AngloAmerican

NEWS RELEASE

17 February 2012

Anglo American announces record EBITDA of $13.3 billion and 23% increase in underlying EPS

Financial results driven by impressive operational performance and higher prices

- Record Group operating profit[(1)] of $11.1 billion
- Record underlying earnings[(2)] of $6.1 billion and underlying EPS of $5.06, a 23% increase
- Net debt[(3)] reduced to $1.4 billion at 31 December 2011
- Final dividend increased by 15% to 46 US cents per share, bringing total dividends for the year to 74 US cents per share, a 14% increase

Delivery of value through operational efficiency and strategic opportunities

- Kumba Iron Ore record export sales volumes of 37.1 Mt
- Met Coal – record open cut metallurgical coal production; 7% increase despite Q1 2011 rainfall
- $5.1 billion acquisition of up to 40% interest in De Beers – unique opportunity to consolidate control of the world's leading diamond company
- $5.4 billion sale of a minority 24.5% interest in Anglo American Sur copper assets – highlights value and quality of asset base
- Acquisition of 25.17% minorities in Peace River Coal – 100% ownership of high quality one billion tonne metallurgical coal resource

Nine growth projects commissioned on or ahead of schedule[(4)]

- Newly commissioned and approved projects to deliver 35% volume growth by 2014
- Barro Alto 36 ktpa nickel project – first production in March 2011
- Los Bronces 200 ktpa copper expansion – first production in October 2011
- Kolomela 9 Mtpa iron ore project – first shipment in December 2011
- Collahuasi Phase I expansion (copper), Zibulo (thermal coal), Unki and Mogalakwena North (platinum) projects all completed in 2011

Maintaining momentum into the next phase of growth

- Minas-Rio 26.5 Mtpa iron ore project is progressing well; implementing measures to mitigate various site challenges in a high inflationary Brazilian mining environment, to target H2 2013 first ore on ship
- Six growth projects approved in 2011, including Grosvenor 5 Mtpa metallurgical coal project in Australia approved in December 2011
- Quellaveco 225 ktpa copper project in Peru progressing towards approval
- Exploration discoveries replenishing world class resource base across copper, nickel, PGMs – Sakatti discovery in Finland a significant grassroots exploration success
- Expect to approve $16 billion of projects over next three years

Safety performance

- Tragically, 17 employees lost their lives
- Despite downward trend since 2007, disappointing performance in 2011 at Platinum; particularly with 12 fatal accidents
- Lost time injury frequency rates, excluding Platinum, reduced by 16%

HIGHLIGHTS *US$ million, unless otherwise stated*	**Year ended 31 Dec 2011**	**Year ended 31 Dec 2010**	**Change**
Group revenue including associates[5]	**36,548**	32,929	**11**%
Operating profit including associates before special items and remeasurements[1]	**11,095**	9,763	**14**%
Underlying earnings[2]	**6,120**	4,976	**23**%
EBITDA[6]	**13,348**	11,983	**11**%
Net cash inflows from operating activities	**9,362**	7,727	**21**%
Profit before tax[7][8]	**10,782**	10,928	**(1)**%
Profit for the financial year attributable to equity shareholders[7][8]	**6,169**	6,544	**(6)**%
Earnings per share (US$):			
Basic earnings per share[7]	**5.10**	5.43	**(6)**%
Underlying earnings per share[2]	**5.06**	4.13	**23**%

(1) Operating profit includes attributable share of associates' operating profit (before attributable share of associates' interest, tax and non-controlling interests) and is before special items and remeasurements, unless otherwise stated, see notes 2 and 3 to the Condensed financial statements. For the definition of special items and remeasurements see note 4 to the Condensed financial statements.

(2) See note 9 to the Condensed financial statements for basis of calculation of underlying earnings.

(3) Net debt includes related hedges and net debt in disposal groups. See note 12 to the Condensed financial statements.

(4) The schedule for delivery of first production from projects refers to the information published in Anglo American's 2010 Annual Report.

(5) Includes the Group's attributable share of associates' revenue of $5,968 million (2010: $4,969 million). See note 2 to the Condensed financial statements.

(6) Earnings before interest, tax, depreciation and amortisation (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 5 to the Condensed financial statements.

(7) Stated after special items and remeasurements See note 4 to the Condensed financial statements.

(8) For the year ended 31 December 2011 special items and remeasurements, including associates, before tax and non-controlling interests, amounted to a gain of $152 million (2010: gain of $1,820 million), and after tax and non-controlling interests, amounted to a gain of $49 million (2010: gain of $1,568 million).

Cynthia Carroll, Chief Executive, said: "Anglo American delivered an impressive financial and operational performance in 2011, as we continued to capture the benefits of operational improvements and disciplined cost management to capitalise on the attractive commodity demand and pricing environment that prevailed for much of the year. We have reported a record operating profit of $11.1 billion, a 14% increase, EBITDA of $13.3 billion and underlying earnings increased by 23% to $6.1 billion, also a record.

Our successful delivery of three major mining projects on or ahead of schedule during the year is a great achievement, and will contribute significant new volumes of iron ore, copper and nickel as the new operations continue to ramp up during 2012. Our decision to sustain capital investment in the development of these and other growth projects through the cycle, with highly competitive operating costs and capital intensity ratios, sets us apart as a near term volume growth leader.

The first shipment of lump iron ore from the 9 Mtpa Kolomela mine in South Africa in December 2011, five months ahead of schedule, was an important step towards our goal of increasing production to 70 million tonnes per annum from our South African iron ore assets this decade. In copper, the expansion at Los Bronces in Chile, completed in October 2011, will more than double the mine's production of 221,000 tpa, on average over the first three years of full production, with reserves and resources that support a mine life of over 30 years. And in Brazil, we delivered first production at our new Barro Alto nickel operation in March 2011. Barro Alto will average 41,000 tpa of nickel over its first five years of full production and increase Anglo American's nickel volumes by 180%.

We also made good progress during the year at the greenfield Minas-Rio iron ore project in Brazil, the fourth of our strategic growth projects. We are continuing to manage a number of challenges in a high inflationary Brazilian mining environment. To mitigate these challenges, we are implementing various measures including acceleration activities within the previously announced 15% capital expenditure increase, to target first ore on ship in the second half of 2013.

We are maintaining momentum into our next phase of growth, with the Board approval of six growth projects across six commodities including our 5 Mtpa Grosvenor metallurgical coal project in Australia. We expect to approve further new projects during 2012, including the Quellaveco copper project in Peru. Looking further out, we are focused on prioritising the most value-accretive options from our $84 billion pipeline of unapproved projects towards development and we continue to replenish and increase our world class resource base through industry-leading exploration successes. Our discovery of copper, nickel, PGMs and cobalt at Sakatti in northern Finland is a great example of Anglo American's deep-rooted greenfield exploration expertise delivering value as well as the use of innovative drilling technology to reduce our environmental impacts as we work towards defining the resource.

Beyond our organic growth programme, we continue to deliver shareholder value commercially. We took the unique opportunity in November to finalise the agreement to acquire the Oppenheimer family's shareholding in De Beers, taking Anglo American's interest in the world's leading diamond company to up to 85%. We will continue to pursue growth where we see the most compelling, long term opportunities and to deliver value from our high quality asset base. Our sale of a non-controlling interest in our Anglo American Sur (AA Sur) assets to Mitsubishi for $5.4 billion, valuing those assets at $22 billion, is a demonstration of that commitment and of the quality of our assets.

Safety remains my absolute priority and I have not wavered on this commitment since my appointment as Chief Executive five years ago. I am deeply saddened that in 2011, 17 employees died while working for Anglo American. We have a long way to go to achieve our objective of zero harm, despite marked improvements in our safety record since 2007, with significant reduction in the number of our people who have lost their lives at work and lost time injury rates. While we continue to see many examples of safety excellence across Anglo American, we are committed to reviewing, refocusing and reprioritising our safety related programmes to address ongoing challenges.

Despite short term uncertainty persisting in the global economy, particularly in Europe, the longer term outlook for Anglo American's diversified mix of commodities remains strong. We expect sustained growth in the emerging economies, notably in China and India, which will underpin robust demand for commodities, supplemented by early recovery signs in the US. Continuing industrialisation and urbanisation and the considerable scope for the convergence of living standards, combined with long term supply constraints, present an attractive proposition across our unique portfolio of early, mid and late development cycle commodities."

Review of 2011

Financial results

Anglo American's underlying earnings were $6.1 billion, up from $5.0 billion in 2010, with a record operating profit of $11.1 billion, 14% higher than 2010. This increase in operating profit was mainly driven by the Kumba Iron Ore, Metallurgical Coal, Thermal Coal and Diamonds business units, which benefited from strong market prices. There was an increase in realised prices across all major commodities with export metallurgical coal and South African export thermal coal prices increasing by 42% and 39% respectively from 2010.

Iron Ore and Manganese generated an operating profit of $4,520 million, 23% higher than 2010. Within this commodity group, Kumba Iron Ore had a strong performance with a record operating profit of $4,397 million, 29% higher.

Metallurgical Coal delivered a record operating profit of $1,189 million, a 52% increase on 2010, primarily due to higher realised export selling prices, which offset the impact of rain on production and sales.

Thermal Coal's record operating profit of $1,230 million was 73% higher than 2010, as a result of higher export thermal coal prices for both South African and Colombian coal and a strong rail performance in South Africa in the second half of 2011.

Copper delivered an operating profit of $2,461 million, 13% lower than 2010, as a result of lower sales volumes and higher operating costs, partly offset by high copper prices during the first half of the year.

Nickel reported an operating profit of $57 million, $39 million lower than 2010, largely due to higher project evaluation and exploration expenditure related to the development of the unapproved Nickel project pipeline.

Platinum generated an operating profit of $890 million, a $53 million increase, due to higher metal prices, which were offset by higher costs driven by labour and electricity rate increases.

Diamonds reported a record operating profit of $659 million, 33% higher than 2010, owing to significant price increases in 2011.

Other Mining and Industrial generated an operating profit of $195 million, 71% lower than 2010, owing to the disposal of a number of businesses during the year and in 2010. Copebrás and Catalão delivered a combined increase in operating profit of 29% compared to the prior year. This was driven by an increase in sales volumes and prices at Copebrás owing to high demand for fertilizers.

Production

The Group's operations were impacted by a number of challenges in 2011, most notably weather disruptions in Queensland, Chile and southern Africa. Iron ore production from Kumba Iron Ore's Sishen Mine decreased by 6% to 38.9 Mt as production from the mine's dense media separation plant was hampered by mining feedstock constraints following wet weather. The Kolomela mine, which started production ahead of schedule, produced 1.5 Mt in 2011. Metallurgical Coal export production decreased by 9% compared to the prior year primarily as a result of heavy rainfall and subsequent flooding in late 2010 and in the first quarter of 2011, which resulted in *force majeure* declarations being in effect until June. However, the business made a strong recovery as a result of successful mitigation actions taken early in the year to recover lost volumes in the second half of the year. Thermal Coal RSA export production performance remained flat year-on-year and a record production performance at Cerrejón led to a 7% increase in production compared to 2010. Copper production of 599,000 tonnes was 4% lower compared to 2010 due to lower grades, extreme wet weather, and operating issues at Collahuasi. Production was marginally higher at the Los Bronces operation as a result of the start-up of the Los Bronces Expansion Project in October. Nickel production in 2011 increased by 44% to 29,100 tonnes as a result of delivery of the Barro Alto project, which produced 6,200 tonnes, and higher output at both Loma de Níquel and Codemin. Equivalent refined platinum production from the mines managed by Platinum and its joint venture partners for 2011 totalled 2.41 million ounces, a decrease of 3% compared to 2010. Diamond production totalled 31.3 million carats a 5% decrease compared to 2010, reflecting the impact of maintenance and excessive rainfall in southern Africa during the first half of the year, and a focus on waste stripping, as well as scheduled maintenance at the Debswana and De Beers Consolidated Mines operations in the second half.

Capital structure

Net debt, including related hedges, of $1,374 million was $6,010 million lower than at 31 December 2010, and $5,420 million lower than at 30 June 2011. Cash inflows from operating activities of $9,362 million and the proceeds from disposals of $533 million, funded capital investment (including related hedges) of $5,764 million, including combined investment of $2,350 million in the Los Bronces, Barro Alto, Minas-Rio and Kolomela (previously Sishen South) projects.

Special items and remeasurements

The Group recognised a number of operating special charges and remeasurements, amounting to $173 million, including associates. These included an impairment of Tarmac Building Products (Other Mining and Industrial segment) of $70 million and accelerated depreciation of $84 million at Loma de Níquel (Nickel segment) due to ongoing uncertainty over the renewal of three concessions that expire in 2012 and over the restoration of 13 concessions that have been cancelled. In addition, restructuring costs of $19 million principally relate to retrenchment and consultancy costs within the Platinum and Diamond segments.

Dividends

Anglo American's dividend policy will provide a base dividend that will be maintained or increased through the cycle. The Group has maintained this policy and recommended a final dividend of 46 US cents per share, giving a total dividend for the year of 74 US cents per share, subject to shareholder approval at the Annual General Meeting to be held on 19 April 2012. As previously stated, after taking into account the Group's substantial investment programme for future growth, future earnings potential and the continuing need for a robust balance sheet, any surplus cash will be returned to shareholders.

Three major new mining operations delivered on or ahead of schedule

Anglo American commissioned three major new mining operations on or ahead of schedule during 2011 – the Kolomela iron ore mine in South Africa, the Los Bronces copper expansion in Chile and the Barro Alto nickel mine in Brazil. The Group's pipeline of projects spans its core commodities and is expected to deliver organic production growth of 35% by 2014 from those projects that have been commissioned during 2011 and those that are approved and currently in development.

During 2011, the Board of Anglo American approved a number of growth projects across the Group's portfolio of commodities, including the 5 Mtpa Grosvenor metallurgical coal project in Queensland, Australia and the Collahuasi Phase 2 expansion in Chile. Beyond the near term, Anglo American has a world class pipeline of projects across its chosen commodities and is progressing towards approval decisions in relation to the development of further high quality growth projects, including the 225 ktpa Quellaveco copper project in Peru. Submission to the Board for approval is expected for the Quellaveco project once the necessary water permits have been obtained. Together with a number of other medium and longer term projects, Anglo American has the potential to double production through its $98 billion pipeline of more than 85 approved and unapproved projects.

Anglo American has a clear strategy of deploying its capital in those commodities with strong fundamentals and the most attractive risk-return profiles that deliver long term, through-the-cycle returns for its shareholders. The Group has developed a portfolio of world class operating assets and development projects with the benefits of scale, expansion potential and attractive cost position and capital intensity. Anglo American's project management systems and processes ensure close collaboration between the Group's technical and project teams to execute projects effectively.

Barro Alto – delivered on schedule in March 2011

The Barro Alto nickel project in Brazil, a greenfield nickel project approved for development in December 2006, delivered its first metal in March 2011. Barro Alto is ramping up towards full production capacity, which it is expected to reach at the beginning of 2013. This project makes use of proven technology and will produce an average of 36 ktpa of nickel in full production (41 ktpa over the first five years), more than doubling production from Anglo American's Nickel business, with a competitive cost position in the lower half of the cost curve.

Los Bronces – delivered on schedule in October 2011

The Los Bronces copper expansion project in Chile delivered its first production on schedule in October 2011. Production at Los Bronces is expected to more than double (increase by 278 ktpa on average) over the first three years of full production following project completion and to average 200 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, reserves and resources that support a mine life of over 30 years and with further expansion potential.

Kolomela – delivered ahead of schedule in December 2011

Kumba's Kolomela project in South Africa shipped its first lump iron ore from the port of Saldanha to China in December 2011, five months ahead of schedule. Kolomela is situated 80 km 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 seaborne iron ore, with further potential for expansion.

Minas-Rio – progressing well

The Minas-Rio iron ore project in Brazil is expected to produce 26.5 Mtpa of iron ore in its first phase and has made good progress during the year. Minas-Rio has secured a number of major licences and permits during the year; the offshore and onshore works at the port are on schedule; more than 90% of land access has been secured along the 525 km pipeline route and more than 200 km of pipe has been installed; and the civil works at the beneficiation plant are well under way. As with other complex greenfield mining projects, a number of unexpected issues, such as the discovery of caves at the beneficiation plant site which require specialised assessment, continue to cause delays to the work scheduling, in addition to outstanding land access and an evolving permitting environment. Minas-Rio is implementing various measures to manage these challenges in a high inflationary Brazilian mining environment, including acceleration activities within the previously announced 15% capital increase, to target first ore on ship in the second half of 2013.

Pre-feasibility studies for the second phase of the Minas-Rio iron ore project commenced during 2011 and, although still under way, the studies, together with the current resource statement (total resource volume (Measured, Indicated and Inferred)) of 5.8 billion tonnes, support the expansion of the project.

Grosvenor – on track

The greenfield Grosvenor project is situated immediately to the south of Anglo American's Moranbah North metallurgical coal mine in the Bowen Basin of Queensland, Australia. The mine is expected to produce 5 Mtpa of metallurgical coal from its underground longwall operation over a projected life of 26 years and to benefit from operating costs in the lower half of the cost curve.

Grosvenor forms a major part of the Group's strategy of tripling production of metallurgical coal from its Australian assets by 2020, equivalent to a 12% compound annual growth rate, using a standard longwall and coal handling and preparation plant (CHPP) design model. In its first phase of development, Grosvenor will consist of a single new underground longwall mine, targeting the same well understood Goonyella Middle coal seam as Moranbah North, and will process its coal through the existing Moranbah North CHPP and train loading facilities. A pre-feasibility study for expansion by adding a second longwall at Grosvenor is under way.

Exploration discoveries replenishing world class resource base

Anglo American's exploration and discovery expertise was widely acclaimed during 2011, winning two major exploration awards. The Exploration team received the Prospectors and Developers Association of Canada's award for the Los Sulfatos copper discovery in Chile and the Fennoscandian Exploration and Mining award for the Sakatti discovery in Finland. The Exploration team was also recognised by the Metals Economics Group as the most successful Major Company explorer in terms of copper and nickel found during the period 1999 to 2010. The Group's exploration success, with 15 major discoveries since 1999, differentiates Anglo American by enabling significant replenishment of its resource base at a highly competitive cost.

Anglo American's most recent major discovery, known as the Sakatti project in northern Finland, is a significant copper-nickel-platinum group metals grassroots discovery. Sakatti is located within a known mining region, 150 km north of the Arctic Circle, with excellent infrastructure including major highways and power generation facilities. Anglo American's tenure to the Sakatti deposit and surrounding area is part of a contiguous extensive tenure package covering 830 km². The current exploration drilling programme is focused on delineating the boundaries of the mineralised body and, as such, precludes infill drilling at a density required for the definition and estimation of a Joint Ore Reserves Committee compliant Mineral Resource.

Anglo American sees Finland as highly prospective and its immediate plans are to continue to expand its exploration work at the Sakatti deposit, as well as looking at other priority targets within Lapland and the broader Fennoscandia region.

Opportunities seized to deliver additional value

De Beers

In addition to pursuing its extensive organic growth programme, Anglo American constantly evaluates other opportunities to deliver value to shareholders. In November 2011, Anglo American agreed to acquire the Oppenheimer family's 40% interest in De Beers for $5.1 billion, pending regulatory and government approvals, increasing Anglo American's current 45% shareholding to up to 85%. Cash proceeds will be paid on completion of the transaction.

This transaction is a unique opportunity for Anglo American to consolidate control of the world's leading diamond company – De Beers, marking the Group's commitment to an industry with highly attractive long term supply and demand fundamentals. Underpinned by the security of supply offered by a new 10 year sales agreement with the Government of the Republic of Botswana, this forms a compelling proposition.

The benefits brought by Anglo American's scale, technical, operational and exploration expertise and financial resources, combined with the unquestionable leadership of De Beers' business and iconic brand will enable De Beers to enhance its position across the diamond pipeline and capture the potential presented by a rapidly evolving diamond market.

Anglo American Sur

In November 2011, entirely in accordance with its rights, Anglo American announced the completion of the sale of a 24.5% stake in Anglo American Sur (AA Sur), comprising a number of the Group's copper assets in Chile, to Mitsubishi Corporation LLC (Mitsubishi) for $5.39 billion in cash. This transaction highlighted the inherent value of AA Sur as a world class, tier one copper business with extensive reserves and resources and significant further growth options from its exploration discoveries, valuing AA Sur at $22 billion on a 100% basis.

There is continuing litigation between Anglo American and Codelco in respect of the option agreement between them relating to AA Sur (described fully in Note 15 to the Condensed financial statements). Anglo American will continue to defend its rights vigorously, while remaining open to working with Codelco to reach a settlement that recognises the strength of Anglo American's legal position and protects the interests of Anglo American's shareholders.

Peace River Coal

In October 2011, Anglo American announced that it had acquired 100% ownership of Peace River Coal Limited Partnership (PRC), which comprises the Trend metallurgical coal mine and various exploration leases in British Columbia, Canada, through the acquisition of the 25.17% interest in PRC that it did not already own for a cash consideration of $166 million. PRC is a large and high quality coking coal resource of approximately one billion tonnes, on an attributable basis, supported by well developed power, rail and port infrastructure. Anglo American sees significant resource upside and plans to invest in further exploration studies to ascertain its full long term potential. In the near term, a feasibility study to increase production from 1 Mtpa to 3.5 Mtpa by 2015 is progressing.

Update on non-core businesses

Subject to regulatory approvals, Anglo American's programme to divest of its businesses not considered core to its operations has been largely completed. Scaw South Africa, the remaining business of the Scaw Metals group, is the last such business to be sold and that sales process is under way.

On 18 February 2011, Anglo American and Lafarge announced their agreement to combine their cement, aggregates, ready-mixed concrete, asphalt and contracting businesses in the United Kingdom; Tarmac, Lafarge Cement UK, Lafarge Aggregates and Concrete UK. The 50:50 joint venture will create a leading UK construction materials company, with a portfolio of high quality assets drawing on the complementary geographical distribution of operations and assets, the skills of two experienced management teams and a portfolio of well-known and innovative brands. This transaction is progressing through the regulatory clearance processes.

Outlook

Despite short term uncertainty persisting in the global economy, particularly in Europe, the longer term outlook for Anglo American's diversified mix of commodities remains strong. Sustained growth in the emerging economies should underpin robust demand for commodities, albeit with a degree of short term volatility, while the signs of economic recovery and stimulus in the US should provide a further fillip.

Rapid 'catch-up' in living standards, notably in China and India, combined with a medium term need for infrastructure replacement in the developed countries, present an attractive proposition for the early cycle commodities. Over time the considerable scope for an expanding middle class in many emerging economies should boost consumption, which positions Anglo American well due to its breadth of unique mid to late cycle exposure from copper and nickel to platinum and diamonds.

Prices for Anglo American's commodities are expected to be robust as widespread supply constraints and the challenges producers face in bringing new supply into production will lead to increasing capital intensity and tight market fundamentals. Costs are likely to continue to be affected by strong producer currencies and increasing prices for key inputs.

Selected major projects

Completed / In Commissioning 2011

Sector	Project	Country	Completion date	Capex $m[1]	Production volume[2]
Iron Ore and Manganese	Kolomela	South Africa	Q4 2011	1,062	9.0 Mtpa iron ore
Thermal Coal	Zibulo	South Africa	Q4 2011	517	6.6 Mtpa thermal
Copper	Los Bronces expansion	Chile	Q4 2011	2,800	200 ktpa copper[3]
	Collahuasi Phase 1	Chile	Q4 2011	148	19 ktpa copper
Nickel	Barro Alto	Brazil	Q1 2011	1,900	36 ktpa nickel[4]
Platinum	Unki Mine	Zimbabwe	Q4 2011	459	70 kozpa refined platinum
	Mogalakwena North	South Africa	H2 2011	822	350-400 kozpa refined platinum
	Base metals refinery expansion	South Africa	Q3 2011	360	11 ktpa Nickel
	Dishaba East Upper UG2	South Africa	H2 2011	219	100 kozpa refined platinum

Approved

Sector	Project	Country	First production date	Full production date	Capex $m[1]	Production volume[2]
Iron Ore and Manganese	Minas-Rio phase 1	Brazil	2013	2014	5,034	26.5 Mtpa iron ore pellet feed (wet basis)[5]
	Groote Eylandt Expansion Project (GEEP 2)[6]	Australia	2013	2013	280	0.6 Mtpa manganese ore
Metallurgical Coal	Grosvenor Phase 1	Australia	2013	2016	1,700	5.0 Mtpa metallurgical
Thermal Coal	Cerrejón P500 Phase 1	Colombia	2013	2015	1,311	8.0 Mtpa thermal
Copper	Collahuasi expansion Phase 2	Chile	2013	2014	212	20 ktpa copper[7]
Platinum	Twickenham	South Africa	2015	2019	1,248	180 kozpa refined platinum
	Khuseleka Ore Replacement	South Africa	2007	2015	187	Replace 101 kozpa refined platinum
	Bathopele Phase 4	South Africa	2009	2012	67	65 kozpa refined platinum
	Bathopele Phase 5	South Africa	2013	2018	230	139 kozpa
Diamonds	Jwaneng – Cut 8	Botswana	2017	2021[8]	3,000[9]	100 million carats
Other Mining and Industrial	Boa Vista Fresh Rock	Brazil	2013	2014	173[10]	2.7 ktpa additional niobium in product

See the following page for footnotes.

