and significant reductions were made in maintenance and supply costs. These initiatives resulted in significantly lower unit costs, by more than \$10 per tonne, compared with the cost base in the second half of 2008, and in a 24% productivity increase over 2008.

In recent years, logistics constraints in the rail to port chain have hindered business performance. The coordinated three year programme to expand system capacity at Dalrymple Bay Coal Terminal has proceeded well, with the port expansion complete, the track expansion to be completed by March 2010 and the last of the rolling stock to be delivered by mid-2010. This action has improved capacity in the logistics system. Metallurgical Coal continues to manage the port queuing challenges by building flexibility into its logistics planning.

The initiatives taken across the business, including through asset optimisation and a 50% reduction in required stay in business capital, resulted in a more competitive cost position for the business and position it well to capitalise on the more buoyant market conditions expected in 2010.

### **Projects**

Production from the brownfield expansion projects at Dawson, Drayton South and Capcoal (Lake Lindsay) mines will continue to increase over the next two to three years as equipment productivity is raised to benchmark standards.

Significant greenfield projects continue to be studied at Grosvenor, Moranbah South and Dartbrook to meet expectations for growing demand for both metallurgical and thermal coal over the next decade. It is expected that a first stage approval decision in relation to the approval and development of the 4.3 Mtpa Grosvenor metallurgical coal project in Australia will be taken during 2010.

### **Outlook**

The positive trend seen from the steel industry in both China and the traditional markets during the second half of 2009 is expected to continue in 2010, with a return to 2008 steel production levels providing positive momentum for metallurgical coal prices.

## THERMAL COAL

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	<b>Year ended 31 Dec 2008</b>
Operating profit	<b>721</b>	1,078
South Africa	<b>442</b>	736
South America	<b>305</b>	375
Projects and corporate	<b>(26)</b>	(33)
EBITDA	<b>875</b>	1,200
Net operating assets	<b>1,707</b>	1,018
Capital expenditure	<b>400</b>	365
Share of Group operating profit	<b>15%</b>	11%
Share of Group net operating assets	<b>4%</b>	3%

Thermal Coal generated an operating profit of \$721 million, a 33% decrease, predominantly as a result of lower thermal coal prices, mitigated in part by the benefits of tighter cost discipline across the business.

### Markets

<b>Anglo American weighted average achieved FOB (\$/tonne)</b>	<b>2009</b>	<b>2008</b>
RSA export thermal coal	<b>64.46</b>	84.54
RSA domestic thermal coal	<b>18.48</b>	20.41
South American export thermal coal	<b>72.98</b>	81.33

<b>Attributable sales volumes ('000 tonnes)</b>	<b>2009</b>	<b>2008</b>
RSA export thermal coal	<b>15,857</b>	15,916
RSA domestic thermal coal	<b>6,251</b>	7,046
South American export thermal coal	<b>10,854</b>	11,568

2009 saw considerable price and market trend changes compared with 2008. The average 2009 FOB index price for South African thermal coal exports (API4) was \$65 per tonne, compared with \$120 per tonne in 2008.

Driven by a suppressed industrial sector, European power demand in 2009 decreased significantly. The softer oil price and an abundance of cheap gas contributed to lower demand for imported coal, resulting in increased stockpiles. In contrast, the Pacific market continued to see growth, with increasing demand for imported thermal coal. As China was able to accommodate large volumes of Indonesian and Australian exports, India turned to South Africa to meet its escalating demand for thermal coal. The proportion of South African coal exports shipped to Asia in 2009 was 41%, compared with 18% in 2008, with 29% going to India. In the absence of European demand, this ability to deploy coal eastwards gave support to both South African export volumes and prices. With the Pacific market driving the API4 price as 2009 progressed, the flow of coal away from the Atlantic became increasingly evident. Colombian and US exports were generally not as competitive in the Asian markets as in the Atlantic market due to comparatively higher freight costs during the year.

### Operating performance

<b>Attributable production ('000 tonnes)</b>	<b>2009</b>	<b>2008</b>
RSA thermal coal	<b>22,186</b>	22,287
RSA Eskom coal	<b>36,225</b>	36,158
South American export thermal coal	<b>10,190</b>	10,410

### South Africa

Operating profit from South African sourced coal decreased 40% to \$442 million, mainly due to the 24% decrease in export prices, coupled with lower sales volumes and rand strength. Domestic sales prices were

2% lower. Despite the economic downturn, annual production remained steady at some 59 Mt, driven mainly by higher output at Mafube as it reached full capacity during 2009, offset by lower production at New Denmark, where major geological challenges suspended the longwall operations. A new longwall has been commissioned during the first quarter of 2010 and is ramping up.

### **South America**

Operating profit from Cerrejón decreased by 19% to \$305 million, driven primarily by less favourable market conditions as average sale prices decreased by 8% and total sales volumes by 4%. The impact of the \$98 million decrease in turnover was partly offset by reduced input costs arising from lower fuel prices and price associated royalties, as well as cost control measures. Although significant improvements in 2009 coal recovery rates continued to reflect positively in all aspects of the operation, saleable production was reduced in response to Cerrejón's perception of a weaker market.

### **Projects**

In South Africa, the \$512 million, 6.6 Mtpa Zibulo project (Zondagsfontein) is under construction, including the building of a 50:50 joint venture coal washing plant with BHP Billiton Energy Coal South Africa. The project is on schedule, with first coal produced during the third quarter of 2009 and it will continue to ramp up during the course of 2010, reaching full production in 2012.

In Colombia, the \$130 million expansion at Cerrejón to 32 Mtpa was completed and full production was achieved early in 2009. Feasibility studies are under way to expand the operation to around 40 Mtpa.

### **Outlook**

Underlying demand remains relatively strong, supported by economic growth in the Asia-Pacific region, in particular from India and China, the steady increase in the oil price and the cold European and Asian winter. A significant portion of 2010 sales is exposed to market pricing. Potential exists for market prices to increase during the first quarter, with current API4 prices for the latter part of 2010 trending above \$80 per tonne, significantly higher than those seen in 2009.

## DIAMONDS

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	Year ended 31 Dec 2008
Share of associate's operating profit	<b>64</b>	508
EBITDA	<b>215</b>	665
Group's associate investment in De Beers <sup>(1)</sup>	<b>1,353</b>	1,623
Share of Group operating profit	<b>1%</b>	5%

<sup>(1)</sup> Excludes shareholder loans of \$367 million and preference shares of \$88 million (2008: \$118 million and \$88 million respectively)

Anglo American's share of operating profit from De Beers decreased by 87% to \$64 million.

Diamond Trading Company (DTC) sales totalled \$3.23 billion, significantly below the previous year (2008: \$5.93 billion), owing to the impact of the global economic downturn. The DTC employed a flexible approach in response to the volatile levels of client demand for rough diamonds during the year. This agility enabled the DTC to continue making sales, albeit at a reduced level, throughout the year and to steadily increase levels of supply as rough demand and market sentiment began to improve during the year.

### Markets

In line with most products in the luxury sector, the diamond industry was severely affected in 2009 by the global recession. The impact of high stock levels throughout the diamond pipeline, constricted liquidity in the cutting centres and lower consumer demand led to lower demand for rough diamonds from the DTC Sightholders. The market was hit most acutely in the first quarter and, as the year progressed, industry sentiment improved, which allowed the DTC to increase prices and sales volumes throughout the second half of the year.

At the retail level, the 2009 holiday period took place amidst continued economic weakness, with American consumers continuing to spend less than previous years. The luxury goods and high-end jewellery sector appeared to perform slightly above expectations, outperforming other categories. In the emerging markets of India and China, demand for diamond jewellery remained positive in the face of a weaker economic climate.

In accordance with the strategy to stimulate demand, the *Forevermark* programme continued to expand in China, Hong Kong, Japan and Macau. The brand is now available in 245 stores across Asia and achieved over \$100 million in retail sales in its first 12 months. In the US, De Beers partnered with Sightholders and retailers to roll-out an integrated marketing campaign for the holiday shopping season. The *Everton Diamond Knot Collection* was marketed by leading major retailers and over 300 independent outlets in the US. Although sales figures have yet to be released, anecdotal reports from participating retailers and Sightholders described the campaign as being one of the few successes in an otherwise difficult market place.

### Operating performance

At the beginning of 2009 and in response to reduced demand from DTC Sightholders, De Beers reduced its production across its portfolio of mines. Through production holidays and extended maintenance shifts, output was significantly reduced in the first quarter, resulting in a 91% reduction in carats produced compared with the same period in 2008. As Sightholder demand increased gradually in the second quarter, which continued throughout the rest of the year, De Beers increased production to 18 million carats in the second half of the year (2008 H2: 24 million carats), an increase of 173% compared with the first half and a reduction of 49% year-on-year. For 2009 as a whole, De Beers produced 24.6 million carats (2008: 48.1 million carats). Production from Debswana totalled 17.7 million carats (2008: 32.3 million carats), Namdeb produced 0.9 million carats from land and sea operations (2008: 2.1 million carats), while the output from South African operations also decreased to 4.8 million carats (2008: 12.0 million carats). The Canadian mines produced 1.1 million carats (2008: 1.6 million carats).

De Beers tackled costs aggressively, achieving a \$1.1 billion reduction in operating and capital expenditure, a 45% reduction in production and operating costs and a 23% reduction in its global workforce.

The effects of the strengthening Canadian dollar, the impact of the global economic downturn on pricing and production levels at Snap Lake, have led to a non-cash impairment charge of \$595 million (attributable \$267 million) against the value of De Beers' Canadian assets and written off \$101 million (attributable share \$45 million) of deferred tax assets.

## **Projects**

At the end of 2009, Debswana announced a major expansion project at Jwaneng, the world's flagship diamond mine in Botswana. This project, also known as Cut-8, will extend the mine life at Jwaneng until at least 2025. Debswana will invest \$500 million in capital expenditure, while the estimated project investment is likely to total \$3 billion over the next 15 years. At its peak, the project will create more than 1,000 jobs and will create access to a further 95 million carats, which could be worth in excess of \$15 billion over the life of the mine.

## **Outlook**

De Beers will continue to take a cautious approach to production, sales and cost management in 2010, whilst anticipating a steady recovery of the industry.

As the world economy recovers, the global market for polished diamonds has stabilised and is also recovering. De Beers is encouraged by initial stronger levels of demand compared with those it witnessed at the same stage in 2009, and history has shown that demand generally rebounds strongly in post-recessionary periods as manufacturers and retailers look to re-build their inventories. De Beers remains cautious as the global consumer demand for luxury goods is yet to fully recover to pre-crisis levels and will therefore continue to take a prudent approach to production during 2010. While production is planned to increase above 2009 levels, it is not expected to return to historic highs for the foreseeable future. De Beers will continue to focus on cost and capital management, further increasing efficiencies and reducing costs.

China and India are the two priority growth markets for diamonds and are expected to collectively account for one third of global demand by the middle of the decade. De Beers launched the *Forevermark* programme, a proprietary diamond brand, in both the Chinese and Indian markets to support its partners in driving demand for diamonds. In the US, consumers were particularly hard hit by the economic downturn. However, the fourth quarter *Everlon* marketing initiative was received well and trends indicate the downturn has bottomed out, with growth over the Christmas season providing encouragement for the world's largest diamond consumer market.



## OTHER MINING AND INDUSTRIAL

<b>\$ million (unless otherwise stated)</b>	<b>Year ended 31 Dec 2009</b>	Year ended 31 Dec 2008
Operating profit	<b>506</b>	1,082
Tarmac	<b>101</b>	229
Zinc	<b>175</b>	136
Scaw Metals	<b>131</b>	274
Copebrás	<b>(40)</b>	217
Catalão	<b>106</b>	78
Coal Americas	<b>(8)</b>	29
Other	<b>41</b>	119
EBITDA	<b>878</b>	1,513
Net operating assets	<b>5,029</b>	5,231
Capital expenditure	<b>268</b>	603
Share of Group operating profit	<b>10%</b>	11%
Share of Group net operating assets	<b>13%</b>	16%

### Tarmac

Tarmac generated an operating profit of \$101 million, a 56% decrease, reflecting a \$1.5 billion, or 35%, decrease in turnover resulting from both a fall in demand and the weaker sterling exchange rate, mitigated by significant cost reductions. Volumes showed a further significant decline in the year, with overall demand 20% lower, although Tarmac's leading market positions were maintained. Capacity was mothballed and production curtailed to align with falling demand, which resulted in considerable reductions in fixed costs. In addition, improvements in operating efficiency and a programme of overhead reductions were deepened and accelerated, helping to maintain the EBITDA margin at 11%. Total fixed and support costs were reduced by \$464 million, or 29%. Despite the substantial decline in turnover, Tarmac generated net cash inflow from operating activities after capital expenditure of \$88 million, compared with \$97 million in 2008.

2009 saw a deepening of the difficult market conditions faced by the construction industry in the UK. Driven by the wider economic issues, industrial and commercial construction spending decreased significantly. Continental Europe did not suffer as severely as the UK in 2008, but in 2009 saw declines in construction activity comparable with those in the UK.

Significantly lower demand in the housing and commercial sectors resulted in UK volumes declining by 24%, including asphalt volumes, which had shown more resilience in 2008 than other products. On a like-for-like basis, UK operating profits decreased by 71%.

On a like-for-like basis, Tarmac International's underlying operating profits were 52% lower, with worsening market conditions in France, Poland and the Czech Republic offsetting resilience in Germany and cost savings of \$9 million.

Total cost savings of \$82 million were achieved by Tarmac in 2009, including headcount reductions of more than 1,200 made across Tarmac during the year, representing a reduction of 11%.

### Zinc

	<b>2009</b>	2008
Attributable zinc production (tonnes)	<b>350,400</b>	340,500
Attributable lead production (tonnes)	<b>68,300</b>	62,900
Average market price – zinc (c/lb)	<b>75</b>	85
Average market price – lead (c/lb)	<b>78</b>	95

Zinc generated a 29% increase in operating profit to \$175 million, despite lower zinc and lead prices during the year, largely as a result of improved production and sales, as well as lower costs.

Production at Skorpion increased by 3% to 150,400 tonnes, a record production year, where nameplate production was exceeded. While electricity constraints, cathode crane failure and cell repairs were again experienced, the combined impact was negated by various asset optimisation initiatives. Tight cost control and record production resulted in mine operating unit costs being 9% lower than 2008.

At Lisheen, zinc production increased by 3% to 171,800 tonnes due to higher grades and tonnage mined, while lead output increased by 21% due to higher grades, improved recoveries and tonnes mined. Asset optimisation initiatives in the mine and mill resulted in a record production year.

At Black Mountain, tonnes milled increased by 7% as a result of increased ore production from the Deeps mine. Zinc production was 1% higher at 28,200 tonnes, while lead production increased by 5% to 49,100 tonnes, with the higher tonnes milled being offset by lower feed grades. Zinc and lead metallurgical recoveries, however, improved by 1% and 3% respectively.

### **Scaw Metals**

Despite the tough operating conditions in the steel industry during the year, Scaw Metals generated an operating profit of \$131 million. The 52% decrease in operating profit was due to the difficult economic environment across all operations, with reduced demand in some key markets resulting in downward pressure on prices. The lower steel prices and the impact of high input and consumable costs resulted in pressure on margins. However, the integrated nature of Scaw Metals enabled the rolling mills to continue to supply the downstream businesses with product at a time when most major steel mills were curtailing capacity and running at losses. In addition, the careful management of working capital and capital expenditure resulted in strong cash generation. Total production of steel products was 1,411,000 tonnes, with the South African operations producing 693,000 tonnes and the balance of 718,000 tonnes from the international operations.

### **Copebrás**

Copebrás delivered an operating loss of \$40 million, due principally to reduced fertiliser prices, partially offset by a 30% increase in sales volumes to 1.06 Mt following good weather conditions in the second half and depressed fertiliser prices, leading farmers to either restock or increase consumption.

### **Catalão**

Catalão generated an operating profit of \$106 million, 36% higher than the previous year, with sales volumes of 5,200 tonnes, a 12% increase, resulting from increased capacity at the tailings operation.

### **Coal - Americas**

**Canada** - Peace River Coal generated an operating profit of \$13 million for the year, having successfully completed its \$102 million transition to owner operated mining, resulting in a 16% improvement in mined waste volumes, part of which constituted overburden waste pre-stripping for 2010 and 2011. Metallurgical coal sales increased by 14%, though lower average realised prices, arising from generally weaker market conditions, offset the tonnage increase. Drilling, definitional modelling and environmental approval work were substantially progressed on the Roman Mountain project, which targets the construction of the 4 Mtpa brownfield operation adjacent to the existing Trend Mine.

**Venezuela** - Carbones del Guasare ("CdG") was subject to further economic uncertainty and delivered an operating loss of \$21 million in 2009. Sales and production volumes of 0.7 Mt were sharply lower (30%) than 2008 and significantly below the performance potential of the mine.

# **CONDENSED FINANCIAL STATEMENTS**

for the year ended 31 December 2009

**Consolidated income statement**  
for the year ended 31 December 2009

US\$ million	Note	2009			2008		
		Before special items and remeasurements	Special items and remeasurements (note 6)	Total	Before special items and remeasurements	Special items and remeasurements (note 6)	Total
<b>Group revenue</b>	3	<b>20,858</b>	<b>–</b>	<b>20,858</b>	26,311	–	26,311
<b>Total operating costs</b>		<b>(16,481)</b>	<b>(1,637)</b>	<b>(18,118)</b>	(18,330)	(1,131)	(19,461)
<b>Operating profit from subsidiaries and joint ventures</b>	3	<b>4,377</b>	<b>(1,637)</b>	<b>2,740</b>	7,981	(1,131)	6,850
Net profit on disposals	6	–	<b>1,612</b>	<b>1,612</b>	–	1,009	1,009
Share of net income from associates	3	<b>318</b>	<b>(234)</b>	<b>84</b>	1,303	(190)	1,113
<b>Total profit from operations and associates</b>		<b>4,695</b>	<b>(259)</b>	<b>4,436</b>	9,284	(312)	8,972
Investment income		<b>514</b>	–	<b>514</b>	589	–	589
Interest expense		<b>(780)</b>	–	<b>(780)</b>	(850)	–	(850)
Other financing losses		<b>(7)</b>	<b>(134)</b>	<b>(141)</b>	(191)	51	(140)
<b>Net finance costs</b>	7	<b>(273)</b>	<b>(134)</b>	<b>(407)</b>	(452)	51	(401)
<b>Profit before tax</b>		<b>4,422</b>	<b>(393)</b>	<b>4,029</b>	8,832	(261)	8,571
Income tax expense	8	<b>(1,305)</b>	<b>188</b>	<b>(1,117)</b>	(2,545)	94	(2,451)
<b>Profit for the financial year</b>		<b>3,117</b>	<b>(205)</b>	<b>2,912</b>	6,287	(167)	6,120
<b>Attributable to:</b>							
Minority interests		<b>548</b>	<b>(61)</b>	<b>487</b>	1,050	(145)	905
<b>Equity shareholders of the Company</b>	4	<b>2,569</b>	<b>(144)</b>	<b>2,425</b>	5,237	(22)	5,215
<b>Earnings per share (US\$)</b>							
Basic	9			<b>2.02</b>			4.34
Diluted	9			<b>1.98</b>			4.29

Underlying earnings and underlying earnings per share are set out in note 9.

