AngloAmerican

14 February 2014

Anglo American announces 6% increase in underlying operating profit[1] to $6.6 billion

Financial results reflect improved operational performance, with currency gains offsetting weaker prices

- 6% increase in Group underlying operating profit[1] to $6.6 billion
- Margin improvement: EBITDA margin increased by 2% to 29%; EBIT margin by 1% to 20%
- Effective tax rate increased from 29% to 32%
- 7% decrease in underlying earnings[2] to $2.7 billion; underlying EPS of $2.09
- Special items after tax and non-controlling interest include impairments of $1.9 billion, principally in relation to Barro Alto ($0.7bn), Platinum portfolio review ($0.2bn), Michiquillay ($0.3bn) and Foxleigh ($0.2bn)
- After total special items and remeasurements, loss attributable to equity shareholders of $961 million (2012: $1.5 billion loss)
- Net debt[3] of $10.7 billion as at 31 December 2013 (2012: $8.5bn)
- Attributable ROCE[4] of 11%, in line with 2012

Business performance improving to support operating profit growth

- Improved operational performance, particularly in the fourth quarter, reflecting a greater focus on mining processes, costs and margins
- Impact of lower commodity prices offset by weakening producer currencies
- Kumba Iron Ore – safety stoppages and pit constraints at Sishen, partially offset by strong performance at Kolomela
- Metallurgical Coal – record production, cost reductions and improved product mix more than offset by 24% fall in price
- Copper – record production, led by Los Bronces' fully ramped up Confluencia plant and higher grades and recoveries at Collahuasi, largely offset by lower realised prices
- Platinum – higher sales volumes supported by rand depreciation, partially offset by input cost increases and lower prices across most metals
- Diamonds – increased production reflecting improved asset performance and customer demand, with higher realised prices

Project update

- Minas-Rio 26.5 Mtpa iron ore (Brazil) – 84% completed and FOOS (First Ore On Ship) target of end 2014; capital expenditure on track at $8.8 billion
- Grosvenor 5.0 Mtpa metallurgical coal (Australia) – longwall production end of 2016; capital expenditure on track at $1.95 billion

Disciplined capital allocation

- $6.3 billion capital expenditure for 2013. Guidance maintained at $7.0 to $7.5 billion for 2014 and expected to reduce in 2015 and 2016
- Final dividend maintained at 53 US cents per share, bringing total dividends for 2013 to 85 US cents per share, reflecting the Board's commitment to the rebased dividend

Safety

- Regrettably, 14 employees and contractors lost their lives, and two others are missing, in work related incidents
- LTIFR (lost-time injury frequency rate) reduced by 16% to 0.49, the lowest level recorded for the Group
- We are elevating our focus on achieving zero harm in the workplace, through leadership behaviours at every level, business processes and further strengthening of major risk hazard assessments

HIGHLIGHTS US$ million, unless otherwise stated	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[5]	Change
Group revenue including associates and joint ventures[6]	33,063	32,785	1%
Underlying operating profit[1]	6,620	6,253	6%
Underlying earnings[2]	2,673	2,860	(7)%
Underlying EBITDA[7]	9,520	8,860	7%
Net cash inflows from operating activities	6,792	5,919	15%
Profit /(loss) before tax[8][9]	1,700	(171)	–
Loss for the financial year attributable to equity shareholders of the Company[8][9]	(961)	(1,470)	35%
Attributable ROCE%[4]	11%	11%	0%
Earnings per share (US$):			
Basic loss per share[8]	(0.75)	(1.17)	36%
Underlying earnings per share[2]	2.09	2.28	(8)%

[1] Underlying operating profit is presented before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' operating profit before special items and remeasurements, unless otherwise stated - see notes 2 and 4 to the Condensed financial statements. For the definition of special items and remeasurements, see note 5 to the Condensed financial statements.
[2] See note 8 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 10 to the Condensed financial statements.
[4] Attributable ROCE reflects the realised prices and foreign exchange during the period, and in line with commitments made as part of Driving Value. Please refer to page 83-84 for the detailed methodology.
[5] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.
[6] Includes the Group's attributable share of associates' and joint ventures' revenue of $3,721 million (2012: $4,105 million). See note 2 to the Condensed financial statements.
[7] Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint operations, and includes attributable share of EBITDA of associates and joint ventures. See note 2 to the Condensed financial statements.
[8] Stated after special items and remeasurements. See note 5 to the Condensed financial statements.
[9] For the year ended 31 December 2013, special items and remeasurements, including associates and joint ventures, before tax and non-controlling interests, amounted to a loss of $4,435 million (2012: loss of $5,847 million), and after tax and non-controlling interests, amounted to a loss of $3,634 million (2012: loss of $4,330 million).

Mark Cutifani, Chief Executive of Anglo American, said: "Against a backdrop of weaker growth in the world economy in 2013, particularly in the emerging and developing economies, commodity demand remained soft with a decline in average realised prices for most of the commodities Anglo American produces.

For our business, the effects of such a difficult macro-economic environment were exacerbated by operating challenges at key operations and adversarial labour relations in South Africa. Despite the challenges, significant operating improvements in Copper, Metallurgical Coal and Diamonds in the second half of the year and the sharp fall in the South African rand in the final quarter, drove a 6% increase in underlying operating profit to $6.6 billion, with underlying EBITDA increasing to $9.5 billion, up by 7%. After deducting tax and profits attributable to non-controlling interests (e.g. Diamonds, Platinum and Copper), which represented a greater proportion of profit than in 2012, underlying earnings decreased by 7% to $2.7 billion.

While we continued to make progress on the safety front, the loss of 14 colleagues, and a further two who are still missing, overshadowed improvements to lost time and total accident frequency rates. We are deeply distressed that people are still being killed and injured while on company business. I am determined that we elevate our focus on achieving zero harm through a combination of leadership behaviours at every level, restructuring our key business processes and further strengthening our work around major risk hazards.

Turning to our operations, we have started to make solid progress at Los Bronces and Collahuasi, our two biggest copper interests in Chile, where improvements in waste stripping volumes and process tonnages supported a significant improvement in copper production. At the currently constrained Sishen iron ore mine in South Africa, a redesign of the pit and changes to core operating processes should result in consistently higher production from 2015 onwards. The Sishen challenges have been partially offset by solid performance from Kolomela, which is now operating at well above nameplate capacity. At our underground metallurgical coal mines, production improved by 30%, with Moranbah North lifting longwall output by 39% on the back of an improvement in cutting hours, an increase in automated cutting rates and reduced unplanned downtime. In the South African thermal coal business, the priority is to implement a range of optimisation initiatives aimed at driving greater value across the mines and expansion projects. De Beers had a good year and was able to increase output against a background of rising demand. Meanwhile, our single largest investment, the Minas-Rio iron ore project in Brazil, was 84% complete by the end of the year and remains on track to ship its first iron ore by the end of 2014.

Our Platinum business faced the significant challenges of cost pressures, declining productivity, trade union militancy and continuing price pressure. We finalised a "root-and-branch" review of the business to address the changed fundamentals of the platinum industry and to understand the primary drivers of the dramatic reduction in profitability across the sector. Following an extensive but constructive process of engagement with government and the unions, our labour force is being aligned with operational requirements, and we are putting the review's proposals into action across the business and concentrating on those assets with sustained profitability potential, while adjusting production more closely with current product demand.

We are making headway on our strategy that sets the path for Anglo American to deliver sustainable returns to shareholders. We are doing so through a change programme called 'Driving Value', which has focused on revitalising our business and laying the foundation for long-term success. We have set demanding but achievable targets and we are determined to meet them by working efficiently and effectively to drive significantly greater value from our asset base. We are seeing early progress, including in our Platinum and Metallurgical Coal businesses, across our Commercial initiatives and in reducing early stage project evaluation costs by $200 million in 2013 alone. Our pathway to increase margins and returns by 2016 is clear.

While I expect headwinds to continue in 2014 as we reset the business, the benefits of much-improved operational processes and performance will flow through largely in 2015 and 2016. In the immediate-term, we have already delivered significant sustainable improvements, including early operational improvements, overhead reduction and reducing early-stage project expenditure.

The world economy should also strengthen in 2014 and 2015 as we continue to emerge from the challenges of the global financial crisis. China should continue to grow by around 7% and the diminishing effects of fiscal tightening should support a firmer recovery in the US and beyond."

Review of 2013

Financial Results

Anglo American reported underlying earnings of $2.7 billion (2012: $2.9 billion), with underlying operating profit increasing by 6% to $6.6 billion.

Underlying operating profit increased owing to De Beers contributing for a full year as a subsidiary, improved sales at both Copper and Platinum and the weakening of the South African rand, partially offset by lower prices across the majority of our commodities.

Iron Ore and Manganese generated an underlying operating profit of $3,119 million, a 4% increase. Kumba Iron Ore's underlying operating profit of $3,047 million, closely matched the previous year's, owing to slightly higher average prices and an increase in waste stripping, partially offset by the weaker rand. Samancor reported a more than doubling of underlying operating profit of $210 million, driven by higher manganese ore prices.