Future unapproved

Sector	Project	Country	First production date	Full production date	Production volume(2)
Iron Ore and Manganese	Sishen Expansion Project phase 1B	South Africa	2013	2014	0.75 Mtpa iron ore
	Sishen B Grade	South Africa	2016	2017	6.0 Mtpa iron ore
	Sishen Concentrates	South Africa	2017	2019	1.1 Mtpa iron ore
	Kolomela Expansion	South Africa	2017	2019	6.0 Mtpa iron ore
	Minas-Rio expansion	Brazil	TBD	TBD	TBD
Metallurgical Coal	Grosvenor Phase 2	Australia	2015	2017	6.0 Mtpa metallurgical
	Drayton South	Australia	2015	2015	4.0 Mtpa thermal
	Moranbah South	Australia	2016	2019	12.0 Mtpa metallurgical
Thermal Coal	Elders Multi-product Project	South Africa	2017	2019	3.0 Mtpa thermal
	New Largo	South Africa	2015	2017	13.0 Mtpa thermal
	Cerrejón P500 P2	Colombia	TBD	TBD	10-20 Mtpa thermal
Copper	Quellaveco	Peru	2016	2017	225 ktpa copper
	Michiquillay	Peru	2019	2020	187 ktpa copper(11)
	Collahuasi expansion Phase 3	Chile	TBD	TBD	469 ktpa
	Pebble	US	TBD	TBD	175 ktpa(12)
Nickel	Jacaré	Brazil	TBD	TBD	TBD
Platinum	Tumela Conglomerate	South Africa	2020	2026	271 kozpa refined platinum
Diamonds	Gahcho Kué	Canada	TBD	TBD	TBD
	Venetia UG(13)	South Africa	TBD	TBD	TBD

(1) Capital expenditure shown on 100% basis in nominal terms.
(2) Represents 100% of average incremental or replacement production, at full production, unless otherwise stated.
(3) Production represents average over first 10 years of the project. Production over the first three years of the project will average 278 ktpa.
(4) Average production of 36 ktpa over the full production years; a new mine plan will extend the life of Barro Alto with lower production in the additional years.
(5) Capital expenditure, post acquisition of Anglo American's shareholding in Minas-Rio, includes 100% of the mine and pipeline, and an attributable share of the port, as modified by the agreement with LLX SA and LLX Minas-Rio. Capital expenditure is under review to contain the capital increase to approximately 15% of this guidance.
(6) Subject to conditions precedent being fulfilled.
(7) Further phased expansions have the potential to increase production to 1 Mtpa.
(8) Waste stripping at Cut-8, an extension to Jwaneng Mine, began in 2010. Carat recovery will commence in 2017, with Cut-8 reaching full production when Cut-7 ore is exhausted in 2021.
(9) Debswana is investing $500 million in capital expenditure. Project investment, including capital expenditure, is likely to total $3 billion over the next 15 years. Total carats exposed are over the life of the extension.
(10) Capital estimate subject to review.
(11) Expansion potential to 300 ktpa.
(12) Pebble will produce molybdenum and gold by-products and other projects will produce molybdenum and silver by-products.
(13) A feasibility study is scheduled for consideration by the De Beers Consolidated Mines (DBCM) board in 2012.

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Anglo American is one of the world's largest mining companies, is headquartered in the UK and listed on the London and Johannesburg stock exchanges. Anglo American's portfolio of mining businesses spans bulk commodities – iron ore and manganese, metallurgical coal and thermal coal; base metals – copper and nickel; and precious metals and minerals – in which it is a global leader in both platinum and diamonds. Anglo American is committed to the highest standards of safety and responsibility across all its businesses and geographies and to making a sustainable difference in the development of the communities around its operations. The company's mining operations, extensive pipeline of growth projects and exploration activities span southern Africa, South America, Australia, North America, Asia and Europe. www.angloamerican.com

Webcast of presentation:

A live webcast of the results presentation, starting at 9.00am UK time on 17 February, can be accessed through the Anglo American website at www.angloamerican.com.

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 4 to the Condensed financial statements. Underlying earnings, unless otherwise stated, is calculated as set out in note 9 to the Condensed financial statements. Earnings before interest, tax, depreciation and amortisation (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' and to 'Cash flows from operations' in note 5 to the Condensed financial statements. 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, though these may not necessarily correspond to the views held by Anglo American.

Financial review of Group results

Operating profit $ million	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Iron Ore and Manganese	**4,520**	3,681
Metallurgical Coal	**1,189**	780
Thermal Coal	**1,230**	710
Copper	**2,461**	2,817
Nickel	**57**	96
Platinum	**890**	837
Diamonds	**659**	495
Other Mining and Industrial	**195**	664
Exploration	**(121)**	(136)
Corporate Activities and Unallocated Costs	**15**	(181)
Operating profit including associates before special items and remeasurements	**11,095**	9,763

Group operating profit was a record at $11,095 million, 14% higher than 2010. This improvement in operating profit was primarily driven by increases in the realised prices of commodities. These included a 42% rise in export metallurgical coal realised prices, a 39% increase in South African export thermal coal realised prices, and a 26% increase in iron ore realised prices. However, increased commodity prices impacted results mainly in the first half of the year as global macro-economic uncertainties led to a decrease in commodity prices in the second half.

During the year, three projects (Barro Alto, Los Bronces Expansion and Kolomela) were delivered. While this contributed to an increase in production, operating profit was negatively impacted by production disruptions across the Group's operations due to various causes, including inclement weather, safety stoppages and grade declines. These disruptions, industry-wide mining cost pressures and economic uncertainties leading to a fall in commodity prices during the fourth quarter have also affected operating profit and resulted in lower production volumes and in higher unit costs of production across the Group. The impact of this negative global trend was mitigated by the continuing positive performance of our embedded Asset Optimisation and Procurement programmes.

The Group's results are impacted by currency fluctuations in the countries where the operations are based. The weakening of the US dollar against the Australian dollar, Chilean peso and Brazilian real resulted in a $149 million negative exchange variance in operating profit compared to 2010. CPI inflation had a further negative $585 million impact on operating profit compared to 2010.

Group underlying earnings were $6,120 million, a 23% increase on 2010, which reflects the operational results above. Net finance costs, before remeasurements, excluding associates, were $20 million (compared to $244 million for 2010). The effective rate of tax, before special items and remeasurements and including attributable share of associates' tax, reduced in the year from 31.9% to 28.3%.

Group underlying earnings per share were $5.06 compared with $4.13 in 2010.

Reconciliation of profit for the period to Underlying earnings $ million	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Profit for the financial year attributable to equity shareholders of the Company	**6,169**	6,544
Operating special items	**173**	253
Operating remeasurements	**74**	(382)
Net profit on disposals	**(203)**	(1,598)
Financing special items	**9**	13
Financing remeasurements	**(205)**	(106)
Special items and remeasurements tax	**118**	112
Non-controlling interests on special items and remeasurements	**(15)**	140
Underlying earnings[(1)]	**6,120**	4,976
Underlying earnings per share ($)	**5.06**	4.13

(1) See note 3 to the Condensed financial statements

Summary income statement **$ million**	**Year ended** **31 Dec 2011**	Year ended 31 Dec 2010
Operating profit from subsidiaries and joint ventures before special items and remeasurements	**9,668**	8,508
Operating special items	**(164)**	(228)
Operating remeasurements	**(65)**	386
Operating profit from subsidiaries and joint ventures	**9,439**	8,666
Net profit on disposals	**183**	1,579
Share of net income from associates *(see reconciliation below)*	**977**	822
Total profit from operations and associates	**10,599**	11,067
Net finance costs before remeasurements	**(20)**	(244)
Financing remeasurements	**203**	105
Profit before tax	**10,782**	10,928
Income tax expense	**(2,860)**	(2,809)
Profit for the financial year	**7,922**	8,119
Non-controlling interests	**(1,753)**	(1,575)
Profit for the financial period attributable to equity shareholders of the Company	**6,169**	6,544
Basic earnings per share ($)	**5.10**	5.43
Group operating profit including associates before special items and remeasurements[1]	**11,095**	9,763
Operating profit from associates before special items and remeasurements	**1,427**	1,255
Operating special items and remeasurements	**(18)**	(29)
Net profit on disposals	**20**	19
Net finance costs (before special items and remeasurements)	**(48)**	(88)
Financing special items and remeasurements	**(7)**	(12)
Income tax expense (after special items and remeasurements)	**(384)**	(315)
Non-controlling interests (after special items and remeasurements)	**(13)**	(8)
Share of net income from associates	**977**	822

[1] Operating profit before special items and remeasurements from subsidiaries and joint ventures was $9,668 million (2010: $8,508 million) and attributable share from associates was $1,427 million (2010: $1,255 million). For special items and remeasurements see note 4 to the Condensed financial statements.

Special items and remeasurements

	Year ended 31 Dec 2011			Year ended 31 Dec 2010		
$ million	**Subsidiaries and joint ventures**	**Associates**	**Total**	Subsidiaries and joint ventures	Associates	Total
Operating special items	**(164)**	**(9)**	**(173)**	(228)	(25)	(253)
Operating remeasurements	**(65)**	**(9)**	**(74)**	386	(4)	382
Operating special items and remeasurements	**(229)**	**(18)**	**(247)**	158	(29)	129
Net profit on disposals	**183**	**20**	**203**	1,579	19	1,598
Financing special items	**–**	**(9)**	**(9)**	–	(13)	(13)
Financing remeasurements	**203**	**2**	**205**	105	1	106
Special items and remeasurements tax	**(119)**	**1**	**(118)**	(110)	(2)	(112)
Non-controlling interests on special items and remeasurements	**12**	**3**	**15**	(141)	1	(140)

Operating special items and remeasurements, including associates, amounted to a loss of $247 million. This includes impairment and related charges, restructuring costs and operating remeasurements.

Impairment and related charges were $154 million (2010: $122 million). This principally comprises an impairment of Tarmac Building Products of $70 million (Other Mining and Industrial segment) and accelerated depreciation of $84 million (2010: $97 million), mainly arising at Loma de Níquel (Nickel segment). The accelerated depreciation charge at Loma de Níquel has arisen due to ongoing uncertainty over the renewal of three concessions that expire in 2012 and over the restoration of 13 concessions that have been cancelled. Restructuring costs in 2011 principally relate to retrenchment and consultancy costs within the Platinum and Diamond segments (2010: Other Mining and Industrial, Platinum and Diamond segments).

Operating remeasurements reflect a net loss of $74 million (2010: gain of $382 million) principally in respect of non-hedge derivatives of capital expenditure in Iron Ore Brazil. Derivatives which have been realised in the year had a cumulative net operating remeasurement gain since their inception of $383 million (2010: gains of $255 million).

Net profit on disposals, including associates, amounted to a gain of $203 million (2010: $1,598 million). In February 2011 the Group completed the disposal of its 100% interest in the Lisheen operation and its 74% interest in Black Mountain Mining (Proprietary) Limited, which holds 100% of the Black Mountain mine and the Gamsberg project, resulting in a net cash inflow of $499 million, generating a profit on disposal of $397 million. Lisheen and Black Mountain were included in the Other Mining and Industrial segment.

Also included in net profit on disposals is a charge of $141 million on Platinum broad based community economic empowerment transactions completed. This principally relates to an IFRS 2 *Share-based Payment* charge of $131 million resulting from a community economic empowerment transaction involving certain of Platinum’s host communities, which was completed in December 2011.

The Group sold Tarmac’s businesses in China, Turkey and Romania in July, October and November 2011 respectively. Tarmac is included in the Other Mining and Industrial segment.

Financing remeasurements reflect a net gain of $205 million (2010: gain of $106 million), including associates, and relate to an embedded interest rate derivative, non-hedge derivatives of debt and other financing remeasurements.

Special items and remeasurements tax amounted to a charge of $118 million (2010: charge of $112 million). This relates to a credit for one-off tax items of $137 million (2010: nil), a tax remeasurement charge of $230 million (2010: credit of $122 million) and a tax charge on special items and remeasurements of $25 million (2010: charge of $234 million).

The current year credit relating to one-off tax items of $137 million principally relates to the recognition of deferred tax assets in Iron Ore Brazil which were originally written off as part of the impairment charges related to the Amapá iron ore system in 2009, and a capital gains tax refund related to a prior year disposal.

Net finance costs

Net finance costs, before remeasurements, excluding associates, were $20 million (compared to $244 million for 2010). This reduction compared to 2010 was driven by increased interest income due to higher average levels of cash and an increase in interest capitalised.

Tax

$ million (unless otherwise stated)	Year ended 31 Dec 2011 Before special items and remeasurements	Associates' tax and non-controlling interests	Including associates	Year ended 31 Dec 2010 Before special items and remeasurements	Associates' tax and non-controlling interests	Including associates
Profit before tax	**10,626**	**401**	**11,027**	9,109	322	9,431
Tax	**(2,741)**	**(385)**	**(3,126)**	(2,699)	(313)	(3,012)
Profit for the financial year	**7,885**	**16**	**7,901**	6,410	9	6,419
Effective tax rate including associates (%)			**28.3%**			31.9%

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 2011 is $384 million (2010: $315 million). Excluding special items and remeasurements this becomes $385 million (2010: $313 million).

The effective rate of tax before special items and remeasurements including attributable share of associates' tax for the year ended 31 December 2011 was 28.3%. The decrease compared to the equivalent effective rate of 31.9% for the year ended 31 December 2010 is due to a number of non-recurring factors that include the recognition of previously unrecognised tax losses and the reassessment of certain withholding tax provisions across the Group. 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 $39,092 million at 31 December 2011, up on the $34,239 million at 31 December 2010. This was mainly due to the increase in the Group operating profit, and the proceeds on the disposal of 24.5% of Anglo American Sur SA. Investments in associates were $340 million higher than at 31 December 2010, principally as a result of a significant improvement in earnings at De Beers. Property, plant and equipment increased by $739 million compared to 31 December 2010, due to ongoing investment in growth projects. There were no assets classified as held for sale at 31 December 2011 (compared to assets, net of associated liabilities, of $188 million at 31 December 2010) due to the sale of the remaining Zinc assets during the year.

Cash flow

Net cash inflows from operating activities were $9,362 million compared with $7,727 million in 2010. EBITDA was $13,348 million, an increase of 11% from $11,983 million in the prior year, reflecting strong prices across the Group's core commodities.

Net cash used in investing activities was $4,853 million compared with $2,470 million in 2010. Purchases of property, plant and equipment, net of related derivative cash flows, amounted to $5,764 million, an increase of $770 million, reflecting major spend on the Group's strategic growth projects. Proceeds from disposals, principally the Group's remaining Zinc portfolio (net of cash and cash equivalents disposed) were $533 million (2010: $2,795 million).

Net cash inflow from financing activities was $1,474 million compared with net cash used of $2,400 million in 2010. During the year the Group paid dividends of $818 million to company shareholders, and $1,404 million in dividends to non-controlling interests.

Liquidity and funding

Net debt, including related hedges, was $1,374 million, a decrease of $6,010 million from $7,384 million at 31 December 2010. The decrease in net debt reflects strong operating cash flows and proceeds on the disposal of 24.5% of Anglo American Sur SA.

Net debt at 31 December 2011 comprised $12,873 million of debt, partially offset by $11,732 million of cash and cash equivalents, and the current position of derivative liabilities related to net debt of $233 million. Net debt to total capital[1] at 31 December 2011 was 3.1%, compared with 16.3% at 31 December 2010.

At 31 December 2011, the Group had undrawn committed bank facilities of $8.4 billion.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate the Group's ability to operate within the level of its current facilities for the foreseeable future.

Corporate Activities and Unallocated Costs

Following a reassessment of our estimate of the likely outcome of existing insurance claims and a low number of new claims received, liabilities in the insurance captive have reduced in the current year. This reduction, combined with an increase in insurance premium income, has more than offset the unallocated corporate costs in 2011, resulting in the operating profit recorded within Corporate Activities and Unallocated Costs.

Dividends

Anglo American's dividend policy will provide a base dividend that will be maintained or increased through the cycle. The Group has maintained this policy and recommended a final dividend of 46 US cents per share, giving a total dividend for the year of 74 US cents per share, subject to shareholder approval at the Annual General Meeting to be held on 19 April 2012. As previously stated, after taking into account the Group's substantial investment programme for future growth, future earnings potential and the continuing need for a robust balance sheet, any surplus cash will be returned to shareholders.

Analysis of dividends US cents per share	**2011**	2010
Interim dividend	**28**	25
Recommended final dividend	**46**	40
Total dividends	**74**	65

Related party transactions

Related party transactions are disclosed in note 16 to the Condensed financial statements.

[1] Net debt to total capital is calculated as net debt divided by total capital. Total capital is net assets excluding net debt.

Operations review 2011

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 property, plant and equipment including cash flows on related derivatives.

IRON ORE AND MANGANESE

$ million (unless otherwise stated)	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Operating profit	**4,520**	3,681
Kumba Iron Ore	**4,397**	3,396
Iron Ore Brazil	**(42)**	(97)
Samancor	**165**	382
EBITDA	**4,733**	3,856
Net operating assets	**13,069**	11,701
Capital expenditure	**1,732**	1,195
Share of Group operating profit	**41%**	38%
Share of Group net operating assets	**30%**	27%

Operating profit before special items and remeasurements increased by 23% from $3,681 million to $4,520 million, principally owing to stronger export prices, a year-on-year weighted average price increase of 26% in export iron ore for Kumba and an increase of 3% in export sales volumes.

Markets

Global steel demand growth continued to be driven by ongoing urbanisation and industrialisation in China. China is now the biggest steel producing country accounting for approximately 45% of the global steel market. In early 2011, steel production in China reached record levels. However, the tightening in monetary policy to manage the inflationary pressures experienced in China since October 2010 led to credit liquidity constraints and a slower GDP growth rate in the second half of the year. This coupled with margin compression as a result of higher raw material input costs and lower steel prices, led to a reduction in steel production rates and downstream steel de-stocking by end-users.

Steel demand and pricing in Europe has been subdued since April 2011, following concerns around the European sovereign debt crisis. Japanese steel production and prices were initially impacted by the earthquake and tsunami during the first quarter but recovered during the third quarter. However, as macro-economic uncertainty increased, this also weighed heavily on steel prices and demand in Japan towards the end of the year. As a result, European and Japanese steel producers started to implement production slowdowns in an attempt to stabilise steel markets. Consequently, iron ore offtake in these regions has slowed and China was the target of diverted contractual tonnages from a number of suppliers.

The combination of higher seaborne ore supplies and lower crude steel production during the second half of 2011 resulted in a sharp fall in index prices in the fourth quarter. Steel producers resumed sourcing of iron ore during November 2011, following a period of de-stocking, particularly in China. Index and spot iron ore pricing has now reached a support level provided by high cost Chinese domestic iron ore production.

Underpinned by global steel production, prices for manganese ores have been under considerable pressure, particularly in the second half of 2011, on the back of a general oversupply in the market and a build-up of port inventories in China. Alloy conversion capacity continued to grow through the year, placing additional pressure on margins for all alloys, with some higher cost producers eventually idling capacity in order to cut losses.

Operating performance

Kumba Iron Ore

The total material mined at Sishen mine increased by 8% from 153.2 Mt in 2010 to 165.0 Mt, of which waste mined was 119.0 Mt, an increase of 17% from 2010. This planned increase in mining activity was negatively affected by wet pit conditions resulting from excessive rainfall during the first half of 2011. As a consequence, the availability of run-of-mine material supplied to the dense media separation (DMS) plant reduced, causing total production at Sishen mine to decrease by 6% from 41.3 Mt in 2010 to 38.9 Mt. The jig plant achieved a run rate in excess of design capacity, producing 13.5 Mt for the year (2010: 13.3 Mt) as a result of an improved yield brought about by moderating the quality of the ore produced by the plant. Kolomela was brought into production ahead of schedule. Waste material stripped in the year amounted to 30.3 Mt (2010: 18.6 Mt) as two open pits were developed at a cost of $131 million (2010: $108 million), all of which was capitalised. The plant was successfully commissioned during 2011, delivering 1.5 Mt of production in the year.

Kumba's total sales volumes increased by 0.4 Mt to 43.5 Mt in 2011 (2010: 43.1 Mt). Total export sales volumes increased by 1.0 Mt to a record 37.1 Mt. Export sales volumes to China increased to 68% of total export volumes for the year, compared with 61% in 2010. The company's traditional markets accounted for about 22% of export sales, while Kumba sold a small portion of its total exports into the Middle East and North Africa, and South America. Approximately 73% of exports were sold to long term and annual contractual customers and 27% at prices derived from index.

Iron Ore Brazil

Iron Ore Brazil generated an operating loss of $42 million, largely reflecting the pre-operational state of the Minas-Rio project.

The Amapá operation contributed an operating profit of $120 million for the year, compared with an operating profit of $16 million in 2010, reflecting a strong production performance and continued cost containment during a period of elevated prices. Production in 2011 totalled 4.8 Mt, a 20% increase over the previous year.

Samancor

Operating profit declined by 57% to $165 million (2010: $382 million), driven mainly by lower prices and stronger average local currencies in South Africa and Australia.

Production was lower at the South African mines owing to safety related downtime, issues concerning sinter plants and higher stripping ratios. In addition, production was lower at GEMCO in Australia as a result of concentrator downtime and unusually heavy rainfall in early and late 2011. Anglo American's share of ore production at 2.8 Mt was 6% lower than the prior year, while alloy production of 300,500 tonnes was only marginally lower.

Manganese ore sales prices softened by 19% in 2011, due to an oversupplied market and a build-up of port inventories in China.

Projects

Excellent progress was made at Kolomela mine, which was delivered five months ahead of schedule and within budget. Kolomela is ramping up well and is on track to produce between 4 Mtpa and 5 Mtpa in 2012, before producing at full design capacity of 9 Mtpa in 2013.

Kumba's stated South African growth target of producing 70 Mtpa by 2019 is intact:

- 9 Mtpa will come from Kolomela in 2013;
- 15 Mtpa to be delivered from other projects in the Northern Cape Province; and
- 5 Mtpa potential from projects in the Limpopo Province.

The Minas-Rio iron ore project in Brazil is expected to produce 26.5 Mtpa of iron ore in its first phase and has made good progress during the year. Minas-Rio has secured a number of major licences and permits during the year; the offshore and onshore works at the port are on schedule; more than 90% of land access has been secured along the 525 km pipeline route and more than 200 km of pipe has been installed; and the civil works at the beneficiation plant are well under way. As with other complex greenfield mining projects, a number of unexpected issues, such as the discovery of caves at the beneficiation plant site which require specialised assessment, continue to cause delays to the work scheduling, in addition to outstanding land access and an evolving permitting environment. Minas-Rio is implementing various measures to manage these challenges in a high inflationary Brazilian mining environment, including acceleration activities within the previously announced 15% capital increase, to target first ore on ship in the second half of 2013.

Pre-feasibility studies for the second phase of the Minas-Rio iron ore project commenced during 2011 and, although still under way, the studies, together with the current resource statement (total resource volume (Measured, Indicated and Inferred)) of 5.8 billion tonnes, support the expansion of the project.

The second expansion of the GEMCO operation in the Northern Territory of Australia (GEEP2 project) was approved in May 2011. This follows the successful completion of the GEMCO Expansion Phase 1 (GEEP1) project in January 2010.

The first phase expansion confirmed GEMCO's status as the world's largest and lowest cost producer of manganese ore. This second expansion, which is expected to be completed in late 2013 will further enhance GEMCO's competitive advantages and create additional options for growth. The $280 million GEEP2 project (Anglo American's 40% share: $112 million) will increase GEMCO's beneficiated product capacity from 4.2 Mtpa to 4.8 Mtpa through the introduction of a dense media circuit by-pass facility. The expansion will also address infrastructure constraints by increasing road and port capacity to 5.9 Mtpa, creating 1.1 Mtpa of latent capacity for future expansions.

Outlook

Continuing macroeconomic uncertainty has undermined the short term outlook for the global seaborne iron ore market. Monetary tightening to control inflation in emerging economies such as China has restrained economic growth. In addition, an uncertain policy response to tackle the European sovereign debt crisis has also weakened economic activity. Despite the short term macro-economic uncertainty, medium to long term prospects for iron ore demand remain robust as China's living standards continue to 'catch up' with those in the developed economies. Nevertheless, as China shifts from an investment intensive to consumption driven economy, the rate of growth for steel materials is expected to moderate to a more sustainable level.

While demand is a key driver for pricing, supply constraints also play a crucial role. In the short term, iron ore supply is anticipated to remain tight amid seasonal weather impacts in Brazil and Western Australia, and the government's moves in India to control exports of iron ore. The ongoing challenges faced by producers to deliver new supply is expected to lead to increased capital intensity and will, therefore, underpin the long term pricing outlook. Anglo American's ability to supply iron ore to the market will be enhanced by the ramping up of Kolomela during 2012 and the delivery of the Minas-Rio project in the second half of 2013.