**Consolidated statement of comprehensive income**  
for the year ended 31 December 2009

US\$ million	Note	2009	2008
<b>Profit for the financial year</b>		<b>2,912</b>	6,120
Net gain/(loss) on revaluation of available for sale investments		<b>741</b>	(888)
Net gain/(loss) on cash flow hedges		<b>122</b>	(874)
Net (loss)/gain on cash flow hedges – associates		<b>(2)</b>	4
Net exchange gain/(loss) on translation of foreign operations		<b>3,819</b>	(4,514)
Actuarial net loss on post retirement benefit schemes		<b>(217)</b>	(129)
Actuarial net loss on post retirement benefit schemes – associates		<b>(5)</b>	(7)
Deferred tax	10	<b>(74)</b>	167
<b>Net income/(expense) recognised directly in equity</b>		<b>4,384</b>	(6,241)
Transferred to income statement: sale of available for sale investments		<b>(1,554)</b>	(476)
Transferred to income statement: cash flow hedges		<b>162</b>	380
Transferred to initial carrying amount of hedged items: cash flow hedges		<b>30</b>	637
Transferred to income statement: exchange differences on disposal of foreign operations		<b>(2)</b>	2
Tax on items transferred from equity	10	<b>77</b>	(94)
<b>Total transferred from equity</b>		<b>(1,287)</b>	449
<b>Total comprehensive income for the financial year</b>		<b>6,009</b>	328
<b>Attributable to:</b>			
Minority interests		<b>783</b>	487
<b>Equity shareholders of the Company</b>		<b>5,226</b>	(159)

**Consolidated balance sheet**  
as at 31 December 2009

US\$ million	Note	2009	2008	2007
Intangible assets		2,776	3,006	1,556
Tangible assets		35,198	29,545	23,534
Environmental rehabilitation trusts		342	244	252
Investments in associates		3,312	3,612	3,341
Financial asset investments		2,726	3,115	4,780
Trade and other receivables		206	94	159
Deferred tax assets		288	258	474
Other financial assets (derivatives) <sup>(1)</sup>		238	117	160
Other non-current assets		191	167	105
<b>Total non-current assets</b>		<b>45,277</b>	<b>40,158</b>	<b>34,361</b>
Inventories		3,212	2,702	2,344
Trade and other receivables		3,348	2,929	3,572
Current tax assets		214	471	223
Other financial assets (derivatives) <sup>(1)</sup>		365	259	375
Financial asset investments	11b	3	173	–
Cash and cash equivalents	11b	3,269	2,771	3,129
<b>Total current assets</b>		<b>10,411</b>	<b>9,305</b>	<b>9,643</b>
Assets classified as held for sale	16	620	275	758
<b>Total assets</b>		<b>56,308</b>	<b>49,738</b>	<b>44,762</b>
Trade and other payables		(4,395)	(4,770)	(3,950)
Short term borrowings	11b, 12	(1,499)	(6,784)	(5,895)
Short term provisions		(209)	(168)	(142)
Current tax liabilities		(566)	(804)	(992)
Other financial liabilities (derivatives) <sup>(1)</sup>		(76)	(598)	(375)
<b>Total current liabilities</b>		<b>(6,745)</b>	<b>(13,124)</b>	<b>(11,354)</b>
Medium and long term borrowings	11b, 12	(12,816)	(7,211)	(2,404)
Retirement benefit obligations		(706)	(401)	(444)
Other financial liabilities (derivatives) <sup>(1)</sup>		(583)	(899)	(211)
Deferred tax liabilities		(5,192)	(4,555)	(4,650)
Provisions for liabilities and charges		(1,583)	(1,317)	(1,082)
Other non-current liabilities		(423)	(395)	–
<b>Total non-current liabilities</b>		<b>(21,303)</b>	<b>(14,778)</b>	<b>(8,791)</b>
Liabilities directly associated with assets classified as held for sale	16	(191)	(80)	(287)
<b>Total liabilities</b>		<b>(28,239)</b>	<b>(27,982)</b>	<b>(20,432)</b>
<b>Net assets</b>		<b>28,069</b>	<b>21,756</b>	<b>24,330</b>
<b>Equity</b>				
Called-up share capital		738	738	738
Share premium account		2,713	2,713	2,713
Other reserves		1,379	(2,057)	3,155
Retained earnings		21,291	18,827	15,855
<b>Equity attributable to equity shareholders of the Company</b>		<b>26,121</b>	<b>20,221</b>	<b>22,461</b>
Minority interests		1,948	1,535	1,869
<b>Total equity</b>		<b>28,069</b>	<b>21,756</b>	<b>24,330</b>

<sup>(1)</sup> Comparatives have been adjusted in accordance with IAS 1 *Presentation of Financial Statements – Improvements*, as described in note 2.

The financial statements of Anglo American plc, registered number 3564138, were approved by the Board of directors on 18 February 2010.

**Cynthia Carroll**  
Chief executive

**René Médori**  
Finance director

**Consolidated cash flow statement**  
for the year ended 31 December 2009

US\$ million	Note	2009	2008
<b>Cash inflows from operations</b>	11a	<b>4,904</b>	9,579
Dividends from associates		<b>616</b>	609
Dividends from financial asset investments		<b>23</b>	50
Income tax paid		<b>(1,456)</b>	(2,173)
<b>Net cash inflows from operating activities</b>		<b>4,087</b>	8,065
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash and cash equivalents acquired <sup>(1)</sup>	14	<b>(79)</b>	(5,887)
Investment in joint ventures	14	<b>(5)</b>	(609)
Investment in associates		<b>(31)</b>	(9)
Cash flows from derivatives related to acquisitions		<b>–</b>	(661)
Purchase of tangible assets	3	<b>(4,607)</b>	(5,146)
Purchase of financial asset investments		<b>(269)</b>	(741)
Investment of advance received in anticipation of disposal <sup>(2)</sup>		<b>–</b>	(281)
Loans granted		<b>(134)</b>	(108)
Interest received and other investment income		<b>244</b>	291
Disposal of subsidiaries, net of cash and cash equivalents disposed	15	<b>69</b>	468
Sale of interests in associates		<b>662</b>	205
Repayment of loans and capital by associates		<b>–</b>	42
Proceeds from disposal of tangible assets		<b>46</b>	30
Proceeds from sale of financial asset investments		<b>2,041</b>	851
Cash flows from derivatives related to investing activities (excluding acquisitions)		<b>(150)</b>	(166)
Other investing activities		<b>(10)</b>	(29)
<b>Net cash used in investing activities</b>		<b>(2,223)</b>	(11,750)
<b>Cash flows from financing activities</b>			
Issue of shares by subsidiaries to minority interests		<b>96</b>	62
Sale of treasury shares to employees		<b>29</b>	40
Purchase of treasury shares		<b>(75)</b>	(710)
Interest paid		<b>(741)</b>	(741)
Dividends paid to minority interests		<b>(472)</b>	(796)
Dividends paid to Company shareholders		<b>–</b>	(1,550)
(Repayment)/receipt of short term borrowings		<b>(6,624)</b>	1,432
Net proceeds from issue of convertible bond		<b>1,685</b>	–
Net proceeds from issue of US bond		<b>1,992</b>	–
Net proceeds from bonds issued under EMTN programme		<b>2,215</b>	2,404
Receipt of other medium and long term borrowings		<b>361</b>	2,777
Cash flows from derivatives related to net debt		<b>(85)</b>	380
Advance received in anticipation of disposal <sup>(2)</sup>		<b>–</b>	307
Other financing activities		<b>14</b>	(63)
<b>Net cash (used in)/inflows from financing activities</b>		<b>(1,605)</b>	3,542
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>259</b>	(143)
<b>Cash and cash equivalents at start of year</b>	11c	<b>2,744</b>	3,074
Cash movements in the year		<b>259</b>	(143)
Effects of changes in foreign exchange rates		<b>316</b>	(187)
<b>Cash and cash equivalents at end of year</b>	11c	<b>3,319</b>	2,744

<sup>(1)</sup> Includes amounts paid to acquire minority interests in subsidiaries.

<sup>(2)</sup> Advance received in the year ended 31 December 2008 in respect of anticipated disposal of the Group's 50% interest in the Booyensdal joint venture, invested in unlisted preference shares and an escrow account, pending completion of the transaction which occurred in June 2009. Following completion of the transaction the preference shares were sold and the proceeds are shown within 'Proceeds from sale of financial asset investments'. At 31 December 2009 a further amount of \$72 million remains in an escrow account pending completion of documentation.

**Consolidated statement of changes in equity**  
for the year ended 31 December 2009

US\$ million	Total share capital <sup>(1)</sup>	Retained earnings	Share-based payment reserve	Cumulative translation adjustment reserve	Fair value and other reserves (note 10)	Total equity attributable to equity shareholders of the Company	Minority interests	Total equity
Balance at 1 January 2008	3,451	15,855	262	20	2,873	22,461	1,869	24,330
Total comprehensive income	–	5,113	–	(4,097)	(1,175)	(159)	487	328
Dividends paid	–	(1,538)	–	–	–	(1,538)	–	(1,538)
Dividends paid to minority interests	–	–	–	–	–	–	(796)	(796)
Acquisition and disposal of businesses (including issue of shares to minority interests)	–	6	–	–	–	6	(45)	(39)
Minority conversion of Anglo Platinum's preference shares	–	6	–	–	–	6	(6)	–
Share buybacks	–	(595)	–	–	–	(595)	–	(595)
Purchase of shares for share schemes	–	(88)	–	–	–	(88)	–	(88)
Share-based payment charges on equity settled schemes	–	–	146	–	–	146	11	157
Issue of shares under employee share schemes	–	97	(70)	–	–	27	–	27
Current tax on exercised employee share schemes	–	10	–	–	–	10	–	10
Issue/purchase of treasury shares in subsidiary entities	–	6	–	–	–	6	–	6
Other	–	(45)	(50)	–	34	(61)	15	(46)
Balance at 1 January 2009	3,451	18,827	288	(4,077)	1,732	20,221	1,535	21,756
Total comprehensive income	–	2,257	–	3,526	(557)	5,226	783	6,009
Dividends paid to minority interests	–	–	–	–	–	–	(472)	(472)
Acquisition and disposal of businesses (including issue of shares to minority interests)	–	–	(14)	–	(1)	(15)	57	42
Purchase of shares for share schemes	–	(32)	–	–	–	(32)	–	(32)
Share-based payment charges on equity settled schemes	–	–	194	–	–	194	16	210
Issue of shares under employee share schemes	–	108	(87)	–	–	21	–	21
Current tax on exercised employee share schemes	–	(1)	–	–	–	(1)	–	(1)
Issue/purchase of treasury shares in subsidiary entities	–	(11)	–	–	–	(11)	15	4
Issue of convertible bond	–	–	–	–	355	355	–	355
Other	–	143	20	–	–	163	14	177
<b>Balance at 31 December 2009</b>	<b>3,451</b>	<b>21,291</b>	<b>401</b>	<b>(551)</b>	<b>1,529</b>	<b>26,121</b>	<b>1,948</b>	<b>28,069</b>

<sup>(1)</sup> Total share capital comprises called-up share capital of \$738 million (2008: \$738 million) and the share premium account of \$2,713 million (2008: \$2,713 million).

**Dividends**

	2009	2008
Proposed ordinary dividend per share (US cents)	–	–
Proposed ordinary dividend (US\$ million)	–	–
Ordinary dividends paid during the year per share (US cents)	–	130
Ordinary dividends paid during the year (US\$ million)	–	1,538

## Notes to the Condensed financial statements

### 1. General information

Investors should consider non-GAAP financial measures in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with International Financial Reporting Standards (IFRS). The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures. Reconciliations of key non-GAAP data to directly comparable IFRS financial measures are presented in notes 3, 4, 9 and 13 to these consolidated financial statements (the Condensed financial statements).

The financial information for the year ended 31 December 2009 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2008 have been delivered to the Registrar of Companies and those for 2009 will be delivered following the Company's annual general meeting convened for 22 April 2010. The auditors have reported on these accounts; their reports were unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

### 2. Basis of preparation

#### ***Condensed financial statements and accounting policies***

Whilst the preliminary announcement (the Condensed financial statements) has been prepared in accordance with IFRS and International Financial Reporting Interpretation Committee (IFRIC) interpretations adopted for use by the European Union, with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and with the requirements of the United Kingdom Listing Authority (UKLA) Listing rules, these Condensed financial statements do not contain sufficient information to comply with IFRS. The Group will publish full financial statements that comply with IFRS in March 2010.

The Condensed financial statements have been prepared under the historical cost convention as modified by the revaluation of pension assets and liabilities and certain financial instruments.

The accounting policies applied are consistent with those adopted and disclosed in the Group's financial statements for the year ended 31 December 2008, with the exception of the adoption of IFRS 8 *Operating Segments*, IAS 1 *Presentation of Financial Statements – Revised*, IAS 1 *Presentation of Financial Statements – Improvements* and IFRS 7 *Financial Instruments: Disclosures – Amendment*.

The adoption of IFRS 8 has resulted in the segmental disclosures previously required by IAS 14 *Segment Reporting* being replaced by those required under IFRS 8. The segments identified in accordance with IFRS 8 are aligned to the Group's structure of Business Units based around core commodities. In addition assets identified for divestment are managed as a separate Business Unit, Other Mining and Industrial.

The adoption of the revision to IAS 1 has resulted in the Consolidated statement of changes in equity being presented as a primary statement (previously disclosed as a note titled 'Reconciliation of changes in equity') and disclosure of the tax impact of individual items in the Consolidated statement of comprehensive income (by way of note). In addition, the Group has elected to continue to present a separate income statement and statement of comprehensive income.

The adoption of the improvements to IAS 1 has resulted in non-hedge derivatives whose expected settlement date is more than one year from the period end being reclassified from current to non-current and therefore the comparative information in the Consolidated balance sheet has been adjusted as follows:



## 2. Basis of preparation (continued)

US\$ million	2008		2007	
	Current	Non-current	Current	Non-current
<b>Other financial assets (derivatives)</b>				
As previously reported	372	4	535	–
Reclassification	(113)	113	(160)	160
<b>As reported</b>	<b>259</b>	<b>117</b>	<b>375</b>	<b>160</b>
<b>Other financial liabilities (derivatives)</b>				
As previously reported	(1,436)	(61)	(501)	(85)
Reclassification	838	(838)	126	(126)
<b>As reported</b>	<b>(598)</b>	<b>(899)</b>	<b>(375)</b>	<b>(211)</b>
<b>Assets</b>				
As previously reported	9,418	40,045	9,803	34,201
Reclassification	(113)	113	(160)	160
<b>As reported</b>	<b>9,305</b>	<b>40,158</b>	<b>9,643</b>	<b>34,361</b>
<b>Liabilities</b>				
As previously reported	(13,962)	(13,940)	(11,480)	(8,665)
Reclassification	838	(838)	126	(126)
<b>As reported</b>	<b>(13,124)</b>	<b>(14,778)</b>	<b>(11,354)</b>	<b>(8,791)</b>

Due to the adoption of the revision and improvements to IAS 1, certain 2007 information has been included in the 2009 Condensed financial statements.

IFRS 7 *Financial Instruments: Disclosures – Amendment* has resulted in additional disclosures in relation to financial assets and liabilities which are carried at fair value on the balance sheet. The amendment also reinforces existing principles for disclosure about liquidity risk. Comparative information is not required in relation to additional disclosures required by the amendment.

A number of other amendments to accounting standards and new interpretations issued by the International Accounting Standards Board were applicable from 1 January 2009. They have not had a material impact on the accounting policies, methods of computation or presentation applied by the Group.

## 3. Segmental information

The Group's segments are aligned to the structure of Business Units based around core commodities. In addition assets identified for divestment are managed as a separate Business Unit, Other Mining and Industrial. The Kumba Iron Ore, Iron Ore Brazil and Samancor Business Units have been aggregated as the Iron Ore and Manganese segment on the basis of the ultimate product produced (ferrous metals). Each Business Unit has a management team that is accountable to the Chief executive.

The Group's Executive Committee evaluates the financial performance of the Group and its segments principally with reference to operating profit before special items and remeasurements which includes the Group's attributable share of associates' operating profit before special items and remeasurements.

Segments predominantly derive revenue as follows – Platinum: platinum group metals; Diamonds: rough and polished diamonds and diamond jewellery; Copper and Nickel: base metals; Iron Ore and Manganese: iron ore, manganese ore and alloys; Metallurgical Coal: metallurgical coal; Thermal Coal: thermal coal; and Other Mining and Industrial: heavy building materials, zinc and steel products.

The segment results are stated after elimination of inter-segment transactions and include an allocation of corporate costs.

The Corporate Activities and Unallocated Costs segment includes insurance costs.

Due to the portfolio and management structure changes announced in October 2009, the segments have changed from those reported at 31 December 2008. Comparatives have been reclassified to align with current year presentation.

### 3. Segmental information (continued)

US\$ million	Revenue <sup>(1)</sup>		Operating profit/(loss) <sup>(2)</sup>	
	2009	2008	2009	2008
Platinum	4,535	6,327	32	2,169
Diamonds	1,728	3,096	64	508
Copper	3,967	3,907	2,010	1,892
Nickel	348	408	2	123
Iron Ore and Manganese	3,419	4,099	1,489	2,554
Metallurgical Coal	2,239	3,119	451	1,110
Thermal Coal	2,490	3,051	721	1,078
Other Mining and Industrial	5,908	8,951	506	1,082
Exploration	–	–	(172)	(212)
Corporate Activities and Unallocated Costs	3	6	(146)	(219)
<b>Segment measure</b>	<b>24,637</b>	<b>32,964</b>	<b>4,957</b>	<b>10,085</b>
<b>Reconciliation:</b>				
Less: Associates	(3,779)	(6,653)	(580)	(2,104)
Operating special items and remeasurements	–	–	(1,637)	(1,131)
<b>Statutory measure</b>	<b>20,858</b>	<b>26,311</b>	<b>2,740</b>	<b>6,850</b>

<sup>(1)</sup> Segment revenue includes the Group's attributable share of associates' revenue. This is reconciled to Group revenue from subsidiaries and joint ventures as presented in the Consolidated income statement.

<sup>(2)</sup> Segment operating profit is revenue less operating costs before special items and remeasurements, and includes the Group's attributable share of associates' operating profit. This is reconciled to Operating profit from subsidiaries and joint ventures after special items and remeasurements as presented in the Consolidated income statement.

Associates' revenue and operating profit are as follows:

US\$ million	Associates' revenue		Associates' operating profit/(loss) <sup>(1)</sup>	
	2009	2008	2009	2008
Platinum	47	39	(26)	20
Diamonds	1,728	3,096	64	508
Iron Ore and Manganese	603	1,526	143	980
Metallurgical Coal	164	170	48	102
Thermal Coal	742	841	303	375
Other Mining and Industrial	495	981	48	119
	<b>3,779</b>	<b>6,653</b>	<b>580</b>	<b>2,104</b>
<b>Reconciliation:</b>				
Associates' net finance costs (before special items and remeasurements)			(28)	(147)
Associates' income tax expense (before special items and remeasurements)			(235)	(623)
Associates' minority interests (before special items and remeasurements)			1	(31)
<b>Share of net income from associates (before special items and remeasurements)</b>			<b>318</b>	<b>1,303</b>
Associates' special items and remeasurements			(184)	(223)
Associate's tax special item			(45)	–
Associates' tax on special items and remeasurements			(6)	17
Associates' minority interests on special items and remeasurements			1	16
<b>Share of net income from associates</b>			<b>84</b>	<b>1,113</b>

<sup>(1)</sup> Associates' operating profit is the Group's attributable share of associates' revenue less operating costs before special items and remeasurements.