Metallurgical Coal generated an underlying operating profit of $46 million, an 89% decrease, primarily owing to lower realised export selling prices, partly offset by increased production and sales volumes, the weaker Australian dollar and cost-cutting initiatives.

Thermal Coal generated an underlying operating profit of $541 million, a 32% decrease, mainly as a result of lower export thermal coal prices for both South African and Colombian coal and above inflation cost pressure in South Africa, partly offset by the weaker rand and cost containment measures.

Copper delivered an underlying operating profit of $1,739 million, in line with 2012, as a result of lower realised sales prices, offset by increased production and sales volumes.

Nickel reported an underlying operating loss of $44 million, a $70 million decrease, owing to lower realised prices, a reduction in sales volumes, as well as the non-recurrence of the insurance receivable that benefited the business in 2012.

Niobium and Phosphates delivered a combined underlying operating profit of $150 million, a decrease of 11%, mainly driven by lower phosphate prices.

Platinum generated an underlying operating profit of $464 million, (2012: loss of $120 million) as a result of increased production and sales and a weaker rand, partly offset by weaker prices.

Diamonds generated an underlying operating profit of $1,003 million, a 112% increase, reflecting the Group's increased shareholding, together with improved prices, largely owing to the product mix, and a weaker rand.

Other Mining and Industrial reported an underlying operating loss of $13 million, a $181 million decrease, owing to a nil contribution from Scaw South Africa (which was divested in November 2012), a weaker market at the Lafarge Tarmac joint venture, and the Amapá operation not benefiting from the reversal of penalty provisions, as it had in 2012.

Corporate costs decreased by 12%, partly driven by the positive impact of the weaker rand.

Production

Metallurgical Coal, Copper, Platinum and Diamonds all reported production increases for 2013.

Iron Ore and Manganese – production of iron ore decreased by 2% to 42.4 million tonnes (Mt), with higher production from Kolomela offset by a weaker performance from Sishen as a result of Section 54 safety stoppages and ongoing pit constraints. Manganese ore production was flat, though alloy output increased.

Metallurgical Coal – production increased by 2% to 31.2 Mt, with record metallurgical coal production of 18.7 Mt, benefiting from the longwall improvement programmes at Moranbah North and Capcoal's underground operations, as well as operational improvements at Peace River Coal, partly offset by the impact of flooding at Dawson.

Thermal Coal – production decreased by 2% to 67.6Mt, with improved machine rates and waste treatment at Greenside offset by lower than expected production at New Vaal and Cerrejón. The decrease at New Vaal was owing to wet weather interruptions and reduced demand from Eskom, while Cerrejón was as a result of the 32-day strike in the first quarter of the year, although was partly mitigated by an effective recovery plan.

Copper – production increased by 17% to 775 kt, benefiting at Los Bronces from the fully ramped up Confluencia plant and improved ore characteristics, and higher grades and recoveries at Collahuasi.

Nickel – production decreased by 12% to 34,400 tonnes following the cessation of production at Loma de Níquel from September 2012, partly offset by increased production at Barro Alto.

Niobium – production increased by 2% to 4,500 tonnes, as throughput and recovery improvements offset the decline in ore quality.

Phosphates – fertiliser production increased by 6% to 1,199,000 tonnes owing to improved performance following optimised maintenance scheduling, increased plant availability and improved performance at the acidulation and granulation plants.

Platinum – equivalent refined platinum production increased by 5% to 2,320,400 ounces as the company recovered from the impact of the strike in the fourth quarter of 2012, partially offset by the production lost from Khuseleka 2, Khomanani and Union North decline shaft being put on to long term care and maintenance from mid-August as a result of the business restructuring.

Diamonds – production increased by 12% to 31.2 million carats, largely owing to the full restoration of operations at Jwaneng in the third quarter following the slope failure incident in June 2012. Production from Canada also increased owing to further increases in mining volumes and improved grades at Snap Lake.

Capital Structure and Balance Sheet

Net assets at 31 December 2013 were $6.4 billion lower than at 31 December 2012 due to net movements in equity including currency translation adjustments, dividends and retained earnings in the year.

Net debt

US$ million	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Opening net debt	**(8,510)**	**(1,278)**
Underlying EBITDA[2]	8,806	7,867
Working capital movements	(1,121)	(526)
Other cash flows from operations	44	29
Cash flows from operations	**7,729**	**7,370**
Capital expenditure including related derivatives	(6,261)	(6,030)
Cash tax paid	(1,201)	(1,799)
Dividends from associates, joint ventures and financial asset investments	264	348
Net interest	(533)	(348)
Dividends paid to non-controlling interests	(1,159)	(1,267)
Attributable free cash flow	**(1,161)**	**(1,726)**
Dividends paid to Company shareholders	(1,078)	(970)
Tax on sale of non-controlling interest in Anglo American Sur	(395)	(1,015)
Acquisitions of subsidiaries	–	(4,816)
Disposals	252	439
Movements in non-controlling interests	71	1,220
Purchase of shares by subsidiaries for employee share schemes	(92)	(253)
Other net debt movements	261	(111)
Total movement in net debt	**(2,142)**	**(7,232)**
Closing net debt	**(10,652)**	**(8,510)**

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

(2) Underlying EBITDA is underlying operating profit/(loss) before depreciation and amortisation in subsidiaries and joint operations, excluding associates and joint ventures.

The reconciliation in the table above is the method by which management reviews movements in net debt and comprises key movements in cash and any significant non-cash movements on net debt items.

Net debt increased by $2,142 million to $10,652 million (2012: $8,510 million) and net debt to total capital at 31 December 2013 was 22.2%, compared with 16.3% at 31 December 2012.

The working capital increase of $1,121 million (2012: increase of $526 million) represents investment in stock of $562 million (2012: increase of $329 million), increase in debtors of $541 million (2012: increase of $32 million) and a decrease in creditors of $18 million (2012: decrease of $165 million). Within the investment in stock movement, $395 million relates to increases in platinum stock owing to the growth in precious metal stock holding to manage business risk and an increase in the average stock valuation due to higher production costs. The majority of the remaining stock increases reflect strong production performance in the closing months of the year at both Kumba Iron Ore and Copper. This also resulted in increased sales, with a resultant increase in debtors of $373 million.

Cash tax paid has decreased to $1,201 million from $1,799 million, owing to tax rebates at both Copper and Metallurgical Coal. Copper received a $191 million rebate owing to overpayment in the prior tax year, while Metallurgical Coal received a net tax refund in 2013 of $43 million (compared to a net payment in 2012 of $330 million) following a reassessment by the Australian Tax Office of the tax instalment rate.

The majority of dividends paid to non-controlling interests of $1,159 million (2012: $1,267 million) were to minority shareholders of Copper and Kumba Iron Ore, where external dividends of $474 million and $663 million were paid respectively (2012: $100 million and $1,120 million).

Other net debt movements mainly relate to the Main Street preference share structure, which was established to provide funding via preference shares for a black economic empowerment (BEE) company relating to SIOC. In November 2013, the preference shares held by Anglo American in the company were redeemed for $279 million and a mezzanine debt facility of $85 million repaid. This resulted in the Group reducing net debt by $364 million on the unwinding of the structure.

Capital expenditure

Total capital expenditure increased from $6,030 million in 2012 to $6,261 million in 2013, predominantly as a result of the increased expansionary spend at Minas-Rio and Grosvenor, and the increased holding in De Beers.

Cash capital expenditure is expected to be between $7.0 billion and $7.5 billion in 2014. Net debt is expected to continue to rise in 2014, as expenditure on the Group's projects more than offsets cash generated from operations.

Liquidity and funding

At 31 December 2013, the Group had undrawn committed bank facilities of $9.3 billion and cash of $7.7 billion.

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

Exploration enabling Anglo American's growth

Global exploration activity for 2013 focused on greenfield projects across a number of mature and frontier locations, as well as on adding value, through increasing resources and reserves, to our operations and advanced projects.

Exploration expenditure for the year amounted to $207 million (2012: $206 million) across 19 countries.

Evaluation expenditure

Evaluation expenditure decreased by 38% to $326 million, driven by reductions in Copper and Nickel, partly offset by increases in De Beers following the acquisition of the additional interest in August 2012.

Projects

The Group has a number of projects in the execution phase, as summarised below, and is progressing with the development of other growth projects, including the greenfield Quellaveco copper project in Peru.

Minas-Rio
Minas-Rio is expected to produce 26.5 Mt (wet basis) of iron ore per annum and to capture a significant part of the global pellet feed market, with its premium product featuring high iron content and low contaminants. Construction of the project in Brazil continues in line with the revised plan announced in 2012. By the end of 2013, the project was 84% complete and is on schedule to deliver first ore on ship at the end of 2014.

Attributable capital expenditure at the Minas-Rio project is on track at $8.8 billion, with cash unit costs in a competitive position in the lower half of the global seaborne iron ore cost curve.

The main schedule risks identified at the end of 2012 have been resolved and, over the past year, significant construction and operational progress was made.

Grosvenor
The wholly owned greenfield Grosvenor metallurgical coal project is situated immediately to the south of our highly productive Moranbah North metallurgical coal mine in the Bowen Basin of Queensland, Australia. The mine is expected to produce 5.0 Mtpa of high-quality metallurgical coal from its underground longwall operation over a projected mine life of 31 years and to benefit from operating costs in the lower half of the cost curve.