Kumba Iron Ore update

Sishen Supply Agreement arbitration

Sishen Iron Ore Company (SIOC) notified ArcelorMittal South Africa Limited (ArcelorMittal) on 5 February 2010 that it was no longer entitled to receive 6.25 Mtpa of iron ore contract mined by SIOC at cost plus 3% from Sishen mine, as a result of the fact that ArcelorMittal had failed to convert its old order mining rights. This contract mining agreement, concluded in 2001, was premised on ArcelorMittal owning an undivided 21.4% interest in the mineral rights of Sishen mine. As a result of ArcelorMittal's failure to convert its old order mining right, the contract mining agreement automatically lapsed and became inoperative in its entirety as of 1 May 2009.

As a result, a dispute arose between SIOC and ArcelorMittal, which SIOC has referred to arbitration. During 2011, three arbitrators were appointed and May 2012 was set as the date for the arbitration to begin. On 9 December 2011, SIOC and ArcelorMittal agreed to postpone the arbitration until the final resolution of the mining right dispute (see below).

SIOC and ArcelorMittal reached an interim pricing arrangement in respect of the supply of iron ore to ArcelorMittal from the Sishen mine. This interim arrangement endured until 31 July 2011. SIOC and ArcelorMittal agreed to an addendum to the interim supply agreement which extended the terms and conditions of the current interim agreement. The new interim pricing agreement, which is on the same terms and conditions as the first interim pricing agreement, commenced on 1 August 2011 and will endure to 31 July 2012.

21.4% undivided share of the Sishen mine mineral rights

After ArcelorMittal failed to convert its old order rights, SIOC applied for the residual 21.4% mining right previously held by ArcelorMittal and its application was accepted by the Department of Mineral Resources (DMR) on 4 May 2009. A competing application for a prospecting right over the same area was also accepted by the DMR. SIOC objected to this acceptance. Notwithstanding this objection, a prospecting right over the 21.4% interest was granted by the DMR to Imperial Crown Trading 289 (Pty) Limited (ICT). SIOC initiated a review application in the North Gauteng High Court on 21 May 2010 in relation to the decision of the DMR to grant a prospecting right to ICT.

The High Court Review, in which SIOC challenged the award of the 21.4% prospecting right over Sishen mine by the DMR to ICT, was presided over by Judge Raymond Zondo in the North Gauteng High Court in Pretoria, South Africa, from 15 to 18 August 2011.

On 21 December 2011 judgment was delivered in the High Court regarding the status of the mining rights at Sishen mine. The High Court held that, upon the conversion of SIOC's old order mining right relating to the Sishen mine properties in 2008, SIOC became the exclusive holder of a converted mining right for iron ore and quartzite in respect of the Sishen mine properties. The High Court held further that as a consequence, any decision taken by the DMR after such conversion in 2008 to accept or grant any further rights to iron ore at the Sishen mine properties was void. Finally, the High Court reviewed and set aside the decision of the Minister of Mineral Resources or her delegate to grant a prospecting right to ICT relating to iron ore as to a 21.4% share in respect of the Sishen mine properties. On 3 February 2012, both the DMR and ICT submitted applications for leave to appeal against the High Court judgment.

The High Court order does not affect the interim supply agreement between ArcelorMittal and SIOC, which will endure until 31 July 2012 as indicated above.

SIOC will continue to take the necessary steps to protect its shareholders' interests in this regard.

Samancor

A general state of oversupply in the global manganese ore market and high port stocks in China have pushed prices to lower levels of approximately \$4.80/mtu CIF China. Demand is expected to slow even further owing to stock utilisation, and short term macro-economic uncertainty.

Alloy prices have also been affected by ongoing macro-economic uncertainty and steel producers minimising stock in the pipeline. This trend is expected to continue in 2012. Prices of manganese ore and alloy are expected to decline further from current levels with a recovery anticipated towards the latter part of 2012.

METALLURGICAL COAL

$ million (unless otherwise stated)	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Operating profit	**1,189**	780
EBITDA	**1,577**	1,134
Net operating assets	**4,692**	4,332
Capital expenditure	**695**	235
Share of Group operating profit	**11%**	8%
Share of Group net operating assets	**11%**	10%

(1) In 2011 Peace River Coal has been reclassified from Other Mining and Industrial to Metallurgical Coal, to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.

Metallurgical Coal's operating profit increased by 52% to a record $1,189 million. Higher realised export selling prices and a strong production recovery in the second half of the year more than offset the impact of rain on production and a strong Australian dollar. Production at the Queensland operations was affected by heavy rainfall and subsequent flooding in late 2010 and in the first quarter of 2011, which resulted in *force majeure* declarations being in effect until June 2011. Export metallurgical coal production decreased by 9% compared to the prior year, primarily as a result of the impact of these adverse weather conditions, although the business made a strong recovery in the second half of the year, particularly at the open cut operations. Unit costs increased as a result of lower production, the additional costs associated with flood recovery initiatives and the strong Australian dollar.

Markets

Anglo American weighted average achieved FOB prices ($/tonne)	**2011**	2010
Export metallurgical coal	**251**	177
Export thermal coal	**101**	87
Domestic thermal coal	**34**	33

Attributable sales volumes ('000 tonnes)	**2011**	2010
Export metallurgical coal	**13,983**	15,729
Export thermal coal	**6,274**	6,384
Domestic thermal coal	**7,455**	8,342

Despite short term macro-economic uncertainties and monetary tightening measures in China impacting steel production in the second half of the year, metallurgical coal supply shortages due to wet weather and industrial disruptions resulted in a strong metallurgical coal market for most of 2011. Record quarterly prices were settled across all metallurgical coal categories in the April to June 2011 quarter, resulting in overall 2011 average prices being well above historical levels.

Anglo American led the metallurgical coal quarterly price settlements in three consecutive quarters during 2011, providing a well-supported market reference for premium hard coking coals and PCI coals. The majority of Anglo American's metallurgical coal sales were placed against term contracts with quarterly negotiated price settlements.

Operating performance

Attributable production ('000 tonnes)	**2011**	2010
Export metallurgical coal	**14,190**	15,570
Thermal coal	**13,426**	14,461

Production declined following Queensland's record rainfall, with floods affecting both the open cut and underground operations. As a consequence, sales of high quality metallurgical coal decreased by 11% to 14.0 Mt for the year. However, successful mitigation actions taken early in the year to recover lost volumes and ongoing asset optimisation improvements led to record run-of-mine production at the open cut operations. For the second half of the year, all metallurgical coal open cut operations set new production records, demonstrating the strong effort to recover from the flooding events. A mitigation programme aimed at reducing the impact of rain at the open cut operations has been completed, which will significantly reduce the impact of such events in the future.

At the underground operations, productivity improvement was a major focus during the year, with the implementation of a structured internal programme to raise the longwall operations' productivity to benchmark levels. The programme also involved partnership agreements with equipment suppliers to establish best-in-class practices. New weekly production records have since been set at both longwall underground operations. Scheduled longwall moves in the second half of the year reduced production below prior year levels, however, a partial drift failure at Moranbah delayed the restart of the longwall following its move.

Optimisation of the entire coal supply chain through streamlined logistics management and new product offerings to customers through blending, continue to deliver significant benefits and value to our customers.

Projects

In December 2011, the development of the $1.7 billion, 5 Mtpa Grosvenor Phase 1 metallurgical coal project was approved. This represents the first phase of our investment programme in Australia to grow our high margin, hard coking coal production. Grosvenor's first development coal will be produced in 2013, with full commercial production expected in 2016. Advanced stage project studies continue at the greenfield projects of Moranbah South, Dartbrook and Drayton South in Australia, and also at Roman in Canada, to achieve our objective of tripling hard coking coal production by 2020 to meet expected growth in demand for both metallurgical and thermal coal.

Negotiations continue on the proposed divestment of the Callide mine as part of Metallurgical Coal's strategy to exit the low margin domestic thermal coal business. Callide primarily supplies domestic power stations in Queensland, producing 8.0 Mt of thermal coal in 2011, with expansion potential from its resource base of more than 800 million tonnes.

Outlook

Metallurgical Coal will be a 100% exporter, with a focus on high margin hard coking coal growth, following the planned divestment of Callide. Sustained productivity increases at both the underground and open cut operations, together with the industry leading expansion plans already announced, will position Anglo American as a leading producer of premium products in a highly attractive market.

In the short term, continuing global economic uncertainty is expected to challenge the recovery of the steel market during 2012. Measures to control inflation in emerging economies such as China and India have restrained economic growth. In addition, an uncertain policy response to tackle the European sovereign debt crisis has also weakened economic activity. Despite the short term macro-economic uncertainty, the medium to long term prospects for metallurgical coal demand remain robust as China and India continue to grow strongly.

In the absence of weather-related disruptions, Australian supply is expected to continue to recover to pre-flooding levels. However, persistent industrial disruptions may impact the full recovery of supply in Australia.

THERMAL COAL

$ million (unless otherwise stated)	Year ended 31 Dec 2011	Year ended 31 Dec 2010
Operating profit	**1,230**	710
South Africa	**775**	426
Colombia	**482**	309
Projects and corporate	**(27)**	(25)
EBITDA	**1,410**	872
Net operating assets	**1,886**	2,111
Capital expenditure	**190**	274
Share of Group operating profit	**11%**	7%
Share of Group net operating assets	**4%**	5%

Thermal Coal generated an operating profit of $1,230 million, representing a 73% increase on 2010, driven by stronger average export thermal coal prices. This was in part offset by industry-wide cost pressures, primarily in labour, fuel and power.

Markets

Anglo American weighted average achieved FOB prices ($/tonne)	2011	2010
RSA export thermal coal	**114.27**	82.49
RSA domestic thermal coal	**21.36**	18.42
Colombian export thermal coal	**101.01**	72.69

Attributable sales volumes ('000 tonnes)	2011	2010
RSA export thermal coal	**16,532**	16,347
RSA domestic thermal coal	**40,136**	41,323
Colombian export thermal coal	**10,685**	10,461

The Asia-Pacific region commenced the year with severe weather interruptions in Australia and Indonesia, disrupting coal exports and driving Newcastle thermal coal FOB prices to a post-2008 high of $136/t[1] during January and averaged $121/t[1] for the year (2010: $99/t[1]). The earthquake and tsunami which struck Japan in March damaged the country's Pacific coast coal-fired power plants and transmission infrastructure. Although this event immediately reduced Japan's thermal coal requirements, India and China imported significantly more thermal coal during 2011, some 25% and 15% respectively above 2010 volumes, which increased overall demand in the Asia-Pacific region by approximately 8%. During the final quarter of 2011 the market weakened, as the earlier upsurge in the international thermal coal prices and increased exports from Indonesia softened demand, Australian FOB prices subsequently stabilised in December at $110/t[1].

The Atlantic-Mediterranean region was impacted by the political upheaval and ensuing geo-political tensions that affected several North African and Middle Eastern countries during 2011, which led to an increase in global energy prices and improved thermal coal's competitiveness compared with gas-powered electricity generation. This was a contributing factor to an estimated 8% increase in thermal coal imports into the Atlantic-Mediterranean region during 2011 and added support to South African FOB export prices, which averaged $116/t[2] for the year (2010: $92/t[2]). A warm start to the northern hemisphere winter, continued economic uncertainty within Europe and increased exports from the US, Colombia and South Africa adversely affected market sentiment during the fourth quarter. This placed further pressure on seaborne thermal coal prices, which for South African exports settled at $104/t[2] FOB during December.

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[1] GlobalCOAL's NEWC index price.

[2] Argus/McCloskey API4 index price.

Operating performance

Attributable production ('000 tonnes)	2011	2010
RSA thermal coal	**21,388**	21,612
RSA Eskom coal	**35,296**	36,403
Colombian export thermal coal	**10,752**	10,060

South Africa

Operating profit from South African operations increased by 82% to $775 million, driven by higher export thermal coal prices, although partly offset by the impact of the stronger rand particularly in the first half of the year. Costs were impacted by industry-wide increases in labour, power and fuel, as well as additional stock management costs following train derailments during the first quarter. These were compounded by a 20-day extended maintenance stoppage during May and June 2011 on the railway line to Richards Bay Coal Terminal (RBCT). Export sales volumes were also similarly affected in the first half. However, export sales recovered during the second half of the year as optimised load out efficiencies on the operations complemented improved Transnet Freight Rail performance.

Production for the year decreased by 2% to 57 Mt. Although Zibulo moved from project to operational phase during the fourth quarter of 2011, as a result of some sections opening ahead of schedule. These gains were offset, however, by heavy rainfall in the first quarter that hampered the opencast operations as well as geological issues at certain underground operations. In addition production was impacted by industrial action in the third quarter.

Colombia

At Cerrejón, operating profit of $482 million was 56% higher, primarily due to higher thermal coal prices and production offsetting the impact of above inflation cost increases and a strong local currency. Record production was achieved despite the continuation of the rain-related stoppages associated with the La Niña weather phenomenon. Although rain-related stoppages were approximately double the forecast, there was an improvement from 2010. This improvement, in combination with mining efficiencies and scheduling, enabled Cerrejón to exceed its theoretical production capacity of 32 Mtpa for the first time, resulting in a 7% increase in production year-on-year.

Projects

The 6.6 Mtpa Zibulo mine in South Africa reached commercial operating levels in the fourth quarter of 2011, ahead of schedule.

Also in South Africa, the New Largo Coal Project, currently at feasibility stage, has two main elements: a new opencast mine and a conveyor which will run from an existing coal plant to an Eskom power station. The operation plans to mine domestic thermal coal and Thermal Coal is currently negotiating a coal supply agreement with Eskom for delivery into its Kusile power station. Initial coal from the mine is expected in 2015.

In Colombia, Phase 1 of the Cerrejón P500 expansion project, to increase production by 8 Mtpa, was approved by Cerrejón's three shareholders in the third quarter of 2011. First coal is targeted during the fourth quarter of 2013, with the project expected to achieve full production at the end of 2015. As at the end of 2011, the project was on schedule and on budget.

Outlook

The international seaborne thermal coal market is expected to remain in balance during 2012, as increased supply from the main exporting countries of Australia, Indonesia and Colombia is consumed by the developing Asia-Pacific economies, aided by Japan's recovery from the recent natural disasters. Growth in thermal coal consumption is expected to continue in both China and India reflecting rising energy demand as their economies grow strongly. In Europe, demand for thermal coal is expected to be consistent with 2011, with minimal demand growth in line with forecast weak GDP growth in the region. The Atlantic market is expected to continue to see the impact of strong US thermal coal exports in reaction to the increasing supply of US domestic gas and low US gas prices.

COPPER

$ million (unless otherwise stated)	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Operating profit	**2,461**	2,817
EBITDA	**2,750**	3,086
Net operating assets	**7,643**	6,291
Capital expenditure	**1,570**	1,530
Share of Group operating profit	**22%**	29%
Share of Group net operating assets	**17%**	14%

Copper generated an operating profit of $2,461 million, 13% lower than in 2010. The higher average copper price for the year was more than offset by lower sales volumes and higher operating costs. Higher power and fuel-related costs affected all operations, particularly the Los Bronces operation due to a period of exposure to the elevated marginal cost of power on the central Chilean grid. At Collahuasi, the decision to incur additional logistics costs in order to maximise sales while the Patache port shiploader was being repaired also had an adverse effect on unit costs.

Markets

Average prices	**2011**	2010
Average prices (LME cash, c/lb)	**400**	342
Average realised prices (c/lb)	**378**	355

Copper prices increased strongly during the first half of the year, and reached a record (nominal) high of 460c/lb as demand increased and supply remained constrained. However, as concerns grew over the outlook for the world economy, the price moved off this peak and was more volatile in the second half of the year as Europe's sovereign debt crisis continued to affect sentiment.

After dropping sharply in September, the copper price recovered during subsequent months to end the year at 343c/lb, representing a decrease of 25% from its February high.

For the full year, the realised price averaged 378c/lb, a 6% increase compared with 2010. This included a negative provisional price adjustment for 2011 of $278 million, versus a net positive adjustment in the prior year of $195 million.

Operating performance

	2011	2010
Attributable copper production (tonnes)	**599,000**	623,300

Total attributable copper production of 599,000 tonnes was 4% lower than in 2010. This was mainly due to lower production from Collahuasi, Mantos Blancos and Mantoverde.

Attributable production at Collahuasi was 10% lower at 199,500 tonnes. The decrease was due to expected lower grades, abnormally high rainfall and heavy snow affecting throughput, and an illegal strike during November. Output at Mantos Blancos and Mantoverde was 8% and 4% lower at 72,100 tonnes and 58,700 tonnes respectively, due to lower grades.

Production at Los Bronces was marginally higher at 221,800 tonnes; the operation benefiting from 19,000 tonnes achieved from the start-up of the expansion project and higher throughput, as a result of asset optimisation initiatives. This increase in production was offset by anticipated lower grades, a temporary failure in a return solutions pipeline impacting copper cathode production, and safety stoppages following a fatal accident in September. Production at El Soldado also increased by 16%, to 46,900 tonnes, owing to higher ore grades following a period of mine development.

The impact on Collahuasi's sales volumes arising from the December 2010 shiploader failure at the Patache port, was successfully overcome in the first half of the year through the implementation of a contingency plan that included shipping copper concentrate through the ports at Arica, Iquique and Antofagasta. The shiploader was repaired and fully operational by July 2011.

Projects

The delivery of first copper production from the Los Bronces expansion was achieved on schedule in the fourth quarter of 2011. The ramp-up period is expected to take 12 months before full production is reached, during which time processing plant throughput will increase from 61,000 tonnes to 148,000 tonnes of ore per day. The expansion will increase the mine's output by an average of 200,000 tonnes of copper per annum over the first 10 years.

At Collahuasi, an expansion project to increase concentrator plant capacity to 150,000 tonnes of ore per day, to yield an additional 19,000 tonnes of copper a year over the estimated life of mine, was commissioned in the fourth quarter of 2011. A further project to raise throughput to 160,000 tonnes of ore per day, resulting in an annual average copper production increment of 20,000 tonnes of copper over the mine's estimated life, is under way and is expected to be commissioned in 2013. A pre-feasibility study is also in progress to evaluate options for the next phases of major expansion at Collahuasi, with potential to increase production to up to 1 Mt of copper a year.

In Peru, Anglo American is focused on obtaining the necessary permits for the Quellaveco project to progress to Board approval. Early-stage work is continuing at the Michiquillay project and drilling relating to the geological exploration programme has recommenced after completion of discussions with the local communities. It is envisaged that the Michiquillay project will move to the pre-feasibility stage following the completion of drilling analysis and orebody modelling.

Activity at the Pebble project in Alaska continues with the focus on completing the pre-feasibility study by late 2012 and targeting production early in the next decade. An environmental baseline document highlighting key scientific and socio-economic data was delivered to government agencies in late 2011.

Outlook

The ramp-up of the Los Bronces expansion to full capacity over the next 12 months will lead to significantly higher production levels. However, this will be partly offset by the lower ore grades expected at Collahuasi in 2012.

Industry-wide input cost pressures are expected to continue over the short term, particularly in relation to power and fuel related costs. However, these will be partially mitigated by the increased production from the expanded Los Bronces operation. Our global supply chain network and strong supplier relationships will continue to play a vital role in identifying opportunities to reduce costs and improve the quality and security of the key services and materials that support our operations.

Persistent market concerns arising from uncertainties over the near term outlook for the global economy will continue to lead to relatively pronounced short term volatility in commodity prices, including copper. Robust demand from the emerging economies, the lack of new supply and increasing capital intensity for new supply, however, means that the medium to long term fundamentals for copper remain strong.

As announced in September 2011, we are participating in a sale process to dispose of our effective 16.8% interest in Palabora Mining Company. A review of this investment in the second half of 2011 concluded that the asset was no longer of sufficient scale to suit the Group's investment strategy.

NICKEL

$ million (unless otherwise stated)	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Operating profit	**57**	96
EBITDA	**84**	122
Net operating assets	**2,535**	2,334
Capital expenditure	**398**	525
Share of Group operating profit	**1%**	1%
Share of Group net operating assets	**6%**	5%

Nickel generated an operating profit of $57 million which was net of $31 million project evaluation operating costs. Loma de Níquel and Codemin’s financial performance was similar to that of the previous year.

Markets

Average price (c/lb)	**2011**	2010
Average market price (LME, cash)	**1,035**	989
Average realised price	**1,015**	986

The average market nickel price was 5% higher than in 2010. During the first half of the year the nickel price was supported by demand growth from the stainless steel industry and a supply gap owing to mine disruptions and delays to a number of projects. The price peaked in February above 1,310c/lb.

However, prices softened considerably in the second half, reflecting ongoing concern around uncertainty over the near-term outlook for the global economy, softer summer demand in the northern hemisphere, higher supply from new projects (including Barro Alto) and nickel pig iron (NPI) production. As a consequence, the nickel price fell to a low of less than 770c/lb in November, before closing the year at 829c/lb.

The market was broadly in balance in 2011; global nickel consumption increased by around 7%, while supply increased by around 12%.

China continued to be a key consumer of nickel in 2011, contributing more than 40% of global stainless steel production in the year. Nickel consumption growth in China is expected to outpace other markets in 2012, although the North American market may surprise on the upside, while demand in Europe and the rest of Asia is expected to decrease.

Although NPI was a feature of the Chinese market in early 2011, prices fell significantly enough by the end of the year to have a real impact on NPI run rates, encouraging stainless steel producers in China to switch back to refined metal and ferronickel.

Operating performance

	2011	2010
Attributable nickel production (tonnes)	**29,100**	20,200

Nickel production in 2011 increased by 44% to 29,100 tonnes as a result of delivery of the Barro Alto project and higher output at Loma de Níquel and Codemin. Barro Alto was commissioned in March 2011 and produced 6,200 tonnes.

Loma de Níquel produced 13,400 tonnes, an increase of 15% over the prior year, mainly due to an additional two months of production from the electric furnace 2, which was restarted in March 2010. The loss of production in 2010 from general power rationing did not recur in 2011; power rationing, however, continues to pose a threat and stand-by on-site generators have been installed to mitigate production risks.

Due to ongoing uncertainty over the renewal of three concessions that expire in 2012 and over the renewal of 13 concessions that have been cancelled, an accelerated depreciation charge of $84 million (2010: $73 million) has been recorded in relation to Loma de Níquel assets. This has been recognised as an operating special item. Refer to note 4 to the Condensed financial statements. A range of scenarios is being considered in respect of the conditions for renewal of Loma de Níquel's three remaining concessions, due in November 2012, and for access to the cancelled concessions.

Codemin's production of 9,500 tonnes was 12% higher than in 2010, when the operation was impacted by the planned relining of a furnace. The impact of lower grades in 2011 was more than offset by process improvements that increased throughput capacity.

Projects

The Barro Alto project delivered first metal on schedule in March 2011 and is expected to reach full capacity rates at the beginning of 2013.

Our Nickel business's promising unapproved projects in Brazil, Jacaré and Morro Sem Boné, have the potential to increase production by more than 66 ktpa, with further upside potential, which would leverage the Group's considerable nickel laterite technical expertise. Jacaré, with Mineral Resources of 3.9 Mt (of which 2.6 Mt are Inferred Resources) of contained nickel, will enter the pre-feasibility study phase in 2012 and has the potential to significantly strengthen Anglo American's position in the worldwide nickel market.

Outlook

Nickel production from the Nickel business unit is expected to be significantly higher in 2012 as a result of the ramp-up of Barro Alto.

The nickel market is expected to be in surplus in 2012, with increasing supply coming on line from new projects. However, there is a possibility that the surplus could be mitigated by supply falling short of expectations, mainly from projects using new technologies, such as high pressure acid leaching. The nickel price in 2012 is expected to be heavily influenced by the delivery of these new projects and the development of the European economic situation. High cost NPI supply will continue to support a price ceiling or floor.

The long term outlook for nickel is positive, underpinned by stainless steel demand driven by economic growth and urbanisation in emerging economies.

PLATINUM

$ million (unless otherwise stated)	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Operating profit	**890**	837
EBITDA	**1,672**	1,624
Net operating assets	**11,191**	13,478
Capital expenditure	**970**	1,011
Share of Group operating profit	**8%**	9%
Share of Group net operating assets	**25%**	31%

Platinum recorded an operating profit of $890 million, a 6% increase, mainly due to an 8% rise in the average realised basket price. This was offset by above inflation labour and power costs.

Sales volumes of refined platinum were 3% higher than 2010 at 2.6 million ounces.

Markets

The average dollar realised price for platinum was $1,707 per ounce in 2011, a 6% increase compared with $1,611 per ounce in the prior year. The average realised prices for palladium and rhodium sales were $735 per ounce (2010: $507) and $2,015 per ounce (2010: $2,424), respectively. The average realised price on nickel sales was $10.50 per pound (2010: $9.70). The overall average realised dollar basket price was 8.3% higher at $2,698 per platinum ounce sold.

The global platinum market displayed resilience in 2011 with muted growth in autocatalyst and jewellery demand, a strong increase in industrial demand and significantly lower investment demand. Gross platinum demand remained unchanged in 2011 while a small increase in recycling and a 5% increase in mined supply resulted in the platinum market in 2011 remaining in balance.