### 3. Segmental information (continued)

Significant non-cash items included within operating profit are as follows:

US\$ million	Depreciation and amortisation <sup>(1)</sup>		Other non-cash expenses <sup>(2)</sup>	
	2009	2008	2009	2008
Platinum	636	507	92	7
Copper	244	212	71	50
Nickel	26	27	9	4
Iron Ore and Manganese	81	52	4	51
Metallurgical Coal	249	205	26	43
Thermal Coal	107	78	13	61
Other Mining and Industrial	360	404	94	108
Exploration	–	–	4	–
Corporate Activities and Unallocated Costs	22	24	79	67
	<b>1,725</b>	<b>1,509</b>	<b>392</b>	<b>391</b>

<sup>(1)</sup> The Group's attributable share of depreciation and amortisation in associates is \$248 million (2008: \$253 million) and is split by segment as follows: Platinum \$9 million (2008: \$2 million), Diamonds \$151 million (2008: \$157 million), Iron Ore and Manganese \$23 million (2008: \$19 million), Metallurgical Coal \$6 million (2008: \$4 million), Thermal Coal \$47 million (2008: \$44 million) and Other Mining and Industrial \$12 million (2008: \$27 million).

<sup>(2)</sup> Other non-cash expenses include equity settled share-based payment charges and amounts included in operating costs in respect of provisions.

Balance sheet measures are as follows:

US\$ million	Capital expenditure <sup>(1)</sup>		Net debt <sup>(2)</sup>	
	2009	2008	2009	2008
Platinum	1,150	1,563	196	995
Copper	1,068	808	(187)	(622)
Nickel	554	530	380	(66)
Iron Ore and Manganese	1,044	783	874	698
Metallurgical Coal	96	467	(9)	(18)
Thermal Coal	400	365	23	(139)
Other Mining and Industrial	268	603	341	354
Exploration	–	1	–	–
Corporate Activities and Unallocated Costs	27	26	9,425	9,849
	<b>4,607</b>	<b>5,146</b>	<b>11,043</b>	<b>11,051</b>
<b>Reconciliation:</b>				
Interest capitalised	246	215		
Non-cash movements <sup>(3)</sup>	379	365		
<b>Tangible asset additions</b>	<b>5,232</b>	<b>5,726</b>		
Tangible assets acquired through business combinations	28	7,358		
Intangible asset additions	50	1,731		
Net debt in disposal groups			(48)	(8)
	<b>5,310<sup>(4)</sup></b>	<b>14,815<sup>(4)</sup></b>	<b>10,995</b>	<b>11,043</b>

<sup>(1)</sup> Capital expenditure is segmented on a cash basis and is reconciled to balance sheet additions. Cash capital expenditure excludes cash flows on related derivatives.

<sup>(2)</sup> Segment net debt excludes net debt in disposal groups and hedges. A reconciliation of net debt to the balance sheet is provided in note 11. At 31 December 2007 net debt of \$5,170 million was split by segment as follows: Platinum \$846 million, Copper \$(298) million, Nickel \$(233) million, Iron Ore and Manganese \$(123) million, Metallurgical Coal \$(3) million, Thermal Coal \$(76) million, Other Mining and Industrial \$182 million, Exploration \$(1) million and Corporate Activities and Unallocated Costs \$4,876 million. Group net debt of \$5,239 million included a further \$69 million of net debt in disposal groups.

<sup>(3)</sup> Includes movements on tangible asset accruals and the impact of cash flow hedge derivatives.

<sup>(4)</sup> Capital expenditure on an accruals basis and including additions resulting from acquisitions of interests in subsidiaries and joint ventures is split by segment as follows: Platinum \$1,445 million (2008: \$3,026 million), Copper \$1,186 million (2008: \$1,087 million), Nickel \$570 million (2008: \$597 million), Iron Ore and Manganese \$1,157 million (2008: \$7,569 million), Metallurgical Coal \$173 million (2008: \$1,222 million), Thermal Coal \$409 million (2008: \$383 million), Other Mining and Industrial \$323 million (2008: \$882 million), Exploration nil (2008: \$1 million) and Corporate Activities and Unallocated Costs \$47 million (2008: \$48 million).

### 3. Segmental information (continued)

The following balance sheet segment measures are provided for information:

US\$ million	Segment assets <sup>(1)</sup>		Segment liabilities <sup>(2)</sup>		Net segment assets	
	2009	2008	2009	2008	2009	2008
Platinum	13,082	9,713	(941)	(668)	12,141	9,045
Copper	5,643	4,134	(880)	(986)	4,763	3,148
Nickel	1,888	1,485	(101)	(84)	1,787	1,401
Iron Ore and Manganese	10,758	10,768	(388)	(311)	10,370	10,457
Metallurgical Coal	4,176	3,369	(769)	(700)	3,407	2,669
Thermal Coal	2,343	1,624	(636)	(606)	1,707	1,018
Other Mining and Industrial	6,231	6,435	(1,202)	(1,204)	5,029	5,231
Exploration	4	3	(2)	(7)	2	(4)
Corporate Activities and Unallocated Costs	311	251	(409)	(310)	(98)	(59)
	<b>44,436</b>	<b>37,782</b>	<b>(5,328)</b>	<b>(4,876)</b>	<b>39,108</b>	<b>32,906</b>
<b>Other assets and liabilities</b>						
Investments in associates <sup>(3)</sup>	3,312	3,612	–	–	3,312	3,612
Financial asset investments	2,729	3,288	–	–	2,729	3,288
Deferred tax assets/(liabilities)	288	258	(5,192)	(4,555)	(4,904)	(4,297)
Cash and cash equivalents	3,269	2,771	–	–	3,269	2,771
Other financial assets/(liabilities) – derivatives	603	376	(659)	(1,497)	(56)	(1,121)
Other non-operating assets/(liabilities)	1,671	1,651	(2,128)	(2,515)	(457)	(864)
Other provisions	–	–	(617)	(544)	(617)	(544)
Borrowings	–	–	(14,315)	(13,995)	(14,315)	(13,995)
<b>Net assets</b>	<b>56,308</b>	<b>49,738</b>	<b>(28,239)</b>	<b>(27,982)</b>	<b>28,069</b>	<b>21,756</b>

<sup>(1)</sup> Segment assets at 31 December 2009 are operating assets and consist of intangible assets of \$2,776 million (2008: \$3,006 million), tangible assets of \$35,198 million (2008: \$29,545 million), biological assets of \$4 million (2008: \$3 million), environmental rehabilitation trusts of \$342 million (2008: \$244 million), retirement benefit assets of \$54 million (2008: \$32 million), inventories of \$3,212 million (2008: \$2,702 million) and operating receivables of \$2,850 million (2008: \$2,250 million).

<sup>(2)</sup> Segment liabilities at 31 December 2009 are operating liabilities and consist of non-interest bearing current liabilities of \$3,447 million (2008: \$3,534 million), retirement benefit obligations of \$706 million (2008: \$401 million) and environmental restoration and decommissioning provisions of \$1,175 million (2008: \$941 million).

<sup>(3)</sup> Investments in associates is split by segment as follows: Platinum \$447 million (2008: \$57 million), Diamonds \$1,353 million (2008: \$1,623 million), Iron Ore and Manganese \$658 million (2008: \$784 million), Metallurgical Coal \$146 million (2008: \$111 million), Thermal Coal \$689 million (2008: \$678 million) and Other Mining and Industrial \$19 million (2008: \$359 million).

### Entity wide information

The Group's analysis of segment revenue by product (including attributable share of revenue from associates) is as follows:

US\$ million	2009	2008
Platinum	3,101	3,570
Palladium	361	531
Rhodium	527	1,632
Diamonds	1,728	3,096
Copper	3,783	3,639
Nickel	625	734
Iron ore	2,330	2,281
Manganese	603	1,526
Metallurgical coal	1,693	2,775
Thermal coal	3,197	3,637
Zinc	445	467
Steel products	1,371	1,927
Heavy building materials	2,870	4,399
Other	2,003	2,750
	<b>24,637</b>	<b>32,964</b>

### 3. Segmental information (continued)

The Group's geographical analysis of segment revenue (including attributable share of revenue from associates) allocated based on the country in which the customer is located, and non-current segment assets, allocated based on the country in which the assets are located, is as follows:

US\$ million	Revenue		Non-current segment assets <sup>(1)</sup>	
	2009	2008	2009	2008
South Africa	2,567	3,951	15,161	11,040
Other Africa	139	322	599	309
United Kingdom (Anglo American plc's country of domicile)	3,850	4,672	2,686	2,491
Other Europe	5,014	7,279	241	712
US	790	1,294	123	92
Other North America	507	1,078	575	414
Brazil	662	1,423	10,105	10,468
Chile	1,229	1,398	4,280	3,448
Venezuela	5	8	281	462
Other South America	185	178	293	206
Australia	427	344	3,584	2,863
China	3,469	1,956	4	3
India	1,222	1,599	–	–
Japan	2,697	4,516	–	–
Other Asia	1,874	2,946	46	46
	<b>24,637</b>	<b>32,964</b>	<b>37,978</b>	<b>32,554</b>

<sup>(1)</sup> Non-current segment assets are non-current operating assets and consist of tangible assets, intangible assets and biological assets. Non-current segment assets at 31 December 2007 were \$25,093 million.

Segment revenue and operating profit/(loss) before special items and remeasurements by origin (including attributable share of revenue and operating profit from associates) has been provided for information:

US\$ million	Revenue		Operating profit/(loss) before special items and remeasurements	
	2009	2008	2009	2008
South Africa	10,293	13,786	2,023	5,107
Other Africa	1,539	2,530	78	467
Europe	2,976	4,805	(54)	(183)
North America	510	705	(20)	(29)
South America	6,040	6,743	2,310	2,985
Australia and Asia	3,279	4,395	620	1,738
	<b>24,637</b>	<b>32,964</b>	<b>4,957</b>	<b>10,085</b>

The Group's geographical analysis of segment assets and liabilities, allocated based on where assets and liabilities are located, has been provided for information:

US\$ million	Segment assets <sup>(1)</sup>		Segment liabilities		Net segment assets	
	2009	2008	2009	2008	2009	2008
South Africa	18,309	13,540	(2,148)	(1,633)	16,161	11,907
Other Africa	664	364	(66)	(30)	598	334
Europe	3,820	4,045	(907)	(910)	2,913	3,135
North America	805	629	(132)	(119)	673	510
South America	16,528	15,688	(1,262)	(1,431)	15,266	14,257
Australia and Asia	4,310	3,516	(813)	(753)	3,497	2,763
	<b>44,436</b>	<b>37,782</b>	<b>(5,328)</b>	<b>(4,876)</b>	<b>39,108</b>	<b>32,906</b>

<sup>(1)</sup> Investments in associates are not included in segment assets. The geographical distribution of these investments, based on the location of the underlying assets, is as follows: South Africa \$1,934 million (2008: \$1,752 million), Other Africa \$914 million (2008: \$891 million), Europe \$(957) million (2008: \$(324) million), North America \$320 million (2008: \$98 million), South America \$675 million (2008: \$686 million) and Australia and Asia \$426 million (2008: \$509 million).

#### 4. Reconciliation of Underlying earnings to Profit for the financial year attributable to equity shareholders of the Company

The table below analyses the contribution of each segment to the Group's operating profit (including attributable share of operating profit from associates) for the financial year and Underlying earnings, which the directors consider to be a useful additional measure of the Group's performance. A reconciliation from 'Profit for the financial year attributable to equity shareholders of the Company' to 'Underlying earnings for the financial year' is given in note 9.

Due to the portfolio and management structure changes announced in October 2009, the segments have changed from those reported at 31 December 2008. Comparatives have been reclassified to align with current year presentation.

Operating profit (including attributable share of operating profit from associates) is reconciled to 'Underlying earnings' and 'Profit for the financial year attributable to equity shareholders of the Company' in the table below:

							2009
US\$ million	Operating profit/(loss) before special items and remeasurements <sup>(1)</sup>	Operating profit/(loss) after special items and remeasurements	Operating special items and remeasurements <sup>(2)</sup>	Net profit on disposals <sup>(2)</sup>	Financing special items and remeasurements <sup>(2)</sup>	Net interest, tax and minority interests	Total
<b>By segment</b>							
Platinum	32	(72)	104	323	–	12	44
Diamonds	64	(139)	203	20	–	(154)	(90)
Copper	2,010	2,114	(104)	–	–	(809)	1,201
Nickel	2	(86)	88	–	–	(15)	(13)
Iron Ore and Manganese	1,489	350	1,139	6	–	(918)	571
Metallurgical Coal	451	423	28	33	–	(129)	322
Thermal Coal	721	715	6	21	–	(204)	517
Exploration	(172)	(172)	–	10	–	5	(167)
Corporate Activities and Unallocated Costs	(146)	(377)	231	–	–	(73)	(219)
<b>Core operations</b>	<b>4,451</b>	<b>2,756</b>	<b>1,695</b>	<b>413</b>	<b>–</b>	<b>(2,285)</b>	<b>2,166</b>
Other Mining and Industrial	506	361	145	1,219	–	(103)	403
<b>Total/Underlying earnings</b>	<b>4,957</b>	<b>3,117</b>	<b>1,840</b>	<b>1,632</b>	<b>–</b>	<b>(2,388)</b>	<b>2,569<sup>(3)</sup></b>
<b>Underlying earnings adjustments</b>			<b>(1,840)</b>	<b>1,632</b>	<b>(135)</b>	<b>199</b>	<b>(144)</b>
<b>Profit for the financial year attributable to equity shareholders of the Company</b>							<b>2,425</b>

							2008
US\$ million	Operating profit/(loss) before special items and remeasurements <sup>(1)</sup>	Operating profit/(loss) after special items and remeasurements	Operating special items and remeasurements <sup>(2)</sup>	Net profit on disposals <sup>(2)</sup>	Financing special items and remeasurements <sup>(2)</sup>	Net interest, tax and minority interests	Total
<b>By segment</b>							
Platinum	2,169	2,150	19	106	–	(913)	1,256
Diamonds	508	282	226	18	–	(252)	256
Copper	1,892	1,825	67	142	–	(848)	1,044
Nickel	123	(7)	130	(1)	–	(158)	(35)
Iron Ore and Manganese	2,554	1,934	620	(4)	–	(1,404)	1,150
Metallurgical Coal	1,110	1,088	22	–	–	(346)	764
Thermal Coal	1,078	1,080	(2)	–	–	(324)	754
Exploration	(212)	(162)	(50)	–	–	12	(200)
Corporate Activities and Unallocated Costs	(219)	(305)	86	2	–	(267)	(486)
<b>Core operations</b>	<b>9,003</b>	<b>7,885</b>	<b>1,118</b>	<b>263</b>	<b>–</b>	<b>(4,500)</b>	<b>4,503</b>
Other Mining and Industrial	1,082	843	239	764	–	(348)	734
<b>Total/Underlying earnings</b>	<b>10,085</b>	<b>8,728</b>	<b>1,357</b>	<b>1,027</b>	<b>–</b>	<b>(4,848)</b>	<b>5,237<sup>(3)</sup></b>
<b>Underlying earnings adjustments</b>			<b>(1,357)</b>	<b>1,027</b>	<b>36</b>	<b>272</b>	<b>(22)</b>
<b>Profit for the financial year attributable to equity shareholders of the Company</b>							<b>5,215</b>

<sup>(1)</sup> Operating profit includes attributable share of associates' operating profit which is reconciled to 'Share of net income from associates' in note 3.

<sup>(2)</sup> Special items and remeasurements are set out in note 6.

<sup>(3)</sup> This represents Underlying earnings for the financial year and is equal to profit for the financial year attributable to equity shareholders of the Company before special items and remeasurements.

## 5. Exploration expenditure

Exploration expenditure is stated before special items.

US\$ million	2009	2008
<b>By commodity<sup>(1)</sup></b>		
Platinum group metals	17	36
Copper	43	60
Nickel	22	20
Iron ore	8	18
Metallurgical coal	10	17
Thermal coal	25	18
Zinc	10	8
Central exploration activities	37	35
	<b>172</b>	<b>212</b>

<sup>(1)</sup> Following the portfolio and management structure changes announced in October 2009, exploration expenditure is presented by commodity. Comparatives have been reclassified to align with current year presentation.

## 6. Special items and remeasurements

'Special items' are those items of financial performance that the Group believes should be separately disclosed on the face of the income statement to assist in the understanding of the underlying financial performance achieved by the Group. Such items are material by nature or amount to the year's results and require separate disclosure in accordance with IAS 1 (revised 2007) paragraph 97. Special items that relate to the operating performance of the Group are classified as operating special items and include impairment charges and reversals and other exceptional items, including significant legal provisions. Non-operating special items include profits and losses on disposals of investments and businesses.

Remeasurements comprise other items which the Group believes should be reported separately to aid an understanding of the underlying financial performance of the Group. This category includes:

- (i) unrealised gains and losses on 'non-hedge' derivative instruments open at year end (in respect of future transactions) and the reversal of the historical marked to market value of such instruments settled in the year. The full realised gains or losses are recorded in underlying earnings in the same year as the underlying transaction for which such instruments provide an economic, but not formally designated, hedge (if the underlying transaction is recorded in the balance sheet, e.g. capital expenditure, the realised amount remains in remeasurements on settlement of the derivative). Such amounts are classified in the income statement as financing when the underlying exposure is in respect of net debt and otherwise as operating.
- (ii) foreign exchange gains and losses arising on the retranslation of dollar denominated De Beers preference shares held by a rand functional currency subsidiary of the Group. This is classified as financing.
- (iii) foreign exchange impact arising in US dollar functional currency entities where tax calculations are generated based on local currency financial information (and hence deferred tax is susceptible to currency fluctuations). Such amounts are included within income tax expense.

## 6. Special items and remeasurements (continued)

### Subsidiaries and joint ventures' special items and remeasurements

#### Operating special items

US\$ million	2009	2008
Impairment of Amapá system	(1,667)	–
Costs associated with 'One Anglo' initiatives	(148)	(72)
Impairment of Loma de Níquel	(114)	–
<b>Restructuring costs:</b>		
Other Mining and Industrial	(78)	(20)
Corporate	(47)	–
Anglo Platinum	(37)	–
Metallurgical Coal and Thermal Coal	(21)	–
Impairment of Tarmac assets	(50)	(71)
Anglo Platinum assets written off	(51)	–
Bid defence costs	(45)	–
Impairment of Iron Ore Brazil transshipping vessel	(27)	–
Provisions for onerous contracts	15	(39)
Costs associated with proposed sale of Tarmac	–	(3)
Impairment of Lisheen	–	(78)
Impairment of Black Mountain	–	(62)
Impairment of Metallurgical Coal assets	–	(40)
Reversal of impairment of Silangan exploration asset	–	45
Other	(5)	(12)
<b>Total operating special items</b>	<b>(2,275)</b>	<b>(352)</b>
Tax	107	42
Minority interests	107	1
<b>Net total attributable to equity shareholders of the Company</b>	<b>(2,061)</b>	<b>(309)</b>

Amapá iron ore system (Amapá) was acquired in 2008 as an operating asset as part of the acquisition of the Minas Rio project. During 2009 Amapá has experienced significant operational challenges across its mine, plant and logistics chain, producing 2.7 million tonnes compared to the design capacity of 6.5 million tonnes per annum (Mtpa). Management's focus has been, and remains, on seeking to markedly improve performance from the existing operations, rather than investing to expand the operation. The Amapá system is currently believed to have capacity to increase production to 5 Mtpa without significant further capital expenditure. Due to the focus on improving operational performance and preserving cash, limited exploration drilling has been undertaken in 2009 and the anticipated growth potential of surrounding licence areas remains untested. Given these operational difficulties and delays in increasing production, the Group has recorded an impairment charge of \$1,512 million (after tax and minority interest) against the carrying value of the asset. Of this charge, \$342 million has been recorded against intangible assets (primarily goodwill), \$1,325 million has been recorded against tangible assets (primarily mining properties) with associated deferred tax credit of \$76 million and minority interest credit of \$79 million. The impairment brings the carrying value of the Amapá system in line with fair value (less costs to sell) determined on a discounted cash flow basis.