The project remains on target for first longwall production in 2016. All key permits and licences are in place. Critical engineering and procurement activities have been completed and the majority of the project budget has been contracted and committed. Surface construction is well advanced; earthworks and concrete are essentially complete; structural, mechanical and piping works are advancing well; and electrical works have commenced. The drift portal works are complete and underground development has commenced with the commissioning of a tunnel boring machine.

Venetia
In South Africa, the first blast took place in September 2013 for the construction of an underground mine beneath the open pit at Venetia. With capital investment of $2 billion, the underground expansion represents De Beers' largest ever investment in South Africa. Production is expected to commence from the underground mine in 2021 and will extend the life of the mine to beyond 2040. The projected life of mine plan will treat approximately 129 million tonnes of ore, containing an estimated 94 million carats (Scheduled Inferred Resources constitute 28% - 26.3 Mct - of the estimated carats).

Boa Vista Fresh Rock
The Boa Vista Fresh Rock project in Brazil continued to progress during 2013 and is expected to start production later in 2014. The project includes the construction of a new upstream plant that will enable continuity of the Catalão site through processing the fresh rock ore body. Production capacity will increase to approximately 6,500 tonnes of niobium per year (2013: 4,500 tonnes), allowing use of the full plant capacity.

Divestment update

On 4 January 2013, Anglo American announced that it had reached an agreement to sell its 70% interest in Amapá to Zamin Ferrous Ltd (Zamin). Following the 28 March 2013 major geological event which resulted in the loss of four lives, with a further two people still missing, as well as the loss of the Santana port operation of Amapá and the suspension of all export shipments, Anglo American entered into further discussions with its partner Cliffs Natural Resources (Cliffs) and Zamin. Anglo American subsequently entered into an agreement with Cliffs to acquire its 30% interest in Amapá, subject to certain conditions, and entered into an amended sale agreement with Zamin to reflect Anglo American's disposal of a 100% interest in Amapá to Zamin.

On 1 November 2013, Anglo American completed the acquisition from Cliffs and simultaneously completed the sale of the 100% interest in Amapá to Zamin for an initial total consideration of approximately $134 million, net of certain completion adjustments. In addition, Zamin will pay Anglo American conditional deferred consideration of up to a maximum of $130 million in total, payable over a five year period and calculated on the basis of the market price for iron ore. As part of the transaction, Anglo American has assumed responsibility for, and the risks and rewards of, certain insurance claims including those relating to the Santana port incident, through the purchase of the claims from Amapá at the full claim value.

Dividends

Analysis of dividends US cents per share	**2013**	2012
Interim dividend	**32**	32
Recommended final dividend	**53**	53
Total dividends	**85**	85

Anglo American's dividend policy is to provide a base dividend that will be maintained or increased through the cycle. Consistent with the policy, the Board has recommended to maintain the final dividend of 53 US cents per share, giving a total dividend of 85 US cents per share for the year (2012: 85 US cents per share), subject to shareholder approval at the Annual General Meeting to be held on 24 April 2014.

The maintenance of the level of the dividend reflects the Board's confidence in the underlying business. This recommendation is consistent with the commitment to have a disciplined balance between the maintenance of a strong investment grade rating, returns to shareholders and sequencing of future investment in line with resulting funding capacity. From time to time any cash surplus to requirements will be returned to shareholders.

Outlook

In the near term, the world economy is expected to strengthen in 2014 and 2015 as it continues to emerge from the challenges of the global financial crisis. China should continue to grow by around 7% and the diminishing effects of fiscal tightening should support a firmer recovery in the US and beyond.

In the medium term, the US, Europe and Japan should experience a normalisation of their underlying economic growth rates as the impact of the financial crisis fades. A successful reform programme in China should lay the foundations for more sustainable growth. Looking beyond the short term hiatus in emerging markets, we expect continuing robust economic growth in the medium to longer term as they benefit from continued convergence of living standards.

In China and other emerging economies, there remains significant potential for further urbanisation and industrialisation to support robust growth and demand for key commodities, including crude steel (iron ore, and metallurgical coal), copper, nickel and thermal coal. The emergence of the expanding middle class will support rising intensity of consumption for later cycle products, PGMs and diamonds, and will also benefit the phosphates business to the expected benefit of Anglo American's diversified commodity portfolio and differentiated competitive position.

Supply growth in the near to medium term poses challenges to the prices of some global commodities, most notably iron ore and copper. However, in the long term, prices for Anglo American's products are expected to be supported by supply constraints in many jurisdictions and the challenges producers face in bringing new supply into production. Economic uncertainty, as we are seeing currently, tends to restrain new supply; in the longer term Anglo American therefore expects to see tightening market fundamentals and a recovery in price performance to support further margin improvement and returns.

Selected major projects

Approved

Segment	Project	Country	Greenfield/ Brownfield	First production date	Full production date	Capital expenditure $bn[1]	Production volume[2]
Iron Ore and Manganese	Minas-Rio	Brazil	G	2014	2016	8.8[3]	26.5 Mtpa iron ore pellet feed[4]
Metallurgical Coal	Grosvenor	Australia	G	2014	2016	2	5.0 Mtpa metallurgical
Thermal Coal	Cerrejón P40	Colombia	B	2013	2015	<2	8.0 Mtpa thermal
Copper	Collahuasi expansion Phase 2	Chile	B	2013	2014	<1	20 ktpa copper
Platinum	Twickenham	South Africa	G	2013	2024	<2	202 kozpa refined platinum
	Bathopele Phase 5	South Africa	B	2013	2017	<1	Replace 128 kozpa refined platinum
Diamonds	Jwaneng – Cut-8	Botswana	B	2016	2018[5]	3[6]	approximately 10 million carats pa
	Venetia U/G	South Africa	B	2021	2024	~2	approximately 4 million carats pa
Niobium and Phosphates	Boa Vista Fresh Rock	Brazil	B	2014	2015	<1[7]	6.5 ktpa niobium production

(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) 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.
(4) Iron ore pellet feed on wet tonnes basis at 8% moisture.
(5) Waste stripping at Cut-8, an extension to Jwaneng mine, began in 2010. Carat recovery will commence in 2016, with Cut-8 becoming the main ore source for Jwaneng from 2018.
(6) Infrastructure expenditure of approximately $450 million has already been spent. Project expenditure, including infrastructure expenditure, is likely to total approximately $3 billion and is anticipated to create access to an estimated 113 million carats over the life of the mine.
(7) An extension to mine life by mining the unweathered ore after oxides have been depleted. New processing plant (from crushing to leaching) required.

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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. Our portfolio of mining businesses meets our customers' changing needs and spans bulk commodities – iron ore and manganese, metallurgical coal and thermal coal; base metals and minerals – copper, nickel, niobium and phosphates; and precious metals and minerals – in which we are a global leader in both platinum and diamonds. At Anglo American, we are committed to working together with our stakeholders – our investors, our partners and our employees – to create sustainable value that makes a real difference, while upholding the highest standards of safety and responsibility across all our businesses and geographies. The Company's mining operations, 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 14 February 2014, 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' and joint ventures' operating profit and is before special items and remeasurements, unless otherwise stated; special items and remeasurements are defined in note 5 to the Condensed financial statements. Underlying earnings, unless otherwise stated, is calculated as set out in note 8 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 operations and includes attributable share of EBITDA of associates and joint ventures. 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 Conduct 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

Underlying operating profit $ million	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Iron Ore and Manganese	**3,119**	3,011
Metallurgical Coal	**46**	405
Thermal Coal	**541**	793
Copper	**1,739**	1,736
Nickel	**(44)**	26
Niobium and Phosphates	**150**	169
Platinum	**464**	(120)
Diamonds	**1,003**	474
Other Mining and Industrial	**(13)**	168
Exploration	**(207)**	(206)
Corporate Activities and Unallocated Costs	**(178)**	(203)
Operating profit including associates and joint ventures before special items and remeasurements	**6,620**	6,253

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

Anglo American reported underlying earnings of $2.7 billion (2012: $2.9 billion), with underlying operating profit increasing by 6% to $6.6 billion.

Underlying operating profit increased owing to De Beers contributing for a full year as a subsidiary, improved sales at both Copper and Platinum and the weakening of the South African rand, partially offset by lower prices across the majority of our commodities.

Attributable ROCE was in line with 2012 at 11% as a consequence of a higher proportion of operating profit coming from our businesses that are not wholly-owned: Anglo American Platinum, De Beers, Anglo American Sur and Kumba Iron Ore. Average attributable capital employed increased from $38 billion in 2012 to $40 billion in 2013 due to the capital expenditure in 2013 partially offset by the weakening of the South African rand in which 29% of our balance sheet is denominated. With the exception of Foxleigh, Peace River Coal and the Barro Alto impairment, all impairments and loss on disposal/exit have been taken as a reduction to capital employed.

Underlying operating profit increased, despite the fall in realised prices for most of the commodities produced by the Group, owing to the impact of the weaker South African rand and Australian dollar, the increased holding in De Beers and improved production at Copper and Platinum.