The palladium market in 2011, however, saw a 19% supply surplus in the year, as significant declines in jewellery and investment demand were only partly offset by the solid increases in demand for palladium in autocatalysis and industrial applications. The rhodium market saw its fourth consecutive surplus as recycle volumes remained high.

Platinum continued to work with industry partners and stakeholders to develop the platinum markets to maintain existing, and develop new industrial applications and through Platinum Guild International, maintain the health of jewellery markets.

Autocatalysts
Demand for light vehicles increased by 1% in 2011 to 75 million units. Vehicle production was constrained by the earthquake and tsunami in Japan and by flooding in Thailand. Vehicle production in Europe increased by 3%, buoyed by Germany and export markets. Gross autocatalyst demand for platinum increased by 2% to 3.15 million ounces and for palladium by 5% to 5.8 million ounces. Autocatalyst demand for rhodium was slightly lower year-on-year at 705,000 ounces.

Industrial
Gross industrial demand for platinum reached a new record high of 1.96 million ounces, largely due to growth in the glass and petroleum industry. Wider application of process catalysts in the chemical industry saw platinum demand increase proportionately higher than the corresponding increase in chemical demand. High fuel cell unit growth driven by competitive stationary applications continued in 2011. Palladium process catalyst use for plastic bottle feedstock increased as new capacity increased. Rhodium content in rhodium/ platinum catalysts for glass manufacturing increased owing to low rhodium price levels.

Jewellery
Platinum jewellery demand increased 2% in 2011, despite higher average prices during the year. Platinum and gold price volatility increased in the last quarter of 2011 and the platinum price fell to below that of gold. Increased platinum demand resulted from consumer preference over gold and in China the increased platinum demand improved retail profits, leading to an increase in the number of new retail stores, increasing platinum stockholding and sales.

Investment

Ongoing macro-economic uncertainty continues to dampen investment sentiment and in the last quarter of 2011, platinum and gold suffered the consequences of the risk averse trades by global investment and hedge funds. Although there was little change in physical demand for platinum, the increased platinum trading liquidity greatly exaggerated the consequent fall in the platinum price. Since then reduced investor participation, particularly by gold investors who previously held both metals, continues to keep the platinum price at depressed levels, with the rand basket price currently below the incentive price of the majority of production. Trade in non-visible or over-the-counter metal continues to have a material impact on short term prices and higher levels of price volatility is expected in 2012, with a bias to higher prices if investment sentiment improves.

Operating performance

Safety

Twelve employees lost their lives during the year, a very disappointing performance. We extend our sincere condolences to their families, friends and colleagues. Platinum had 81 Section 54 Department of Mineral Resources safety stoppages in 2011 compared to 36 in 2010. Platinum is continuing to work with government and labour departments towards zero harm.

Production

Equivalent refined platinum production (equivalent ounces are mined ounces expressed as refined ounces) from the mines managed by Platinum and its joint venture partners for 2011 totalled 2.41 million ounces, a decrease of 3% compared to 2010.

Wholly owned mines (including Union and Western Limb Tailings Retreatment) produced 1,601,600 equivalent refined platinum ounces, in line with the prior year. A strong performance from Mogalakwena and Unki was offset by lower volumes from the Rustenburg, Tumela and Dishaba mines. Unki was delivered successfully, on schedule and within budget, in January 2011 and contributed 51,600 additional equivalent refined platinum ounces. In addition, Mogalakwena, a low cost, open-pit mine continued to perform strongly. Mogalakwena mine increased production by 18% due to a 12% improvement in 4E built-up head grade, a 4% increase in tonnes milled and a 16% improvement in recoveries at North concentrator during the second half of 2011.

Refined platinum production of 2.53 million ounces for 2011, was 2% lower than the prior year.

Projects

Capital expenditure for 2011 was $970 million, of which $451 million was spent on projects, $443 million on stay-in-business capital and $76 million on waste stripping at Mogalakwena.

Project capital expenditure for 2011 related mainly to the Twickenham project ($95 million), Mortimer furnace upgrade ($58 million), Thembelani 2 shaft replacement project ($57 million), Unki ($40 million), the Base Metals Refinery 33,000 tonnes nickel expansion project ($34 million), and the Khuseleka ore replacement project ($25 million).

The Unki Platinum Mine Project was handed over to operations in January 2011 and has reached steady state production of 120,000 tonnes milled per month during the fourth quarter of 2011, a year ahead of schedule. The Base Metal Refinery 33,000 tonnes nickel expansion project has produced its first metal in line with expectations and reached steady state production during the fourth quarter of 2011 as planned.

Outlook

Growth in platinum demand is expected to be driven by increased global vehicle production, ongoing tightening of emissions legislation and strengthening jewellery demand. Primary supply challenges are expected to escalate during 2012, with increased risk of supply disruptions from power shortages, industrial actions and safety stoppages in South Africa. The ongoing constraint on capital investment posed by low prices continues to limit South African output growth and 2012 may exhibit the compounding effects of similar capital constraints in recent years.

Consequently, Platinum expects the platinum market to remain in balance in 2012. We believe the expected growth in platinum demand and the ongoing challenges faced by platinum miners will be key drivers of the recovery in the platinum price in 2012. Platinum plans to refine and sell between 2.5 and 2.6 million ounces of platinum in 2012, subject to market conditions. In 2011, Platinum had forecast growth to 2.7 million ounces of platinum in 2012, however, given the current circumstances, the forecast has been reduced. Although the 2012 sales volume target is unchanged from that achieved in 2011, Platinum believe this is an appropriate level to meet forecast demand.

Platinum maintains a relentless focus on mitigating industry-wide cost pressures, primarily through an increase in production volume from our underground mines, increase in utilisation of smelting and refining capacity through the introduction of some secondary material, reduction of redundant labour through mechanisms that avoid retrenchment, adjustment of overhead and shared services labour to the needs of the business, freezing of all recruitment in non-production jobs and the continued focus on asset optimisation and supply chain management, benefiting from Anglo American's global initiatives.

Platinum's project ranking and prioritisation to focus on less capital intensive projects in the near term, is expected to reduce capital expenditure for 2012 from $1.16 billion to up to $1.10 billion, excluding capitalised interest.

DIAMONDS

$ million (unless otherwise stated)	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
Share of associate's operating profit	**659**	495
EBITDA	**794**	666
Group's associate investment in De Beers(1)	**2,230**	1,936
Share of Group operating profit	**6%**	5%

(1) Excludes outstanding loans owed by De Beers, including accrued interest of $301 million (2010: $355 million).

Anglo American's share of operating profit from De Beers totalled $659 million, an increase of 33%, reflecting De Beers' deliberate and targeted approach to maximise margins and capture the full benefit of significant price growth in 2011.

On 4 November, Anglo American announced its intention to acquire the Oppenheimer family's entire 40% interest in De Beers for $5.1 billion cash. Under the terms of the existing shareholders' agreement between Anglo American, CHL Holdings Ltd (representing the Oppenheimer family) (CHL) and the Government of Botswana (GRB), the GRB has a pre-emption right in respect of a pro rata portion of the CHL's interest in De Beers, enabling it to participate in the transaction and to increase its interest in De Beers, on a pro rata basis, to up to 25%. In the event that the GRB exercises its pre-emption rights in full, under the proposed transaction, Anglo American would acquire an incremental 30% interest in De Beers, taking its total interest to 75%, and the consideration payable by Anglo American to CHL would be proportionately reduced.

Markets

In 2011, the Diamond Trading Company (DTC) achieved its second highest ever level of sales ($6.5 billion), a 27% increase over the prior year (2010: $5.1 billion). The first half of the year saw exceptional consumer demand growth which, when coupled with lower than historical levels of global diamond production, resulted in very strong polished and rough diamond price growth. While reflecting the robust market fundamentals, rough diamond prices in this period included an element of speculative buying in the trading centres.

During the second half of the year, both retail and cutting centre sentiment was impacted by the challenging macro-economic environment, restricted liquidity in the cutting centres and a slowdown in the rate of growth of consumer demand at retail. As a result, De Beers experienced lower levels of demand for its rough diamonds and prices receded slightly from the highs seen in the middle of the year. However, in total, 2011 was a very strong year on the demand side, with record levels of consumer demand growth estimated at between 11% and 13% over the full year, and DTC price growth of 29% from 1 January 2011 to 31 December 2011.

De Beers Diamond Jewellers reported good growth in sales across all regions, with Greater China particularly strong. The China opportunity is a priority for De Beers, with further 2012 expansion plans following the opening of stores in Beijing, Tianjin, Dalian and a second Hong Kong store in 2011. Forevermark continued its expansion both in its existing markets of China, Hong Kong and Japan, and in the second half of the year launched in India and the US. Forevermark is now available in 658 retail stores across nine markets, an increase of 89% compared with 2010.

Operating performance

De Beers reported an LTIFR of 0.15 (2010: 0.24) but, regrettably, there were seven loss of life incidents in the year. Comprehensive safety reviews are being carried out at all De Beers operations.

De Beers' production was 5% lower than the prior year at 31.3 million carats (2010: 33.0 million carats). During the first half of the year, in spite of a number of challenges, including heavy rainfall in southern Africa, maintenance backlogs, poor contractor performance, skills shortages, and protracted labour negotiations, De Beers produced 15.5 million carats, in line with the first half of 2010 (15.4 million carats). During the second half of the year, De Beers produced another 15.8 million carats despite a shift in its operational focus, in light of prevailing rough diamond market trends in the fourth quarter. De Beers utilised this period to address maintenance and waste stripping backlogs in order to better position the mines to increase their rate of production as demand from Sightholders increases. This is likely to continue for several months into 2012.

In 2011, De Beers Exploration spent $40 million (2010: $43 million) on work programmes focused on 11,347 km^2 of ground-holdings in Angola, Canada, India, Botswana and South Africa, supported by laboratory and technical services centralised in South Africa.

A new $2 billion multicurrency international credit facility was concluded in October, comprising an $800 million term loan and a $1.2 billion revolving credit facility with tenors of March 2015 and October 2016 respectively.

Projects and restructuring

Debswana's Jwaneng Mine Cut-8 extension project is progressing satisfactorily, largely on schedule and on budget. More than 40 million tons of waste has been stripped to date, and infrastructure construction is over 90% complete, with the remaining work forecast to be completed during 2012.

The underground feasibility study to extend the life of Venetia Mine in South Africa is underway, and scheduled for consideration by the De Beers Consolidated Mines (DBCM) board in 2012.

De Beers Canada completed an Optimisation Study at Snap Lake Mine in mid-2011, securing a mining solution to economically access this promising long life but challenging orebody, and thereby achieve its forecast 20-year life of mine. Per the NI 43-101 Technical Report issued by Mountain Province Diamonds Inc. in 2010, Gahcho Kué (GK) is identified as commencing in 2013 with production from 2015. The GK Environmental Impact Statement has been submitted and the review process is currently underway and ultimately the final project schedule will be dependent on progress with obtaining environmental permits and regulatory approvals.

In September, DBCM completed the sale of Finsch Mine, as a going concern, to a Petra Diamonds-led consortium for a consideration of R1.425 billion ($210 million), plus assumption of rehabilitation liabilities. In May, DBCM announced that it had entered into an agreement to sell Namaqualand Mines to Trans Hex in a transaction valued at R225 million ($33.5 million), subject to the fulfilment of a number of conditions precedent.

In September, a new 10 year contract for the sorting, valuing and sales of Debswana's diamond production was announced by De Beers and its joint venture partner, the GRB. As part of the agreement, De Beers will transfer its London-based rough diamond aggregation and sales activity to Botswana by the end of 2013. From its new base in Botswana, the DTC will aggregate production from De Beers' mines and its joint venture operations worldwide, and sell to local and international Sightholders.

In November, De Beers and the Government of the Republic of Namibia (GRN) finalised an agreement to increase the GRN's effective shareholding in De Beers Marine Namibia from 15% to 50% through the establishment of a new 50:50 joint venture holding company. This will not change current marketing arrangements and all diamond production from Namdeb will continue to be sorted, valued and marketed exclusively by the DTC together with Namibia DTC.

In December, the DTC announced the provisional qualification of 72 Sightholder applicants for the upcoming Supplier of Choice sales contract period, which begins on 31 March 2012 and runs to 30 March 2015.

Outlook

In spite of uncertainty, and barring a global economic shock, continued growth in global diamond jewellery sales is expected, albeit at lower levels than the growth experienced in 2011. This will be driven by the overall strength of the luxury goods market, improving sentiment in the US (the largest diamond jewellery market), continuing growth in China, and the positive impact of the 2011 polished price growth on retail jewellery prices.

On the production front, De Beers will continue to prioritise waste stripping and maintenance backlogs, and we therefore do not expect a material increase in carat production in 2012. This focus, which began in the second half of 2011 and will continue during the first quarter of 2012, will position De Beers to ramp-up profitable carat production as Sightholder demand dictates. In the medium to longer term, the industry fundamentals remain positive with consumer demand, fuelled by the emerging markets of China and India, outpacing what will likely be level carat production.

OTHER MINING AND INDUSTRIAL

$ million (unless otherwise stated)	Year ended 31 Dec 2011	Year ended 31 Dec 2010
Operating profit	**195**	664
Copebrás	**136**	81
Catalão	**54**	67
Tarmac	**(35)**	48
Scaw Metals	**40**	170
Zinc	**20**	321
Other	**(20)**	(23)
EBITDA	**393**	894
Net operating assets	**3,201**	3,393
Capital expenditure	**152**	206
Share of Group operating profit	**2%**	7%
Share of Group net operating assets	**7%**	8%

[(1)] Catalão and Copebrás, reported in the Other Mining and Industrial segment, are now considered core to the Group. Tarmac and Scaw, which were identified for divestment as part of the restructuring programme announced in October 2009, remain non-core to the Group. Until February 2011, this reporting segment also included the zinc operations. In 2011 Peace River Coal has been reclassified from Other Mining and Industrial to Metallurgical Coal, to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.

Other Mining and Industrial – Copebrás and Catalão

Markets

Copebrás

Phosphate sales increased by 24% in 2011, as a result of strong domestic demand early in the year due to the 'mini crop' (a smaller secondary crop, mainly corn, grown in the first half of the year), demand for fertilizers by sugar cane farmers and farmers purchasing fertilizer ahead of the summer crop as a result of competitive fertilizer prices relative to grain prices.

The balance between supply and demand for phosphates tightened further through the year owing to reduced supplies from China and Saudi Arabia; this contributed to the average phosphates price for the year increasing to $700/t (2010: $510/t). From October, however, grain prices started declining from their peak on the back of continuing global economic uncertainty, taking fertilizer prices with them, which led to lower demand for both.

For the year as a whole, fertilizer sales totalled 955.7 kt, 4.2% below 2010. Dicalcium Phosphates (DCP) sales were 124.5 kt, in line with 2010, while phosphoric acid sales were 4.8% higher at 100.2 kt.

Catalão

Niobium demand and prices have remained generally stable, notwithstanding volatility across world markets and uncertainty about the global economy, particularly the sovereign debt situation in Europe and the lacklustre pace of economic recovery in the US.

As an alloying agent, niobium brings unique properties to steels, such as increased formability, corrosion resistance, weldability and strength under tough working environments including extreme high or low temperatures. Such steels are known as High Strength Low Alloy (HSLA) steels. Around 90% of total world niobium consumption is used as an alloying element, in the form of ferro-niobium in high strength steels, such steels being used in the manufacture of automobiles, ships, high pressure pipelines, as well as in the petroleum and construction industries. The product is exported to the main steel plants in Europe, the US and Asia.

In 2011, world crude steel production rose by 6.8% to reach a record 1,527 Mt. Total demand for niobium rose in tandem to more than 70 kt of Nb content in FeNb form for 2011, which eclipsed the previous record figure of 65.8 kt achieved in 2008.

Operating performance

Copebrás

Copebrás generated an operating profit of $136 million, representing a 68% increase on the previous year. This performance reflected higher international and local market prices, coupled with operational gains from asset optimisation initiatives in particular. The strong performance was partially offset by increased input costs, particularly from sulphur and ammonia, combined with the strengthening of the Brazilian currency.

Catalão

Catalão's operating profit declined by 19% to $54 million. The company's financial performance was negatively affected by lower production and sales volumes, higher costs related to Catalão's reintegration into the Anglo American Group, local inflationary pressures, and the impact of the Brazilian currency's appreciation against the dollar.

Production for the year of 3,900 tonnes represented a 3% decline (2010: 4,000 tonnes) following a significant change of production profile as the mine advanced further into the transition ore between weathered material and unoxidised ore, resulting in lower Nb recoveries. Set against this, improvements in the concentration and metallurgy processes at the Boa Vista plant led to higher recoveries. This, combined with higher average grades, and the inclusion of the Copebrás tailing from Mine 2, with its higher contained Nb grade, allowed Catalão to offset the impact of the transition ore.

Projects

Copebrás

A debottlenecking project, designed to increase capacity of Granulated Mono-Ammonium Phosphate (MAP) by 60 kt and of DCP by 25 kt by 2015, is under review. The project is estimated to increase annual EBITDA by more than $35 million, through increased capacity and cost savings.

Given the phosphate market's sound fundamentals, the original Goiás 2 expansion project undertaken in 2008 and designed to increase phosphate production by more than 100%, may be re-assessed from a different product-mix perspective

Catalão

The Boa Vista Fresh Rock (BVFR) Project was approved in October. The existing plant will be adapted to process new rock instead of oxidised ore, leading to an increase in production capacity to approximately 6.5 kt of Nb per year from the current 3.8 kt.

Outlook

Copebrás

Prices for agricultural commodities in Brazil remain at healthy levels, resulting in good margins for farmers. Although international fertilizer prices softened towards the end of the year owing to the global economic uncertainty, they remain relatively high.

Nonetheless, the uncertain global economic outlook affected demand in the Brazilian market late in the year, as farmers decided to postpone purchasing fertilizer. Prospects are, however, positive and the current higher inventories of imported fertilizers may preclude further imports early in 2012, improving the overall dynamics for domestic fertilizers later in the year.

Catalão

Despite the record levels of sales and prices in 2011, growth rates for niobium are likely to remain capped worldwide in the near term. The European sovereign debt crisis is likely to have a significant negative bearing on sales to Europe.

In the short term, additional niobium sales are likely to be diverted on a spot basis to China and, to lesser extent, to the US. Prices are expected to come under pressure from a stronger Brazilian real and the uncertain economic outlook in Europe and North America.

Other Mining and Industrial – Tarmac and Scaw

Tarmac

Tarmac reported an operating loss of $35 million, compared to a profit of $48 million in 2010. On a directly comparable basis, however, taking into consideration the impact of European businesses that were sold in 2010, Tarmac's operating profit showed a reduction of $55 million. Tarmac's directly comparable EBITDA performance was 32% lower.

Quarry materials

Asphalt volumes benefited from carry-over of demand resulting from the severe weather at the end of 2010, as well as some continuing government infrastructure investment, particularly in respect of Local Authority road maintenance. In comparison to 2010, concrete volumes decreased reflecting a reduction in demand from major projects such as the Olympic Village and Gatwick Airport, and reduced housing and other building expenditure. Cement production levels improved over 2010 as a result of the ongoing efficiency programme. Management efforts continue to be focused on mitigating the significant impact of rising input costs, in particular hydrocarbons, through initiatives such as increasing the use of recycled asphalt materials to recapture bitumen.

The outlook for the year ahead remains uncertain and dependent to a large extent upon the UK government's response to weak domestic growth and wider economic uncertainty across the Euro zone. Against this background, volume declines are anticipated across major product categories in 2012, reflecting announced reductions in public sector spending, exacerbated by declining private sector spending. The proposed UK JV with Lafarge is proceeding through the required regulatory processes.

Building products

Performance was severely impacted by the closure of the Precast business, one-off non-recurring separation costs and the continuing decline in housing, retail and commercial markets, which affected all products. Volumes suffered as a consequence of both the general market decline and a competitive pricing environment, where customers and competitors remain more focused on price and less on other value drivers.

Cost-reduction initiatives remain a high priority. Several key projects are also under way to enhance quality and improve customer service.

The underlying market outlook continues to remain challenging in the short term.

Scaw Metals

Scaw Metals generated an operating profit of $40 million, a 76% decrease compared with 2010, largely as a result of the sale of Moly-Cop and AltaSteel that was concluded in December 2010. On a directly comparable basis, however, taking into consideration the impact of the sale of Moly-Cop and AltaSteel in 2010, Scaw Metals' operating profit showed a reduction of $23 million. Scaw Metals' directly comparable EBITDA performance was 24% lower.

A strong performance was recorded by Grinding Media in spite of margin pressure owing to the strong rand. At Wire Rod Products, performance improved on the back of strong demand for offshore and mining products and improved business efficiencies. At Rolled Products, performance was affected by weak demand from the construction sector and selling prices not fully recovering rising input costs, resulting in reduced margins. At Cast Products, a number of foundries suffered from a lack of demand for larger castings in the year, as well as a strong rand, significantly impacting the business' results. The situation improved towards the end of the year as the demand for railway, power generation and general engineering components saw the securing of important orders for the forthcoming year. A strong focus by management on cost-saving initiatives in all operations and sales to downstream businesses has mitigated the effects of weak margins. In addition, the closure of loss-making operations and a focus on pursuing new markets with higher margins has enabled Scaw Metals to lessen the impact of weak economic conditions. Total production of steel products at Scaw South Africa was 677.4 kt, a decrease of 5% over the prior year.