In January 2008 the Venezuelan Ministry of Basic Industries and Mining (MIBAM) published a resolution cancelling 13 of Minera Loma de Níquel's (MLdN) 16 exploration and exploitation concessions due to MLdN's alleged failure to fulfil certain conditions of the concessions. The current mining and metallurgical facilities are located on the three concessions that have not been cancelled. MLdN believes that it has complied with the conditions of these concessions and has lodged administrative appeals against the notices of termination and is waiting for a response from MIBAM. MLdN may in the future undertake further appeals, including with Venezuela's Supreme Court, if the MIBAM's ruling does not adequately protect its interests.

An impairment and associated adjustments of \$114 million has been recorded due to increased uncertainty over the renewal of the three concessions that have not been cancelled but that expire in 2012 and over the restoration of the 13 concessions that were cancelled. The charge is based on a value in use assessment of recoverable amount, includes the impact of recycling a related cash flow hedge reserve and an associated reduction in the related embedded derivative liability. Recoverable amount has been determined using discounted cash flows which use pre-tax discount rates equivalent to a real post tax discount rate of 6%.

Restructuring costs relate to retrenchment costs.



## 6. Special items and remeasurements (continued)

### Subsidiaries and joint ventures' special items and remeasurements (continued)

Costs associated with 'One Anglo' initiatives principally comprise advisory costs and include costs associated with the corporate review, procurement, shared services and information systems.

#### Operating remeasurements

US\$ million	2009	2008
Net gain/(loss) on non-hedge derivatives	757	(696)
Realised loss on derivatives relating to capital expenditure	(105)	(120)
Other remeasurements	(14)	37
<b>Total operating remeasurements</b>	<b>638</b>	<b>(779)</b>
Tax	(207)	252
Minority interests	2	135
<b>Net total attributable to equity shareholders of the Company</b>	<b>433</b>	<b>(392)</b>

The net gain on non-hedge derivatives principally includes net unrealised gains on derivatives relating to capital expenditure held by Iron Ore Brazil and Los Bronces and an unrealised gain on an embedded derivative at Minera Loma de Níquel. A net loss of \$105 million was realised in the year in respect of the Iron Ore Brazil and Los Bronces capital expenditure derivative portfolios.

#### Profits and (losses) on disposals

US\$ million	2009	2008
Disposal of interest in AngloGold Ashanti	1,139	–
Disposal of interest in Booyseendal joint venture <sup>(1)</sup>	247	–
Disposal of interest in Lebowa Platinum Mines Limited <sup>(1)</sup>	69	–
Disposal of interest in Tongaat Hulett and Hulamin	53	–
Disposal of financial asset investments	54	–
Disposal of Tarmac fixed assets	15	–
Disposal of Silangan exploration asset	10	–
Disposal of interest in China Shenhua Energy	–	551
Disposal of interest in Minera Santa Rosa SCM	–	142
Disposal of Northam Platinum Limited	–	101
Copebrás property compensation	–	96
Disposal of Tarmac Iberia	–	65
Disposal of Namakwa Sands <sup>(1)</sup>	–	49
Other	25	5
<b>Net profit on disposals</b>	<b>1,612</b>	<b>1,009</b>
Tax	(76)	(47)
Minority interests	(66)	(43)
<b>Net total attributable to equity shareholders of the Company</b>	<b>1,470</b>	<b>919</b>

<sup>(1)</sup> See Disposals of subsidiaries and businesses note 15.

During 2009 the Group sold its remaining investment in AngloGold Ashanti for total proceeds of \$1,770 million, generating a profit on disposal of \$1,139 million.

Ministerial approval for the sale of Anglo Platinum's 50% interest in the Booyseendal joint venture to Mvelaphanda Resources Limited (Mvela) was received in June 2009. Total consideration was \$275 million (excluding transaction and deal facilitation costs), of which \$270 million was received in advance in the prior year. At 31 December 2009 \$72 million of this remains in an escrow account pending completion of documentation.

The sale of 51% of Anglo Platinum's holding in Lebowa Platinum Mines Limited (Lebowa) and 1% interest in the Ga Phasha, Boikgantsho and Kwanda joint ventures to Anooraq Resources Corporation (Anooraq) completed on 30 June 2009 for consideration of \$363 million (excluding transaction and deal facilitation costs). The fair value of the consideration was \$247 million (excluding transaction and deal facilitation costs). The profit on disposal of Lebowa has been revised since 30 June 2009 after finalisation of the valuations of financial instruments and loan commitments.

During 2009 the Group sold its remaining investments in Tongaat Hulett and Hulamin for total proceeds of \$671 million (excluding transaction costs) generating a net profit on disposal of \$53 million.

## 6. Special items and remeasurements (continued)

### Subsidiaries and joint ventures' special items and remeasurements (continued)

#### Financing remeasurements

US\$ million	2009	2008
Unrealised net (loss)/gain on non-hedge derivatives related to net debt	(100)	23
Foreign exchange (loss)/gain on De Beers preference shares	(21)	28
Other remeasurements	(13)	–
<b>Total financing remeasurements</b>	<b>(134)</b>	<b>51</b>
Tax	2	–
Minority interests	(2)	–
<b>Net total attributable to equity shareholders of the Company</b>	<b>(134)</b>	<b>51</b>

The unrealised net loss on non-hedge derivatives related to net debt principally comprises an unrealised loss on an embedded interest rate derivative.

#### Tax special item

US\$ million	2009	2008
Write off of deferred tax asset related to Amapá system	(107)	–
Minority interests	32	–
<b>Net total attributable to equity shareholders of the Company</b>	<b>(75)</b>	<b>–</b>

#### Tax remeasurements

US\$ million	2009	2008
Foreign currency translation of deferred tax balances	469	(153)
Minority interests	(12)	52
<b>Net total attributable to equity shareholders of the Company</b>	<b>457</b>	<b>(101)</b>

#### Total special items and remeasurements

US\$ million	2009	2008
<b>Total special items and remeasurements before tax and minority interests</b>	<b>(159)</b>	<b>(71)</b>
Tax special item	(107)	–
Tax remeasurements	469	(153)
Tax on special items and remeasurements	(174)	247
Minority interests	61	145
<b>Net total special items and remeasurements attributable to equity shareholders of the Company</b>	<b>90</b>	<b>168</b>

### Associates' special items and remeasurements

#### Associates' operating special items and remeasurements

US\$ million	2009	2008
Impairment of De Beers' Canadian assets	(267)	–
Impairment of De Beers' businesses	–	(79)
Share of De Beers' restructuring costs	(27)	(37)
Unrealised net gain/(loss) on non-hedge derivatives	96	(101)
Share of De Beers' class action payment and related costs	–	(3)
Other impairments	(5)	(6)
<b>Total associates' operating special items and remeasurements</b>	<b>(203)</b>	<b>(226)</b>
Tax	(6)	17
Minority interests	1	16
<b>Net total associates' operating special items and remeasurements</b>	<b>(208)</b>	<b>(193)</b>

## 6. Special items and remeasurements (continued)

### Associates' special items and remeasurements (continued)

Due to the nature of the assets, the effects of the strengthening Canadian dollar and the impact of the global recession on pricing and production levels, De Beers has recorded an impairment of \$595 million (attributable share \$267 million) in respect of its Canadian asset portfolio. The impairment brings the carrying value of the Canadian asset portfolio in line with fair value (less costs to sell), determined using discounted cash flow techniques.

#### Associates' profits and (losses) on disposals

US\$ million	2009	2008
Disposal of AK06 diamond deposit	22	–
Disposal of interests in Williamson, Cullinan and Koffiefontein	–	15
Other	(2)	3
<b>Associates' net profit on disposals</b>	<b>20</b>	<b>18</b>

#### Associates' financing special items

US\$ million	2009	2008
Costs associated with refinancing	(7)	–

#### Associates' financing remeasurements

US\$ million	2009	2008
Unrealised net gain/(loss) on non-hedge derivatives related to net debt	6	(15)

#### Associate's tax special item

US\$ million	2009	2008
Write off of deferred tax asset related to De Beers' Canadian assets	(45)	–

#### Total associates' special items and remeasurements

US\$ million	2009	2008
<b>Total associates' special items and remeasurements before tax and minority interests</b>	<b>(184)</b>	<b>(223)</b>
Tax special item	(45)	–
Tax on special items and remeasurements	(6)	17
Minority interests	1	16
<b>Net total associates' special items and remeasurements</b>	<b>(234)</b>	<b>(190)</b>

#### Operating special items and remeasurements

US\$ million	2009	2008
Operating special items	(2,275)	(352)
Operating remeasurements	638	(779)
<b>Total operating special items and remeasurements (excluding associates)</b>	<b>(1,637)</b>	<b>(1,131)</b>
Associates' operating special items	(299)	(125)
Associates' operating remeasurements	96	(101)
<b>Total associates' operating special items and remeasurements</b>	<b>(203)</b>	<b>(226)</b>
<b>Total operating special items and remeasurements (including associates)</b>	<b>(1,840)</b>	<b>(1,357)</b>
Operating special items (including associates)	(2,574)	(477)
Operating remeasurements (including associates)	734	(880)
<b>Total operating special items and remeasurements (including associates)</b>	<b>(1,840)</b>	<b>(1,357)</b>

## 7. Net finance costs

Finance costs and exchange gains/(losses) are presented net of effective cash flow hedges for respective interest bearing and foreign currency borrowings.

The weighted average capitalisation rate applied to qualifying capital expenditure was 6.5% (2008: 12.0%). Financing remeasurements are set out in note 6.

US\$ million	2009		2008	
	Before remeasurements	After remeasurements	Before remeasurements	After remeasurements
<b>Investment income</b>				
Interest and other financial income	334	334	324	324
Expected return on defined benefit arrangements	157	157	215	215
Dividend income from financial asset investments	23	23	50	50
<b>Total investment income</b>	<b>514</b>	<b>514</b>	<b>589</b>	<b>589</b>
<b>Interest expense</b>				
Interest and other finance expense	(724)	(724)	(815)	(815)
Interest paid on convertible bond	(44)	(44)	–	–
Unwinding of discount on convertible bond	(39)	(39)	–	–
Interest on defined benefit arrangements	(174)	(174)	(201)	(201)
Amortisation of discount relating to provisions	(45)	(45)	(33)	(33)
Dividend on redeemable preference shares	–	–	(16)	(16)
	(1,026)	(1,026)	(1,065)	(1,065)
Less: interest capitalised	246	246	215	215
<b>Total interest expense</b>	<b>(780)</b>	<b>(780)</b>	<b>(850)</b>	<b>(850)</b>
<b>Other financing (losses)/gains</b>				
Net foreign exchange losses	(24)	(45)	(173)	(145)
Fair value gains/(losses) on derivatives	29	(71)	(2)	21
Net fair value gains on fair value hedges	29	29	2	2
Other net fair value losses	(41)	(54)	(18)	(18)
<b>Total other financing losses</b>	<b>(7)</b>	<b>(141)</b>	<b>(191)</b>	<b>(140)</b>
<b>Net finance costs</b>	<b>(273)</b>	<b>(407)</b>	<b>(452)</b>	<b>(401)</b>

## 8. Tax on profit on ordinary activities

### a) Analysis of charge for the year

US\$ million	2009	2008
United Kingdom corporation tax at 28%	50	–
United Kingdom corporation tax at 28.5%	–	18
South Africa tax	567	840
Other overseas tax	700	1,155
Prior year adjustments	(45)	(78)
<b>Current tax (excluding special items and remeasurements tax)</b>	<b>1,272</b>	<b>1,935</b>
<b>Deferred tax (excluding special items and remeasurements tax)</b>	<b>33</b>	<b>610</b>
<b>Tax (excluding special items and remeasurements tax)</b>	<b>1,305</b>	<b>2,545</b>
<b>Special items and remeasurements tax</b>	<b>(188)</b>	<b>(94)</b>
<b>Income tax expense</b>	<b>1,117</b>	<b>2,451</b>

## 8. Tax on profit on ordinary activities (continued)

### b) Factors affecting tax charge for the year

The effective tax rate for the year of 27.7% (2008: 28.6%) is lower (2008: higher) than the applicable standard rate of corporation tax for 2009 in the United Kingdom (28%) (2008: 28.5%). The reconciling items are:

US\$ million	2009	2008
<b>Profit on ordinary activities before tax</b>	<b>4,029</b>	<b>8,571</b>
Tax on profit on ordinary activities calculated at United Kingdom corporation tax rate of 28%	<b>1,128</b>	–
Tax on profit on ordinary activities calculated at United Kingdom corporation tax rate of 28.5%	–	2,443
Tax effect of share of net income from associates	<b>(24)</b>	(317)
<b>Tax effects of:</b>		
<b>Special items and remeasurements</b>		
Operating special items and remeasurements	<b>558</b>	28
Profits and losses on disposals and financing remeasurements	<b>(340)</b>	(255)
Tax special item	<b>107</b>	–
Tax remeasurements	<b>(469)</b>	153
<b>Items not taxable/deductible for tax purposes</b>		
Exploration expenditure	<b>22</b>	20
Non-deductible net foreign exchange loss	<b>6</b>	28
Non-taxable/deductible net interest (income)/expense	<b>(2)</b>	10
Other non-deductible expenses	<b>65</b>	127
Other non-taxable income	<b>(39)</b>	(78)
<b>Temporary difference adjustments</b>		
Changes in tax rates	–	(84)
Movements in tax losses	<b>5</b>	38
Enhanced tax depreciation	–	(26)
Other temporary differences	<b>(45)</b>	42
<b>Other adjustments</b>		
Secondary tax on companies and dividend withholding taxes	<b>356</b>	634
Effect of differences between local and United Kingdom rates	<b>(139)</b>	(181)
Prior year adjustments to current tax	<b>(45)</b>	(78)
Other adjustments	<b>(27)</b>	(53)
<b>Income tax expense</b>	<b>1,117</b>	<b>2,451</b>

IAS 1 requires income from associates to be presented net of tax on the face of the income statement. Associates' tax is therefore not included within the Group's income tax expense. Associates' tax included within 'Share of net income from associates' for the year ended 31 December 2009 is \$286 million (2008: \$606 million). Excluding special items and remeasurements this becomes \$235 million (2008: \$623 million).

The effective rate of tax before special items and remeasurements including attributable share of associates' tax for the year ended 31 December 2009 was 33.1%. This was broadly in line with the equivalent effective rate of 33.4% for the year ended 31 December 2008. In future periods it is expected that the effective tax rate, including associates' tax, will remain above the United Kingdom statutory tax rate.

## 9. Earnings per share

US\$	2009	2008
<b>Profit for the financial year attributable to equity shareholders of the Company</b>		
Basic earnings per share	<b>2.02</b>	4.34
Diluted earnings per share	<b>1.98</b>	4.29
<b>Headline earnings for the financial year<sup>(1)</sup></b>		
Basic earnings per share	<b>2.46</b>	3.78
Diluted earnings per share	<b>2.40</b>	3.74
<b>Underlying earnings for the financial year<sup>(1)</sup></b>		
Basic earnings per share	<b>2.14</b>	4.36
Diluted earnings per share	<b>2.10</b>	4.31

<sup>(1)</sup> Basic and diluted earnings per share are shown based on Headline earnings, a Johannesburg stock exchange (JSE Limited) defined performance measure, and Underlying earnings, which the directors consider to be a useful additional measure of the Group's performance. Both earnings measures are further explained below.

The calculation of the basic and diluted earnings per share is based on the following data:

US\$ million (unless otherwise stated)	2009	2008
<b>Earnings</b>		
Basic earnings, being profit for the financial year attributable to equity shareholders of the Company	<b>2,425</b>	5,215
Effect of dilutive potential ordinary shares		
Interest paid on convertible bond (net of tax)	<b>32</b>	–
Unwinding of discount on convertible bond (net of tax)	<b>28</b>	–
<b>Diluted earnings</b>	<b>2,485</b>	5,215
<b>Number of shares (million)</b>		
Basic number of ordinary shares outstanding <sup>(1)</sup>	<b>1,202</b>	1,202
Effect of dilutive potential ordinary shares <sup>(2)</sup>		
Share options and awards	<b>11</b>	13
Convertible bond	<b>40</b>	–
<b>Diluted number of ordinary shares outstanding<sup>(1)</sup></b>	<b>1,253</b>	1,215

<sup>(1)</sup> Basic and diluted number of ordinary shares outstanding represent the weighted average for the year. The average number of ordinary shares in issue excludes the shares held by employee benefit trusts and Anglo American plc shares held by Group companies.

<sup>(2)</sup> Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares.

In the year ended 31 December 2009 there were 231,351 share options which were potentially dilutive but have not been included in the calculation of diluted earnings per share because they were anti-dilutive. In the year ended 31 December 2008 no share options were anti-dilutive.

In the year ended 31 December 2008 share buybacks took place which had an impact on the weighted average number of ordinary shares at 31 December 2008.

In April 2009 the Group issued \$1.7 billion of senior convertible notes. The senior convertible notes were issued with a coupon of 4%, a conversion price of £18.6370 and unless redeemed, converted or cancelled, will mature in 2014. The Group will have the option to call the senior convertible notes after three years from the issuance date subject to certain conditions.

Underlying earnings is an alternative earnings measure, which the directors believe provides a clearer picture of the underlying financial performance of the Group's operations. Underlying earnings is presented after minority interests and excludes special items and remeasurements (see note 6). Underlying earnings is distinct from 'Headline earnings', which is a JSE Limited defined performance measure.