The Group's results are affected by currency fluctuations in the countries where the operations are based. The strengthening of the US dollar against the South African rand and the Australian dollar resulted in a $1,702 million positive exchange variance in underlying operating profit compared with 2012. CPI inflation had a negative $595 million impact on underlying operating profit compared with the prior year.

Special items and remeasurements after tax and non-controlling interest include: relating to Barro Alto ($0.7 billion), Michiquillay ($0.3 billion) and Foxleigh ($0.2 billion); loss on disposal of Amapá ($0.1 billion) and exit from Pebble ($0.3 billion); and increased onerous contract provisions at Callide ($0.3 billion). Full details of the special items and remeasurements charges are in note 5 to the Condensed financial statements.

Net finance costs, before remeasurements, and excluding associates and joint ventures, were $276 million (2012: $299 million) lower than 2012 due to the increased capitalised interest and the gain on fair value hedges partially offset by increased net debt levels during the year.

The effective rate of tax, before special items and remeasurements and including attributable share of associates' and joint ventures' tax, increased from 29% in 2012 to 32%. This is higher due to the impact of various prior year adjustments and the remeasurement of certain withholding tax provisions across the Group. In future periods it is expected that the effective tax rate will remain above the United Kingdom statutory tax rate. Group underlying earnings per share were $2.09 compared with $2.28 in 2012.

Reconciliation of loss for the year to underlying earnings $ million	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Loss for the financial year attributable to equity shareholders of the Company	**(961)**	(1,470)
Operating special items (including associates and joint ventures)	**3,291**	7,039
Operating remeasurements (including associates and joint ventures)	**550**	112
Non-operating special items	**469**	594
Non-operating remeasurement	**–**	(1,990)
Financing remeasurements	**130**	88
Special items and remeasurements tax	**(590)**	(1,110)
Non-controlling interests on special items and remeasurements	**(216)**	(403)
Underlying earnings[2]	**2,673**	2,860
Underlying earnings per share ($)	**2.09**	2.28

Summary income statement $ million	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Operating profit from subsidiaries and joint operations before special items and remeasurements	**6,168**	5,493
Operating special items	**(3,211)**	(6,977)
Operating remeasurements	**(550)**	(116)
Operating profit/(loss) from subsidiaries and joint operations	**2,407**	(1,600)
Non-operating special items and remeasurements	**(469)**	1,396
Share of net income from associates and joint ventures	**168**	421
Profit from operations, associates and joint ventures	**2,106**	217
Net finance costs before remeasurements	**(276)**	(299)
Financing remeasurements	**(130)**	(89)
Profit/(loss) before tax	**1,700**	(171)
Income tax expense	**(1,274)**	(393)
Profit/(loss) for the financial year	**426**	(564)
Attributable to:		
Non-controlling interests	**1,387**	906
Equity shareholders of the Company	**(961)**	(1,470)
Basic loss per share ($)	**(0.75)**	(1.17)
Group operating profit including associates and joint ventures before special items and remeasurements[3]	**6,620**	6,253
Operating profit from associates and joint ventures before special items and remeasurements	**452**	760
Net finance costs (before special items and remeasurements)	**(36)**	(75)
Income tax expense (before special items and remeasurements)	**(158)**	(197)
Non-controlling interests (before special items and remeasurements)	**(15)**	(6)
Special items and remeasurements	**(80)**	(57)
Special items and remeasurements tax	**3**	(3)
Non-controlling interests on special items and remeasurements	**2**	(1)
Share of net income from associates and joint ventures	**168**	421

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 of the condensed financial statements for details.
[2] See note 8 to the Condensed financial statements.
[3] Operating profit before special items and remeasurements from subsidiaries and joint operations was $6,168 million (2012: $5,493 million) and attributable share from associates and joint ventures was $452 million (2012: $760 million). For special items and remeasurements, see note 5 to the Condensed financial statements.

IRON ORE AND MANGANESE

$ million (unless otherwise stated)	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[(1)]
Underlying operating profit	**3,119**	3,011
Kumba Iron Ore	**3,047**	3,042
Iron Ore Brazil	**(31)**	(5)
Samancor	**210**	103
Projects and corporate	**(107)**	(129)
Underlying EBITDA	**3,390**	3,262
Capital expenditure	**2,517**	2,139
Share of Group underlying operating profit	**47%**	48%
Attributable return on capital employed %	**19%**	21%

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

Financial and operational overview

Underlying operating profit increased by 4% from $3,011 million to $3,119 million, principally as a result of stronger average export iron ore prices at Kumba and higher prices, reduced costs and improved volumes at Samancor. This was partly offset by a decrease in export iron ore and increased costs at Kumba.

Safety and environment

Kumba Iron Ore

Kumba completed the year without loss of life. The overall safety performance, however, suffered some setbacks, which were reflected in a worsening lost-time injury frequency rate (LTIFR) of 0.18 (2012: 0.10). Kumba has renewed its focus on entrenching individual responsibility and behaviour, while various processes are under way to improve employee engagement through regular and visible interaction with leadership, as well as hazard identification.

Environmental compliance is important to Kumba. To that extent, all environmental management plans were approved by South Africa's Department of Mineral Resources. Kumba's targeted savings for 2013 were 271,834 GJ of energy and 39,949 tonnes CO_2e greenhouse gases. Kumba continues to implement energy and water savings projects, some of which have already delivered quantifiable gains. Several savings projects are still at a conceptual stage, but actual savings in 2013 are estimated to be 133,394 GJ of energy and 30,574 tonnes CO_2e greenhouse gases.

Iron Ore Brazil

The Minas-Rio project continues to be developed in a safe and responsible way, with no loss of life recorded during the year and more than 33 million man-hours worked without any lost-time injuries.

Markets

The global steel and iron ore markets have generally been stable in 2013, and better than anticipated. An increase in global steel production of 3% to 1,582 Mt (2012: 1,529 Mt), supported demand for iron ore. Sustained government infrastructure spend in East Asia, as well as steel mill restocking prior to the winter season, assisted this rise. China, the main producer of steel worldwide, increased its production by an unexpectedly strong 7% this year to 779 Mt (2012: 731 Mt). Growth in Japan and Korea was also above expectations, and Europe has stabilised during the year, which supported global demand.

Seaborne iron ore supplies increased by 10% in 2013 to 1,324 Mt (2012: 1,208 Mt), as the increase from Australia more than compensated for lower supplies from India and flat exports from Brazil.

Iron ore prices were strong and averaged 4% higher at $135/tonne (Platts 62% Fe CFR China) (2012: $130/tonne). Index prices reached a high of $160/tonne in February 2013, but fell to a low of $110/tonne in May 2013, before stabilising at around $135/tonne towards the end of the year. Kumba's pricing mechanism continued to evolve with prices in China now mostly based on index values around the discharge date. In other markets, we largely continue to use a quarterly pricing mechanism.

Operating performance

Kumba Iron Ore

Underlying operating profit increased slightly from $3,042 million to $3,047 million principally as a result of 1% stronger average export iron ore prices and the impact of the weaker South African rand, partly offset by a 1% decrease in export sales volumes. Total operating costs rose by 20% in local currency terms, driven primarily by above-inflation cost increases and the mining of 47.5 Mt of additional waste at Sishen and Kolomela mines.

Total iron ore output decreased by 2% to 42.4 Mt mainly due to production losses at Sishen mine, partially offset by the strong performance at Kolomela. Total tonnes mined at Sishen rose by 22% to 208.8 Mt (2012: 171.6 Mt), of which waste mined amounted to 167.8 Mt, an increase of 26% (2012: 133.5 Mt) as the planned waste ramp-up continues to alleviate the current pit constraints. The mine's iron ore production, however, decreased by 8% to 30.9 Mt (2012: 33.7 Mt). Production from the DMS plant was mainly impacted by availability of material from the pit and resulted in 12% lower output for the year. At the Jig plant, production was in line with the prior year although still below design capacity owing to feedstock quality constraints. The mine was hampered further by several Section 54 safety stoppages relating to the operation of trackless mobile machinery in August 2013 and subsequent gradual ramp-up of the mine. The Sishen mine pit is currently constrained, resulting in insufficient exposed ore. A production recovery plan to address the current pit constraints and a longer-term operational optimisation strategy are being implemented.

Kolomela continued its strong performance in 2013, increasing production by 26% to 10.8 Mt (2012: 8.5 Mt). Production exceeded monthly design capacity for most of the year, and reached a new record level of 1.04 Mt for the month during October 2013. Kolomela's total tonnage mined increased by 38% to 59.9 Mt (2012: 43.5 Mt), of which waste mined amounted to 46.7 Mt (2012: 33.5 Mt), an increase of 39%.

Production at Thabazimbi mine was 24% lower at 0.6 Mt (2012: 0.8 Mt), mainly as a result of partial plant shutdowns towards the end of 2013. An agreement regulating the sale and purchase of iron ore between Sishen Iron Ore Company (SIOC) and ArcelorMittal South Africa Limited (ArcelorMittal S.A.), which became effective on 1 January 2014, may enable Thabazimbi life of mine to be extended through the introduction of low-grade beneficiation technologies.