CONDENSED FINANCIAL STATEMENTS

for the year ended 31 December 2011

Consolidated income statement
for the year ended 31 December 2011

US$ million	Note	2011 Before special items and remeasure-ments	2011 Special items and remeasure-ments (note 4)	2011 Total	2010 Before special items and remeasure-ments	2010 Special items and remeasure-ments (note 4)	2010 Total
Group revenue	2	**30,580**	**–**	**30,580**	27,960	–	27,960
Total operating costs		**(20,912)**	**(229)**	**(21,141)**	(19,452)	158	(19,294)
Operating profit from subsidiaries and joint ventures	2	**9,668**	**(229)**	**9,439**	8,508	158	8,666
Net profit on disposals	4	**–**	**183**	**183**	–	1,579	1,579
Share of net income from associates	2	**978**	**(1)**	**977**	845	(23)	822
Total profit from operations and associates		**10,646**	**(47)**	**10,599**	9,353	1,714	11,067
Investment income		**668**	**–**	**668**	568	–	568
Interest expense		**(695)**	**–**	**(695)**	(801)	–	(801)
Other financing gains/(losses)		**7**	**203**	**210**	(11)	105	94
Net finance income/(costs)	7	**(20)**	**203**	**183**	(244)	105	(139)
Profit before tax		**10,626**	**156**	**10,782**	9,109	1,819	10,928
Income tax expense	8a	**(2,741)**	**(119)**	**(2,860)**	(2,699)	(110)	(2,809)
Profit for the financial year		**7,885**	**37**	**7,922**	6,410	1,709	8,119
Attributable to:							
Non-controlling interests		**1,765**	**(12)**	**1,753**	1,434	141	1,575
Equity shareholders of the Company		**6,120**	**49**	**6,169**	4,976	1,568	6,544
Earnings per share (US$)							
Basic	9	**5.06**	**0.04**	**5.10**	4.13	1.30	5.43
Diluted	9	**4.85**	**0.04**	**4.89**	3.96	1.22	5.18

Consolidated statement of comprehensive income
for the year ended 31 December 2011

US$ million	Note	2011	2010
Profit for the financial year		**7,922**	8,119
Net gain on revaluation of available for sale investments		**115**	316
Net loss on cash flow hedges		**(94)**	(14)
Net exchange difference on translation of foreign operations (including associates)		**(4,060)**	2,431
Actuarial net (loss)/gain on post employment benefit schemes		**(214)**	131
Share of associates' expense recognised directly in equity, net of tax		**(32)**	(50)
Tax on items recognised directly in equity	8c	**24**	(149)
Net (expense)/income recognised directly in equity		**(4,261)**	2,665
Transferred to income statement: sale of available for sale investments		**(10)**	–
Transferred to income statement: cash flow hedges		**5**	4
Transferred to initial carrying amount of hedged items: cash flow hedges		**54**	20
Transferred to income statement: net exchange difference on disposal of foreign operations		**45**	(40)
Share of associates' expense transferred from equity, net of tax		**–**	(8)
Tax on items transferred from equity	8c	**(14)**	1
Total transferred from equity		**80**	(23)
Total comprehensive income for the financial year		**3,741**	10,761
Attributable to:			
Non-controlling interests		**1,142**	1,885
Equity shareholders of the Company		**2,599**	8,876

Consolidated balance sheet
as at 31 December 2011

US$ million	Note	2011	2010
Intangible assets		**2,322**	2,316
Property, plant and equipment		**40,549**	39,810
Environmental rehabilitation trusts		**360**	379
Investments in associates		**5,240**	4,900
Financial asset investments		**2,896**	3,220
Trade and other receivables		**437**	321
Deferred tax assets		**530**	389
Other financial assets (derivatives)		**668**	465
Other non-current assets		**138**	178
Total non-current assets		**53,140**	51,978
Inventories		**3,517**	3,604
Trade and other receivables		**3,674**	3,731
Current tax assets		**207**	235
Other financial assets (derivatives)		**172**	377
Cash and cash equivalents	12b	**11,732**	6,401
Total current assets		**19,302**	14,348
Assets classified as held for sale	14	**–**	330
Total assets		**72,442**	66,656
Trade and other payables		**(5,098)**	(4,950)
Short term borrowings	10, 12b	**(1,018)**	(1,535)
Provisions for liabilities and charges		**(372)**	(446)
Current tax liabilities		**(1,528)**	(871)
Other financial liabilities (derivatives)		**(162)**	(80)
Total current liabilities		**(8,178)**	(7,882)
Medium and long term borrowings	10, 12b	**(11,855)**	(11,904)
Retirement benefit obligations		**(639)**	(591)
Deferred tax liabilities		**(5,730)**	(5,641)
Other financial liabilities (derivatives)		**(950)**	(755)
Provisions for liabilities and charges		**(1,830)**	(1,666)
Other non-current liabilities		**(71)**	(104)
Total non-current liabilities		**(21,075)**	(20,661)
Liabilities directly associated with assets classified as held for sale	14	**–**	(142)
Total liabilities		**(29,253)**	(28,685)
Net assets		**43,189**	37,971
Equity			
Called-up share capital		**738**	738
Share premium account		**2,714**	2,713
Other reserves		**283**	3,642
Retained earnings		**35,357**	27,146
Equity attributable to equity shareholders of the Company		**39,092**	34,239
Non-controlling interests		**4,097**	3,732
Total equity		**43,189**	37,971

The financial statements of Anglo American plc, registered number 3564138, were approved by the Board of directors on 16 February 2012 and signed on its behalf by:

Cynthia Carroll
Chief Executive

René Médori
Finance Director

Consolidated cash flow statement
for the year ended 31 December 2011

US$ million	Note	2011	2010
Cash flows from operations	12a	**11,498**	9,924
Dividends from associates		**344**	255
Dividends from financial asset investments		**59**	30
Income tax paid		**(2,539)**	(2,482)
Net cash inflows from operating activities		**9,362**	7,727
Cash flows from investing activities			
Purchase of property, plant and equipment	2	**(6,203)**	(5,280)
Cash flows from derivatives related to capital expenditure	2	**439**	286
Investment in associates		**(47)**	(519)
Purchase of financial asset investments		**(16)**	(134)
Net repayment of loans granted		**22**	18
Interest received and other investment income		**350**	235
Disposal of subsidiaries, net of cash and cash equivalents disposed	13	**514**	2,539
Sale of interests in joint ventures	13	**19**	256
Repayment of capitalised loans by associates		**4**	33
Proceeds from disposal of property, plant and equipment		**77**	64
Other investing activities		**(12)**	32
Net cash used in investing activities		**(4,853)**	(2,470)
Cash flows from financing activities			
Interest paid		**(807)**	(837)
Cash flows from derivatives related to financing activities		**226**	217
Dividends paid to Company shareholders		**(818)**	(302)
Dividends paid to non-controlling interests		**(1,404)**	(617)
Repayment of short term borrowings		**(1,261)**	(2,338)
Net receipt of medium and long term borrowings		**964**	1,194
Movements in non-controlling interests		**4,964**	356
Sale of shares under employee share schemes		**20**	42
Purchase of shares by subsidiaries for employee share schemes[(1)]		**(367)**	(106)
Other financing activities		**(43)**	(9)
Net cash inflows from/(used in) financing activities		**1,474**	(2,400)
Net increase in cash and cash equivalents		**5,983**	2,857
Cash and cash equivalents at start of year	12c	**6,460**	3,319
Cash movements in the year		**5,983**	2,857
Effects of changes in foreign exchange rates		**(711)**	284
Cash and cash equivalents at end of year	12c	**11,732**	6,460

(1) Includes purchase of Kumba Iron Ore Limited and Anglo American Platinum Limited shares for their respective employee share schemes.

Consolidated statement of changes in equity
for the year ended 31 December 2011

US$ million	Total share capital(1)	Retained earnings	Share-based payment reserve	Cumulative translation adjustment reserve	Fair value and other reserves (note 11)	Total equity attributable to equity share-holders of the Company	Non-controlling interests	Total equity
Balance at 1 January 2010	3,451	21,291	401	(551)	1,529	26,121	1,948	28,069
Total comprehensive income	–	6,595	–	2,004	277	8,876	1,885	10,761
Dividends payable to Company shareholders	–	(302)	–	–	–	(302)	–	(302)
Dividends payable to non-controlling interests	–	–	–	–	–	–	(617)	(617)
Changes in ownership interest in subsidiaries	–	(471)	–	21	(107)	(557)	(112)	(669)
Issue of shares to non-controlling interests	–	90	–	–	–	90	572	662
Consolidation by De Beers of non-controlling interest	–	(128)	–	–	–	(128)	–	(128)
Equity settled share-based payment schemes	–	64	86	–	–	150	13	163
Other	–	7	(11)	–	(7)	(11)	43	32
Balance at 1 January 2011	3,451	27,146	476	1,474	1,692	34,239	3,732	37,971
Total comprehensive income	–	5,928	–	(3,404)	75	2,599	1,142	3,741
Dividends payable to Company shareholders	–	(834)	–	–	–	(834)	–	(834)
Dividends payable to non-controlling interests	–	–	–	–	–	–	(1,401)	(1,401)
Changes in ownership interest in subsidiaries	–	3,027	–	–	–	3,027	788	3,815
Issue of shares to non-controlling interests	–	–	–	–	–	–	16	16
Equity settled share-based payment schemes	–	(19)	(18)	–	–	(37)	(167)	(204)
IFRS 2 charges on black economic empowerment transactions	–	102	–	–	–	102	29	131
Other	1	7	(5)	–	(7)	(4)	(42)	(46)
Balance at 31 December 2011	**3,452**	**35,357**	**453**	**(1,930)**	**1,760**	**39,092**	**4,097**	**43,189**

(1) Total share capital comprises called-up share capital of $738 million (2010: $738 million) and the share premium account of $2,714 million (2010: $2,713 million).

Dividends

	2011	2010
Proposed ordinary dividend per share (US cents)	**46**	40
Proposed ordinary dividend (US$ million)	**557**	483
Ordinary dividends payable during the year per share (US cents)	**68**	25
Ordinary dividends payable during the year (US$ million)	**834**	302

Notes to the Condensed financial statements

1. Basis of preparation

The financial information for the year ended 31 December 2011 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 2010 have been delivered to the Registrar of Companies and those for 2011 will be delivered following the Company's annual general meeting convened for 19 April 2012. 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.

Whilst the preliminary announcement (the Condensed financial statements) has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations 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 2012.

Accounting policies

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 2010, with the exception of certain amendments to accounting standards or new interpretations issued by the International Accounting Standards Board, which were applicable from 1 January 2011. These have not had a material impact on the Group.

Non-GAAP measures

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 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 2, 5 and 9 to the Condensed financial statements.

2. Segmental information

The Group's segments are aligned to the structure of business units based around core commodities. Each business unit has a management team that is accountable to the Chief Executive. 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).

Following a strategic review during the year, Peace River Coal is now managed as part of the Metallurgical Coal business unit, and accordingly is presented as part of the Metallurgical Coal segment. It was previously reported within the Other Mining and Industrial reporting segment. Comparatives have been reclassified to align with current year presentation.

Catalão and Copebrás, reported in the Other Mining and Industrial segment, are now considered core to the Group. Tarmac and Scaw, which were identified for divestment as part of the restructuring programme announced in October 2009, are not considered to be individually significant to the Group and are therefore also presented in the Other Mining and Industrial reporting segment. Until February 2011, this reporting segment also included the zinc operations.

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 – Iron Ore and Manganese: iron ore, manganese ore and alloys; Metallurgical Coal: metallurgical coal; Thermal Coal: thermal coal; Copper and Nickel: base metals; Platinum: platinum group metals; Diamonds: rough and polished diamonds and diamond jewellery; and Other Mining and Industrial: phosphates, niobium, heavy building materials, steel products and, until February 2011, zinc.

2. Segmental information (continued)

The Exploration segment includes the cost of the Group's exploration activities across all segments, excluding Diamonds.

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

Analysis by segment

Revenue and operating profit by segment

US$ million	Revenue[1] 2011	Revenue[1] 2010	Operating profit/(loss)[2] 2011	Operating profit/(loss)[2] 2010
Iron Ore and Manganese	**8,124**	6,612	**4,520**	3,681
Metallurgical Coal	**4,347**	3,522	**1,189**	780
Thermal Coal	**3,722**	2,866	**1,230**	710
Copper	**5,144**	4,877	**2,461**	2,817
Nickel	**488**	426	**57**	96
Platinum	**7,359**	6,602	**890**	837
Diamonds	**3,320**	2,644	**659**	495
Other Mining and Industrial	**4,039**	5,375	**195**	664
Exploration	**–**	–	**(121)**	(136)
Corporate Activities and Unallocated Costs	**5**	5	**15**	(181)
Segment measure	**36,548**	32,929	**11,095**	9,763
Reconciliation:				
Less: associates	**(5,968)**	(4,969)	**(1,427)**	(1,255)
Operating special items and remeasurements	**–**	–	**(229)**	158
Statutory measure	**30,580**	27,960	**9,439**	8,666

[1] 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.

[2] Segment operating profit is revenue less operating costs before special items and remeasurements, and includes the Group's attributable share of associates' operating profit before special items and remeasurements. 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

US$ million	Associates' revenue 2011	Associates' revenue 2010	Associates' operating profit/(loss)[1] 2011	Associates' operating profit/(loss)[1] 2010
Iron Ore and Manganese	**926**	983	**165**	382
Metallurgical Coal	**372**	258	**207**	122
Thermal Coal	**1,080**	761	**482**	308
Platinum	**269**	237	**(86)**	(59)
Diamonds	**3,320**	2,644	**659**	495
Other Mining and Industrial	**1**	86	**–**	7
	5,968	4,969	**1,427**	1,255
Reconciliation:				
Associates' net finance costs			**(48)**	(88)
Associates' income tax expense			**(385)**	(313)
Associates' non-controlling interests			**(16)**	(9)
Share of net income from associates (before special items and remeasurements)			**978**	845
Associates' special items and remeasurements			**(5)**	(22)
Associates' special items and remeasurements tax			**1**	(2)
Associates' non-controlling interests on special items and remeasurements			**3**	1
Share of net income from associates			**977**	822

[1] Associates' operating profit is the Group's attributable share of associates' revenue less operating costs before special items and remeasurements.

2. Segmental information (continued)

Non-cash items

Significant non-cash items included within operating profit before special items and remeasurements are as follows:

	Depreciation and amortisation[(1)]		Other non-cash expenses[(2)]	
US$ million	**2011**	2010	**2011**	2010
Iron Ore and Manganese	**180**	142	**127**	90
Metallurgical Coal	**375**	343	**104**	76
Thermal Coal	**128**	113	**30**	40
Copper	**289**	269	**124**	97
Nickel	**27**	26	**10**	23
Platinum	**729**	750	**76**	57
Other Mining and Industrial	**198**	230	**51**	15
Exploration	**–**	–	**3**	4
Corporate Activities and Unallocated Costs	**41**	46	**54**	61
	1,967[(3)]	1,919[(3)]	**579**	463

(1) In addition the Group's attributable share of depreciation and amortisation in associates is $286 million (2010: $301 million). This is split by segment as follows: Iron Ore and Manganese $33 million (2010: $33 million), Metallurgical Coal $13 million (2010: $11 million), Thermal Coal $52 million (2010: $49 million), Platinum $53 million (2010: $37 million) and Diamonds $135 million (2010: $171 million).

(2) Other non-cash expenses include equity settled share-based payment charges and amounts included in operating costs in respect of provisions, excluding amounts recorded within special items.

(3) In addition $84 million (2010: $97 million) of accelerated depreciation has been recorded within operating special items (see note 4) and $39 million (2010: nil) of pre-commercial production depreciation has been capitalised.

Capital expenditure and net debt

	Capital expenditure[(1)]		Net debt[(2)]	
US$ million	**2011**	2010	**2011**	2010
Iron Ore and Manganese	**1,732**	1,195	**1,211**	89
Metallurgical Coal	**695**	235	**(211)**	(635)
Thermal Coal	**190**	274	**81**	(50)
Copper	**1,570**	1,530	**(781)**	(243)
Nickel	**398**	525	**603**	561
Platinum	**970**	1,011	**20**	(65)
Other Mining and Industrial	**152**	206	**338**	385
Exploration	**1**	–	**(6)**	(2)
Corporate Activities and Unallocated Costs	**56**	18	**119**	7,403
	5,764	4,994	**1,374**	7,443
Reconciliation:				
Remove: cash flows from derivatives relating to capital expenditure	**439**	286		
Purchase of property, plant and equipment	**6,203**	5,280		
Interest capitalised	**321**	247		
Non-cash movements[(3)]	**27**	305		
Net debt in disposal groups			**–**	(59)
	6,551	5,832	**1,374**	7,384
Property, plant and equipment additions in disposal groups[(4)]	**(2)**	(46)		
Property, plant and equipment additions[(5)]	**6,549**	5,786		

(1) Capital expenditure is segmented on a cash basis and is reconciled to balance sheet additions. Cash capital expenditure includes cash flows on related derivatives.

(2) Segment net debt includes related hedges and excludes net debt in disposal groups. For a reconciliation of net debt to the balance sheet see note 12b.

(3) Includes movements on capital expenditure accruals, movements relating to deferred stripping and the impact of realised cash flow hedges.

(4) Relates to additions in businesses held in disposal groups, prior to their sale.

(5) Capital expenditure on an accruals basis is split by segment as follows: Iron Ore and Manganese $2,125 million (2010: $1,536 million), Metallurgical Coal $681 million (2010: $314 million), Thermal Coal $231 million (2010: $297 million), Copper $1,877 million (2010: $1,820 million), Nickel $405 million (2010: $602 million), Platinum $1,014 million (2010: $1,043 million), Other Mining and Industrial $159 million (2010: $153 million), Exploration $1 million (2010: $1 million) and Corporate Activities and Unallocated Costs $56 million (2010: $20 million).

2. Segmental information (continued)

Segment assets and liabilities

The following balance sheet segment measures are provided for information:

US$ million	Segment assets[1]		Segment liabilities[2]		Net segment assets/(liabilities)	
	2011	2010	**2011**	2010	**2011**	2010
Iron Ore and Manganese	**13,646**	12,333	**(577)**	(632)	**13,069**	11,701
Metallurgical Coal	**5,660**	5,159	**(968)**	(827)	**4,692**	4,332
Thermal Coal	**2,650**	2,897	**(764)**	(786)	**1,886**	2,111
Copper	**8,767**	7,300	**(1,124)**	(1,009)	**7,643**	6,291
Nickel	**2,655**	2,443	**(120)**	(109)	**2,535**	2,334
Platinum	**12,288**	14,701	**(1,097)**	(1,223)	**11,191**	13,478
Other Mining and Industrial	**3,923**	4,148	**(722)**	(755)	**3,201**	3,393
Exploration	**2**	3	**(3)**	(12)	**(1)**	(9)
Corporate Activities and Unallocated Costs	**375**	402	**(584)**	(377)	**(209)**	25
	49,966	49,386	**(5,959)**	(5,730)	**44,007**	43,656
Other assets and liabilities						
Investments in associates[3]	**5,240**	4,900	**–**	–	**5,240**	4,900
Financial asset investments	**2,896**	3,220	**–**	–	**2,896**	3,220
Deferred tax assets/(liabilities)	**530**	389	**(5,730)**	(5,641)	**(5,200)**	(5,252)
Other financial assets/(liabilities) – derivatives	**840**	842	**(1,112)**	(835)	**(272)**	7
Cash and cash equivalents	**11,732**	6,401	**–**	–	**11,732**	6,401
Other non-operating assets/(liabilities)	**1,238**	1,518	**(2,715)**	(2,233)	**(1,477)**	(715)
Borrowings	**–**	–	**(12,873)**	(13,439)	**(12,873)**	(13,439)
Other provisions for liabilities and charges	**–**	–	**(864)**	(807)	**(864)**	(807)
Net assets	**72,442**	66,656	**(29,253)**	(28,685)	**43,189**	37,971

(1) Segment assets at 31 December 2011 are operating assets and consist of intangible assets of $2,322 million (2010: $2,316 million), property, plant and equipment of $40,549 million (2010: $39,810 million), biological assets of $17 million (2010: $2 million), environmental rehabilitation trusts of $360 million (2010: $379 million), retirement benefit assets of $70 million (2010: $112 million), inventories of $3,517 million (2010: $3,604 million) and operating receivables of $3,131 million (2010: $3,163 million).

(2) Segment liabilities at 31 December 2011 are operating liabilities and consist of non-interest bearing current liabilities of $3,982 million (2010: $3,834 million), environmental restoration and decommissioning provisions of $1,338 million (2010: $1,305 million) and retirement benefit obligations of $639 million (2010: $591 million).

(3) Investments in associates are split by segment as follows: Iron Ore and Manganese $936 million (2010: $880 million), Metallurgical Coal $294 million (2010: $223 million), Thermal Coal $932 million (2010: $749 million), Platinum $848 million (2010: $1,112 million) and Diamonds $2,230 million (2010: $1,936 million).

2. Segmental information (continued)

Revenue by product

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

US$ million	2011	2010
Iron ore	**6,830**	5,234
Manganese ore and alloys	**926**	983
Metallurgical coal	**3,444**	2,711
Thermal coal	**4,621**	3,707
Copper	**5,023**	4,782
Nickel	**948**	824
Platinum	**4,578**	4,053
Palladium	**1,076**	697
Rhodium	**703**	782
Diamonds	**3,320**	2,644
Phosphates	**571**	461
Heavy building materials	**2,347**	2,376
Steel products	**931**	1,568
Other	**1,230**	2,107
	36,548	32,929

Geographical analysis

Revenue by destination and non-current segment assets by location

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:

	Revenue		Non-current segment assets[1]	
US$ million	2011	2010	2011	2010
South Africa	**3,589**	3,307	**15,215**	17,389
Other Africa	**618**	502	**357**	373
Brazil	**1,177**	1,135	**12,622**	11,159
Chile	**2,030**	1,940	**7,001**	5,628
Other South America	**50**	207	**655**	589
North America	**1,861**	1,805	**685**	540
Australia	**312**	474	**4,170**	4,022
China	**6,446**	5,075	**–**	5
India	**2,343**	2,021	**–**	–
Japan	**4,925**	4,198	**–**	–
Other Asia	**3,487**	2,818	**47**	42
United Kingdom (Anglo American plc's country of domicile)	**3,962**	3,980	**2,117**	2,331
Other Europe	**5,748**	5,467	**2**	48
	36,548	32,929	**42,871**	42,126

[1] Non-current segment assets are non-current operating assets and consist of intangible assets and property, plant and equipment.

2. Segmental information (continued)

Revenue and operating profit by origin

Segment revenue and operating profit 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	
	2011	2010	**2011**	2010
South Africa	**17,855**	15,711	**6,059**	5,001
Other Africa	**2,763**	2,329	**501**	501
Brazil	**1,404**	1,127	**152**	82
Chile	**5,170**	5,224	**2,581**	2,967
Other South America	**1,364**	1,141	**512**	367
North America	**615**	679	**256**	14
Australia and Asia	**5,058**	4,141	**1,318**	911
Europe	**2,319**	2,577	**(284)**	(80)
	36,548	32,929	**11,095**	9,763

Segment assets and liabilities by location

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[1]		Segment liabilities		Net segment assets	
	2011	2010	**2011**	2010	**2011**	2010
South Africa	**18,364**	21,294	**(2,620)**	(2,815)	**15,744**	18,479
Other Africa	**385**	377	**(20)**	(26)	**365**	351
Brazil	**13,188**	11,576	**(303)**	(358)	**12,885**	11,218
Chile	**7,950**	6,727	**(1,101)**	(1,005)	**6,849**	5,722
Other South America	**808**	679	**(48)**	(21)	**760**	658
North America	**782**	611	**(107)**	(38)	**675**	573
Australia and Asia	**5,450**	4,849	**(953)**	(851)	**4,497**	3,998
Europe	**3,039**	3,273	**(807)**	(616)	**2,232**	2,657
	49,966	49,386	**(5,959)**	(5,730)	**44,007**	43,656

(1) Investments in associates of $5,240 million (2010: $4,900 million) 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 $1,950 million (2010: $2,334 million), Other Africa $996 million (2010: $1,220 million), Other South America $917 million (2010: $729 million), North America $343 million (2010: $376 million), Australia and Asia $794 million (2010: $698 million) and Europe $240 million (2010: $(457) million).

3. Operating profit and underlying earnings by segment

The following table analyses operating profit (including attributable share of associates' operating profit) by segment and reconciles it to underlying earnings by segment. In 2011 Peace River Coal has been reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.

Underlying earnings is an alternative earnings measure, which the directors consider to be a useful additional measure of the Group's performance. Underlying earnings is profit for the financial year attributable to equity shareholders of the Company before special items and remeasurements and is therefore presented after net finance costs, income tax expense and non-controlling interests. For a reconciliation from 'Profit for the financial year attributable to equity shareholders of the Company' to 'Underlying earnings for the financial year', see note 9.

					2011
US$ million	**Operating profit/(loss) before special items and remeasurements**[1]	**Operating profit/(loss) after special items and remeasurements**	**Operating special items and remeasurements (note 4)**	**Net finance costs, income tax expense and non-controlling interests**	**Underlying earnings**
Iron Ore and Manganese	**4,520**	**4,441**	**79**	**(2,995)**	**1,525**
Metallurgical Coal	**1,189**	**1,189**	**–**	**(345)**	**844**
Thermal Coal	**1,230**	**1,231**	**(1)**	**(328)**	**902**
Copper	**2,461**	**2,460**	**1**	**(851)**	**1,610**
Nickel	**57**	**(15)**	**72**	**(34)**	**23**
Platinum	**890**	**884**	**6**	**(480)**	**410**
Diamonds	**659**	**641**	**18**	**(216)**	**443**
Other Mining and Industrial	**195**	**125**	**70**	**(88)**	**107**
Exploration	**(121)**	**(121)**	**–**	**3**	**(118)**
Corporate Activities and Unallocated Costs	**15**	**13**	**2**	**359**	**374**
Total	**11,095**	**10,848**	**247**	**(4,975)**	**6,120**
Analysed as:					
Core operations	**11,088**	**10,911**	**177**	**(4,962)**	**6,126**
Non-core operations[2]	**7**	**(63)**	**70**	**(13)**	**(6)**

					2010
US$ million	Operating profit/(loss) before special items and remeasurements[1]	Operating profit/(loss) after special items and remeasurements	Operating special items and remeasurements (note 4)	Net finance costs, income tax expense and non-controlling interests	Underlying earnings
Iron Ore and Manganese	3,681	4,037	(356)	(2,258)	1,423
Metallurgical Coal	780	803	(23)	(194)	586
Thermal Coal	710	708	2	(198)	512
Copper	2,817	2,832	(15)	(1,096)	1,721
Nickel	96	45	51	(21)	75
Platinum	837	765	72	(412)	425
Diamonds	495	466	29	(193)	302
Other Mining and Industrial	664	564	100	(143)	521
Exploration	(136)	(136)	–	8	(128)
Corporate Activities and Unallocated Costs	(181)	(192)	11	(280)	(461)
Total	9,763	9,892	(129)	(4,787)	4,976
Analysed as:					
Core operations	9,245	9,460	(215)	(4,706)	4,539
Non-core operations[2]	518	432	86	(81)	437

[1] Operating profit includes attributable share of associates' operating profit which is reconciled to 'Share of net income from associates' in note 2.
[2] Non-core operations relate to Tarmac and Scaw Metals and, until February 2011, the zinc operations.

3. Operating profit and underlying earnings by segment (continued)

Underlying earnings by origin

US$ million	2011	2010
South Africa	**2,726**	2,218
Other Africa	**326**	350
South America	**2,080**	2,154
North America	**218**	(12)
Australia and Asia	**967**	668
Europe	**(197)**	(402)
	6,120	4,976

4. 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 *Presentation of Financial Statements* paragraph 97. Special items that relate to the operating performance of the Group are classified as operating special items and principally include impairment charges and reversals and restructuring costs. Non-operating special items include profits and losses on disposals of investments and businesses as well as certain adjustments relating to business combinations.

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:

- unrealised gains and losses on 'non-hedge' derivative instruments open at the year end (in respect of future transactions) and the reversal of the historical marked to market value of such instruments settled in the year. Where the underlying transaction is recorded in the income statement, the 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 operating when the underlying exposure is in respect of the operating performance of the Group and otherwise as financing.
- 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.