## 9. Earnings per share (continued)

The calculation of basic and diluted earnings per share, based on Headline and Underlying earnings, uses the following earnings data:

	Earnings (US\$ million)		Basic earnings per share (US\$)	
	2009	2008	2009	2008
<b>Profit for the financial year attributable to equity shareholders of the Company</b>	<b>2,425</b>	5,215	<b>2.02</b>	4.34
Operating special items	<b>1,908</b>	209	<b>1.59</b>	0.17
Operating special items – tax	<b>(66)</b>	(27)	<b>(0.05)</b>	(0.02)
Operating special items – minority interests	<b>(100)</b>	(1)	<b>(0.08)</b>	–
Net profit on disposals	<b>(1,612)</b>	(1,009)	<b>(1.34)</b>	(0.84)
Net profit on disposals – tax	<b>76</b>	47	<b>0.06</b>	0.04
Net profit on disposals – minority interests	<b>66</b>	43	<b>0.05</b>	0.04
Associates' special items	<b>259</b>	67	<b>0.21</b>	0.05
Associates' special items – tax	<b>(1)</b>	(1)	–	–
Associates' special items – minority interests	<b>(2)</b>	(2)	–	–
<b>Headline earnings for the financial year</b>	<b>2,953</b>	4,541	<b>2.46</b>	3.78
Operating special items <sup>(1)</sup>	<b>367</b>	143	<b>0.30</b>	0.12
Operating special items – tax	<b>(41)</b>	(15)	<b>(0.03)</b>	(0.01)
Operating special items – minority interests	<b>(7)</b>	–	<b>(0.01)</b>	–
Operating remeasurements	<b>(638)</b>	779	<b>(0.53)</b>	0.65
Operating remeasurements – tax	<b>207</b>	(252)	<b>0.17</b>	(0.21)
Operating remeasurements – minority interests	<b>(2)</b>	(135)	–	(0.11)
Financing remeasurements	<b>134</b>	(51)	<b>0.11</b>	(0.04)
Financing remeasurements – tax	<b>(2)</b>	–	–	–
Financing remeasurements – minority interests	<b>2</b>	–	–	–
Tax special item	<b>107</b>	–	<b>0.09</b>	–
Tax special item – minority interests	<b>(32)</b>	–	<b>(0.03)</b>	–
Tax remeasurements	<b>(469)</b>	153	<b>(0.39)</b>	0.12
Tax remeasurements – minority interests	<b>12</b>	(52)	<b>0.01</b>	(0.04)
Associates' special items <sup>(2)</sup>	<b>72</b>	40	<b>0.06</b>	0.03
Associates' special items – tax	<b>(2)</b>	(7)	–	(0.01)
Associates' special items – minority interests	<b>(7)</b>	(5)	<b>(0.01)</b>	–
Associates' remeasurements	<b>(102)</b>	116	<b>(0.08)</b>	0.10
Associates' remeasurements – tax	<b>9</b>	(9)	<b>0.01</b>	(0.01)
Associates' remeasurements – minority interests	<b>8</b>	(9)	<b>0.01</b>	(0.01)
<b>Underlying earnings for the financial year</b>	<b>2,569</b>	5,237	<b>2.14</b>	4.36

<sup>(1)</sup> Year ended 31 December 2009 includes costs associated with 'One Anglo' initiatives, restructuring costs, bid defence costs and provisions for onerous contracts (2008: includes costs associated with 'One Anglo' initiatives, restructuring costs and costs associated with proposed sale of Tarmac and provisions for onerous contracts).

<sup>(2)</sup> Year ended 31 December 2009 includes restructuring costs and the tax special item (2008: includes restructuring costs and legal settlements).

## 10. Consolidated equity analysis

An analysis of Deferred tax and Tax on items transferred from equity by individual item presented in the Consolidated statement of comprehensive income is presented below:

US\$ million	2009	2008
<b>Deferred tax</b>		
Revaluation of available for sale investments	(105)	79
Cash flow hedges	(22)	56
Actuarial net loss on post retirement benefit schemes	53	32
<b>Net deferred tax recognised directly in equity</b>	<b>(74)</b>	<b>167</b>
<b>Tax on items transferred from equity</b>		
Transferred to income statement: sale of available for sale investments	135	–
Transferred to income statement: cash flow hedges	(51)	(94)
Transferred to initial carrying amount of hedged items: cash flow hedges	(7)	–
<b>Net tax on total transferred from equity</b>	<b>77</b>	<b>(94)</b>

Fair value and other reserves comprise:

US\$ million	Convertible debt reserve	Available for sale reserve	Cash flow hedge reserve	Other reserves <sup>(1)</sup>	Total fair value and other reserves
Balance at 1 January 2008	–	2,373	(304)	804	2,873
Total comprehensive income	–	(1,285)	110	–	(1,175)
Other	–	–	–	34	34
Balance at 1 January 2009	–	1,088	(194)	838	1,732
Total comprehensive income	–	(783)	226	–	(557)
Issue of convertible bond	355	–	–	–	355
Disposal of businesses	–	–	(1)	–	(1)
<b>Balance at 31 December 2009</b>	<b>355</b>	<b>305</b>	<b>31</b>	<b>838</b>	<b>1,529</b>

<sup>(1)</sup> Other reserves comprise a legal reserve of \$689 million (2008: \$689 million), a revaluation reserve of \$34 million (2008: \$34 million) and a capital redemption reserve of \$115 million (2008: \$115 million).



## 11. Consolidated cash flow analysis

### a) Reconciliation of profit before tax to cash inflows from operations

US\$ million	2009	2008
<b>Profit before tax</b>	<b>4,029</b>	8,571
Depreciation and amortisation	1,725	1,509
Share-based payment charges	204	155
Net profit on disposals	(1,612)	(1,009)
Operating and financing remeasurements	(504)	728
Non-cash element of operating special items	1,981	284
Net finance costs before remeasurements	273	452
Share of net income from associates	(84)	(1,113)
Provisions	(46)	46
Decrease/(increase) in inventories	23	(999)
(Increase)/decrease in operating receivables	(360)	80
(Decrease)/increase in operating payables	(573)	896
Deferred stripping	(150)	(89)
Other adjustments	(2)	68
<b>Cash inflows from operations</b>	<b>4,904</b>	9,579

### b) Reconciliation to the balance sheet

US\$ million	Cash and cash equivalents <sup>(1)</sup>		Short term borrowings		Medium and long term borrowings		Current financial asset investments	
	2009	2008	2009	2008	2009	2008	2009	2008
Balance sheet	3,269	2,771	(1,499)	(6,784)	(12,816)	(7,211)	3	173
Balance sheet – disposal groups <sup>(2)</sup>	64	8	–	–	(3)	–	–	–
Bank overdrafts	(1)	(35)	1	35	–	–	–	–
Bank overdrafts – disposal groups <sup>(2)</sup>	(13)	–	–	–	–	–	–	–
<b>Net debt classifications</b>	<b>3,319</b>	2,744	<b>(1,498)</b>	(6,749)	<b>(12,819)</b>	(7,211)	<b>3</b>	173

<sup>(1)</sup> 'Short term borrowings' on the balance sheet include overdrafts which are included within cash and cash equivalents in determining net debt.

<sup>(2)</sup> Disposal group balances are shown within 'Assets classified as held for sale' and 'Liabilities directly associated with assets classified as held for sale' on the balance sheet.

## 11. Consolidated cash flow analysis (continued)

### c) Movement in net debt

US\$ million	Cash and cash equivalents <sup>(1)</sup>	Debt due within one year	Debt due after one year	Current financial asset investments	Net debt excluding hedges	Hedges <sup>(2)</sup>	Total net debt including hedges
Balance at 1 January 2008	3,074	(5,909)	(2,404)	–	(5,239)	388	(4,851)
Cash flow	(143)	(1,432)	(5,181)	210	(6,546)	(380)	(6,926)
Acquisition of businesses	–	(209)	(461)	–	(670)	–	(670)
Reclassifications	–	190	(190)	–	–	–	–
Movement in fair value	–	(11)	(176)	–	(187)	(305)	(492)
Other non-cash movements	–	–	(15)	–	(15)	–	(15)
Currency movements	(187)	622	1,216	(37)	1,614	–	1,614
Balance at 1 January 2009	2,744	(6,749)	(7,211)	173 <sup>(3)</sup>	(11,043)	(297)	(11,340)
Cash flow <sup>(4)</sup>	259	6,624	(6,253)	(200)	430	85	515
Unwinding of discount on convertible bond	–	–	(39)	–	(39)	–	(39)
Equity component of convertible bond <sup>(4)</sup>	–	–	355	–	355	–	355
Reclassifications	–	(917)	917	–	–	–	–
Movement in fair value	–	–	63	–	63	(73)	(10)
Other non-cash movements	–	(15)	(26)	3	(38)	–	(38)
Currency movements	316	(441)	(625)	27	(723)	–	(723)
<b>Balance at 31 December 2009</b>	<b>3,319</b>	<b>(1,498)</b>	<b>(12,819)</b>	<b>3</b>	<b>(10,995)</b>	<b>(285)</b>	<b>(11,280)</b>

<sup>(1)</sup> The Group operates in certain countries (principally South Africa and Venezuela) where the existence of exchange controls may restrict the use of certain cash balances. In addition, the use of cash balances of \$111 million (2008: \$91 million) are subject to certain legal restrictions. These restrictions are not expected to have a material effect on the Group's ability to meet its ongoing obligations.

<sup>(2)</sup> Derivative instruments that provide an economic hedge of assets and liabilities in net debt are included above to reflect the true net debt position of the Group at the year end. These consist of net current derivative assets of \$41 million (2008: \$437 million net liabilities) and net non-current derivative liabilities of \$326 million (2008: \$140 million net assets) which are classified within other financial assets and other financial liabilities respectively on the balance sheet.

<sup>(3)</sup> Relates to amounts invested in unlisted preference shares (guaranteed by Nedbank Limited and Nedbank Group Limited) pending completion of the disposal of the Group's 50% interest in the Booyensdal joint venture. This amount was received upon completion of the transaction in June 2009.

<sup>(4)</sup> The issue of the convertible bond had a net impact on debt due after one year of \$1,330 million due to the conversion feature of \$355 million which is presented separately in equity.

## 12. Financial liabilities analysis

An analysis of borrowings is set out below:

US\$ million	2009			2008		
	Due within one year <sup>(1)</sup>	Due after one year	Total	Due within one year <sup>(1)</sup>	Due after one year	Total
<b>Secured</b>						
Bank loans and overdrafts	416	413	829	346	678	1,024
Obligations under finance leases	8	11	19	12	56	68
	<b>424</b>	<b>424</b>	<b>848</b>	<b>358</b>	<b>734</b>	<b>1,092</b>
<b>Unsecured</b>						
Bank loans and overdrafts	351	3,982	4,333	5,114	3,335	8,449
Bonds issued under EMTN programme <sup>(2)</sup>	572	4,410	4,982	154	2,679	2,833
US bond	–	1,935	1,935	–	–	–
Convertible bond <sup>(3)</sup>	–	1,369	1,369	–	–	–
Commercial paper	67	–	67	1,116	–	1,116
Obligations under finance leases	–	–	–	4	13	17
Other loans	85	696	781	38	450	488
	<b>1,075</b>	<b>12,392</b>	<b>13,467</b>	<b>6,426</b>	<b>6,477</b>	<b>12,903</b>
<b>Total</b>	<b>1,499</b>	<b>12,816</b>	<b>14,315</b>	<b>6,784</b>	<b>7,211</b>	<b>13,995</b>

<sup>(1)</sup> Bank loans and overdrafts due within one year include short term borrowings under long term committed facilities of \$48 million (2008: \$2.8 billion).

<sup>(2)</sup> In the year ended 31 December 2009 the Group issued \$2,215 million of bonds under the EMTN programme (2008: \$2,404 million). All notes are guaranteed by Anglo American plc.

<sup>(3)</sup> Represents the fair value of the debt component of the convertible bond at the date of issue of \$1,330 million (net of fees) adjusted for unwinding of discount of \$39 million. The fair value of the equity conversion feature was \$355 million and is presented in equity (refer to the Consolidated statement of changes in equity).

The Group had the following undrawn committed borrowing facilities at 31 December:

US\$ million	2009	2008
<b>Expiry date</b>		
Within one year <sup>(1)</sup>	<b>2,247</b>	2,994
Greater than one year, less than two years	<b>3,090</b>	5
Greater than two years, less than five years	<b>4,093</b>	3,081
Greater than five years	<b>90</b>	25
	<b>9,520</b>	6,105

<sup>(1)</sup> Includes undrawn rand facilities equivalent to \$1.9 billion (2008: \$0.9 billion) in respect of a series of facilities with 364 day maturities which roll automatically on a daily basis, unless notice is served.

In addition, the Group has a dedicated, committed financing facility for Minas Rio of \$1.4 billion subject to certain disbursement conditions and the granting of the remaining Installation Environmental licence (regarded as likely to occur in 2010) (2008: for Minas Rio and Barro Alto totalling \$1.6 billion).

The Group also had a \$2 billion European Commercial Paper Programme established in October 2004. Drawings of nil were made at 31 December 2009 (2008: \$304 million). The Group also had a Rand 20 billion South African Medium Term Note Programme, established in November 2007, on which total drawings of Rand 691 million (\$94 million) were made at 31 December 2009 (2008: Rand 7,273 million (\$782 million)). Of this drawing, Rand 491 million (\$67 million) was issued as commercial paper (2008: Rand 7,074 million (\$761 million)).

During 2009 the Group has raised \$2 billion through the issuance of senior notes, \$1.7 billion through the issuance of senior convertible notes and \$2.2 billion through the issuance of bonds under the EMTN programme. The senior note offering comprised \$1,250 million 9.375% senior notes due in 2014 and \$750 million 9.375% senior notes due in 2019. The senior convertible notes were issued with a coupon of 4%, a conversion price of £18.6370 and unless redeemed, converted or cancelled, will mature in 2014. The Group will have the option to call the senior convertible note after three years from the issuance date subject to certain conditions. The issues under the EMTN programme in 2009 comprised a €750 million (\$1.1 billion) 4.25% bond due in 2013 and a €750 million (\$1.1 billion) 4.375% bond due in 2016. The proceeds from the sale of AngloGold Ashanti (refer to note 6), senior notes, senior convertible notes and bonds issued under the EMTN programme have been used to prepay the \$3 billion revolving bank facility which was due to mature in December 2009, fund capital expenditure and repay other short term debt owing on Group facilities.

### 13. EBITDA by segment

US\$ million	2009	2008
<b>By segment<sup>(1)</sup></b>		
Platinum	677	2,675
Diamonds	215	665
Copper	2,254	2,104
Nickel	28	150
Iron Ore and Manganese	1,593	2,625
Metallurgical Coal	706	1,319
Thermal Coal	875	1,200
Other Mining and Industrial	878	1,513
Exploration	(172)	(212)
Corporate Activities and Unallocated Costs	(124)	(192)
<b>EBITDA</b>	<b>6,930</b>	<b>11,847</b>

<sup>(1)</sup> Due to the portfolio and management structure changes announced in October 2009, the segments have changed from those reported at 31 December 2008. Comparatives have been reclassified to align with current year presentation.

EBITDA is stated before special items and remeasurements and is reconciled to operating profit, including attributable share of associates, before special items and remeasurements and to 'Total profit from operations and associates' as follows:

US\$ million	2009	2008
<b>Total profit from operations and associates</b>	<b>4,436</b>	<b>8,972</b>
Operating special items and remeasurements (including associates)	1,840	1,357
Net profit on disposals (including associates)	(1,632)	(1,027)
Associates' financing special items and remeasurements	1	15
Share of associates' interest, tax and minority interests	312	768
<b>Operating profit, including associates, before special items and remeasurements</b>	<b>4,957</b>	<b>10,085</b>
Depreciation and amortisation: subsidiaries and joint ventures	1,725	1,509
Depreciation and amortisation: associates	248	253
<b>EBITDA</b>	<b>6,930</b>	<b>11,847</b>

EBITDA is reconciled to 'Cash inflows from operations' as follows:

US\$ million	2009	2008
<b>EBITDA</b>	<b>6,930</b>	<b>11,847</b>
Share of operating profit of associates before special items and remeasurements	(580)	(2,104)
Cash element of operating special items	(294)	(68)
Depreciation and amortisation in associates	(248)	(253)
Share-based payment charges	204	155
Provisions	(46)	46
Decrease/(increase) in inventories	23	(999)
(Increase)/decrease in operating receivables	(360)	80
(Decrease)/increase in operating payables	(573)	896
Deferred stripping	(150)	(89)
Other adjustments	(2)	68
<b>Cash inflows from operations</b>	<b>4,904</b>	<b>9,579</b>

## 14. Acquisitions

### Acquisition of subsidiaries

The Group made no material acquisitions of subsidiaries in the year ended 31 December 2009.

In the year ended 31 December 2009 fair values shown principally include final adjustments to the fair value of assets acquired and liabilities assumed in the Anglo Ferrous Brazil SA acquisition, including the recognition of provisions in respect of certain power arrangements.

The carrying value and fair value of the net assets at the date of acquisition of a controlling interest and related net cash outflows are shown below:

US\$ million	2009		2008
	Total carrying value	Total fair value	Total fair value
<b>Net assets acquired</b>			
Tangible assets	1	(4)	997
Other non-current assets	–	–	109
Current assets	2	4	457
Current liabilities	(1)	(8)	(314)
Non-current liabilities	–	(11)	(547)
Minority interests	–	–	(230)
	2	(19)	472
Add: Value attributable to reserves and resources acquired, net of deferred tax <sup>(1)</sup>		21	1,649
<b>Fair value of net assets acquired</b>		2	2,121
Goodwill arising on acquisitions		2	1,610
<b>Total cost of acquisitions</b>		4	3,731
<b>Satisfied by</b>			
Net cash acquired		–	255
<b>Net cash paid<sup>(2)</sup></b>		4	3,476

<sup>(1)</sup> Represents the Group's share of value (implicit in the transaction) of reserves and resources, capitalised within tangible assets.

<sup>(2)</sup> Represents net cash paid to acquire a controlling interest and therefore excludes \$75 million paid to acquire minority interests in existing subsidiaries (2008: \$2,411 million). In the year ended 31 December 2009 this principally related to Anglo Ferrous Brazil SA (2008: Anglo Ferrous Brazil SA and Anglo Platinum Limited). When totalled with net cash paid to acquire control, the net cash paid for acquisition of subsidiaries in the year ended 31 December 2009 is \$79 million (2008: \$5,887 million).

In the year ended 31 December 2008 the Group purchased 7,941,964 shares in Anglo Platinum Limited for total consideration of \$1,108 million. The cash paid in the year ended 31 December 2008 was \$1,113 million. At 31 December 2009 the Group's shareholding in Anglo Platinum Limited was 79.7% (2008: 79.6%). The increase in the Group's shareholding since 31 December 2008 is due to treasury shares purchased by Anglo Platinum in the year.

On 5 August 2008 the Group acquired a 63.3% shareholding in Anglo Ferrous Brazil SA, which holds a 51% interest in the Minas Rio iron ore project (Minas Rio) and a 70% interest in Amapá at a price of R\$28.147 (\$18.056) per share. At that time the Group committed to extend the offer to the minority shareholders of Anglo Ferrous Brazil SA. This offer was formally made on 31 October 2008 and remained open through the first quarter of 2009, resulting in a Group shareholding in Anglo Ferrous Brazil SA at 31 December 2009 of 100% (2008: 98.9%). Total cash paid to acquire a controlling interest was \$3.5 billion and a further \$2.0 billion (including cash settlement of a related derivative instrument (\$0.7 billion)) was paid to acquire minority interests. In the year ended 31 December 2009 \$49 million was paid to acquire remaining minority interests. These transactions followed on from the acquisition in 2007 of a 49% interest in each of Minas Rio and LLX Minas Rio, which owns the Port of Açú. As a result of these transactions the Group's effective shareholding in each of the operating entities at 31 December 2009 was 100% in Minas Rio, 49% in LLX Minas Rio and 70% in Amapá (2008: 99.4% in Minas Rio, 49% in LLX Minas Rio and 69.2% in Amapá).

## 14. Acquisitions (continued)

### **Acquisition of material joint ventures**

The Group made no material acquisitions of joint ventures in the year ended 31 December 2009 (2008: one).