Kumba's total sales volumes were 1% lower at 43.7 Mt (2012: 44.4 Mt) as both export and domestic sales volumes decreased by 1% to 39.1 Mt (2012: 39.7 Mt) and 4.6 Mt (2012: 4.7 Mt), respectively. The lower export sales volumes were mainly the result of production losses at Sishen which reduced export stock levels across the value chain, but were mostly offset by the performance from Kolomela. Export sales volumes to China accounted for 68% of the company's total export volumes for the year, compared to 69% in 2012. Sales volumes to Japan and South Korea rose by 13% to 8.3 Mt and represented 21% of total export sales, with the remaining 11% going to Europe. In 2014, this mix is expected to change slightly as more iron ore is shipped to China and less to Europe.

Total finished product stockpiles amounted to 2.8 Mt at the end of the year, compared to 3.7 Mt at the end of 2012.

Kumba spent $455 million on stay-in-business capital (2012: $383 million), mainly on heavy mining equipment such as haul trucks and shovels for Sishen and Kolomela mines in support of the waste mining ramp-up.

Iron Ore Brazil

Iron Ore Brazil generated an underlying operating loss of $31 million, reflecting the pre-operational state of the Minas-Rio project.

Samancor

Underlying operating profit more than doubled to $210 million (2012: $103 million), driven by higher prices and focused cost control, supported by strong volumes.

Production of ore was flat at 3.3 Mt (attributable basis) owing to a consistently strong operating performance and improved plant productivity at both GEMCO in Australia and Hotazel in South Africa. Alloy production increased by 27% to 251,100 tonnes (attributable basis) as production was restored at TEMCO in Australia following the production suspension in 2012.

Projects

Kumba Iron Ore

Kumba's aims to capitalise on its current mining right holdings and existing infrastructure to develop and sustain a project pipeline that enables a return to optimal levels of production, maintenance of these levels and growth in accordance with the needs of the market.

Kumba is focused on restoring Sishen mine to its full capacity but is also looking to facilitate the expansion of Sishen mine to the west. A comprehensive feasibility study has been completed for the relocation of the Dingleton community and the company has engaged in an extensive consultation process with interested and affected parties, the community and the relevant government departments. The plan to resettle the community in the town of Kathu in the Northern Cape Province is expected to cost an estimated $457 million (nominal) over a four to six year period.

At Kolomela, technical studies have confirmed the mine's capacity at 10 Mtpa, 1 Mtpa above its original design capacity. Kumba is currently studying opportunities for further incremental expansion of Kolomela's production.

Significant progress has been made in the progression of the Sishen Western Expansion Project (SWEP). Project development remains within budget, and construction activities have been completed. A major milestone in the development of the project was the relocation of the Transnet railway line from its previous position to the west of the current Sishen pit, to the far western extent of the SIOC property. The relocation of the railway line was completed in May 2013.

As a consequence of Transnet having previously held the surface rights over the SWEP rail properties, the rail properties were excluded from the Sishen Mining Right area. SIOC applied to the Department of Mineral Resources (DMR) to obtain the necessary rights in relation to the rail properties, which were granted by the DMR on 11 February 2014. The granting of the mining right gives SIOC access to approximately 33% of the Sishen reserve included in SIOC's Life of Mine plan which is located on either side of the affected area. This portion of the reserve, which had been classified as probable, can now be reclassified as proven. SIOC will accordingly proceed with the implementation of its mining plan and will start waste stripping in the affected area from the second half of 2014.

Iron Ore Brazil

Construction of the 26.5 Mtpa Minas-Rio iron ore project continues in line with the revised plan announced in 2012. By the end of 2013, the project was 84% complete overall and is on schedule to deliver first ore on ship at the end of 2014.

The main schedule risks identified at the end of 2012 have been resolved and over the past year significant construction and operational progress has been made.

Highlights during 2013 include:

- The mine's cave suppression permit was granted in March and mine access approved in May, allowing stripping of surface overburden to be completed;
- Land release for the 230 kV transmission line was obtained, and the transmission line has been completed, ahead of schedule;
- Closure of the tailings dam was achieved in April, as planned, and the dam is near completion;
- The pipeline and land-access permits were obtained on schedule and 481 kilometres of pipe (representing 91% of the total 525 kilometre length) had been installed by the end of 2013.
- No outstanding permits or licences now impede the construction process, while good progress is being made in converting the installation permits to operating licences;
- The beneficiation plant is 83% complete. Civil engineering work has finished on the first ball mill and primary crusher, while the long-distance conveyor belt is almost assembled;
- Assembly of the ship-loader at Açu is 96% complete and caissons are being placed in position for the 2,624 metre-long breakwater.

Potential risks for 2014 are being addressed and mainly relate to manpower availability to complete construction activities at the beneficiation plant and the completion of the breakwater.

Capital expenditure remains in line with the previously announced cost of $8.8 billion, including a centrally held contingency of $600 million. To date, $5.6 billion has been spent on the project and it is envisaged that $3.2 billion (inclusive of the $600 million contingency) will need to be spent in order to deliver the project.

Samancor

The $279 million GEEP2 project (Anglo American's 40% share: $112 million) was delivered, on schedule and budget, in the third quarter of 2013. The project 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 expansion.

The $91 million (100% basis) high-carbon ferromanganese furnace at the Metalloys smelter in South Africa was delivered, on schedule and budget, in the first quarter of 2013. The project will add an additional 130,000 tonnes of capacity per year.

Outlook

In 2014, it is anticipated that global crude steel demand will grow by 3%, with China's production rising to approximately 806 Mt, while growth in production in other developing countries is expected to be countered by a reduction in output in some of the developed markets. It is anticipated, however, that the supply and demand balance will shift in the second half of 2014 owing to more supply from Australia and Brazil as demand growth begins to slow. This is expected to put some pressure on the iron ore price in the second half of the year.

The Sishen mine recovery and optimisation plan expects a phased production increase from 30.9 Mt in 2013, to approximately 35 Mt in 2014. As the ore body dips and thins out towards the west, waste stripping of up to 270 Mtpa will be required for the production of 37 Mtpa at current marketing specifications, planned for 2016.

Kumba anticipates total iron ore production, excluding Thabazimbi, of between 44 and 46 Mt in 2014. Export sales volumes are expected to be in line with 2013 levels.

The recovery in manganese ore pricing continued into 2013; however, muted demand expectations are expected to limit the rate and extent of the recovery in the near term.

Kumba Iron Ore update

21.4% undivided share of the Sishen mine mineral rights

On 28 March 2013 the Supreme Court of Appeal (SCA) dismissed the appeals of the Department of Mineral Resources (DMR) and Imperial Crown Trading 289 (Pty) Ltd (ICT) against the decision of the North Gauteng High Court, which, *inter alia*, confirmed that Sishen Iron Ore Company (Pty) Ltd (SIOC) became the exclusive holder of the mining rights at the Sishen mine in 2008 when the DMR converted SIOC's old order rights, and further set aside the grant of a prospecting right to ICT by the DMR. The SCA held that as a matter of law and as at midnight on 30 April 2009, SIOC became the sole holder of the mining right to iron ore in respect of the Sishen mine, after ArcelorMittal South Africa Limited (ArcelorMittal S.A.) failed to convert its undivided share of the old order mining right.

Both ICT and the DMR lodged applications for leave to appeal against the SCA to the Constitutional Court. The Constitutional Court hearing was held on 3 September 2013.

On 12 December 2013 the Constitutional Court granted the DMR's appeal in part against the SCA judgment. In a detailed judgment, the Constitutional Court clarified that SIOC, when it lodged its application for conversion of its old order right, converted only the right it held at that time (being a 78.6% undivided share in the Sishen mining right). The Constitutional Court further held that ArcelorMittal S.A. retained the right to lodge its old order right (21.4% undivided share) for conversion before midnight on 30 April 2009, but failed to do so. As a consequence of such failure by ArcelorMittal S.A., the 21.4% undivided right remained available for allocation by the DMR.

The Constitutional Court ruled further that, based on the provisions of the Mineral and Petroleum Resources Development Act (MPRDA), only SIOC can apply for the residual 21.4% undivided share of the Sishen mining right. The grant of the mining right may be made subject to such conditions considered by the Minister to be appropriate, provided that the proposed conditions are permissible under the MPRDA. SIOC had previously applied for this 21.4%, and continues to account for 100% of what is mined from the reserves at Sishen mine. SIOC has however, in compliance with the Constitutional Court order, submitted a further application to be granted this right.

As a further consequence of this finding, the High Court's ruling setting aside the prospecting right granted by the DMR to ICT also stands.

The findings made by the Constitutional Court are favourable to both SIOC and the DMR. SIOC's position as the only competent applicant for the residual right protects SIOC's interests. The DMR's position as custodian of the mineral resources on behalf of the nation, and the authority of the DMR to allocate rights, has also been ratified by the Court.

ArcelorMittal S.A. supply agreement

The dispute between SIOC and ArcelorMittal S.A. regarding the contract mining agreement had been referred to arbitration in 2010. In December 2011 the parties agreed to delay the arbitration proceedings until the final resolution of the mining rights dispute (see above).