4. Special items and remeasurements (continued)

US$ million	2011 Subsidiaries and joint ventures	2011 Associates[1]	2011 Total	2010 Subsidiaries and joint ventures	2010 Associates[1]	2010 Total
Impairment and related charges	**(154)**	**–**	**(154)**	(107)	(15)	(122)
Restructuring costs	**(10)**	**(9)**	**(19)**	(121)	(10)	(131)
Operating special items	**(164)**	**(9)**	**(173)**	(228)	(25)	(253)
Operating remeasurements	**(65)**	**(9)**	**(74)**	386	(4)	382
Operating special items and remeasurements	**(229)**	**(18)**	**(247)**	158	(29)	129
Disposal of Lisheen and Black Mountain	**397**	**–**	**397**	–	–	–
Platinum BEE transactions and related charges	**(141)**	**–**	**(141)**	–	–	–
Disposal of Tarmac businesses	**(75)**	**–**	**(75)**	(294)	–	(294)
Disposal of Moly-Cop and AltaSteel	**–**	**–**	**–**	555	–	555
Gain on Bafokeng-Rasimone Platinum mine transaction	**–**	**–**	**–**	546	–	546
Disposal of undeveloped coal assets	**–**	**–**	**–**	505	–	505
Disposal of Skorpion	**–**	**–**	**–**	244	–	244
Other	**2**	**20**	**22**	23	19	42
Net profit on disposals	**183**	**20**	**203**	1,579	19	1,598
Financing special items	**–**	**(9)**	**(9)**	–	(13)	(13)
Financing remeasurements	**203**	**2**	**205**	105	1	106
Total special items and remeasurements before tax and non-controlling interests	**157**	**(5)**	**152**	1,842	(22)	1,820
Special items and remeasurements tax	**(119)**	**1**	**(118)**	(110)	(2)	(112)
Non-controlling interests on special items and remeasurements	**12**	**3**	**15**	(141)	1	(140)
Net total special items and remeasurements attributable to equity shareholders of the Company	**50**	**(1)**	**49**	1,591	(23)	1,568

[1] Relates to the Diamonds segment.

Operating special items

Impairment and related charges were $154 million in the year ended 31 December 2011 (2010: $122 million). This principally comprises an impairment of Tarmac Building Products of $70 million (Other Mining and Industrial segment) and accelerated depreciation of $84 million (2010: $97 million), mainly arising at Loma de Níquel (Nickel segment). The accelerated depreciation charge at Loma de Níquel has arisen due to ongoing uncertainty over the renewal of three concessions that expire in 2012 and over the restoration of 13 concessions that have been cancelled.

Restructuring costs principally relate to retrenchment and consultancy costs within the Platinum and Diamond segments (2010: Other Mining and Industrial, Platinum and Diamond segments).

Operating remeasurements

Operating remeasurements reflect a net loss of $74 million (2010: gain of $382 million) principally in respect of non-hedge derivatives of capital expenditure in Iron Ore Brazil. Derivatives which have been realised in the year had a cumulative net operating remeasurement gain since their inception of $383 million (2010: gain of $255 million).

4. Special items and remeasurements (continued)

Profits and losses on disposals

In February 2011 the Group completed the disposal of its 100% interest in the Lisheen operation (Lisheen) and its 74% interest in Black Mountain Mining (Proprietary) Limited (Black Mountain), which holds 100% of the Black Mountain mine and the Gamsberg project, resulting in a net cash inflow of $499 million, generating a profit on disposal of $397 million. Lisheen and Black Mountain were included in the Other Mining and Industrial segment.

The charge for Platinum black economic empowerment (BEE) transactions principally relates to an IFRS 2 *Share-based Payment* charge of $131 million resulting from a community economic empowerment transaction involving certain of Platinum's host communities, which completed in December 2011.

The Group sold Tarmac's businesses in China, Turkey and Romania in July, October and November respectively. Tarmac is included in the Other Mining and Industrial segment.

Financing remeasurements

Financing remeasurements reflect a net gain of $205 million (2010: gain of $106 million) and relate to an embedded interest rate derivative, non-hedge derivatives of debt and other financing remeasurements.

Special items and remeasurements tax

Special items and remeasurements tax amounted to a charge of $118 million (2010: charge of $112 million). This relates to a credit for one-off tax items of $137 million (2010: nil), a tax remeasurement charge of $230 million (2010: credit of $122 million) and a tax charge on special items and remeasurements of $25 million (2010: charge of $234 million).

The total tax charge relating to subsidiaries and joint ventures of $119 million (2010: charge of $110 million), comprises a current tax charge of $12 million (2010: charge of $107 million) and a deferred tax charge of $107 million (2010: charge of $3 million).

The credit relating to one-off tax items of $137 million (2010: nil) principally relates to the recognition of deferred tax assets in Iron Ore Brazil which were originally written off as part of the impairment charges related to the Amapá iron ore system in 2009, and a capital gains tax refund related to a prior year disposal.

5. EBITDA

Earnings before interest, tax, depreciation and amortisation (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.

US$ million	**2011**	2010
Iron Ore and Manganese	**4,733**	3,856
Metallurgical Coal[(1)]	**1,577**	1,134
Thermal Coal	**1,410**	872
Copper	**2,750**	3,086
Nickel	**84**	122
Platinum	**1,672**	1,624
Diamonds	**794**	666
Other Mining and Industrial[(1)]	**393**	894
Exploration	**(121)**	(136)
Corporate Activities and Unallocated Costs	**56**	(135)
EBITDA	**13,348**	11,983

[(1)] In 2011 Peace River Coal has been reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.

5. **EBITDA** (continued)

EBITDA 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	2011	2010
Total profit from operations and associates	**10,599**	11,067
Operating special items and remeasurements	**229**	(158)
Net profit on disposals	**(183)**	(1,579)
Associates' net special items and remeasurements	**1**	23
Share of associates' net finance costs, tax and non-controlling interests	**449**	410
Operating profit, including associates, before special items and remeasurements	**11,095**	9,763
Depreciation and amortisation: subsidiaries and joint ventures	**1,967**	1,919
Depreciation and amortisation: associates	**286**	301
EBITDA	**13,348**	11,983

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

US$ million	2011	2010
EBITDA	**13,348**	11,983
Share of operating profit of associates before special items and remeasurements	**(1,427)**	(1,255)
Cash element of operating special items	**(59)**	(94)
Share of associates' depreciation and amortisation	**(286)**	(301)
Share-based payment charges	**254**	219
Provisions	**6**	(37)
Increase in inventories	**(352)**	(309)
Increase in operating receivables	**(264)**	(587)
Increase in operating payables	**457**	516
Deferred stripping	**(171)**	(196)
Other adjustments	**(8)**	(15)
Cash flows from operations	**11,498**	9,924

6. Exploration expenditure

US$ million	2011	2010
By commodity		
Iron ore	**5**	14
Metallurgical coal	**5**	3
Thermal coal	**9**	21
Copper	**27**	19
Nickel	**26**	27
Platinum group metals	**5**	11
Zinc	**–**	3
Central exploration activities	**44**	38
	121	136

7. Net finance income/(costs)

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

The weighted average capitalisation rate applied to qualifying capital expenditure was 5.0% (2010: 4.8%).

US$ million	2011	2010
Investment income		
Interest income from cash and cash equivalents	**239**	118
Other interest income	**194**	224
Expected return on defined benefit arrangements	**199**	205
Dividend income from financial asset investments	**59**	30
	691	577
Less: interest income capitalised	**(23)**	(9)
Total investment income	**668**	568
Interest expense		
Interest and other finance expense	**(615)**	(632)
Interest payable on convertible bond	**(68)**	(68)
Unwinding of discount on convertible bond	**(71)**	(65)
Interest cost on defined benefit arrangements	**(205)**	(219)
Unwinding of discount relating to provisions and other non-current liabilities	**(80)**	(73)
	(1,039)	(1,057)
Less: interest expense capitalised	**344**	256
Total interest expense	**(695)**	(801)
Other financing gains/(losses)		
Net foreign exchange (losses)/gains	**(16)**	17
Net fair value gains/(losses) on fair value hedges	**16**	(7)
Other net fair value gains/(losses)	**7**	(21)
Total other financing gains/(losses)	**7**	(11)
Net finance costs before remeasurements	**(20)**	(244)
Remeasurements (see note 4)	**203**	105
Net finance income/(costs) after remeasurements	**183**	(139)

8. Income tax expense

a) Analysis of charge for the year

US$ million	2011	2010
United Kingdom corporation tax at 26.5% (2010: 28%)	**16**	24
South Africa tax	**1,307**	1,199
Other overseas tax	**1,067**	1,333
Prior year adjustments	**(92)**	(7)
Current tax	**2,298**	2,549
Deferred tax	**443**	150
Income tax expense before special items and remeasurements	**2,741**	2,699
Special items and remeasurements tax	**119**	110
Income tax expense	**2,860**	2,809

8. Income tax expense (continued)

b) Factors affecting tax charge for the year

The effective tax rate for the year of 26.5% (2010: 25.7%) is the same as (2010: lower than) the applicable weighted average statutory rate of corporation tax in the United Kingdom of 26.5% (2010: 28%). The reconciling items, excluding the impact of associates, are:

US$ million	2011	2010
Profit before tax	**10,782**	10,928
Less: share of net income from associates	**(977)**	(822)
Profit before tax (excluding associates)	**9,805**	10,106
Tax on profit (excluding associates) calculated at United Kingdom corporation tax rate of 26.5% (2010: 28%)	**2,598**	2,830
Tax effects of:		
Items not taxable/deductible for tax purposes		
Exploration expenditure	**27**	13
Non-deductible/taxable net foreign exchange loss/(gain)	**24**	(3)
Non-taxable/deductible net interest (income)/expense	**(20)**	2
Other non-deductible expenses	**60**	125
Other non-taxable income	**(57)**	(40)
Temporary difference adjustments		
Current year losses not recognised	**38**	19
Utilisation of losses not previously recognised	**–**	(8)
Recognition of losses not previously recognised	**(103)**	(61)
Enhanced tax depreciation	**–**	(41)
Other temporary differences	**(57)**	(69)
Special items and remeasurements	**77**	(406)
Other adjustments		
Secondary tax on companies and dividend withholding taxes	**407**	657
Effect of differences between local and United Kingdom rates	**(61)**	(218)
Prior year adjustments to current tax	**(92)**	(7)
Other adjustments	**19**	16
Income tax expense	**2,860**	2,809

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 2011 is $384 million (2010: $315 million). Excluding special items and remeasurements this becomes $385 million (2010: $313 million).

The effective rate of tax before special items and remeasurements including attributable share of associates' tax for the year ended 31 December 2011 was 28.3%. The decrease compared to the equivalent effective rate of 31.9% for the year ended 31 December 2010 is due to a number of non-recurring factors that include the recognition of previously unrecognised tax losses and the reassessment of certain withholding tax provisions across the Group. In future periods it is expected that the effective tax rate, including associates' tax, will remain above the United Kingdom statutory tax rate.

8. Income tax expense (continued)

c) Tax amounts included in total comprehensive income

An analysis of tax by individual item presented in the Consolidated statement of comprehensive income is presented below:

US$ million	2011	2010
Tax on items recognised directly in equity		
Net gain on revaluation of available for sale investments	**(26)**	(46)
Net loss on cash flow hedges	**20**	(2)
Net exchange difference on translation of foreign operations	**11**	(82)
Actuarial net loss/(gain) on post employment benefit plans	**19**	(19)
	24	(149)
Tax on items transferred from equity		
Transferred to income statement: cash flow hedges	**(2)**	(1)
Transferred to initial carrying amount of hedged items: cash flow hedges	**(12)**	2
	(14)	1

d) Tax amounts recognised directly in equity

Capital gains tax of $1,017 million relating to the profit on sale of a 24.5% share in Anglo American Sur SA (AA Sur) in November 2011, has been charged directly to equity. There were no other material current tax amounts charged directly to equity in 2011 or 2010. Deferred tax of $127 million has been charged (2010: $68 million credited) directly to equity.

9. Earnings per share

US$	2011	2010
Profit for the financial year attributable to equity shareholders of the Company		
Basic earnings per share	**5.10**	5.43
Diluted earnings per share	**4.89**	5.18
Headline earnings for the financial year [1]		
Basic earnings per share	**4.89**	4.27
Diluted earnings per share	**4.69**	4.09
Underlying earnings for the financial year [1]		
Basic earnings per share	**5.06**	4.13
Diluted earnings per share	**4.85**	3.96

[1] Basic and diluted earnings per share are also 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 basic and diluted earnings per share is based on the following data:

US$ million (unless otherwise stated)	2011	2010
Earnings		
Basic earnings, being profit for the financial year attributable to equity shareholders of the Company	**6,169**	6,544
Effect of dilutive potential ordinary shares		
Interest payable on convertible bond (net of tax)	**50**	49
Unwinding of discount on convertible bond (net of tax)	**52**	47
Diluted earnings	**6,271**	6,640
Number of shares (million)		
Basic number of ordinary shares outstanding[1]	**1,210**	1,206
Effect of dilutive potential ordinary shares[2]		
Share options and awards	**10**	14
Convertible bond	**62**	61
Diluted number of ordinary shares outstanding[1]	**1,282**	1,281

[1] Basic and diluted number of ordinary shares outstanding represent the weighted average for the year. The average number of ordinary shares in issue excludes shares held by employee benefit trusts and Anglo American plc shares held by Group companies.
[2] 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.

9. Earnings per share (continued)

In the year ended 31 December 2011 there were 270,095 (2010: nil) share options which were potentially dilutive but were not included in the calculation of diluted earnings because they were anti-dilutive.

The Group has $1.7 billion of senior convertible notes in issue (see note 10). The impact of the potential conversion of these notes has been included in diluted earnings and diluted number of ordinary shares outstanding.

Underlying earnings is presented after non-controlling interests and excludes special items and remeasurements (see note 4). Underlying earnings is distinct from 'Headline earnings', which is a JSE Limited defined performance measure.

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

US$ million	**2011**	2010
Profit for the financial year attributable to equity shareholders of the Company	**6,169**	6,544
Operating special items	**70**	14
Operating special items – non-controlling interests	**–**	(3)
Net profit on disposals	**(347)**	(1,684)
Net profit on disposals – tax	**36**	123
Net profit on disposals – non-controlling interests	**–**	138
Financing special items	**9**	13
Tax special items	**(24)**	–
Headline earnings for the financial year	**5,913**	5,145
Operating special items[(1)]	**103**	239
Operating remeasurements	**74**	(382)
Net loss on disposals[(2)]	**144**	86
Financing remeasurements	**(205)**	(106)
Special items and remeasurements tax[(3)]	**106**	(11)
Non-controlling interests on special items and remeasurements	**(15)**	5
Underlying earnings for the financial year	**6,120**	4,976

(1) Includes restructuring costs, accelerated depreciation and related charges.
(2) Includes amounts related to the Platinum BEE transactions (2010: Anglo American Inyosi Coal BEE transaction).
(3) Includes certain tax special items.

10. Financial liabilities analysis

An analysis of borrowings, as presented on the Consolidated balance sheet, is set out below:

			2011			2010
US$ million	**Due within one year**	**Due after one year**	**Total**	Due within one year	Due after one year	Total
Secured						
Bank loans and overdrafts	**55**	**276**	**331**	57	404	461
Obligations under finance leases	**4**	**17**	**21**	5	5	10
	59	**293**	**352**	62	409	471
Unsecured						
Bank loans and overdrafts	**673**	**1,722**	**2,395**	1,276	1,536	2,812
Bonds issued under EMTN programme	**163**	**4,167**	**4,330**	62	4,346	4,408
US bonds	**–**	**3,408**	**3,408**	–	3,249	3,249
Convertible bond[(1)]	**–**	**1,504**	**1,504**	–	1,434	1,434
Other loans	**123**	**761**	**884**	135	930	1,065
	959	**11,562**	**12,521**	1,473	11,495	12,968
Total	**1,018**	**11,855**	**12,873**	1,535	11,904	13,439

(1) The debt component of the convertible bond includes cumulative unwinding of discount of $175 million (2010: $104 million) and the effect of conversions during the year of $1 million (2010: nil).

10. Financial liabilities analysis (continued)

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

US$ million	**2011**	2010
Expiry date		
Within one year[1]	**1,781**	3,781
Greater than one year, less than two years	**1,268**	12
Greater than two years, less than five years	**5,294**	7,269
Greater than five years	**76**	58
	8,419[2]	11,120

(1) Includes undrawn rand facilities equivalent to $1.6 billion (2010: $1.7 billion) in respect of a series of facilities with 364 day maturities which roll automatically on a daily basis, unless notice is served.
(2) In February 2011 the Group retired a $2.25 billion revolving credit facility maturing in June 2011.

Net additional medium and long term borrowings were $964 million (2010: $1,194 million) and net repayments of short term borrowings were $1,261 million (2010: $2,338 million) as disclosed in the Consolidated cash flow statement. Additional borrowings during 2011 primarily comprised funding from the Banco Nacional de Desenvolvimento Econômico e Social (BNDES) for the Barro Alto and Minas-Rio projects in Brazil.

Convertible bond

During 2009 the Group issued $1.7 billion of 4% senior convertible notes (the Notes) which, at the holders' election, could be exchanged for ordinary shares of Anglo American plc at a conversion price of £18.6370. The Group will have the option to call the Notes after three years from the date of issuance subject to certain conditions and, unless the Notes are redeemed, converted or cancelled, they will mature in 2014. Following the 2010 final dividend declaration and in accordance with the terms and conditions of the Notes, the conversion price was adjusted to £18.3600 with effect from 13 April 2011.

On issuance of the Notes, the fair values of the debt and equity conversion feature were $1,330 million and $355 million respectively. The equity conversion feature is presented in equity within Fair value and other reserves.

11. Consolidated equity analysis

Fair value and other reserves comprise:

US$ million	Convertible debt reserve	Available for sale reserve	Cash flow hedge reserve	Other reserves[1]	Total fair value and other reserves
Balance at 1 January 2010	355	305	31	838	1,529
Total comprehensive income	–	270	7	–	277
Changes in ownership interest in subsidiaries	–	(107)	–	–	(107)
Other	–	–	–	(7)	(7)
Balance at 1 January 2011	355	468	38	831	1,692
Total comprehensive income	–	108	(33)	–	75
Other	–	–	–	(7)	(7)
Balance at 31 December 2011	**355**	**576**	**5**	**824**	**1,760**

(1) Other reserves comprise a legal reserve of $675 million (2010: $682 million), a revaluation reserve of $34 million (2010: $34 million) and a capital redemption reserve of $115 million (2010: $115 million).

12. Consolidated cash flow analysis

a) Reconciliation of profit before tax to cash flows from operations

US$ million	2011	2010
Profit before tax	**10,782**	10,928
Depreciation and amortisation	**1,967**	1,919
Share-based payment charges	**254**	219
Net profit on disposals	**(183)**	(1,579)
Operating and financing remeasurements	**(138)**	(491)
Non-cash element of operating special items	**105**	134
Net finance costs before remeasurements	**20**	244
Share of net income from associates	**(977)**	(822)
Provisions	**6**	(37)
Increase in inventories	**(352)**	(309)
Increase in operating receivables	**(264)**	(587)
Increase in operating payables	**457**	516
Deferred stripping	**(171)**	(196)
Other adjustments	**(8)**	(15)
Cash flows from operations	**11,498**	9,924

b) Reconciliation to the balance sheet

	Cash and cash equivalents		Short term borrowings		Medium and long term borrowings	
US$ million	2011	2010	2011	2010	2011	2010
Balance sheet	**11,732**	6,401	**(1,018)**	(1,535)	**(11,855)**	(11,904)
Balance sheet – disposal groups[1]	**–**	59	**–**	–	**–**	–
Net debt classifications	**11,732**	6,460	**(1,018)**	(1,535)	**(11,855)**	(11,904)

[1] 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.

c) Movement in net debt

US$ million	Cash and cash equivalents[1]	Debt due within one year	Debt due after one year	Current financial asset investments	Net debt excluding hedges	Hedges[2]	Net debt including hedges
Balance at 1 January 2010	3,319	(1,498)	(12,819)	3	(10,995)	(285)	(11,280)
Cash flow	2,857	2,338	(1,194)	(7)	3,994	(217)	3,777
Unwinding of discount on convertible bond	–	–	(65)	–	(65)	–	(65)
Disposal of businesses	–	1	2	–	3	–	3
Reclassifications	–	(2,359)	2,359	–	–	–	–
Movement in fair value	–	(6)	(180)	–	(186)	95	(91)
Other non-cash movements	–	–	(11)	3	(8)	–	(8)
Currency movements	284	(11)	4	1	278	2	280
Balance at 1 January 2011	6,460	(1,535)	(11,904)	–	(6,979)	(405)	(7,384)
Cash flow	5,983	1,261	(964)	–	6,280	(226)	6,054
Unwinding of discount on convertible bond	–	–	(71)	–	(71)	–	(71)
Disposal of businesses	–	5	–	–	5	–	5
Reclassifications	–	(777)	777	–	–	–	–
Movement in fair value	–	–	(264)	–	(264)	404	140
Other non-cash movements	–	(18)	(38)	–	(56)	–	(56)
Currency movements	(711)	46	609	–	(56)	(6)	(62)
Balance at 31 December 2011	**11,732**	**(1,018)**	**(11,855)**	**–**	**(1,141)**	**(233)**	**(1,374)**

[1] The Group operates in certain countries where the existence of exchange controls may restrict the use of certain cash balances (principally South Africa and Venezuela). These restrictions are not expected to have a material effect on the Group's ability to meet its ongoing obligations.

[2] 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 $82 million (2010: $2 million) and net non-current derivative liabilities of $315 million (2010: $407 million) which are classified within Other financial assets (derivatives) and Other financial liabilities (derivatives) on the balance sheet.

13. Disposals of subsidiaries and joint ventures

US$ million	Lisheen and Black Mountain	Tarmac disposals	Other	2011 Total	2010 Total
Net assets disposed					
Property, plant and equipment	110	54	3	**167**	1,443
Other non-current assets	53	25	1	**79**	658
Current assets	431	15	15	**461**	852
Current liabilities	(39)	(7)	(9)	**(55)**	(240)
Non-current liabilities	(100)	(7)	(1)	**(108)**	(412)
Net assets	455	80	9	**544**	2,301
Non-controlling interests	(42)	–	–	**(42)**	(14)
Group's share of net assets immediately prior to disposal	413	80	9	**502**	2,287
Fair value adjustment to retained investments[1]	–	–	–	**–**	440
Less: retained investments	–	–	–	**–**	(826)
Net assets disposed	413	80	9	**502**	1,901
Cumulative translation differences recycled from reserves	42	5	(2)	**45**	(40)
Net gain/(loss) on disposals[1]	397	(75)	15	**337**	1,246
Net sale proceeds	852	10	22	**884**	3,107
Net cash and cash equivalents disposed	(356)	(2)	–	**(358)**	(280)
Non-cash/deferred consideration	–	–	–	**–**	(83)
Accrued transaction costs and similar items	3	–	–	**3**	51
Net cash inflow from disposals[2]	499	8	22	**529**	2,795

(1) Included in net profit on disposals, see note 4.
(2) In addition, in the year ended 31 December 2011, there was a net cash inflow of $4 million in respect of disposals in 2010, resulting in a total net cash inflow from disposals of $533 million (2010: $2,795 million). Of this, a net cash inflow of $514 million (2010: $2,539 million) related to disposals of subsidiaries and $19 million (2010: $256 million) related to the sale of interests in joint ventures.

Disposals in 2011

Disposals of subsidiaries during the year ended 31 December 2011 mainly related to the disposal of Lisheen and a 74% interest in Black Mountain (the Group's remaining zinc operations) and disposals of Tarmac businesses (China, Turkey and Romania) in the Other Mining and Industrial segment.

Lisheen and Black Mountain
The Group announced the sale of its zinc portfolio to Vedanta Resources plc on 10 May 2010, for a total consideration of $1,338 million, on an attributable debt and cash free basis. The completion of the sale of Lisheen and Black Mountain took place in February 2011 for a combined net cash inflow of $499 million.

Disposals in 2010

Disposals of subsidiaries and joint ventures during 2010 mainly related to disposals in the Other Mining and Industrial, Platinum and Metallurgical Coal segments.

Disposals in the Other Mining and Industrial segment related to Moly-Cop and AltaSteel, the Skorpion zinc operation and Tarmac's Polish and French and Belgian concrete products businesses and the majority of the European aggregates businesses. Disposals in the Platinum segment mainly related to the Bafokeng-Rasimone Platinum mine transaction and disposals in the Metallurgical Coal segment related to undeveloped coal assets.

14. Disposal groups and non-current assets held for sale

There were no assets or liabilities in disposal groups or non-current assets classified as held for sale at 31 December 2011.

US$ million	2010[1]
Intangible assets	4
Property, plant and equipment	117
Other non-current assets	49
Total non-current assets	170
Inventories	26
Trade and other receivables	75
Cash and cash equivalents	59
Total current assets	160
Total assets	330
Trade and other payables	(40)
Total current liabilities	(40)
Deferred tax liabilities	(23)
Provisions for liabilities and charges	(72)
Other non-current liabilities	(7)
Total non-current liabilities	(102)
Total liabilities	(142)
Net assets	188

[1] Related to the Group's portfolio of zinc operations for which disposal transactions had not completed at 31 December 2010 (Lisheen and a 74% interest in Black Mountain). Lisheen and Black Mountain were sold during 2011. See note 13.