The fair value of the net assets at the date of acquisition and related net cash outflow for the prior year material joint venture acquisition are shown below:

US\$ million	2008 <sup>(1)</sup>
<b>Net assets acquired</b>	
Tangible assets	
Value attributable to reserves and resources acquired	835
Other tangible assets	108
Current assets	41
Current liabilities	(37)
Non-current liabilities	(97)
<b>Fair value of net assets acquired and total cost of acquisitions</b>	<b>850</b>
<b>Satisfied by</b>	
Net cash acquired	1
Deferred consideration	242
<b>Net cash paid<sup>(2)</sup></b>	<b>607</b>

<sup>(1)</sup> Relates to the acquisition of Foxleigh and fair value adjustments on the acquisition of a 49% interest in Minas Rio (which took place in 2007). During 2008 further consideration of \$284 million (which is contingent on certain criteria being met) was recognised in respect of the acquisition of the 49% interest in Minas Rio. This was reduced from the \$600 million recognised in the six months ended 30 June 2008, as a result of a change in the assumptions with regards to payment and purchase of an additional interest in Minas Rio, together with an adjustment to the net deferred tax liability recognised to reflect the future tax benefit from cash payments made on acquisition. These adjustments resulted in amendments to the 'Value attributable to reserves and resources acquired' and deferred tax in the acquisition balance sheet.

<sup>(2)</sup> In the year ended 31 December 2009 there was net cash paid of \$5 million (2008: \$2 million) for other joint venture acquisitions. This resulted in total net cash paid for investments in joint ventures in the year ended 31 December 2009 of \$5 million (2008: \$609 million).

On 29 February 2008 Metallurgical Coal completed the acquisition of a 70% interest in the Foxleigh joint venture in Queensland, Australia. The total cost of acquisition was \$606 million. The Group has proportionately consolidated 70% of Foxleigh from 29 February 2008.

## 15. Disposals of subsidiaries and businesses

US\$ million	2009	2008
<b>Net assets disposed</b>		
Tangible assets	425	479
Other non-current assets	2	43
Current assets	48	210
Current liabilities	(34)	(83)
Non-current liabilities	(65)	(113)
<b>Net assets</b>	<b>376</b>	<b>536<sup>(1)</sup></b>
Minority interests	(3)	(116)
<b>Group's share of net assets immediately prior to disposal</b>	<b>373</b>	<b>420</b>
Less: Retained investments in associates	(235)	–
<b>Net assets disposed</b>	<b>138</b>	<b>420</b>
Cumulative translation differences recycled from reserves	–	(2)
Net gain on disposals	316	119
<b>Net sale proceeds</b>	<b>454</b>	<b>537</b>
Proceeds received in prior year	(270)	–
Non-cash consideration	(212)	–
Costs accrued	6	4
Deal facilitation charges	41	–
Deferred consideration	–	(56)
Net cash and cash equivalents disposed	(10)	(4)
Proceeds not yet received	(4)	–
Realised foreign exchange	–	(13)
<b>Net cash inflow from disposals</b>	<b>5<sup>(2)</sup></b>	<b>468</b>

<sup>(1)</sup> Includes net assets of \$79 million no longer consolidated following loss of control of a subsidiary.

<sup>(2)</sup> Net cash of \$64 million has been received in the year ended 31 December 2009 in respect of deferred consideration for disposals in 2008. This resulted in a total net cash inflow of \$69 million from disposals of subsidiaries and businesses in the year ended 31 December 2009.

### Disposals of subsidiaries and businesses in the year ended 31 December 2009

The disposals of Lebowa and Booyensdal were the only material disposals of a subsidiary or a joint venture in the year. The only material disposals of associates in the year related to the sale of the Group's remaining investments in Tongaat Hulett and Hulamin, which generated a combined net cash inflow of \$662 million (net of transaction costs).

#### Lebowa and Booyensdal

During the year ended 31 December 2009 the Group disposed of a 50% interest in the Booyensdal joint venture and a 51% interest in Lebowa (and certain other joint venture projects). The disposal of Booyensdal to Mvela took place on 24 June 2009. Total consideration was \$275 million (excluding transaction and deal facilitation costs), of which \$270 million was received in advance in the prior year (invested in unlisted preference shares and an escrow account). Upon completion of the transaction the preference shares were sold whilst \$72 million remains in an escrow account pending completion of documentation. The disposal of Lebowa to Anooraq was completed on 30 June 2009 for total consideration of \$363 million (excluding transaction and deal facilitation costs). The fair value of the consideration was \$247 million (excluding transaction and deal facilitation costs). The Group commenced equity accounting its remaining 49% interest in Lebowa from 30 June 2009. At 31 December 2009 the Group held a 49% interest in Lebowa. These transactions were part of previously announced black economic empowerment deals.

## 15. Disposals of subsidiaries and businesses (continued)

The net asset position at the dates of disposal, together with the resulting profit on disposal and related net cash inflow is shown below:

US\$ million	2009
<b>Net assets disposed</b>	
Tangible assets	336
Current assets	11
Current liabilities	(24)
Non-current liabilities	(64)
<b>Group's share of net assets immediately prior to disposal</b>	<b>259</b>
Less: Retained investments in associates	(125)
<b>Net assets disposed</b>	<b>134</b>
Net gain on disposals	316
<b>Net sale proceeds</b>	<b>450</b>
Proceeds received in prior year <sup>(1)</sup>	(270)
Non-cash consideration <sup>(2)</sup>	(212)
Costs accrued	6
Deal facilitation charges	41
Net cash and cash equivalents disposed	(9)
<b>Net cash inflow from disposals of Lebowa and Booyse</b>	<b>6</b>

<sup>(1)</sup> A portion of the proceeds were invested in unlisted preference shares when received. Following completion of the transaction these were sold and \$200 million is included in the Consolidated cash flow statement within 'Proceeds from sale of financial asset investments'.

<sup>(2)</sup> Represents ordinary shares in Anooraq and preference shares in Plateau Resources (Proprietary) Limited.

### Disposals of businesses in the year ended 31 December 2008

In the year ended 31 December 2008 Namakwa Sands was the only material disposal of a business. On 1 October 2008 Namakwa Sands was sold to Exxaro Resources Limited for consideration of \$330 million including deferred consideration. On 3 November 2008 as part of the same transaction, the Group completed the sale of a 26% interest in both the Black Mountain zinc, lead and copper operation and the Gamsberg zinc project for consideration of \$23 million. For further details of the disposal of Namakwa Sands refer to the Group's financial statements for the year ended 31 December 2008.



## 16. Disposal groups and non-current assets held for sale

Platinum disposal groups (including Booyse and Lebowa), which were previously classified as held for sale at 31 December 2008, were disposed of in June 2009. Refer to note 15 for more details on the Platinum disposals.

The following assets and liabilities relating to disposal groups were classified as held for sale. The Group expects to complete the sale of these businesses within 12 months of the year end.

US\$ million	2009 Tarmac disposal groups <sup>(1)</sup>	2008 Total <sup>(2)</sup>
Intangible assets	13	–
Tangible assets	422	257
Deferred tax assets	5	–
Other non-current assets	2	2
<b>Total non-current assets</b>	<b>442</b>	<b>259</b>
Inventories	42	–
Trade and other receivables	72	8
Cash and cash equivalents	64	8
<b>Total current assets</b>	<b>178</b>	<b>16</b>
<b>Total assets</b>	<b>620</b>	<b>275</b>
Trade and other payables	(66)	(21)
Short term borrowings	(13)	–
Short term provisions	(4)	–
<b>Total current liabilities</b>	<b>(83)</b>	<b>(21)</b>
Medium and long term borrowings	(3)	–
Retirement benefit obligations	(1)	–
Deferred tax liabilities	(46)	(56)
Provisions for liabilities and charges	(55)	(3)
Other non-current liabilities	(3)	–
<b>Total non-current liabilities</b>	<b>(108)</b>	<b>(59)</b>
<b>Total liabilities</b>	<b>(191)</b>	<b>(80)</b>
<b>Net assets</b>	<b>429</b>	<b>195</b>

<sup>(1)</sup> Tarmac disposal groups relate to certain of its European businesses. Tarmac is included in the Other Mining and Industrial segment.

<sup>(2)</sup> Relates to Platinum disposal groups.

The net carrying amount of assets and associated liabilities classified as held for sale during 2009 was written down by \$46 million (2008: nil).

## **17. Contingent liabilities and contingent assets**

### **i) Contingent liabilities**

The Group is subject to various claims which arise in the ordinary course of business. Additionally, and as set out in the 2007 demerger agreement, Anglo American and Mondi have agreed to indemnify each other, subject to certain limitations, against certain liabilities. Having taken appropriate legal advice, the Group believes that the likelihood of a material liability arising is remote. At 31 December 2009 contingent liabilities in respect of the Group's subsidiaries comprise aggregate amounts of \$704 million (2008: \$548 million) in respect of loans and performance guarantees given to banks and other third parties and are primarily in respect of environmental restoration and decommissioning obligations.

No contingent liabilities were secured on the assets of the Group at 31 December 2009 or 31 December 2008.

### **ii) Contingent assets**

There were no significant contingent assets in the Group at 31 December 2009 or 31 December 2008.

### **iii) Other**

#### ***Anglo American Sur***

Anglo American inherited a 1978 agreement with Codelco, the Chilean state mining company, when it acquired Disputada de Las Condes (since renamed Anglo American Sur) in 2002. The agreement grants Codelco the right, subject to certain conditions and limitations, to acquire up to a 49% minority interest in Anglo American Sur, the wholly owned Group company that owns the Los Bronces and El Soldado copper mines and the Chagres smelter. These conditions include limiting the window for exercising the right to once every three years in the month of January until January 2027. The right was not exercised in 2009. The calculations of the price at which Codelco can exercise its right are complex and confidential but do, inter alia, take account of company profitability over a five year period.

#### ***Anglo American South Africa Limited***

Anglo American South Africa Limited (AASA), a wholly owned subsidiary of the Company, is a defendant in 25 separate lawsuits, each one on behalf of a former mineworker (or his dependents or survivors) who allegedly contracted silicosis working for gold mining companies in which AASA was a shareholder and to which AASA provided various technical and administrative services. The aggregate amount of the 25 claims is less than \$5 million, although if these claims are determined adversely to AASA, there are a substantial number of additional former mineworkers who may seek to bring similar claims. The first trial of these claims is expected to be in 2011, but the arrangements have not yet been agreed.

## **18. Related party transactions**

The Group has a related party relationship with its subsidiaries, associates and joint ventures.

The Company and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions with joint ventures and associates and others in which the Group has a material interest. These transactions are under terms that are no less favourable than those arranged with third parties. These transactions are not considered to be significant.

Dividends received from associates during the year totalled \$616 million (2008: \$609 million), as disclosed in the Consolidated cash flow statement.

At 31 December 2009 the Group had provided loans to joint ventures of \$93 million (2008: \$20 million). These loans are included in financial asset investments.

At 31 December 2009 the directors of the Company and their immediate relatives controlled 3% (2008: 3%) of the voting shares of the Company.

## 18. Related party transactions (continued)

### ***Related party transactions with De Beers***

At 31 December 2009 the Group held \$88 million (2008: \$88 million) of 10% non-cumulative redeemable preference shares in DB Investments, the holding company of De Beers Société Anonyme.

Set out below are details of certain transactions and arrangements entered into by the Group with, or for the benefit of, certain related parties of the Company for the purposes of the UKLA Listing Rules, being Central Holdings Limited (and certain of its subsidiaries, together 'CHL') and DB Investments SA and De Beers SA (together, 'De Beers') which are related parties for the purposes of such rules by virtue of being companies in which Mr N.F. Oppenheimer, a director of the Company, has a relevant interest for the purposes of such rules.

It was agreed that the dividends declared by De Beers to the Group and the other shareholders in De Beers (including CHL) would be exchanged for loan obligations. The total amount of dividends exchanged amounted to \$118 million in the year ended 31 December 2008. This total has increased during 2009 by \$24 million. The loans are subordinated and are interest free for two years at which point they become interest bearing in line with market rates at the dates of the initial reinvestment.

In April 2009 the shareholders of De Beers provided an additional loan to De Beers, proportionate to their shareholdings, totalling \$500 million. Anglo American holds a 45% interest and therefore provided a loan of \$225 million. The loan is interest free for two years, at which point it reverts to a rate of interest equal to LIBOR plus 700 basis points until April 2016 and then, provided all interest payments are up to date, reduces to LIBOR plus 300 basis points. In the event of a rights issue or other share issue by De Beers, the Group would have the option to apply amounts outstanding under the loan in subscribing for ordinary shares in De Beers at the issue price applicable to the relevant share issue, which will be determined at the time of the relevant issue. The loan is subordinated in favour of third party banks/lenders and preference shareholders (including Anglo American) and is repayable after ten years. These loans are included in financial asset investments.

In February 2010 the shareholders of De Beers agreed, as part of the De Beers Group's refinancing, including third party debt refinancing, that additional equity was required by De Beers. The shareholders of De Beers (including CHL) have accordingly all agreed to subscribe, in proportion to their current shareholding, for \$1 billion of additional equity in De Beers, subject to the fulfilment of certain conditions. The Group's share of such additional equity, in line with its equity holding in De Beers, amounts to \$450 million. CHL's share of such additional equity, in line with its equity holding in De Beers, amounts to \$400 million. The shareholders have further agreed that the subscription does not constitute a subscription event under the 2009 arrangements.

Pursuant to the refinancing of De Beers and to satisfy the requirements of the lenders to De Beers, the shareholders of De Beers, including the Group, have, as applicable, agreed to:

- (i) defer the receipt of dividends or capital on their ordinary shares until certain financial tests ('Normalisation') are met and this is currently anticipated to be during 2011;
- (ii) defer the receipt of dividends and mandatory redemption under the preference shares in De Beers SA until Normalisation. The total amount deferred by Anglo American is approximately \$96.5 million. The dividends (or interest in respect of such dividends) will continue to accrue on the preference shares until they are paid and the preference shares redeemed; and
- (iii) enter into an agreement which effectively formalises, in favour of the lenders to De Beers, the deferral of the rights to dividends or other distributions in respect of their respective ordinary shares, and, as applicable, preference shares and payments under the shareholder loans, until Normalisation; and the subordination thereof.

As part of the process of facilitating the agreed equity subscription by all the shareholders of De Beers, a temporary re-ranking of distribution rights was agreed which will result, following Normalisation, in a \$20 million distribution to the shareholders of De Beers (including the Group and CHL), pro-rata to their individual equity subscriptions as referred to above, which will be paid in priority to existing preferences on distributions under the terms of the preference shares in De Beers. The net effect of this re-prioritisation on Anglo American, in the event of there being insufficient cash to pay all dividends then due, is a deferral of approximately \$8 million of dividends, which will continue to accrue interest until paid.

## **19. Events occurring after end of year**

In February 2010 the Group announced its commitment to take up its full allocation of shares under the rights offer announced by Anglo Platinum. Anglo Platinum expects to raise approximately \$1.6 billion through the rights offer, of which the Group's share of 79.7% is approximately \$1.3 billion. The Group has also agreed to underwrite the minority portion of the rights offer.

Subsequent to 31 December 2009 De Beers has announced a \$1 billion rights issue. The Group has accordingly agreed to subscribe for additional equity in proportion to its current shareholding and will therefore contribute \$450 million. Refer to note 18 for further details.

During the first quarter of 2010, Anglo American agreed the sales of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish concrete products business with expected total proceeds of approximately \$400 million.

With the exception of the above there have been no material reportable events since 31 December 2009.

## Production statistics

The figures below include the entire output of consolidated entities and the Group's attributable share of joint ventures, joint arrangements and associates where applicable, except for Collahuasi in Copper and De Beers which are quoted on a 100% basis.

Due to the portfolio and management structure changes announced in October 2009, the segments have changed from those reported at 31 December 2008. Comparatives have been reclassified to align with current year presentation.

			2009	2008
<b>Platinum segment (troy ounces)<sup>(1)(2)</sup></b>				
Platinum			2,451,600	2,386,600
Palladium			1,360,500	1,318,800
Rhodium			349,900	299,300
			<b>4,162,000</b>	<b>4,004,700</b>
Nickel (tonnes) <sup>(3)</sup>			19,500	15,500
Copper (tonnes) <sup>(3)</sup>			11,200	8,800
Gold			90,900	78,500
<b>Diamonds segment (De Beers) (diamonds recovered – carats)</b>				
100% basis (Anglo American 45%)				
Debswana			17,734,000	32,276,000
Namdeb			929,000	2,122,000
De Beers Consolidated Mines			4,797,000	11,960,000
Williamson <sup>(4)</sup>			–	134,000
Canada			1,140,000	1,640,000
			<b>24,600,000</b>	<b>48,132,000</b>
<b>Copper segment</b>				
<b>Collahuasi</b>				
100% basis (Anglo American 44%)				
Ore mined		tonnes	71,197,800	57,699,800
Ore processed	Oxide	tonnes	7,293,800	7,317,400
	Sulphide	tonnes	45,348,300	42,377,400
Ore grade processed	Oxide	% Cu	0.6	0.6
	Sulphide	% Cu	1.1	1.1
Production	Copper concentrate	dry metric tonnes	1,837,900	1,574,000
	Copper cathode	tonnes	43,100	49,400
	Copper in concentrate	tonnes	492,700	415,000
<b>Total copper production for Collahuasi</b>		tonnes	<b>535,800</b>	<b>464,400</b>
<b>Anglo American Sur</b>				
<b>Los Bronces mine</b>				
Ore mined		tonnes	21,115,900	21,045,100
Marginal ore mined		tonnes	19,368,700	36,008,900
Las Tortolas concentrator	Ore processed	tonnes	20,512,300	20,012,700
	Ore grade processed	% Cu	1.1	1.1
	Average recovery	%	86.3	84.9
Production	Copper concentrate	dry metric tonnes	676,100	677,900
	Copper cathode	tonnes	48,400	45,800
	Copper in concentrate	tonnes	190,000	190,000
	Total	tonnes	238,400	235,800
<b>El Soldado mine</b>				
Ore mined	Open pit – ore mined	tonnes	7,348,500	5,305,800
	Open pit – marginal ore mined	tonnes	505,600	21,700
	Underground (sulphide)	tonnes	1,501,000	1,312,700
	Total	tonnes	9,355,100	6,640,200
Ore processed	Oxide	tonnes	1,689,700	821,800
	Sulphide	tonnes	7,481,500	7,179,700
Ore grade processed	Oxide	% Cu	0.7	1.3
	Sulphide	% Cu	0.7	0.8
Production	Copper concentrate	dry metric tonnes	158,700	174,100
	Copper cathode	tonnes	4,200	6,700
	Copper in concentrate	tonnes	37,200	43,100
	Total	tonnes	41,400	49,800

<sup>(1)</sup> See the published results of Anglo Platinum Limited for further analysis of production information.

<sup>(2)</sup> Northam Platinum Limited was transferred to a disposal group in September 2007. Production information excludes Northam Platinum Limited. Northam Platinum Limited was sold on 20 August 2008.

<sup>(3)</sup> Also disclosed within total attributable nickel and copper production.

<sup>(4)</sup> Williamson was disposed of on 10 November 2008.