Interim Pricing Agreements were implemented to 31 December 2013.

In November 2013 SIOC and ArcelorMittal S.A. entered into a new Supply Agreement regulating the sale and purchase of iron ore between the parties which became effective from 1 January 2014. This agreement, subject to certain express conditions, is contemplated to endure until the end of Life of Mine for the Sishen mine.

The conclusion of this agreement settled the arbitration and the various other disputes between the companies.

Following the Constitutional Court ruling (see above), the sale of iron ore from SIOC to ArcelorMittal S.A. will remain regulated by the recently concluded Supply Agreement.

METALLURGICAL COAL

$ million (unless otherwise stated)	Year ended 31 Dec 2013[1]	Year ended 31 Dec 2012[2]
Underlying operating profit	**46**	405
Underlying EBITDA	**612**	877
Capital expenditure	**1,050**	1,028
Share of Group underlying operating profit	**0.7%**	6%
Attributable return on capital employed %	**1%**	9%

(1) Throughout the Metallurgical Coal commentary, all volumes are expressed on an attributable basis.
(2) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

Financial and operational overview

Metallurgical Coal recorded an underlying operating profit of $46 million, 89% lower than the 2012 figure of $405 million. This was attributable to a 24% decrease in the average quarterly HCC benchmark coal price, partially offset by the implementation of significant cost reductions initiated in 2012, a 9% increase in metallurgical coal sales volumes, and favourable exchange rate movements in the Australian dollar.

A focus on high margin products has resulted in a favourable product mix towards higher quality coking coal, with the proportion of sales of HCC to PCI increasing by 3% to 70%.

Metallurgical Coal continues to focus on cost reductions, with Australian and Canadian export FOB cash unit costs reducing by 8% and 15%, respectively.

Safety and environment

There were no fatal injuries at Metallurgical Coal's operations in 2013. The lost-time injury frequency and total recordable frequency rates of 1.00 and 1.48 were the lowest on record and represent a respective improvement of 43% and 36% over 2012. These results are attributable to visible and proactive leadership presence in the field, increased accountability and specific monitoring of supervisor safety performance. A reduction in the overall high level risk profile was achieved through formal contractor management improvements and increased focus on the management of high level risks, such as those associated with vehicles and machinery.

To assist in mitigating the emissions that may contribute to climate change and reduce exposure to the carbon pricing mechanism, Metallurgical Coal has expanded the German Creek Power Station by more than 12 MW per annum and, in doing so, reduces CO_2e emissions by capturing methane that would otherwise be vented, and producing electricity. Metallurgical Coal has also implemented a number of asset optimisation projects that improve heavy mining equipment efficiency in order to reduce fuel usage.

Markets

Anglo American weighted average achieved sales prices ($/tonne)	**2013**	2012
Export metallurgical coal (FOB)	**140**	178
Export thermal coal (FOB Australia)	**84**	96
Domestic thermal coal	**39**	37

Attributable sales volumes ('000 tonnes)	**2013**	2012
Export metallurgical coal	**19,045**	17,413
Export thermal coal	**6,372**	6,043
Domestic thermal coal	**6,125**	6,921

Australian metallurgical coal production continued at record levels in the second half of 2013, with seaborne exports reaching an all-time high of 16.3 Mt in October 2013 (194 Mt annualised), and totalling 169.7 Mt for the year (2012: 144.5 Mt). This increased production, combined with sustained high export levels from the US and Canada, created an oversupply of seaborne metallurgical coal for the year.

Quarterly benchmark prices for seaborne metallurgical coal dropped sharply in the latter half of the year, reaching a four-year low of $145/tonne in the third quarter. The average 2013 HCC quarterly price fell by 24% to $159/tonne from the 2012 average of $210/tonne.

Around 75% of Anglo American's metallurgical coal sales were placed against term contracts with quarterly negotiated price settlements, while the balance of sales comprised short-term priced transactions. Hard coking coal accounted for 70% of Metallurgical Coal's export metallurgical coal sales in 2013, an increase of 3%, as a result of the focus on high margin production.

Operating performance

Attributable production ('000 tonnes)	**2013**	2012
Export metallurgical coal	**18,656**	17,664
Export thermal coal	**6,264**	6,046
Domestic thermal coal	**6,239**	6,925

Export metallurgical coal production increased by 6% to a record 18.7 Mt, while export thermal coal production increased 4% to 6.3 Mt. Production improved by 30% at the underground operations owing to a significant step-change in performance over the past 18 months. Production at the open cut operations decreased by 5%, mainly as a result of excessive rainfall causing flooding and rail disruptions in the first quarter, and planned capacity reductions. Metallurgical Coal's sustained focus on costs reduced FOB costs by 10%, despite export volumes increasing by 5%.

Moranbah North's underground operation delivered record production. Output rose by 39% following best practice longwall performance, driven in turn by a 45% year-on-year improvement in cutting hours, an increase in automated cutting, and a reduction in unplanned downtime.

Performance improved by 16% year-on-year at Capcoal's underground operation, through increased reliability of the longwall with a 15% improvement in cutting hours and improved coal clearance system uptime.

Record coal production was achieved at Foxleigh open cut mine, with a 4% increase over the prior year, on the back of productivity improvements arising from increased equipment availability and optimal alignment of equipment to pit conditions.

In Canada, Peace River Coal increased coal production by 22%, reflecting improvements in mining design, greater productivity in mining operations as well as yield and throughput enhancements in the coal preparation plant.

Export thermal coal production was 4% higher for the year following productivity improvements.

Projects

The wholly owned Grosvenor project remains on target for first longwall production in 2016. All key permits and licences are in place. Critical engineering and procurement activities have been completed and the majority of the project budget has been contracted and committed. Surface construction is well advanced; earthworks and concrete are essentially complete; structural, mechanical and piping works are advancing well; and electrical works have commenced. The drift portal works are complete and underground development has commenced with the commissioning of a tunnel boring machine.

As announced in July 2013, the capital costs to develop the Grosvenor project increased by $250 million to $1.95 billion owing to scope changes resulting from an investigation into the drift failure at Moranbah North in 2011 that led to a complete redesign of the Grosvenor drift and its construction method. Costs have also been impacted by adverse exchange rate movements during the construction phase.

Outlook

An oversupply of metallurgical coal has been generated by strong metallurgical production from Australia and high US exports, with metallurgical coal prices expected to remain subdued into 2014.

US exports are starting to reduce in response to lower prices; however, record Australian production has more than offset any reductions. Capacity increases from Australian greenfield supply in the second half of 2014 will continue to limit any significant price improvement.

Seaborne metallurgical coal demand is expected to increase to around 305 Mt in 2014, approximately 8% higher than 2013.

Metallurgical Coal is positioned to take advantage of any future coal price increases as a result of its focus on delivering high margin, low cost capacity, and the demonstrated benefits of asset optimisation initiatives.

THERMAL COAL

$ million (unless otherwise stated)	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Underlying operating profit	**541**	793
South Africa	**356**	482
Colombia	**228**	358
Projects and corporate	**(43)**	(47)
Underlying EBITDA	**735**	972
Capital expenditure	**217**	266
Share of Group underlying operating profit	**8%**	13%
Attributable return on capital employed %	**23%**	35%

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

Financial and operational overview

Thermal Coal generated an underlying operating profit of $541 million, a 32% decrease over the prior year, primarily driven by lower average export thermal coal prices, partly offset by the impact of the weaker South African rand. Business performance was also affected by a 32 day strike at Cerrejón in the first quarter.

Safety and environment

Sadly, three colleagues lost their lives while working at Thermal Coal operations in South Africa. One contractor was also fatally injured at Cerrejón, in Colombia. Thorough incident investigations were conducted to ensure that the root causes of these incidents are understood, addressed and shared across the Group.

Over the past five years, Thermal Coal has continued to improve its performance in relation to injuries, which is reflected in the 42% reduction in lost-time injury frequency rate (LTIFR) from 0.31 in 2008 to the current 0.18. Cerrejón achieved an LTIFR of 0.16, the lowest in the operation's history.

Thermal Coal's energy, greenhouse gas (GHG) and water footprints are managed through the implementation of Anglo American's WETT and ECO_2MAN programmes, and energy and GHG levels are trending well below business as usual projections.

Markets

Anglo American weighted average achieved sales prices ($/tonne)	**2013**	2012
South Africa export thermal coal (FOB)	**77**	92
South Africa domestic thermal coal	**19**	21
Colombia export thermal coal (FOB)	**73**	89

Attributable sales volumes ('000 tonnes)	**2013**	2012
South Africa export thermal coal	**17,502**	17,151
South Africa domestic thermal coal[1]	**39,044**	40,110
Colombia export thermal coal	**11,152**	10,926

(1) Includes domestic metallurgical coal of 91,800 tonnes in 2012.

International seaborne demand continues to grow (7% to 961 Mt); however the supply response to date has kept pace with demand. In 2013, the international thermal coal seaborne market remained in oversupply, despite supply disruptions that included the effects of industrial action in Colombia. This has kept prices suppressed and discouraged investment.