15. Contingent liabilities

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 the Mondi Group have agreed to indemnify each other, subject to certain limitations, against certain liabilities. Anglo American has also provided Mitsubishi Corporation LLC with indemnities against certain liabilities as part of the sale of a 24.5% interest in AA Sur. Having taken appropriate legal advice, the Group believes that a material liability arising from the indemnities provided is unlikely.

At 31 December 2011 the Group and its subsidiaries had provided aggregate amounts of $873 million (2010: $813 million) of loan and performance guarantees to banks and other third parties primarily in respect of environmental restoration and decommissioning obligations.

No contingent liabilities were secured on the assets of the Group at 31 December 2011 or 31 December 2010.

Other

Anglo American Sur SA (AA Sur)

Anglo American and Enami, a wholly owned Chilean state controlled minerals company, amended an agreement Anglo American inherited when it acquired AA Sur in 2002. In 2008 the option under this agreement was transferred by Enami to Codelco, the Chilean state copper company. AA Sur is majority owned by the Group and owns the Los Bronces and El Soldado copper mines and the Chagres smelter. The agreement granted Codelco the right, subject to certain conditions and limitations, to acquire up to a 49% interest in AA Sur. The right to exercise the option was restricted to a window that occurred once every three years in the month of January until January 2027. The previous option exercise window was in January 2009.

The calculations of the price at which Codelco could have exercised its rights take account of company profitability over a five year period, shareholder loans and undistributed earnings. Under IAS 39 *Financial Instruments: Recognition and Measurement*, the fair valuation of an option is required to be performed from the perspective of a market participant in an arm's length transaction and does not take into account specific factors relevant to any individual counterparty. In particular, the IAS 39 valuation does not incorporate any capital gains tax payable by the Group on exercise of the option to Codelco's shareholder, the Chilean government. The valuation also excludes any commercial or strategic benefit to Anglo American in extinguishing the option.

15. Contingent liabilities (continued)

The option's fair value is calculated as the difference between the estimated fair value of the underlying assets to which the option relates and the estimated option price. The estimated fair value of the underlying assets may vary based on a market participant's assumptions at any point in time, including, *inter alia*, commodity prices, foreign exchange rates and discount rates. In addition, the option price cannot be finalised in advance of the option window and must be estimated based on assumptions about inputs that are subject to significant fluctuations.

Further, Anglo American had a right to sell up to 100% of its interest in AA Sur to a third party at any time prior to the exercise of the option, which would correspondingly reduce any value attributed to the option during the non-exercise period.

Based on a range of scenarios for these key variables, it was concluded that the option had insufficient value to warrant recognition on the balance sheet at 31 December 2010 and 30 June 2011.

In the fourth quarter of 2011 Anglo American entered into discussions with Mitsubishi to sell 24.5% of AA Sur, as it was entitled to do under the option agreement. This highlighted new information about the value of AA Sur from a third party which was not previously available. The fair value of a 24.5% equity interest in AA Sur, based on the consideration received by the Group from its disposal of a 24.5% equity interest in AA Sur to Mitsubishi in November 2011, was $5.4 billion. The option exercise price in the January 2012 option exercise window would have been $2.8 billion, representing a 24.5% equity interest in AA Sur for $2.5 billion, plus 24.5% of shareholder loans.

On 22 December 2011 Anglo American filed a writ with the Court of Appeals in Santiago against Codelco for breach of contract. The breach consisted of Codelco's premature attempt to exercise the option outside of a contractual exercise window and Codelco's actions aimed at preventing Anglo American from exercising its contractual rights under the option agreement. The writ seeks to render ineffective the potential future exercise of the option by Codelco and also seeks damages. In accordance with Anglo American's legal advice, as a result of Codelco's breach of contract, it is no longer entitled to enforce the option to acquire shares of AA Sur and any attempt to do so is ineffective. The Group remains confident that this position will be upheld should the various claims and counter claims proceed to judgment. As a liability would only be recognised by the Group where a present obligation, that could be measured reliably, existed at the balance sheet date, no liability has been recognised as at 31 December 2011. If the option over 24.5% of AA Sur had been legally enforceable at 31 December 2011 an option liability of $2.9 billion would have been recognised by the Group. Had the option been validly exercised in January 2012 this liability would have been reversed and, in addition, an accounting gain of approximately $1.0 billion would have been recognised in equity. The Group remains open to reaching a commercial settlement with Codelco but to date no settlement has been reached.

Kumba Iron Ore (Kumba)

Sishen Supply Agreement arbitration

Sishen Iron Ore Company (SIOC) notified ArcelorMittal South Africa Limited (ArcelorMittal) on 5 February 2010 that it was no longer entitled to receive 6.25 Mtpa of iron ore contract mined by SIOC at cost plus 3% from Sishen mine, as a result of the fact that ArcelorMittal had failed to convert its old order mining rights. This contract mining agreement, concluded in 2001, was premised on ArcelorMittal owning an undivided 21.4% interest in the mineral rights of Sishen mine. As a result of ArcelorMittal's failure to convert its old order mining right, the contract mining agreement automatically lapsed and became inoperative in its entirety as of 1 May 2009.

As a result, a dispute arose between SIOC and ArcelorMittal, which SIOC has referred to arbitration. During 2011, three arbitrators were appointed and May 2012 was set as the date for the arbitration to begin. On 9 December 2011, SIOC and ArcelorMittal agreed to postpone the arbitration until the final resolution of the mining right dispute (see below).

SIOC and ArcelorMittal reached an interim pricing arrangement in respect of the supply of iron ore to ArcelorMittal from the Sishen mine. This interim arrangement endured until 31 July 2011. SIOC and ArcelorMittal agreed to an addendum to the interim supply agreement which extended the terms and conditions of the current interim agreement. The new interim pricing agreement, which is on the same terms and conditions as the first interim pricing agreement, commenced on 1 August 2011 and will endure to 31 July 2012.

21.4% undivided share of the Sishen mine mineral rights

After ArcelorMittal failed to convert its old order rights, SIOC applied for the residual 21.4% mining right previously held by ArcelorMittal and its application was accepted by the Department of Mineral Resources (DMR) on 4 May 2009. A competing application for a prospecting right over the same area was also accepted by the DMR. SIOC objected to this acceptance. Notwithstanding this objection, a prospecting right over the 21.4% interest was granted by the DMR to Imperial Crown Trading 289 (Pty) Limited (ICT). SIOC initiated a review application in the North Gauteng High Court on 21 May 2010 in relation to the decision of the DMR to grant a prospecting right to ICT.

15. **Contingent liabilities** (continued)

The High Court Review, in which SIOC challenged the award of the 21.4% prospecting right over Sishen mine by the DMR to ICT, was presided over by Judge Raymond Zondo in the North Gauteng High Court in Pretoria, South Africa, from 15 to 18 August 2011.

On 21 December 2011 judgment was delivered in the High Court regarding the status of the mining rights at the Sishen mine. The High Court held that, upon the conversion of SIOC's old order mining right relating to the Sishen mine properties in 2008, SIOC became the exclusive holder of a converted mining right for iron ore and quartzite in respect of the Sishen mine properties. The High Court held further that as a consequence, any decision taken by the DMR after such conversion in 2008, to accept or grant any further rights to iron ore at the Sishen mine properties was void. Finally, the High Court reviewed and set aside the decision of the Minister of Mineral Resources or her delegate to grant a prospecting right to ICT relating to iron ore as to a 21.4% share in respect of the Sishen mine properties. On 3 February 2012, both the DMR and ICT submitted applications for leave to appeal against the High Court judgment.

The High Court order does not affect the interim supply agreement between ArcelorMittal and SIOC, which will endure until 31 July 2012 as indicated above.

SIOC will continue to take the necessary steps to protect its shareholders' interests in this regard.

Anglo American South Africa Limited (AASA)

AASA, a wholly owned subsidiary of the Company, is a defendant in 24 separate lawsuits in South Africa each one of them brought by a former mineworker (or his dependant) 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. In addition, AASA is a defendant in one lawsuit filed in England on behalf of 19 former mineworkers, and a claim form for a second lawsuit has been filed in the High Court in London on behalf of 756 claimants and a 'representative claim' on behalf of all black underground miners in 'Anglo gold mines' seeking damages in relation to silicosis and related diseases, although this second claim has not yet been served.

The aggregate amount of the 24 South African claims is less than $5 million. No specific amount of damages has been specified in the claims filed in England. If these claims are determined adversely to AASA there are a substantial number of additional former mineworkers (or their dependants) who may seek to bring similar claims or whose claims could become part of the representative claim filed in England. The first trials of the South African claims are not expected before 2013. AASA is contesting the jurisdiction of the English courts to hear the claims filed against it in that jurisdiction.

16. Related party transactions

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

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 to the Group than those arranged with third parties. These transactions are not considered to be significant.

Dividends received from associates during the year totalled $344 million (2010: $255 million), as disclosed in the Consolidated cash flow statement.

At 31 December 2011 the Group had provided loans to joint ventures of $263 million (2010: $319 million). These loans are included in financial asset investments. No amounts were payable to joint ventures at 31 December 2011 (2010: $59 million).

In addition to the investments in associates disclosed on the Consolidated balance sheet, the Group had provided loans to associates at 31 December 2011 of $572 million (2010: $531 million). These are included in financial asset investments.

At 31 December 2011 the directors of the Company and their immediate relatives controlled 0.1% (2010: 2.5%) of the voting shares of the Company.

16. Related party transactions (continued)

Related party transactions with De Beers

The Group has in prior years entered into various transactions with DB Investments SA and De Beers SA (together De Beers) which were considered to be related party transactions for the purposes of the UKLA Listing Rules as a result of the interest in De Beers held by CHL Holdings Limited (CHL) and certain of its subsidiaries in which Mr N. F. Oppenheimer, a director of the Company at the time of these transactions, had a relevant interest for the purpose of the rules. The related party transactions entered into and which continue to be relevant in the current year are detailed below.

At 31 December 2011 the amount of outstanding loans owed by De Beers (and included in the loans to associates amount disclosed above) was $301 million (2010: $355 million), which includes accrued interest of $10 million (2010: net unamortised discount of $3 million). These loans are subordinated in favour of third party lenders and include:

- dividend reinvestment loans of $133 million (2010: $133 million) advanced during 2008 and 2009. These loans were interest free for two years from the date of advance and subsequently became interest bearing in line with market rates at the date of the initial reinvestment.
- a further shareholder loan of $158 million (2010: $225 million) advanced in 2009. This loan was interest free for two years after which it reverted to a rate of interest equal to LIBOR plus 700 basis points. From April 2016, provided all interest payments are up to date, the rate of interest reduces to LIBOR plus 300 basis points. During 2011 De Beers repaid $67 million of this loan, along with accrued interest of $5 million.

On 4 November 2011 Anglo American announced it had entered into an agreement with CHL and Centhold International Limited, together representing the Oppenheimer family interests in De Beers, to acquire their 40% interest in De Beers for a total cash consideration of $5.1 billion, subject to adjustment and conditions as provided for in the agreement (the 'Transaction').

Under the terms of the existing shareholders' agreement between Anglo American, CHL and the Government of the Republic of Botswana (GRB), the GRB has pre-emption rights in respect of the interests in De Beers to be sold, enabling it to participate in the Transaction and to increase its interest in De Beers, on a pro rata basis, to up to 25%. In the event that the GRB does not exercise pre-emption rights, in whole or in part, Anglo American's interest in De Beers will, assuming satisfaction of the conditions to the Transaction, increase to 85%.

In the event that the GRB exercises its pre-emption rights in full, Anglo American, under the Transaction, would acquire an incremental 30% interest in De Beers, taking its total interest to 75%, and the consideration payable by Anglo American to the sellers would be reduced proportionately.

In view of the fact that the CHL Sellers are ultimately controlled through intermediary companies by trusts (the 'Seller Trusts') of which Mr N. F. Oppenheimer is a potential discretionary beneficiary and Mr N. F. Oppenheimer has been a director of Anglo American within the 12 months preceding agreement of the Transaction, the Transaction is categorised as a related party transaction. As a result, the Transaction required the approval of Anglo American shareholders (other than Mr N. F. Oppenheimer and his associates), which approval was obtained at a general meeting of the Company held on 6 January 2012. The Transaction remains conditional on the satisfaction or waiver of certain specified regulatory and government approvals. Further information in relation to the Transaction is set out in the circular posted to the Company's shareholders in December 2011.

17. Events occurring after end of year

On 6 January 2012 the Group's shareholders approved, by way of resolution, the acquisition of an incremental interest in De Beers, to take the Group's holding from 45% to up to 85%. The transaction remains subject to regulatory and government approvals.

With the exception of the above and the proposed final dividend for 2011 there have been no material reportable events since 31 December 2011.

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 the Copper segment and De Beers which are quoted on a 100% basis.

	2011	2010
Iron Ore and Manganese segment (tonnes)		
Kumba Iron Ore[(1)]		
Lump	**25,445,100**	25,922,300
Fines	**15,822,500**	17,462,600
Amapá		
Sinter feed	**1,401,000**	2,136,900
Pellet feed	**3,420,500**	1,892,500
Total iron ore production	**46,089,100**	47,414,300
Samancor[(2)]		
Manganese ore	**2,786,800**	2,952,800
Manganese alloys[(3)]	**300,500**	312,000
Coal (tonnes)		
Metallurgical Coal segment		
Australia		
Export metallurgical	**13,253,400**	14,701,800
Thermal	**13,426,500**	14,460,500
	26,679,900	29,162,300
Canada		
Export metallurgical	**936,300**	868,000
Total Metallurgical Coal segment coal production[(4)]	**27,616,200**	30,030,300
Thermal Coal segment		
South Africa		
Metallurgical	**323,400**	436,500
Thermal (non-Eskom)	**21,388,100**	21,612,000
Eskom	**35,296,000**	36,403,400
	57,007,500	58,451,900
Colombia		
Export thermal	**10,751,700**	10,060,100
Total Thermal Coal segment coal production	**67,759,200**	68,512,000
Other Mining and Industrial segment		
South America		
Thermal	**–**	441,400
Total Other Mining and Industrial segment coal production[(4)]	**–**	441,400
Total coal production	**95,375,400**	98,983,700
Coal (tonnes)		
Metallurgical Coal segment		
Australia		
Callide	**8,038,700**	8,515,600
Drayton	**3,991,900**	4,206,000
Capcoal	**5,047,900**	5,460,300
Jellinbah	**1,829,600**	1,792,500
Moranbah North	**2,450,100**	3,937,800
Dawson	**3,904,600**	3,584,400
Foxleigh	**1,417,100**	1,665,700
	26,679,900	29,162,300
Canada		
Peace River Coal	**936,300**	868,000
Total Metallurgical Coal segment coal production[(4)]	**27,616,200**	30,030,300

(1) Kolomela commenced commercial production on 1 December 2011. Costs associated with 984,700 tonnes of production (2010: nil) have been capitalised before commercial production was reached.
(2) Saleable production.
(3) Production includes Medium Carbon Ferro Manganese.
(4) In 2011 Peace River Coal has been reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.

Production statistics (continued)

	2011	2010
Coal (tonnes) (continued)		
Thermal Coal segment		
South Africa		
Greenside	**2,853,100**	3,425,000
Goedehoop	**5,200,800**	6,026,200
Isibonelo	**4,338,200**	4,569,100
Kriel	**8,151,700**	9,526,100
Kleinkopje	**4,400,600**	4,423,600
Landau	**4,171,200**	4,085,800
New Denmark	**4,812,600**	5,051,600
New Vaal	**17,399,700**	17,235,300
Mafube	**2,313,100**	2,447,700
Zibulo[(1)]	**3,366,500**	1,661,500
	57,007,500	58,451,900
Colombia		
Carbones del Cerrejón	**10,751,700**	10,060,100
Total Thermal Coal segment coal production	**67,759,200**	68,512,000
Other Mining and Industrial segment		
South America		
Carbones del Guasare	**–**	441,400
Total Other Mining and Industrial segment coal production[(2)]	**–**	441,400
Total coal production	**95,375,400**	98,983,700
Total coal production by commodity (tonnes)		
Metallurgical		
South Africa	**323,400**	436,500
Australia – Export	**13,253,400**	14,701,800
Canada – Export	**936,300**	868,000
Total metallurgical coal production	**14,513,100**	16,006,300
Thermal		
South Africa – Thermal (non-Eskom)	**21,388,100**	21,612,000
South Africa – Eskom	**35,296,000**	36,403,400
Australia	**13,426,500**	14,460,500
South America	**10,751,700**	10,501,500
Total thermal coal production	**80,862,300**	82,977,400
Total coal production	**95,375,400**	98,983,700

(1) Zibulo commenced commercial production on 1 October 2011. Revenue and related costs associated with 2,155,200 tonnes (2010: 1,661,500 tonnes) of production have been capitalised before commercial production was reached. The 2,155,200 tonnes includes Eskom coal of 633,400 tonnes (2010: 764,700 tonnes) and export thermal coal production of 1,521,800 tonnes (2010: 896,800 tonnes).

(2) In 2011 Peace River Coal has been reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.

Production statistics (continued)

			2011	2010
Copper segment				
Collahuasi				
100% basis (Anglo American share 44%)				
Ore mined		tonnes	**45,240,000**	84,060,000
Ore processed	Oxide	tonnes	**8,075,800**	7,226,800
	Sulphide	tonnes	**47,747,400**	49,119,900
Ore grade processed	Oxide	% Cu	**0.7**	0.5
	Sulphide	% Cu	**1.0**	1.1
Production	Copper concentrate	dry metric tonnes	**1,535,800**	1,789,300
	Copper cathode	tonnes	**36,000**	38,800
	Copper in concentrate	tonnes	**417,300**	465,200
Total copper production for Collahuasi		tonnes	**453,300**	504,000
Anglo American's share of copper production for Collahuasi		tonnes	**199,500**	221,800
Anglo American Sur				
Los Bronces mine				
Ore mined		tonnes	**26,587,500**	20,021,600
Marginal ore mined		tonnes	**30,515,600**	43,266,400
Las Tortolas concentrator	Ore processed	tonnes	**20,595,700**	18,909,400
	Ore grade processed	% Cu	**0.9**	1.0
	Average recovery	%	**85.8**	88.2
Confluencia concentrator	Ore processed	tonnes	**3,329,400**	–
	Ore grade processed	% Cu	**0.7**	–
	Average recovery	%	**84.3**	–
Production	Copper concentrate	dry metric tonnes	**658,300**	598,300
	Copper cathode	tonnes	**38,400**	42,600
	Copper in sulphate	tonnes	**4,600**	4,100
	Copper in concentrate	tonnes	**178,800**	174,700
	Total	tonnes	**221,800**	221,400
El Soldado mine				
Ore mined	Open pit – ore mined	tonnes	**10,197,700**	4,890,400
	Open pit – marginal ore mined	tonnes	**–**	101,900
	Underground (sulphide)	tonnes	**–**	1,390,200
	Total	tonnes	**10,197,700**	6,382,500
Ore processed	Oxide	tonnes	**1,887,000**	1,532,200
	Sulphide	tonnes	**7,209,100**	7,176,100
Ore grade processed	Oxide	% Cu	**0.7**	0.7
	Sulphide	% Cu	**0.8**	0.6
Production	Copper concentrate	dry metric tonnes	**171,900**	174,000
	Copper cathode	tonnes	**5,000**	4,700
	Copper in concentrate	tonnes	**41,900**	35,700
	Total	tonnes	**46,900**	40,400
Chagres Smelter				
	Copper concentrate smelted	tonnes	**143,000**	142,100
Production	Copper blister/anode	tonnes	**138,200**	137,900
	Acid	tonnes	**487,500**	466,700
Total copper production for Anglo American Sur[(1)]		tonnes	**268,700**	261,800
Anglo American Norte				
Mantos Blancos mine				
Ore processed	Oxide	tonnes	**4,563,400**	4,380,900
	Sulphide	tonnes	**4,186,600**	3,924,700
	Marginal ore	tonnes	**5,109,400**	5,628,900
Ore grade processed	Oxide	% Cu (soluble)	**0.6**	0.6
	Sulphide	% Cu (insoluble)	**1.0**	1.1
	Marginal ore	% Cu (soluble)	**0.2**	0.2
Production	Copper concentrate	dry metric tonnes	**119,000**	119,300
	Copper cathode	tonnes	**36,000**	39,100
	Copper in concentrate	tonnes	**36,100**	39,500
	Total	tonnes	**72,100**	78,600

(1) Includes total concentrate, cathode and copper in sulphate production.

Production statistics (continued)

			2011	2010
Copper segment (continued)				
Anglo American Norte (continued)				
Mantoverde mine				
Ore processed	Oxide	tonnes	**10,012,200**	9,223,200
	Marginal ore	tonnes	**8,025,300**	5,237,000
Ore grade processed	Oxide	% Cu (soluble)	**0.6**	0.7
	Marginal ore	% Cu (soluble)	**0.3**	0.3
Production	Copper cathode	tonnes	**58,700**	61,100
Total copper production for Anglo American Norte[1]		tonnes	**130,800**	139,700
Total Copper segment copper production[1]		tonnes	**599,000**	623,300
Platinum copper production		tonnes	**12,800**	10,900
Black Mountain copper production		tonnes	**300**	2,500
Total attributable copper production[1]		tonnes	**612,100**	636,700
Nickel segment				
Codemin				
Ore mined[2]		tonnes	**549,900**	493,900
Ore processed		tonnes	**562,900**	488,300
Ore grade processed		% Ni	**1.9**	1.9
Production		tonnes	**9,500**	8,500
Loma de Níquel				
Ore mined		tonnes	**1,302,600**	714,200
Ore processed		tonnes	**1,014,200**	798,000
Ore grade processed		% Ni	**1.5**	1.6
Production		tonnes	**13,400**	11,700
Barro Alto[3]				
Ore mined		tonnes	**978,000**	723,600
Ore processed		tonnes	**456,500**	–
Ore grade processed		% Ni	**2.0**	–
Production		tonnes	**6,200**	–
Total Nickel segment nickel production		tonnes	**29,100**	20,200
Platinum nickel production		tonnes	**20,300**	18,500
Total attributable nickel production		tonnes	**49,400**	38,700
Platinum segment[4]				
Platinum		troy ounces	**2,530,100**	2,569,900
Palladium		troy ounces	**1,430,700**	1,448,500
Rhodium		troy ounces	**337,600**	328,900
Copper[5]		tonnes	**12,800**	10,900
Nickel[5]		tonnes	**20,300**	18,500
Gold		troy ounces	**105,100**	81,300
Equivalent refined platinum		troy ounces	**2,410,100**	2,484,000
Diamonds segment (De Beers) (diamonds recovered – carats)				
100% basis (Anglo American share 45%)				
Debswana			**22,890,000**	22,218,000
Namdeb			**1,335,000**	1,472,000
De Beers Consolidated Mines			**5,443,000**	7,556,000
De Beers Canada			**1,660,000**	1,751,000
Total diamonds production for De Beers			**31,328,000**	32,997,000
Anglo American's share of diamonds production for De Beers			**14,097,000**	14,849,000

(1) Includes total concentrate, cathode and copper in sulphate production.
(2) Represents ore mined at Barro Alto for processing at Codemin.
(3) Barro Alto is currently not in commercial production and therefore all revenue and related costs associated with 6,200 tonnes (2010: nil) of production have been capitalised.
(4) See the published results of Anglo American Platinum Limited for further analysis of production information.
(5) Also disclosed within total attributable copper and nickel production.

Production statistics (continued)

			2011	2010
Other Mining and Industrial segment				
Copebrás				
Phosphates		tonnes	**1,060,900**	1,002,000
Catalão				
Niobium				
Ore mined		tonnes	**866,600**	1,209,400
Ore processed		tonnes	**902,600**	909,300
Ore grade processed		Kg Nb/tonne	**8.1**	6.6
Production		tonnes	**3,900**	4,000
Tarmac				
Aggregates		tonnes	**42,878,400**	58,875,600
Lime products		tonnes	**1,264,000**	1,255,900
Concrete		m^3	**3,285,700**	3,305,800
Scaw Metals				
South Africa Steel Products		tonnes	**677,400**	710,000
International Steel Products(1)		tonnes	**–**	794,200
Zinc and lead				
Lisheen(2)				
Ore mined		tonnes	**152,800**	1,531,700
Ore processed		tonnes	**156,200**	1,587,600
Ore grade processed	Zinc	% Zn	**13.4**	12.2
	Lead	% Pb	**2.7**	1.9
Production	Zinc in concentrate	tonnes	**19,200**	175,100
	Lead in concentrate	tonnes	**2,900**	20,600
Black Mountain(2)				
Ore mined		tonnes	**132,800**	1,415,500
Ore processed		tonnes	**126,200**	1,378,600
Ore grade processed	Zinc	% Zn	**3.4**	3.3
	Lead	% Pb	**4.5**	4.2
	Copper	% Cu	**0.4**	0.3
Production	Zinc in concentrate	tonnes	**3,300**	36,100
	Lead in concentrate	tonnes	**5,400**	50,600
	Copper in concentrate	tonnes	**300**	2,500
Skorpion(2)				
Ore mined		tonnes	**–**	1,412,600
Ore processed		tonnes	**–**	1,358,000
Ore grade processed	Zinc	% Zn	**–**	11.2
Production	Zinc	tonnes	**–**	138,500
Total attributable zinc production		tonnes	**22,500**	349,700
Total attributable lead production		tonnes	**8,300**	71,200

(1) Relates to production from Moly-Cop and AltaSteel. The Group sold its interests in Moly-Cop and AltaSteel in December 2010.
(2) The Group sold its interest in Skorpion in December 2010 and its interests in Lisheen and Black Mountain in February 2011.