**Production statistics (continued)**

			2009	2008
<b>Copper segment (continued)</b>				
<b>Chagres Smelter</b>				
	Copper concentrate smelted	tonnes	<b>140,900</b>	148,400
Production	Copper blister/anode	tonnes	<b>137,700</b>	146,100
	Copper blister/anode (third party)	tonnes	<b>2,500</b>	1,000
	Acid	tonnes	<b>457,600</b>	486,600
<b>Total copper production for Anglo American Sur<sup>(1)</sup></b>			<b>282,300</b>	286,600
<b>Anglo American Norte</b>				
<b>Mantos Blancos mine</b>				
Ore processed	Oxide	tonnes	<b>4,361,300</b>	4,694,800
	Sulphide	tonnes	<b>4,248,100</b>	4,311,100
	Marginal ore mined	tonnes	<b>3,360,000</b>	5,003,000
Ore grade processed	Oxide	% Cu (soluble)	<b>0.7</b>	0.7
	Sulphide	% Cu (insoluble)	<b>1.1</b>	1.2
	Marginal ore	% Cu (soluble)	<b>0.3</b>	0.3
Production	Copper concentrate	dry metric tonnes	<b>125,100</b>	132,300
	Copper cathode	tonnes	<b>37,600</b>	34,300
	Copper cathode (third party)	tonnes	<b>8,600</b>	5,300
	Copper in concentrate	tonnes	<b>44,000</b>	46,800
	Total	tonnes	<b>90,200</b>	86,400
<b>Mantoverde mine</b>				
Ore processed	Oxide	tonnes	<b>9,676,300</b>	9,556,900
	Marginal ore	tonnes	<b>4,058,000</b>	4,300,400
Ore grade processed	Oxide	% Cu (soluble)	<b>0.7</b>	0.7
	Marginal ore	% Cu (soluble)	<b>0.3</b>	0.4
Production	Copper cathode	tonnes	<b>61,500</b>	62,500
<b>Total copper production for Anglo American Norte</b>			<b>151,700</b>	148,900
<b>Total Copper segment copper production<sup>(1)</sup></b>			<b>669,800</b>	639,800
Platinum copper production <sup>(2)</sup>			<b>11,200</b>	8,800
Black Mountain copper production			<b>2,200</b>	2,500
<b>Total attributable copper production</b>			<b>683,200</b>	651,100
<b>Nickel segment</b>				
<b>Codemin</b>				
Ore mined		tonnes	<b>547,700</b>	498,400
Ore processed		tonnes	<b>512,000</b>	475,900
Ore grade processed		% Ni	<b>2.1</b>	2.1
Production		tonnes	<b>9,500</b>	9,100
<b>Loma de Niquel</b>				
Ore mined		tonnes	<b>822,700</b>	811,000
Ore processed		tonnes	<b>641,800</b>	676,800
Ore grade processed		% Ni	<b>1.6</b>	1.6
Production		tonnes	<b>10,400</b>	10,900
<b>Total Nickel segment nickel production</b>			<b>19,900</b>	20,000
Platinum nickel production <sup>(2)</sup>			<b>19,500</b>	15,500
<b>Total attributable nickel production</b>			<b>39,400</b>	35,500
<b>Iron Ore and Manganese segment</b>				
<b>Kumba Iron Ore</b>				
Lump		tonnes	<b>25,300,000</b>	22,042,000
Fines		tonnes	<b>16,643,000</b>	14,657,000
<b>Amapá<sup>(3)</sup></b>				
Sinter feed		tonnes	<b>576,100</b>	128,000
Pellet feed		tonnes	<b>2,077,100</b>	584,000
<b>Total iron ore production</b>			<b>44,596,200</b>	37,411,000
<b>Samancor<sup>(4)</sup></b>				
Manganese ore		tonnes	<b>1,570,000</b>	2,704,000
Manganese alloys <sup>(5)</sup>		tonnes	<b>129,000</b>	306,000

<sup>(1)</sup> Total copper production includes total concentrate and cathode production and blister/anode produced from third party purchased material.

<sup>(2)</sup> Northam Platinum Limited was transferred to a disposal group in September 2007. Production information excludes Northam Platinum Limited. Northam Platinum Limited was sold on 20 August 2008.

<sup>(3)</sup> Production from Amapá is included from 5 August 2008. Amapá production for full year 2008 was 1.2 Mt. At 31 December 2009 Amapá was not in commercial production and therefore to this date all revenue and related costs were capitalised. Commercial production commenced on 1 January 2010.

<sup>(4)</sup> Saleable production.

<sup>(5)</sup> Production includes Medium Carbon Ferro Manganese.

**Production statistics (continued)**

	2009	2008
<b>Coal (tonnes)</b>		
<b>Metallurgical Coal segment</b>		
<b>Australia</b>		
Metallurgical	12,622,600	13,144,900
Thermal	14,051,800	14,696,300
<b>Total Metallurgical Coal segment coal production</b>	<b>26,674,400</b>	<b>27,841,200</b>
<b>Thermal Coal segment</b>		
<b>South Africa</b>		
Trade – Metallurgical	747,100	971,900
Trade – Thermal	22,185,900 <sup>(1)</sup>	22,286,800
Eskom	36,225,100	36,158,100
	<b>59,158,100<sup>(1)</sup></b>	<b>59,416,800</b>
<b>South America</b>		
Thermal	10,189,600	10,410,300
<b>Total Thermal Coal segment coal production</b>	<b>69,347,700<sup>(1)</sup></b>	<b>69,827,100</b>
<b>Other Mining and Industrial segment</b>		
<b>South America</b>		
Thermal	750,700	1,074,200
<b>Canada</b>		
Metallurgical	645,300	632,300
Thermal	73,000	140,100
	<b>718,300</b>	<b>772,400</b>
<b>Total Other Mining and Industrial segment coal production</b>	<b>1,469,000</b>	<b>1,846,600</b>
<b>Total coal production</b>	<b>97,491,100<sup>(1)</sup></b>	<b>99,514,900</b>
<b>Coal (tonnes)</b>		
<b>Metallurgical Coal segment</b>		
<b>Australia</b>		
Callide	8,766,400	9,582,700
Drayton	3,630,200	3,711,500
Capcoal	4,598,900	5,621,900
Jellinbah East	1,745,800	1,033,900
Moranbah	2,581,000	3,181,500
Dawson Complex	3,756,200	3,537,200
Foxleigh	1,595,900	1,172,500
<b>Total Metallurgical Coal segment coal production</b>	<b>26,674,400</b>	<b>27,841,200</b>
<b>Thermal Coal segment</b>		
<b>South Africa</b>		
Greenside	3,294,600	3,401,100
Goedehoop	6,905,000	7,449,400
Isibonelo	5,061,900	5,152,100
Kriel	11,161,700	10,344,400
Kleinkopje	4,414,000	4,545,600
Landau	4,231,500	4,089,300
New Denmark	3,728,900	5,272,500
New Vaal	17,553,700	17,034,400
Nooitgedacht	475,000	454,600
Mafube	2,212,800	1,673,400
Zibulo	119,000	–
	<b>59,158,100<sup>(1)</sup></b>	<b>59,416,800</b>
<b>South America</b>		
Carbones del Cerrejón	10,189,600	10,410,300
<b>Total Thermal Coal segment coal production</b>	<b>69,347,700<sup>(1)</sup></b>	<b>69,827,100</b>
<b>Other Mining and Industrial segment</b>		
<b>South America</b>		
Carbones del Guasare	750,700	1,074,200
<b>Canada</b>		
Peace River Coal	718,300	772,400
<b>Total Other Mining and Industrial segment coal production</b>	<b>1,469,000</b>	<b>1,846,600</b>
<b>Total coal production</b>	<b>97,491,100<sup>(1)</sup></b>	<b>99,514,900</b>

<sup>(1)</sup> Includes 119kt of capitalised production from Zibulo (previously Zondagsfontein).

**Production statistics** (continued)

	2009	2008
<b>Coal</b> (continued)		
<b>Total coal production by commodity (tonnes)</b>		
<b>Metallurgical</b>		
South Africa	747,100	971,900
Australia	12,622,600	13,144,900
Canada	645,300	632,300
<b>Total metallurgical coal production</b>	<b>14,015,000</b>	14,749,100
<b>Thermal</b>		
South Africa – Thermal	22,185,900 <sup>(1)</sup>	22,286,800
South Africa – Eskom	36,225,100	36,158,100
Australia	14,051,800	14,696,300
South America	10,940,300	11,484,500
Canada	73,000	140,100
<b>Total thermal coal production</b>	<b>83,476,100<sup>(1)</sup></b>	84,765,800
<b>Total coal production</b>	<b>97,491,100<sup>(1)</sup></b>	99,514,900

<sup>(1)</sup> Includes 119kt of capitalised production from Zibulo (previously Zondagsfontein).



**Production statistics (continued)**

			2009	2008
<b>Other Mining and Industrial segment<sup>(1)</sup></b>				
<b>Tarmac</b>				
Aggregates		tonnes	70,437,100	93,095,000
Lime products		tonnes	1,214,400	1,353,000
Concrete		m <sup>3</sup>	3,521,200	6,312,000
<b>Zinc and Lead</b>				
<b>Skorpion</b>				
Ore mined		tonnes	1,495,900	1,390,400
Ore processed		tonnes	1,426,800	1,333,300
Ore grade processed	Zinc	% Zn	11.5	11.7
Production	Zinc	tonnes	150,400	145,400
<b>Lisheen</b>				
Ore mined		tonnes	1,534,500	1,561,900
Ore processed		tonnes	1,526,200	1,516,900
Ore grade processed	Zinc	% Zn	12.4	12.1
	Lead	% Pb	1.8	1.6
Production	Zinc in concentrate	tonnes	171,800	167,200
	Lead in concentrate	tonnes	19,200	15,900
<b>Black Mountain</b>				
Ore mined		tonnes	1,249,700	1,199,800
Ore processed		tonnes	1,293,200	1,204,800
Ore grade processed	Zinc	% Zn	2.8	3.0
	Lead	% Pb	4.0	4.2
	Copper	% Cu	0.3	0.4
Production	Zinc in concentrate	tonnes	28,200	27,900
	Lead in concentrate	tonnes	49,100	47,000
	Copper in concentrate	tonnes	2,200	2,500
<b>Total attributable zinc production</b>			<b>350,400</b>	<b>340,500</b>
<b>Total attributable lead production</b>			<b>68,300</b>	<b>62,900</b>
<b>Scaw Metals</b>				
South Africa Steel Products		tonnes	693,000	771,000
International Steel Products		tonnes	718,000	879,000
<b>Niobium</b>				
<b>Catalão</b>				
Ore mined		tonnes	906,700	768,100
Ore processed		tonnes	873,500	818,100
Ore grade processed		Kg Nb/tonne	9.3	11.1
Production		tonnes	5,100	4,600
<b>Phosphates</b>				
<b>Copebrás</b>				
Sodium tripolyphosphate		tonnes	–	10,200
Phosphates		tonnes	829,000	982,100
<b>Mineral Sands</b>				
<b>Namakwa Sands<sup>(2)</sup></b>				
Ore mined		tonnes	–	13,418,600
Production	Ilmenite	tonnes	–	240,900
	Rutile	tonnes	–	19,100
	Zircon	tonnes	–	97,400
Smelter production	Slag tapped	tonnes	–	118,500
	Iron tapped	tonnes	–	78,800

<sup>(1)</sup> Production for Coal Americas is included in Coal production section.

<sup>(2)</sup> Production information included until date of disposal on 1 October 2008.

## Production statistics (continued)

### Quarterly production statistics<sup>(1)</sup>

	Quarter ended					% Change	
	December 2009	September 2009	June 2009	March 2009	December 2008	December Q09 v September Q09	December Q09 v December Q08
<b>Platinum segment<sup>(2)</sup></b>							
Platinum (troy ounces)	766,000	629,200	652,400	404,000	842,300	22%	(9)%
Palladium (troy ounces)	426,300	337,500	361,600	235,100	450,500	26%	(5)%
Rhodium (troy ounces)	93,900	92,100	90,100	73,800	107,100	2%	(12)%
Nickel (tonnes)	5,300	5,500	5,400	3,300	4,100	(4)%	29%
<b>De Beers segment (diamonds recovered – carats)</b> 100% basis (Anglo American 45%)							
Diamonds	10,124,000	7,885,000	5,509,000	1,082,000	10,795,000	28%	(6)%
<b>Copper segment (tonnes)<sup>(3)</sup></b>							
	185,900	168,100	165,300	150,500	172,600	11%	8%
<b>Nickel segment (tonnes)<sup>(4)</sup></b>							
	4,900	4,900	5,600	4,500	4,800	–	2%
<b>Iron Ore and Manganese segment (tonnes)</b>							
Iron ore <sup>(5)</sup>	12,407,200	11,861,000	10,336,000	9,992,000	10,098,000	5%	23%
Manganese ore <sup>(6)</sup>	615,000	462,000	200,000	293,000	565,000	33%	9%
Manganese alloys <sup>(6)(7)</sup>	52,000	25,000	10,000	42,000	72,000	108%	(28)%
<b>Metallurgical Coal segment (tonnes)</b>							
Metallurgical	3,805,500	3,147,800	3,354,000	2,315,300	3,410,800	21%	12%
Thermal	3,487,400	3,614,300	3,738,600	3,211,500	4,051,200	(4)%	(14)%
<b>Thermal Coal segment (tonnes)</b>							
Metallurgical	130,500	224,300	172,300	220,000	408,300	(42)%	(68)%
Thermal	7,785,400 <sup>(8)</sup>	8,431,600	8,429,300	7,729,200	7,961,800	(8)%	(2)%
Eskom	8,448,400	10,400,200	8,938,400	8,438,100	9,465,900	(19)%	(11)%
<b>Other Mining and Industrial segment (tonnes)</b>							
Metallurgical coal	149,900	164,900	152,600	177,900	136,100	(9)%	10%
Thermal coal	310,200	214,500	169,000	130,000	234,300	45%	32%
Zinc	86,500	94,000	87,100	82,800	82,900	(8)%	4%
Lead	18,900	18,400	16,400	14,600	14,400	3%	31%
South Africa Steel Products	167,000	183,000	164,000	179,000	167,000	(9)%	–
International Steel Products	177,000	164,000	158,000	219,000	215,000	8%	(18)%
<b>Coal production by commodity (tonnes)</b>							
Metallurgical	4,085,900	3,537,000	3,678,900	2,713,200	3,955,200	16%	3%
Thermal	11,583,000 <sup>(8)</sup>	12,260,400	12,336,900	11,070,700	12,247,300	(6)%	(5)%
Eskom	8,448,400	10,400,200	8,938,400	8,438,100	9,465,900	(19)%	(11)%

(1) Excludes Tarmac.

(2) Northam Platinum Limited was transferred to a disposal group in September 2007. Production information excludes Northam Platinum Limited. Northam Platinum Limited was sold on 20 August 2008.

(3) Excludes Anglo Platinum and Black Mountain mine copper production.

(4) Excludes Anglo Platinum nickel production.

(5) Production from Amapá is included from 5 August 2008. Amapá production for full year 2008 was 1.2 Mt. At 31 December 2009 Amapá was not in commercial production and therefore to this date all revenue and related costs were capitalised. Commercial production commenced on 1 January 2010.

(6) Saleable production.

(7) Production includes Medium Carbon Ferro Manganese.

(8) Includes 119kt of capitalised production from Zibulo (previously Zondagsfontein).

## Reconciliation of subsidiaries' and associate's reported earnings to the Underlying earnings included in the Condensed financial statements

For the year ended 31 December 2009

Note only key reported lines are reconciled

### Anglo Platinum Limited

US\$ million	2009	2008 <sup>(1)</sup>
IFRS headline earnings (US\$ equivalent of published)	84	1,607
Exploration	17	36
Exchange rate difference	–	64
Operating and financing remeasurements (net of tax)	27	17
Restructuring costs included in headline earnings	27	–
Other adjustments	2	(2)
	157	1,722
Minority interests	(31)	(376)
Elimination of intercompany interest	47	8
Depreciation on assets fair valued on acquisition (net of tax)	(83)	(41)
Corporate cost allocation	(46)	(57)
<b>Contribution to Anglo American plc underlying earnings</b>	<b>44</b>	<b>1,256</b>

### DB Investments

US\$ million	2009	2008
De Beers underlying earnings (100%)	(220)	515
Difference in IAS 19 accounting policy	5	18
De Beers underlying earnings – Anglo American plc basis (100%)	(215)	533
Anglo American plc's 45% ordinary share interest	(97)	240
Income from preference shares	9	13
Other	(2)	3
<b>Contribution to Anglo American plc underlying earnings</b>	<b>(90)</b>	<b>256</b>

### Kumba Iron Ore Limited (Kumba)

US\$ million	2009	2008 <sup>(1)</sup>
IFRS headline earnings (US\$ equivalent of published) <sup>(2)</sup>	845	872
Exploration	3	8
Other adjustments	(2)	12
	846	892
Minority interests	(314)	(328)
Elimination of intercompany interest	(10)	–
Depreciation on assets fair valued on acquisition (net of tax)	(7)	(6)
Corporate cost allocation	(39)	(35)
Other adjustments	14	–
<b>Contribution to Anglo American plc underlying earnings</b>	<b>490</b>	<b>523</b>

<sup>(1)</sup> Comparatives have been updated to include an allocation of corporate costs.

<sup>(2)</sup> Kumba's IFRS headline earnings for the year ended 31 December 2009 assume a minority interest of 20% in Kumba's underlying mining assets (2008: 20%).

## Exchange rates and commodity prices

US\$ exchange rates		2009	2008
<b>Average prices for the year</b>			
Rand		8.41	8.27
Sterling		0.64	0.54
Euro		0.72	0.68
Australian dollar		1.26	1.17
Chilean peso		559	524
Brazilian real		2.00	1.84
<b>Closing spot prices</b>			
Rand		7.38	9.30
Sterling		0.62	0.69
Euro		0.70	0.72
Australian dollar		1.11	1.44
Chilean peso		507	637
Brazilian real		1.74	2.33
<b>Commodity prices</b>			
<b>Average market prices for the year</b>		2009	2008
Platinum <sup>(1)</sup>	US\$/oz	1,211	1,585
Palladium <sup>(1)</sup>	US\$/oz	266	355
Rhodium <sup>(1)</sup>	US\$/oz	1,592	6,564
Copper <sup>(2)</sup>	US cents/lb	234	315
Nickel <sup>(2)</sup>	US cents/lb	667	953
Zinc <sup>(2)</sup>	US cents/lb	75	85
Lead <sup>(2)</sup>	US cents/lb	78	95
<b>31 December spot prices</b>			
Platinum <sup>(1)</sup>	US\$/oz	1,475	922
Palladium <sup>(1)</sup>	US\$/oz	402	186
Rhodium <sup>(1)</sup>	US\$/oz	2,500	1,250
Copper <sup>(2)</sup>	US cents/lb	333	132
Nickel <sup>(2)</sup>	US cents/lb	838	490
Zinc <sup>(2)</sup>	US cents/lb	117	51
Lead <sup>(2)</sup>	US cents/lb	109	43

<sup>(1)</sup> Source: Johnson Matthey.

<sup>(2)</sup> Source: LME daily prices.