Thermal coal prices generally continued their declining trend over the year, although with some volatility. Delivered prices into Europe (API2) fell below $75/tonne in June, their lowest in three years, before regaining some lost ground with a fourth quarter average price of $84.3/tonne. The average API2 price index was $81.5/tonne for the year. The average API4 (FOB, Richards Bay) index price also fell below $75/tonne in June, while the average for the year fell by approximately 14% to $80/tonne (2012: $93/tonne) to close at $85/tonne (2012: $89/tonne).

Generally, the lower prices have forced producers to seek productivity gains and ramp up volumes in order to reduce unit costs. In conjunction with newly commissioned infrastructure projects, this has resulted in strong supply-side performance from various export countries. Depreciation of the Australian dollar and South African rand, which declined by 6% and 18% respectively against the US dollar, provided some relief for producers.

Asia accounted for 75% of South African thermal coal shipments, 3% lower than 2012. South African thermal coal shipments out of RBCT reached a record high of 70.2 Mt, an increase of 3% over the prior year (2012: 68.3 Mt), bolstered by Transnet Freight Rail (TFR)'s improved performance. TFR also had a record calendar year with 70.5 Mt railed to RBCT, a 3% improvement over 2012 (68.5 Mt).

Operating performance

Attributable production ('000 tonnes)	**2013**	2012
South Africa export thermal coal	**17,031**	17,132
Colombia export thermal coal	**11,002**	11,549
South Africa Eskom coal	**33,567**	33,706
South Africa domestic other[(1)]	**5,992**	6,293

[(1)] Includes domestic metallurgical coal of 74,100 tonnes for 2012.

South Africa

Underlying operating profit from South African operations decreased by 26% to $356 million, driven by 16% lower average export thermal coal prices, partially offset by the impact of the weaker South African rand (2013: $/ZAR 9.65, 2012: $/ZAR 8.21). However, the continuation of cost control measures has contained cost increases in line with CPI in local currency terms, despite above-CPI increases for several major cost components.

Export production at 17.0 Mt was in line with the prior year with a 13% improvement in performance at Greenside offset by lower production at Goedehoop, owing to challenging mining conditions, and Landau following the slower than anticipated plant ramp-up following maintenance.

Colombia

At Cerrejón, underlying operating profit of $228 million was 36% down on 2012, owing to the impact of lower thermal coal prices, partly offset by significant cost efficiencies (8% lower than 2012) and marginally higher sales volumes of 11.2 Mt as the operation recovered strongly from the 32 day strike in the first quarter.

Projects

In South Africa, the 11 Mtpa New Largo project has reached the feasibility stage gate and engagement with Eskom to finalise the coal supply agreements is ongoing. The project is expected to be presented for board approval once the necessary permits have been obtained for both the first and second stages of the project and the coal supply and other commercial agreements have been concluded.

The Cerrejón expansion project (P40), to increase the port and logistics chain capacity to handle a total mine output of 40 Mtpa (an additional 8.0 Mtpa), is progressing on schedule and budget.

Outlook

Demand for seaborne thermal coal is forecast to remain strong, driven mainly by strong growth in Asia with China and India remaining the key markets. Atlantic demand is likely to be steady in the short term as new coal-fired capacity is being offset by the closure, in certain cases at the insistence of regulators, of older power stations.

The significant tonnages of domestic coal produced by China and India, the two largest thermal coal import markets, will continue to act as a restraint on imported coal prices, a situation likely to be exacerbated as domestic producers adjust their prices to stay competitive against imported coal.

BASE METALS & MINERALS – COPPER

$ million (unless otherwise stated)	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Underlying operating profit	**1,739**	1,736
Underlying EBITDA	**2,402**	2,288
Capital expenditure	**1,011**	1,214
Share of Group underlying operating profit	**26%**	28%
Attributable return on capital employed %[2]	**25%**	29%

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.
[2] Removing outstanding tax liabilities relating to the AA Sur divestment in 2012 and 2013, copper attributable ROCE would fall to 24% in 2012, and 24% in 2013.

Financial and operational overview

Copper generated an underlying operating profit of $1,739 million, in line with the prior year. Higher sales volumes from Los Bronces and Collahuasi, leading to lower unit costs were offset by the decline in the average realised copper price. Operating profit also benefited from lower power prices, exploration and study costs.

In September 2013, Anglo American gave notice of its decision to withdraw from the Pebble copper project in Alaska. As a result, the investment in Pebble was written off in full, resulting in a charge of $311 million including exit costs.

Safety and environment

During the year, Copper recorded a single loss of life arising from a height-related incident at its Mantos Blancos operation. The lost-time injury frequency rate was unchanged at 0.20. The business's safety endeavours continue to concentrate on risk and change management, learning from incidents and contractor management processes.

Water supply is one of the major challenges for our operations and process optimisation continues in order to minimise water consumption. The recirculation system at Los Bronces is now recycling 100% of processed water and several new water supply projects at Los Bronces were implemented during the year. Significant progress has also been made on the Mantoverde desalination plant, which is expected to start delivering water to the operation in the first quarter of 2014. As a result of the initiatives, water savings of 44% have been delivered compared to business as usual.

Ongoing reviews by our operations have highlighted challenges from an environmental standpoint where we are evaluating potential environmental impacts generated by our operations or where we have not sufficiently implemented measures to compensate. These are primarily centered around mine affected water quality and back log in reforestation programs per original permit conditions. These anomalies are being addressed in conjunction with the environmental agencies.

Copper's social development strategy aims to deliver a lasting, net-positive benefit to its host communities, notably in the fields of education and local economic development. One notable programme is the Emerge enterprise development programme, for which the government of Chile awarded Copper with the prestigious 'More for Chile' award. This initiative, begun in 2006, has supported more than 40,000 entrepreneurs, of whom more than 80% are women. In Peru, the business has made a substantial contribution to early education through its programme of working with children aged nought to three, as well as with their mothers and fathers in order to improve parenting skills.

Markets

Average price	2013	2012
Average market prices (c/lb)	**332**	361
Average realised prices (c/lb)	**326**	364

The copper price rose at the start of 2013 to a high of 374 c/lb, buoyed by Chinese buying ahead of the Lunar New Year and a temporary resolution to the fiscal stalemate in the US. Underwhelming macro-economic data releases and a sharp rise in LME inventories followed, which resulted in prices retreating to 301 c/lb by the end of June. A hot summer in China, increasing financial demand and tightness in the scrap market then underpinned a modest recovery. However, strong mine supply and surging concentrate imports began to weigh on sentiment by November, with prices falling back to 314c/lb, before ending the year at 335 c/lb. For the full year, the realised price averaged 326 c/lb, a decrease of 10% compared with 2012. This included a negative provisional price adjustment of $92 million versus a positive adjustment of $47 million for 2012.

Operating performance

Attributable production (tonnes)	2013	2012
Copper	**774,800**	659,700

Attributable copper production of 774,800 tonnes was 17% higher than in 2012, driven by improved operating performance at Los Bronces and Collahuasi.

Production at Los Bronces was 14% higher at 416,300 tonnes, owing to continued strong throughput performance. Reduced mine congestion and de-bottlenecking at the primary crushers has improved continuity of ore supply and throughput at both processing plants. Improvements implemented in the Confluencia milling and flotation processes have also resulted in higher recoveries. Mine development continues, with the initial opening of the next two phases of ore supply completed during the period. Large-scale mining equipment is now in place in these phases, with development stripping accelerating in the second half of 2013.

At Collahuasi, production increased by 58%, with Anglo American's attributable output climbing to 195,600 tonnes. Following the SAG 3 stator motor replacement and repowering in the second quarter of the year, plant stability and mill throughput performance have improved significantly. Production also benefited from higher than planned grades.

Production at El Soldado decreased by 4% to 51,500 tonnes, owing to lower grades. The development of the next major phase of ore supply has slowed as mining activities intersected a geological fault, impacting ore availability in the last quarter of the year. The lack of ore has been partially mitigated by the processing of slag from the nearby Chagres smelter.

Production at Mantoverde decreased by 9% owing to lower grades, while Mantos Blancos production was in line with the prior year.

During 2013, Copper undertook a full review of its contracted services processes, identifying a number of improvements which are now being implemented. Cost savings have already started to be realised and the benefits are expected to increase.

Projects

In Peru the Quellaveco project was evaluated as part of the Group asset review, which resulted in a decision to reconfigure the project so that its economic returns are more robust. A final review of the project is expected during 2015. During the intervening period, work will continue on the project site aimed mainly at progressing the Asana river diversion tunnel along with various social and community programmes, thereby solidifying the already high social support for the project.

In the Los Bronces District, the conceptual study of the Los Sulfatos deposit has commenced and the permits required to start sub-surface hydrogeological drilling were received in the final quarter of 2013.

Outlook

Production levels in 2014 are expected to be impacted by lower ore grades at Los Bronces and Collahuasi. At Los Bronces, costs are expected to rise as a result of ongoing mine development, along with restoring mine flexibility. At El Soldado, the lack of ore availability is expected to result in a decrease in production over the next two years before recovering in 2016.