Production statistics (continued)

Quarterly production statistics

	31 December 2011	30 September 2011	30 June 2011	31 March 2011	Quarter ended 31 December 2010	% Change (Quarter ended) 31 December 2011 v 30 September 2011	31 December 2011 v 31 December 2010
Iron Ore and Manganese segment (tonnes)							
Iron ore[1]	**12,427,300**	**12,182,900**	**11,534,100**	**9,944,800**	11,807,700	2%	5%
Manganese ore[2]	**722,500**	**807,600**	**716,100**	**540,600**	731,600	(11)%	(1)%
Manganese alloys[2][3]	**78,000**	**77,600**	**76,100**	**68,800**	76,800	1%	2%
Metallurgical Coal segment (tonnes)							
Export metallurgical[4]	**4,060,600**	**4,015,000**	**3,949,400**	**2,164,700**	3,891,500	1%	4%
Thermal	**3,358,700**	**3,978,000**	**3,087,500**	**3,002,300**	3,727,500	(16)%	(10)%
Thermal Coal segment (tonnes)[5]							
RSA thermal (non-Eskom)	**5,846,000**	**5,198,400**	**5,264,400**	**5,079,300**	5,885,000	12%	(1)%
Eskom	**9,487,000**	**8,751,400**	**8,782,600**	**8,275,000**	9,484,800	8%	–
RSA metallurgical	**84,500**	**75,600**	**83,800**	**79,500**	103,000	12%	(18)%
Colombia export thermal	**2,752,700**	**2,851,800**	**2,537,700**	**2,609,500**	2,315,700	(3)%	19%
Copper segment (tonnes)[6]	**170,000**	**139,900**	**150,300**	**138,800**	154,400	22%	10%
Nickel segment (tonnes)[7][8]	**9,900**	**6,500**	**6,600**	**6,100**	4,400	52%	125%
Platinum segment							
Platinum (troy ounces)	**710,000**	**646,500**	**640,700**	**532,900**	872,400	10%	(19)%
Palladium (troy ounces)	**392,700**	**376,000**	**373,800**	**288,200**	502,600	4%	(22)%
Rhodium (troy ounces)	**96,800**	**75,200**	**79,900**	**85,700**	111,400	29%	(13)%
Nickel (tonnes)	**5,100**	**4,900**	**5,500**	**4,800**	5,000	4%	2%
Equivalent refined platinum (troy ounces)	**583,200**	**666,800**	**592,500**	**567,600**	640,100	(13)%	(9)%
Diamonds segment (De Beers) (diamonds recovered – carats)							
Total diamond production for De Beers	**6,489,000**	**9,305,000**	**8,138,000**	**7,396,000**	8,532,000	(30)%	(24)%
Anglo American's share of diamond production for De Beers	**2,920,000**	**4,187,000**	**3,662,000**	**3,328,000**	3,839,000	(30)%	(24)%
Other Mining and Industrial segment (tonnes)[9]							
Phosphates	**274,900**	**284,500**	**260,700**	**240,800**	270,900	(3)%	1%
Niobium	**1,000**	**1,100**	**900**	**900**	1,200	(9)%	(17)%
South Africa Steel Products	**163,100**	**158,000**	**183,100**	**173,200**	151,000	3%	8%
Coal production by commodity (tonnes)							
Metallurgical	**4,145,100**	**4,090,600**	**4,033,200**	**2,244,200**	3,994,500	1%	4%
Thermal (non-Eskom)[10]	**11,957,400**	**12,028,200**	**10,889,600**	**10,691,100**	11,928,200	(1)%	–
Eskom	**9,487,000**	**8,751,400**	**8,782,600**	**8,275,000**	9,484,800	8%	–

(1) Kolomela commenced commercial production on 1 December 2011. Costs associated with 984,700 tonnes of production (2010: nil) have been capitalised before commercial production was reached.
(2) Saleable production.
(3) Production includes Medium Carbon Ferro Manganese.
(4) Includes Peace River Coal which in 2011 has been reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting. Comparatives have been reclassified to align with current year presentation.
(5) Zibulo commenced commercial production on 1 October 2011. Revenue and related costs associated with 2,155,200 tonnes (2010: 1,661,500 tonnes) of production have been capitalised before commercial production was reached. The 2,155,200 tonnes includes Eskom coal of 633,400 tonnes (2010: 764,700 tonnes) and export thermal coal production of 1,521,800 tonnes (2010: 896,800 tonnes).
(6) Excludes Platinum and Black Mountain mine copper production.
(7) Excludes Platinum nickel production.
(8) Includes Barro Alto which is currently not in commercial production and therefore all revenue and related costs associated with 6,200 tonnes (2010: nil) of production have been capitalised.
(9) Excludes Tarmac.
(10) The quarter ended 31 December 2010 excludes 48,600 tonnes of production from Carbones del Guasare.

Exchange rates and commodity prices

US$ exchange rates	2011	2010
Year end spot prices		
Rand	**8.11**	6.60
Brazilian real	**1.87**	1.66
Sterling	**0.65**	0.64
Australian dollar	**0.98**	0.98
Euro	**0.77**	0.75
Chilean peso	**520**	468
Average prices for the year		
Rand	**7.26**	7.32
Brazilian real	**1.67**	1.76
Sterling	**0.62**	0.65
Australian dollar	**0.97**	1.09
Euro	**0.72**	0.75
Chilean peso	**484**	510

Commodity prices		2011	2010
Year end spot prices			
Iron ore (FOB Australia)[(1)]	US$/tonne	**127**	163
Thermal coal (FOB South Africa)[(2)]	US$/tonne	**105**	129
Thermal coal (FOB Australia)[(2)]	US$/tonne	**112**	126
Hard coking coal (FOB Australia)[(3)]	US$/tonne	**285**	209
Copper[(4)]	US cents/lb	**343**	442
Nickel[(4)]	US cents/lb	**829**	1,132
Platinum[(5)]	US$/oz	**1,388**	1,755
Palladium[(5)]	US$/oz	**636**	797
Rhodium[(5)]	US$/oz	**1,400**	2,425
Average market prices for the year			
Iron ore (FOB Australia)[(1)]	US$/tonne	**160**	136
Thermal coal (FOB South Africa)[(2)]	US$/tonne	**116**	92
Thermal coal (FOB Australia)[(2)]	US$/tonne	**121**	99
Hard coking coal (FOB Australia)[(6)]	US$/tonne	**289**	191
Copper[(4)]	US cents/lb	**400**	342
Nickel[(4)]	US cents/lb	**1,035**	989
Platinum[(5)]	US$/oz	**1,725**	1,610
Palladium[(5)]	US$/oz	**736**	527
Rhodium[(5)]	US$/oz	**2,022**	2,453

(1) Source: Platts.
(2) Source: McCloskey.
(3) Source: Represents the quarter four benchmark.
(4) Source: LME daily prices.
(5) Source: Johnson Matthey.
(6) Source: Represents the average quarterly benchmark, with quarter one 2010 being the final quarter of the annual settlement for JFY 2009-2010.

Summary by business operation

	Revenue[1]		EBITDA[2]		Operating profit/(loss)[3]		Underlying earnings	
US$ million	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Iron Ore and Manganese	**8,124**	6,612	**4,733**	3,856	**4,520**	3,681	**1,525**	1,423
Kumba Iron Ore	**6,717**	5,310	**4,546**	3,514	**4,397**	3,396	**1,462**	1,210
Iron Ore Brazil	**481**	319	**(11)**	(73)	**(42)**	(97)	**(81)**	(77)
Samancor	**926**	983	**198**	415	**165**	382	**144**	290
Metallurgical Coal[4]	**4,347**	3,522	**1,577**	1,134	**1,189**	780	**844**	586
Australia	**4,068**	3,377	**1,526**	1,147	**1,161**	814	**831**	616
Canada	**279**	145	**82**	18	**59**	(3)	**44**	1
Projects and corporate	**–**	–	**(31)**	(31)	**(31)**	(31)	**(31)**	(31)
Thermal Coal	**3,722**	2,866	**1,410**	872	**1,230**	710	**902**	512
South Africa	**2,642**	2,105	**902**	539	**775**	426	**611**	314
Colombia	**1,080**	761	**535**	358	**482**	309	**318**	223
Projects and corporate	**–**	–	**(27)**	(25)	**(27)**	(25)	**(27)**	(25)
Copper	**5,144**	4,877	**2,750**	3,086	**2,461**	2,817	**1,610**	1,721
Anglo American Sur	**2,320**	2,075	**1,247**	1,263	**1,092**	1,125	**746**	685
Anglo American Norte	**1,136**	1,073	**641**	661	**606**	624	**444**	419
Collahuasi	**1,688**	1,729	**1,052**	1,276	**957**	1,186	**617**	738
Projects and corporate	**–**	–	**(190)**	(114)	**(194)**	(118)	**(197)**	(121)
Nickel	**488**	426	**84**	122	**57**	96	**23**	75
Codemin	**203**	195	**77**	83	**73**	76	**52**	48
Loma de Níquel	**285**	231	**86**	82	**66**	65	**29**	55
Projects and corporate	**–**	–	**(79)**	(43)	**(82)**	(45)	**(58)**	(28)
Platinum	**7,359**	6,602	**1,672**	1,624	**890**	837	**410**	425
Diamonds	**3,320**	2,644	**794**	666	**659**	495	**443**	302
Other Mining and Industrial[4]	**4,039**	5,375	**393**	894	**195**	664	**107**	521
Core[4]	**720**	613	**215**	173	**188**	146	**113**	84
Copebrás	**571**	461	**160**	104	**136**	81	**80**	48
Catalão	**149**	152	**57**	71	**54**	67	**35**	38
Projects and corporate	**–**	–	**(2)**	(2)	**(2)**	(2)	**(2)**	(2)
Non-core[4]	**3,319**	4,762	**178**	721	**7**	518	**(6)**	437
Tarmac[5]	**2,347**	2,376	**106**	188	**(35)**	48	**(31)**	67
Scaw Metals[6]	**931**	1,579	**70**	213	**40**	170	**27**	119
Lisheen[7]	**36**	265	**17**	114	**17**	114	**14**	99
Black Mountain[7]	**5**	197	**3**	73	**3**	73	**1**	47
Skorpion[7]	**–**	311	**–**	154	**–**	134	**–**	133
Projects, corporate and other	**–**	34	**(18)**	(21)	**(18)**	(21)	**(17)**	(28)
Exploration	**–**	–	**(121)**	(136)	**(121)**	(136)	**(118)**	(128)
Corporate Activities and Unallocated Costs	**5**	5	**56**	(135)	**15**	(181)	**374**	(461)
	36,548	32,929	**13,348**	11,983	**11,095**	9,763	**6,120**	4,976

(1) 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 and refining charges (TC/RCs).

(2) Earnings before interest, tax, depreciation and amortisation (EBITDA) is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates.

(3) Operating profit includes operating profit before special items and remeasurements from subsidiaries and joint ventures and attributable share of operating profit (before interest, tax, non-controlling interests, special items and remeasurements) of associates.

(4) In 2011 Peace River Coal has been reclassified from Other Mining and Industrial to Metallurgical Coal to align with internal management reporting, and Copebrás and Catalão are considered core within the Other Mining and Industrial segment following a strategic review. Comparatives have been reclassified to align with current year presentation.

(5) In the year ended 31 December 2011 the Group sold Tarmac's businesses in China, Turkey and Romania (2010: the Polish and French and Belgian concrete products businesses and the majority of the European aggregates businesses).

(6) Results for 2010 include Moly-Cop and AltaSteel, which were disposed of in December 2010.

(7) Skorpion, Lisheen and Black Mountain comprised the Group's portfolio of zinc operations. The Group sold its interest in Skorpion in December 2010 and its interest in Lisheen and Black Mountain in February 2011. See note 13.

Key financial data

US$ million (unless otherwise stated)	**2011**	2010	2009	2008	2007	2006[1]	2005[1]	2004[1]
Group revenue including associates	**36,548**	32,929	24,637	32,964	30,559	29,404	24,872	22,610
Less: Share of associates' revenue	**(5,968)**	(4,969)	(3,779)	(6,653)	(5,089)	(4,413)	(4,740)	(5,429)
Group revenue	**30,580**	27,960	20,858	26,311	25,470	24,991	20,132	17,181
Operating profit including associates before special items and remeasurements	**11,095**	9,763	4,957	10,085	9,590	8,888	5,549	3,832
Special items and remeasurements (excluding financing and tax special items and remeasurements)	**(44)**	1,727	(208)	(330)	(227)	24	16	556
Net finance costs (including financing special items and remeasurements), tax and non-controlling interests of associates	**(452)**	(423)	(313)	(783)	(434)	(398)	(315)	(391)
Total profit from operations and associates	**10,599**	11,067	4,436	8,972	8,929	8,514	5,250	3,997
Net finance income/(costs) (including financing special items and remeasurements)	**183**	(139)	(407)	(401)	(108)	(71)	(220)	(385)
Profit before tax	**10,782**	10,928	4,029	8,571	8,821	8,443	5,030	3,612
Income tax expense (including special items and remeasurements)	**(2,860)**	(2,809)	(1,117)	(2,451)	(2,693)	(2,518)	(1,208)	(765)
Profit for the financial year – continuing operations	**7,922**	8,119	2,912	6,120	6,128	5,925	3,822	2,847
Profit for the financial year – discontinued operations	**–**	–	–	–	2,044	997	111	1,094
Profit for the financial year – total Group	**7,922**	8,119	2,912	6,120	8,172	6,922	3,933	3,941
Non-controlling interests	**(1,753)**	(1,575)	(487)	(905)	(868)	(736)	(412)	(440)
Profit attributable to equity shareholders of the Company	**6,169**	6,544	2,425	5,215	7,304	6,186	3,521	3,501
Underlying earnings[2] – continuing operations	**6,120**	4,976	2,569	5,237	5,477	5,019	3,335	2,178
Underlying earnings[2] – discontinued operations	**–**	–	–	–	284	452	401	506
Underlying earnings[2] – total Group	**6,120**	4,976	2,569	5,237	5,761	5,471	3,736	2,684
Earnings per share (US$) – continuing operations	**5.10**	5.43	2.02	4.34	4.04	3.51	2.35	1.84
Earnings per share (US$) – discontinued operations	**–**	–	–	–	1.54	0.70	0.08	0.60
Earnings per share (US$) – total Group	**5.10**	5.43	2.02	4.34	5.58	4.21	2.43	2.44
Underlying earnings per share (US$) – continuing operations	**5.06**	4.13	2.14	4.36	4.18	3.42	2.30	1.52
Underlying earnings per share (US$) – discontinued operations	**–**	–	–	–	0.22	0.31	0.28	0.35
Underlying earnings per share (US$) – total Group	**5.06**	4.13	2.14	4.36	4.40	3.73	2.58	1.87
Ordinary dividend per share (US cents)	**74.0**	65.0	–	44.0	124.0	108.0	90.0	70.0
Special dividend per share (US cents)	**–**	–	–	–	–	67.0	33.0	–
Weighted average basic number of shares outstanding (million)	**1,210**	1,206	1,202	1,202	1,309	1,468	1,447	1,434
EBITDA[3] – continuing operations	**13,348**	11,983	6,930	11,847	11,171	10,431	7,172	5,359
EBITDA[3] – discontinued operations	**–**	–	–	–	961	1,766	1,787	1,672
EBITDA[3] – total Group	**13,348**	11,983	6,930	11,847	12,132	12,197	8,959	7,031
EBITDA interest cover[4] – total Group	**n/a**	42.0	27.4	28.3	42.0	45.5	20.0	18.5
Operating margin (before special items and remeasurements) – total Group	**30.4%**	29.6%	20.1%	30.6%	28.4%	25.4%	18.5%	14.7%
Ordinary dividend cover (based on underlying earnings per share) – total Group	**6.8**	6.4	–	9.9	3.5	3.5	2.9	2.7

See following page for footnotes.

Key financial data (continued)

US$ million (unless otherwise stated)	**2011**	2010	2009	2008	2007	2006[1]	2005[1]	2004[1]
Balance sheet								
Intangible assets and property, plant and equipment	**42,871**	42,126	37,974	32,551	25,090	25,632	33,368	35,816
Other non-current assets and investments[5]	**10,269**	9,852	7,303	7,607	9,271	8,258	5,585	5,547
Working capital	**2,093**	2,385	2,168	861	1,966	3,096	3,538	3,543
Other net current liabilities[5]	**(1,683)**	(785)	(272)	(840)	(911)	(1,430)	(1,429)	(611)
Other non-current liabilities and obligations[5]	**(9,220)**	(8,757)	(8,487)	(7,567)	(6,387)	(5,826)	(8,491)	(8,339)
Cash and cash equivalents and borrowings[6]	**(1,141)**	(7,038)	(11,046)	(11,051)	(5,170)	(3,244)	(4,993)	(8,243)
Net assets classified as held for sale	**–**	188	429	195	471	641	–	–
Net assets	**43,189**	37,971	28,069	21,756	24,330	27,127	27,578	27,713
Non-controlling interests	**(4,097)**	(3,732)	(1,948)	(1,535)	(1,869)	(2,856)	(3,957)	(4,588)
Equity attributable to equity shareholders of the Company	**39,092**	34,239	26,121	20,221	22,461	24,271	23,621	23,125
Total capital[7]	**44,563**	45,355	39,349	33,096	29,181	30,258	32,558	35,806
Cash flows from operations – continuing operations	**11,498**	9,924	4,904	9,579	9,375	9,012	5,963	3,857
Cash flows from operations – discontinued operations	**–**	–	–	–	470	1,045	1,302	1,434
Cash flows from operations – total Group	**11,498**	9,924	4,904	9,579	9,845	10,057	7,265	5,291
Dividends received from associates and financial asset investments – continuing operations	**403**	285	639	659	311	251	468	380
Dividends received from associates and financial asset investments – discontinued operations	**–**	–	–	–	52	37	2	16
Dividends received from associates and financial asset investments – total Group	**403**	285	639	659	363	288	470	396
Return on capital employed[8] **– total Group**	**26.5%**	24.8%	14.4%	36.9%	38.0%	32.6%	18.8%	16.9%
EBITDA/average total capital[7] **– total Group**	**29.7%**	28.3%	19.1%	38.0%	40.8%	38.8%	26.2%	21.3%
Net debt to total capital (gearing)[9]	**3.1%**	16.3%	28.7%	34.3%	16.6%	10.3%	15.3%	22.6%

(1) Comparatives for 2006, 2005 and 2004 were adjusted in the 2007 Annual Report to reclassify amounts relating to discontinued operations where applicable.
(2) Underlying earnings is profit attributable to equity shareholders before special items and remeasurements and is therefore presented after net finance costs, income tax and non-controlling interests.
(3) 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.
(4) EBITDA interest cover is EBITDA divided by net finance costs, excluding other net financial income, exchange gains and losses on monetary assets and liabilities, unwinding of discount relating to provisions and other non-current liabilities, financing special items and remeasurements, and including attributable share of associates' net interest expense, which in 2011 results in a net finance income and therefore the ratio is not applicable.
(5) Comparatives for 2008, 2007, 2006 and 2005 were adjusted in the 2009 Annual Report in accordance with IAS 1 *Presentation of Financial Statements – Improvements* to reclassify non-hedge derivatives whose expected settlement date was more than one year from the period end from current to non-current.
(6) This differs from the Group's measure of net debt as it excludes the net cash/(debt) of disposal groups (2011: nil; 2010: $59 million; 2009: $48 million; 2008: $8 million; 2007: $(69) million; 2006: $(80) million; 2005: nil; 2004: nil) and excludes related hedges (2011: net liabilities of $233 million; 2010: net liabilities of $405 million; 2009: net liabilities of $285 million; 2008: net liabilities of $297 million; 2007: net assets of $388 million; 2006: net assets of $193 million; 2005: nil; 2004: nil). See note 12.
(7) Total capital is net assets excluding net debt.
(8) 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.
(9) Net debt to total capital is calculated as net debt (including related hedges) divided by total capital. Comparatives are presented on a consistent basis.

Reconciliation of subsidiaries' and associate's reported earnings to the underlying earnings included in the Condensed financial statements
for the year ended 31 December 2011

Note only key reported lines are reconciled.

Kumba Iron Ore Limited

US$ million	2011	2010
IFRS headline earnings[1]	**2,366**	1,964
Exploration	**4**	9
Other adjustments	**3**	1
	2,373	1,974
Non-controlling interests	**(826)**	(710)
Elimination of intercompany interest	**(27)**	2
Depreciation on assets fair valued on acquisition (net of tax)	**(9)**	(9)
Corporate cost allocation	**(49)**	(47)
Contribution to Anglo American plc underlying earnings	**1,462**	1,210

Anglo American Platinum Limited

US$ million	2011	2010
IFRS headline earnings[1]	**527**	674
Exploration	**5**	11
Operating and financing remeasurements (net of tax)	**(27)**	(21)
Restructuring costs included in headline earnings (net of tax)	**6**	28
BEE transactions and related charges	**141**	–
Other adjustments	**–**	(1)
	652	691
Non-controlling interests	**(132)**	(140)
Elimination of intercompany interest	**(1)**	29
Depreciation on assets fair valued on acquisition (net of tax)	**(55)**	(102)
Corporate cost allocation	**(54)**	(53)
Contribution to Anglo American plc underlying earnings	**410**	425

De Beers Société Anonyme

US$ million	2011	2010
De Beers underlying earnings (100%)	**968**	598
Difference in IAS 19 accounting policy	**17**	53
De Beers underlying earnings – Anglo American plc basis (100%)	**985**	651
Anglo American plc's 45% ordinary share interest	**443**	293
Income from preference shares	**–**	9
Contribution to Anglo American plc underlying earnings	**443**	302

(1) The US$ equivalent of the rand IFRS headline earnings published by Kumba Iron Ore Limited and Anglo American Platinum Limited is calculated by translating the movement each month at the average exchange rate for the month.

ANGLO AMERICAN plc

(Incorporated in England and Wales – Registered number 3564138)

(the Company)

Notice of Final Dividend

(Dividend No. 23)

The directors have recommended that a dividend on the Company's ordinary share capital in respect of the year ended 31 December 2011 will, subject to approval by shareholders at the Annual General Meeting to be held at 2.30 pm on Thursday 19 April 2012, be paid as follows:

Amount (United States currency)	46 cents per ordinary share (note 1)
Amount (South African currency)	R3.5998 per ordinary share
Last day to effect removal of shares between the UK and SA registers	Thursday 16 February 2012
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Friday 23 March 2012
Ex-dividend on the JSE from the commencement of trading on	Monday 26 March 2012 (note 2)
Ex-dividend on the London Stock Exchange from the commencement of trading on	Wednesday 28 March 2012
Record date (applicable to both the United Kingdom principal register and South African branch register)	Friday 30 March 2012
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 1)	Tuesday 3 April 2012
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by the UK Registrars (notes 3, 4 and 5)	Tuesday 3 April 2012
Last day for receipt of DRIP mandate forms by Central Securities Depository Participants (CSDPs) (notes 3, 4 and 5)	Thursday 5 April 2012
Last day for receipt of DRIP mandate forms by South African Transfer Secretaries (notes 3, 4 and 5)	Tuesday 10 April 2012
Currency conversion US$:£/€ rates announced on	Friday 13 April 2012
Removal of shares between the UK and SA registers permissible from	Friday 13 April 2012
Dividend warrants posted SA	Tuesday 24 April 2012
Dividend warrants posted UK	Wednesday 25 April 2012
Payment date of dividend	Thursday 26 April 2012

Notes

1. Shareholders on the United Kingdom register of members with an address in the United Kingdom will be paid in pounds sterling and those with an address in a country in the European Union which has adopted the euro, will be paid in euros. Such shareholders may, however, elect to be paid their dividends in US dollars. Shareholders with an address elsewhere will be paid in US dollars except those registered on the South African branch register who will be paid in South African rand.
2. Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period from the JSE ex-dividend date to the record date (both days inclusive).
3. Those shareholders who already participate in the DRIP need not complete a DRIP mandate form for each dividend as such forms provide an ongoing authority to participate in the DRIP until cancelled in writing. Shareholders who wish to participate in the DRIP should obtain a mandate form from the UK Registrars, the South African Transfer Secretaries or, in the case of those who hold their shares through the STRATE system, their CSDP.
4. In terms of the DRIP, and subject to the purchase of shares in the open market, share certificates/CREST notifications are expected to be mailed and CSDP investor accounts credited/updated on Tuesday 1 May 2012. CREST accounts will be credited on Wednesday 2 May 2012.
5. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.

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