## Key financial data

US\$ million (unless otherwise stated)	2009	2008	2007	2006 <sup>(1)</sup>	2005 <sup>(1)</sup>	2004 <sup>(1)</sup>
<b>Group revenue including associates</b>	<b>24,637</b>	32,964	30,559	29,404	24,872	22,610
Less: Share of associates' revenue	(3,779)	(6,653)	(5,089)	(4,413)	(4,740)	(5,429)
<b>Group revenue</b>	<b>20,858</b>	26,311	25,470	24,991	20,132	17,181
<b>Operating profit including associates before special items and remeasurements</b>	<b>4,957</b>	10,085	9,590	8,888	5,549	3,832
Special items and remeasurements (excluding financing and tax special items and remeasurements)	(208)	(330)	(227)	24	16	556
Net finance costs (including financing special items and remeasurements), tax and minority interests of associates	(313)	(783)	(434)	(398)	(315)	(391)
<b>Total profit from operations and associates</b>	<b>4,436</b>	8,972	8,929	8,514	5,250	3,997
Net finance costs (including financing special items and remeasurements)	(407)	(401)	(108)	(71)	(220)	(385)
<b>Profit before tax</b>	<b>4,029</b>	8,571	8,821	8,443	5,030	3,612
Income tax expense (including special items and remeasurements)	(1,117)	(2,451)	(2,693)	(2,518)	(1,208)	(765)
<b>Profit for the financial year – continuing operations</b>	<b>2,912</b>	6,120	6,128	5,925	3,822	2,847
<b>Profit for the financial year – discontinued operations</b>	<b>–</b>	–	2,044	997	111	1,094
<b>Profit for the financial year – total Group</b>	<b>2,912</b>	6,120	8,172	6,922	3,933	3,941
Minority interests	(487)	(905)	(868)	(736)	(412)	(440)
<b>Profit attributable to equity shareholders of the Company</b>	<b>2,425</b>	5,215	7,304	6,186	3,521	3,501
<b>Underlying earnings<sup>(2)</sup> – continuing operations</b>	<b>2,569</b>	5,237	5,477	5,019	3,335	2,178
<b>Underlying earnings<sup>(2)</sup> – discontinued operations</b>	<b>–</b>	–	284	452	401	506
<b>Underlying earnings<sup>(2)</sup> – total Group</b>	<b>2,569</b>	5,237	5,761	5,471	3,736	2,684
<b>Earnings per share (\$) – continuing operations</b>	<b>2.02</b>	4.34	4.04	3.51	2.35	1.84
<b>Earnings per share (\$) – discontinued operations</b>	<b>–</b>	–	1.54	0.70	0.08	0.60
<b>Earnings per share (\$) – total Group</b>	<b>2.02</b>	4.34	5.58	4.21	2.43	2.44
<b>Underlying earnings per share (\$) – continuing operations</b>	<b>2.14</b>	4.36	4.18	3.42	2.30	1.52
<b>Underlying earnings per share (\$) – discontinued operations</b>	<b>–</b>	–	0.22	0.31	0.28	0.35
<b>Underlying earnings per share (\$) – total Group</b>	<b>2.14</b>	4.36	4.40	3.73	2.58	1.87
<b>Ordinary dividend per share (US cents)</b>	<b>–</b>	44.0	124.0	108.0	90.0	70.0
<b>Special dividend per share (US cents)</b>	<b>–</b>	–	–	67.0	33.0	–
Weighted average basic number of shares outstanding (million)	1,202	1,202	1,309	1,468	1,447	1,434
<b>EBITDA<sup>(3)</sup> – continuing operations</b>	<b>6,930</b>	11,847	11,171	10,431	7,172	5,359
<b>EBITDA<sup>(3)</sup> – discontinued operations</b>	<b>–</b>	–	961	1,766	1,787	1,672
<b>EBITDA<sup>(3)</sup> – total Group</b>	<b>6,930</b>	11,847	12,132	12,197	8,959	7,031
EBITDA interest cover <sup>(4)</sup> – total Group	23.0	28.3	42.0	45.5	20.0	18.5
Operating margin (before special items and remeasurements) – total Group	20.1%	30.6%	28.4%	25.4%	18.5%	14.7%
Ordinary dividend cover (based on underlying earnings per share) – total Group	–	9.9	3.5	3.5	2.9	2.7

See following page for footnotes.

## Key financial data (continued)

US\$ million (unless otherwise stated)	2009	2008	2007	2006 <sup>(1)</sup>	2005 <sup>(1)</sup>	2004 <sup>(1)</sup>
<b>Balance sheet</b>						
Intangible and tangible assets	37,974	32,551	25,090	25,632	33,368	35,816
Other non-current assets and investments <sup>(5)</sup>	7,303	7,607	9,271	8,258	5,585	5,547
Working capital	2,165	861	1,966	3,096	3,538	3,543
Other net current liabilities <sup>(5)</sup>	(272)	(840)	(911)	(1,430)	(1,429)	(611)
Other non-current liabilities and obligations <sup>(5)</sup>	(8,487)	(7,567)	(6,387)	(5,826)	(8,491)	(8,339)
Cash and cash equivalents and borrowings <sup>(6)</sup>	(11,043)	(11,051)	(5,170)	(3,244)	(4,993)	(8,243)
Net assets classified as held for sale	429	195	471	641	–	–
<b>Net assets</b>	<b>28,069</b>	<b>21,756</b>	<b>24,330</b>	<b>27,127</b>	<b>27,578</b>	<b>27,713</b>
Minority interests	(1,948)	(1,535)	(1,869)	(2,856)	(3,957)	(4,588)
<b>Equity attributable to equity shareholders of the Company</b>	<b>26,121</b>	<b>20,221</b>	<b>22,461</b>	<b>24,271</b>	<b>23,621</b>	<b>23,125</b>
<b>Total capital<sup>(7)</sup></b>	<b>39,064</b>	<b>32,799</b>	<b>29,569</b>	<b>30,451</b>	<b>32,571</b>	<b>35,956</b>
<b>Cash inflows from operations – continuing operations</b>	<b>4,904</b>	<b>9,579</b>	<b>9,375</b>	<b>9,012</b>	<b>5,963</b>	<b>3,857</b>
<b>Cash inflows from operations – discontinued operations</b>	<b>–</b>	<b>–</b>	<b>470</b>	<b>1,045</b>	<b>1,302</b>	<b>1,434</b>
<b>Cash inflows from operations – total Group</b>	<b>4,904</b>	<b>9,579</b>	<b>9,845</b>	<b>10,057</b>	<b>7,265</b>	<b>5,291</b>
<b>Dividends received from associates and financial asset investments – continuing operations</b>	<b>639</b>	<b>659</b>	<b>311</b>	<b>251</b>	<b>468</b>	<b>380</b>
<b>Dividends received from associates and financial asset investments – discontinued operations</b>	<b>–</b>	<b>–</b>	<b>52</b>	<b>37</b>	<b>2</b>	<b>16</b>
<b>Dividends received from associates and financial asset investments – total Group</b>	<b>639</b>	<b>659</b>	<b>363</b>	<b>288</b>	<b>470</b>	<b>396</b>
<b>Return on capital employed<sup>(8)</sup> – total Group</b>	<b>14.6%</b>	<b>36.8%</b>	<b>37.8%</b>	<b>32.4%</b>	<b>19.2%</b>	<b>14.6%</b>
<b>EBITDA/average total capital<sup>(7)</sup> – total Group</b>	<b>19.3%</b>	<b>38.0%</b>	<b>40.4%</b>	<b>38.7%</b>	<b>26.1%</b>	<b>21.2%</b>
<b>Net debt to total capital (gearing)<sup>(9)</sup></b>	<b>30.8%</b>	<b>37.8%</b>	<b>20.0%</b>	<b>12.9%</b>	<b>17.0%</b>	<b>25.4%</b>

<sup>(1)</sup> Comparatives for 2006, 2005 and 2004 were adjusted in the 2007 Annual Report to reclassify amounts relating to discontinued operations where applicable.

<sup>(2)</sup> Underlying earnings is net profit attributable to equity shareholders, adjusted for the effect of special items and remeasurements and any related tax and minority interests.

<sup>(3)</sup> EBITDA is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates.

<sup>(4)</sup> EBITDA interest cover is EBITDA divided by net finance costs, excluding other net financial income, exchange gains and losses on monetary assets and liabilities, amortisation of discounts on provisions, special items and financial remeasurements, but including attributable share of associates' net interest expense.

<sup>(5)</sup> Comparatives for 2008, 2007, 2006 and 2005 have been adjusted in accordance with IAS 1 *Presentation of Financial Statements – Improvements* as described in note 2.

<sup>(6)</sup> This differs from the Group's measure of net debt as it excludes the net debt of disposal groups (2009: \$48 million; 2008: \$8 million; 2007: \$(69) million; 2006: \$(80) million; 2005: nil; 2004: nil), and excludes the impact of derivative instruments that provide an economic hedge of assets and liabilities in net debt (2009: liabilities of \$285 million; 2008: liabilities of \$297 million; 2007: assets of \$388 million; 2006: assets of \$193 million; 2005: nil; 2004: nil). For more detail see note 11 Consolidated cash flow analysis.

<sup>(7)</sup> Total capital is net assets excluding net debt (excluding the impact of derivative instruments).

<sup>(8)</sup> Return on capital employed is calculated as total operating profit before impairments for the year divided by the average of total capital less other investments and adjusted for impairments.

<sup>(9)</sup> Net debt to total capital is calculated as net debt (excluding the impact of derivative instruments) divided by total capital less investments in associates.

## Summary by business operation<sup>(1)</sup>

US\$ million	Revenue <sup>(2)</sup>		EBITDA <sup>(3)</sup>		Operating profit/(loss) <sup>(4)</sup>		Underlying earnings	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>Platinum</b>	<b>4,535</b>	6,327	<b>677</b>	2,675	<b>32</b>	2,169	<b>44</b>	1,256
<b>Diamonds</b>	<b>1,728</b>	3,096	<b>215</b>	665	<b>64</b>	508	<b>(90)</b>	256
<b>Copper</b>	<b>3,967</b>	3,907	<b>2,254</b>	2,104	<b>2,010</b>	1,892	<b>1,201</b>	1,044
Collahuasi	<b>1,411</b>	1,134	<b>952</b>	682	<b>880</b>	613	<b>663</b>	367
Anglo American Sur	<b>1,723</b>	1,965	<b>994</b>	1,265	<b>862</b>	1,157	<b>444</b>	699
Anglo American Norte	<b>833</b>	808	<b>408</b>	288	<b>369</b>	255	<b>197</b>	113
Projects and corporate	–	–	<b>(100)</b>	(131)	<b>(101)</b>	(133)	<b>(103)</b>	(135)
<b>Nickel</b>	<b>348</b>	408	<b>28</b>	150	<b>2</b>	123	<b>(13)</b>	(35)
Codemin	<b>157</b>	198	<b>49</b>	132	<b>41</b>	123	<b>24</b>	94
Loma de Níquel	<b>191</b>	210	<b>11</b>	48	<b>(7)</b>	30	<b>17</b>	(97)
Projects and corporate	–	–	<b>(32)</b>	(30)	<b>(32)</b>	(30)	<b>(54)</b>	(32)
<b>Iron Ore and Manganese</b>	<b>3,419</b>	4,099	<b>1,593</b>	2,625	<b>1,489</b>	2,554	<b>571</b>	1,150
Kumba Iron Ore	<b>2,816</b>	2,573	<b>1,562</b>	1,632	<b>1,487</b>	1,583	<b>490</b>	523
Iron Ore Brazil	–	–	<b>(135)</b>	(5)	<b>(141)</b>	(9)	<b>(119)</b>	(31)
Samancor	<b>603</b>	1,526	<b>166</b>	998	<b>143</b>	980	<b>200</b>	658
<b>Metallurgical Coal</b>	<b>2,239</b>	3,119	<b>706</b>	1,319	<b>451</b>	1,110	<b>322</b>	764
Australia	<b>2,239</b>	3,119	<b>729</b>	1,353	<b>474</b>	1,144	<b>345</b>	797
Projects and corporate	–	–	<b>(23)</b>	(34)	<b>(23)</b>	(34)	<b>(23)</b>	(33)
<b>Thermal Coal</b>	<b>2,490</b>	3,051	<b>875</b>	1,200	<b>721</b>	1,078	<b>517</b>	754
South Africa	<b>1,747</b>	2,210	<b>550</b>	814	<b>442</b>	736	<b>328</b>	543
South America	<b>743</b>	841	<b>352</b>	419	<b>305</b>	375	<b>215</b>	243
Projects and corporate	–	–	<b>(27)</b>	(33)	<b>(26)</b>	(33)	<b>(26)</b>	(32)
<b>Other Mining and Industrial</b>	<b>5,908</b>	8,951	<b>878</b>	1,513	<b>506</b>	1,082	<b>403</b>	734
Tarmac <sup>(5)</sup>	<b>2,870</b>	4,399	<b>313</b>	488	<b>101</b>	229	<b>81</b>	173
Skorpion	<b>236</b>	279	<b>100</b>	132	<b>43</b>	88	<b>40</b>	85
Lisheen	<b>208</b>	196	<b>74</b>	40	<b>73</b>	22	<b>67</b>	15
Black Mountain	<b>148</b>	115	<b>59</b>	37	<b>59</b>	26	<b>60</b>	28
Scaw Metals	<b>1,384</b>	1,927	<b>172</b>	309	<b>131</b>	274	<b>70</b>	165
Copebrás	<b>320</b>	655	<b>(9)</b>	244	<b>(40)</b>	217	<b>7</b>	105
Catalão	<b>184</b>	141	<b>111</b>	80	<b>106</b>	78	<b>77</b>	70
Coal Americas	<b>165</b>	245	<b>6</b>	42	<b>(8)</b>	29	<b>(12)</b>	25
Tongaat Hulett/Hulamin <sup>(6)</sup>	<b>393</b>	817	<b>73</b>	115	<b>62</b>	92	<b>31</b>	53
Namakwa Sands	–	177	–	59	–	59	–	46
Projects and corporate	–	–	<b>(21)</b>	(33)	<b>(21)</b>	(32)	<b>(18)</b>	(31)
<b>Exploration</b>	–	–	<b>(172)</b>	(212)	<b>(172)</b>	(212)	<b>(167)</b>	(200)
<b>Corporate Activities and Unallocated Costs</b>	<b>3</b>	6	<b>(124)</b>	(192)	<b>(146)</b>	(219)	<b>(219)</b>	(486)
	<b>24,637</b>	32,964	<b>6,930</b>	11,847	<b>4,957</b>	10,085	<b>2,569</b>	5,237

<sup>(1)</sup> Due to the portfolio and management structure changes announced in October 2009, the segments have changed from those reported at 31 December 2008. Comparatives have been reclassified to align with current year presentation. The segment results include an allocation of corporate costs. A reconciliation of operating profit and underlying earnings by segment as reported in the 2008 Annual Report to the amounts reflected above is shown in the 'Reconciliation of earnings by segment'.

<sup>(2)</sup> Revenue includes the Group's attributable share of revenue of joint ventures and associates. Revenue for copper and zinc operations is shown after deduction of treatment charges and refining charges (TC/RCs).

<sup>(3)</sup> EBITDA is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates.

<sup>(4)</sup> Operating profit includes operating profit before special items and remeasurements from subsidiaries and joint ventures and attributable share of operating profit (before interest, tax, minority interests, special items and remeasurements) of associates.

<sup>(5)</sup> Tarmac is made up of the former Industrial Minerals segment and Yang Quarry, which was previously included in the Coal segment.

<sup>(6)</sup> The Group's investments in Tongaat Hulett and Hulamin were disposed of in August 2009 and July 2009, respectively.

## Reconciliation of earnings by segment

The following tables reconcile operating profit and underlying earnings by segment as reported in the 2008 Annual Report to the comparative amounts reported in notes 3 and 4 respectively. The adjustments reflect the portfolio and management changes announced in October 2009.

### Operating profit

US\$ million	Pre-restructuring	Structural changes	Divisional cost apportionment	Corporate cost allocation	As reported (note 3)	
2008						
<b>Platinum</b>	<b>2,226</b>	–	–	(57)	<b>2,169</b>	<b>Platinum</b>
<b>Diamonds</b>	<b>508</b>	–	–	–	<b>508</b>	<b>Diamonds</b>
<b>Base Metals</b>	<b>2,505</b>					
Copper	2,017	(67)	(5)	(53)	<b>1,892</b>	<b>Copper</b>
Codemin, Loma de Níquel	153	(19)	(5)	(6)	<b>123</b>	<b>Nickel</b>
Catalão, Namakwa Sands, Copebras, Zinc	490	(490)	–	–	–	
Other	(155)	90	65	–	–	
<b>Ferrous Metals and Industries</b>	<b>2,935</b>					
Kumba Iron Ore, Iron Ore Brazil, Samancor	2,590	–	–	(36)	<b>2,554</b>	<b>Iron Ore and Manganese</b>
Scaw, Tongaat Hulett/Hulamin	366	(366)	–	–	–	
Other	(21)	2	19	–	–	
<b>Coal</b>	<b>2,240</b>					
Australia	1,144	(5)	–	(29)	<b>1,110</b>	<b>Metallurgical Coal</b>
South Africa	736	372	(4)	(26)	<b>1,078</b>	<b>Thermal Coal</b>
South America	396	(396)	–	–	–	
Canada	8	(8)	–	–	–	
Projects and corporate	(44)	16	28	–	–	
<b>Industrial Minerals</b>	<b>228</b>	<b>881</b>	<b>(6)</b>	<b>(21)</b>	<b>1,082</b>	<b>Other Mining and Industrial</b>
<b>Exploration</b>	<b>(212)</b>	–	–	–	<b>(212)</b>	<b>Exploration</b>
<b>Corporate Activities and Unallocated Costs</b>	<b>(345)</b>	<b>(10)</b>	<b>(92)</b>	<b>228</b>	<b>(219)</b>	<b>Corporate Activities and Unallocated Costs</b>
	<b>10,085</b>	–	–	–	<b>10,085</b>	

### Underlying earnings

US\$ million	Pre-restructuring	Structural changes	Divisional cost apportionment	Corporate cost allocation	As reported (note 4)	
2008						
<b>Platinum</b>	<b>1,313</b>	–	–	(57)	<b>1,256</b>	<b>Platinum</b>
<b>Diamonds</b>	<b>256</b>	–	–	–	<b>256</b>	<b>Diamonds</b>
<b>Base Metals</b>	<b>1,369</b>					
Copper	1,171	(69)	(5)	(53)	<b>1,044</b>	<b>Copper</b>
Codemin, Loma de Níquel	(3)	(21)	(5)	(6)	<b>(35)</b>	<b>Nickel</b>
Catalão, Namakwa Sands, Copebras, Zinc	349	(349)	–	–	–	
Other	(148)	83	65	–	–	
<b>Ferrous Metals and Industries</b>	<b>1,396</b>					
Kumba Iron Ore, Iron Ore Brazil, Samancor	1,186	–	–	(36)	<b>1,150</b>	<b>Iron Ore and Manganese</b>
Scaw, Tongaat Hulett/Hulamin	218	(218)	–	–	–	
Other	(8)	(11)	19	–	–	
<b>Coal</b>	<b>1,581</b>					
Australia	797	(4)	–	(29)	<b>764</b>	<b>Metallurgical Coal</b>
South Africa	543	241	(4)	(26)	<b>754</b>	<b>Thermal Coal</b>
South America	257	(257)	–	–	–	
Canada	11	(11)	–	–	–	
Projects and corporate	(27)	(1)	28	–	–	
<b>Industrial Minerals</b>	<b>173</b>	<b>588</b>	<b>(6)</b>	<b>(21)</b>	<b>734</b>	<b>Other Mining and Industrial</b>
<b>Exploration</b>	<b>(200)</b>	–	–	–	<b>(200)</b>	<b>Exploration</b>
<b>Corporate Activities and Unallocated Costs</b>	<b>(651)</b>	<b>29</b>	<b>(92)</b>	<b>228</b>	<b>(486)</b>	<b>Corporate Activities and Unallocated Costs</b>
	<b>5,237</b>	–	–	–	<b>5,237</b>	