Challenges remain in managing continuing industry-wide input cost pressures; however the contracted services review conducted in 2013 is expected to alleviate some of this pressure. Ongoing market concerns arising from uncertainties over the near term outlook for the global economy and new supply coming on line may lead to short term volatility in the copper price. The long term fundamentals for copper, however, remain strong, predominantly driven by robust demand from the emerging economies and supply constraints owing to ageing mines and steadily declining average grades.

BASE METALS & MINERALS – NICKEL

$ million (unless otherwise stated)	Year ended 31 Dec 2013	Year ended 31 Dec 2012[1]
Underlying operating (loss)/profit	**(44)**	26
Underlying EBITDA	**(37)**	50
Capital expenditure[2]	**(28)**	100
Share of Group underlying operating profit	**(0.7)%**	0.4%
Attributable return on capital employed %	**(2)%**	1%

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.
[2] In 2013, cash capital expenditure for Nickel of $76 million is offset by the capitalisation of $104 million of net operating cash inflows generated by Barro Alto which has not yet reached commercial production.

Financial and operational overview

Nickel reported an underlying operating loss of $44 million. The 2012 underlying operating profit of $26 million included a self-insurance recovery of $57 million, in addition to which 2013 underlying operating profit was affected by a 14% decline in the LME nickel price and increased discounts arising from weaker market conditions, compensated in part by reductions in corporate and project spend. The underlying operating result for Barro Alto continues to be capitalised.

A more challenging market outlook, the need for furnace rebuilding and updated operational planning has led to a reduced valuation for Barro Alto, for which an impairment, post tax, of $529 million (relating to a value-in-use carrying value assessment) and write-off of $195 million (relating to existing furnace equipment which is to be rebuilt) were recognised in 2013.

Safety and environment

Nickel operated without any loss of life in 2013, but recorded a 55% deterioration in lost-time injury frequency rate (LTIFR) to 0.17 (2012: 0.11). This prompted an increased focus on risk and change management and on preventing incidents during the upcoming rebuild and maintenance stoppages.

There has been good progress towards the business' 2015 environmental targets, with initiatives delivering water savings of 2.6 million m^3, energy savings of 3.3 million GJ and CO_2 savings of 37,000 tonnes since 2011.

Markets

Average price	2013	2012
Average market price (c/lb)	**680**	794
Average realised price (c/lb)[1]	**646**	771

[1] Realised prices are now reported inclusive of Barro Alto sales. This has led to the restatement of the 2012 realised price from 765 c/lb to 771 c/lb.

After increasing moderately to 804 c/lb, LME nickel prices fell to a low of 622 c/lb in July owing to economic concerns. These price declines led to a reduction in demand owing to the way in which stainless steel producers pass on raw material costs to their buyers with a one month lag. Further pressure came from the impact of increasing new nickel supply, most notably nickel pig iron in China.

The nickel market recorded a surplus of 102,000 tonnes for the year compared with a surplus of 48,000 tonnes in 2012. Nickel consumption increased by 9.1% to 1.9 million tonnes, but supply also rose following the ramping up of a number of new nickel plants. The growth in conventional supply was lower than expected as a result of problems at a number of new operations.

Operating performance

Attributable nickel production (tonnes)	**2013**	2012
Nickel	**34,400**	39,300

Nickel production decreased by 12% to 34,400 tonnes, primarily as a consequence of the cessation of mining and production activities at Loma de Níquel.

Barro Alto produced 25,100 tonnes of nickel in 2013, 16% higher than 2012. This increase reflects improved operational stability in the second half of the year, following the planned line 2 sidewall rebuild and subsequent metal run-out in the first half.

Despite this improvement, equipment sensitivities remain. Barro Alto's furnace rebuild was a focus in the second half of the year, with evaluation of the optimal design and construction scenario, as well as early engineering activities now well progressed. The first rebuild is expected to commence in late 2014.

Codemin produced 9,300 tonnes of nickel in 2013, slightly lower than 2012, as a result of a planned decline in grade.

Outlook

Production in 2014 is expected to be similar to 2013, as close monitoring of Barro Alto facilitates greater operational stability in advance of the furnace rebuilds. The first rebuild is expected to commence in late 2014 and the second in late 2015, with the rebuilds and associated ramp-ups fully completed during 2016. We currently expect production at Barro Alto and Codemin to be between 20,000 and 25,000 tonnes in 2015 and between 35,000 and 38,000 tonnes in 2016, although this forecast may be revised as the Barro Alto rebuild timetable is finalised.

Short term prices are expected to remain under pressure owing to the prevailing macro-economic environment and ramp up of new nickel supply. If the change in Indonesian government policy (announced in early 2014) to ban nickel ore exports is sustained, this will tighten the nickel market and support strengthening prices. In any event, medium to longer term nickel prices are expected to improve owing to forecast demand growth outstripping that of supply.

BASE METALS & MINERALS – NIOBIUM & PHOSPHATES

$ million (unless otherwise stated)	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Underlying operating profit	**150**	169
Niobium	**89**	81
Phosphates	**79**	91
Projects and corporate	**(18)**	(3)
Underlying EBITDA	**176**	196
Capital expenditure	**237**	94
Share of Group underlying operating profit	**2%**	3%
Attributable return on capital employed %	**24%**	32%

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

Financial and operational overview

Operating profit decreased by 11% to $150 million with lower realised sales prices at both Niobium and Phosphates and higher study costs in the year, partly offset by lower cash costs and the positive impact of the weaker Brazilian real on operating costs.

Safety and environment

During 2013, no fatal incidents were recorded in our Niobium and Phosphates business, which also saw a marginal improvement in the lost-time injury frequency rate to 0.31 (2012: 0.39).

Detailed investigations of these incidents revealed that the root causes related largely to inadequate risk assessment and inadequate change management processes. The outcomes of these investigations, coupled with those conducted for medium and high potential incidents and existing safety priorities, resulted in a renewed focus on risk management training, a refinement of operational risk management procedures, and specific initiatives to address transportation risks, improve learning from incidents and increase safety communications.

Greenhouse gas emissions and energy consumption were higher in the year, mainly owing to changes in the Brazilian energy matrix. The consumption volume remained approximately level with 2012, but the CO_2 conversion factor, as advised by the Ministry of Mines and Energy, was increased in the year. Specific initiatives to reduce natural gas consumption at Cubatão's Dicalcium Phosphate unit resulted in a 31,135 GJ saving, while the phosphoric acid plants in Cubatão and Catalão achieved a combined 14,300 GJ reduction in electricity consumption.

Water consumption was marginally reduced owing to increased recycling, from 8.30 Mm^3 in 2012 to 8.27 Mm^3 in 2013.

Markets

Niobium

In 2013, our Niobium business exported 4,675 tonnes of niobium, representing an increase of 11% over the previous year. However, the average realised price was $39 per kg of niobium, a reduction of 5% compared with the $41 per kg achieved in 2012.

Demand for niobium decreased by 5% owing to the lacklustre pace of recovery in the European markets and tighter economic policies in China. In response to strong competition from producers in Brazil and Canada, putting downward pressure on prices, the Niobium business developed a more diversified geographical sales portfolio in order to capitalise on spot supply opportunities in other countries such as South Korea, Turkey, India, the UAE and Taiwan.

Phosphates

Global demand for phosphates decreased during 2013, mainly as a result of high inventories, adverse weather conditions in the US which affected the timing of crop planting, exchange rate fluctuations, and by a reduction in the phosphates subsidy offered to farmers in India. Although some major phosphate suppliers reduced their output in response to the weaker demand environment, prices for the year as a whole were subdued, with an average monoammonium phosphate (MAP) price of $494/tonne, a 16% reduction over 2012.

Demand for phosphate fertilisers in Brazil totalled approximately 11.8 Mt in 2013, a 7% increase, mainly owing to increased production of soybean and corn crops. Domestic production of phosphate fertiliser products was 1% lower at 7.3 Mt, resulting in the levels of imported intermediate fertilisers reaching 5 Mt, an increase of approximately 20%. Brazil is running a high inventory position following a strong import programme in the first half of 2013, with stocks at year end of 1.9 Mt estimated to be approximately 27% higher than the prior year.

Operating performance

Niobium

Underlying operating profit of $89 million was 10% higher than in 2012, with higher sales volumes, lower cash costs and the positive impact of the weaker Brazilian real on operating costs, partly offset by lower realised sales prices and increased study costs.

Production of 4,500 tonnes was 2% higher, as throughput and recovery improvements offset the decline in ore quality.

Phosphates

Underlying operating profit decreased by 13% to $79 million, with lower selling prices and higher study costs only partly offset by lower labour and sulphur costs and the positive impact of the weaker Brazilian real on operating costs.

Fertiliser production increased by 6% to 1,199,000 tonnes, owing to improved performance following optimised maintenance scheduling, increased plant availability and enhanced performance at the acidulation and granulation plants.

Projects

Niobium

The Boa Vista Fresh Rock project continued to progress and is expected to start production later in 2014. The project includes the construction of a new upstream plant that will enable continuity of the Catalão site through processing the Fresh Rock ore body. Production capacity will increase to approximately 6,500 tonnes of niobium per year (2013: 4,500 tonnes), allowing use of the full plant capacity. Both Niobium and Phosphates have a series of smaller optimisation projects to improve plant capacity and productivity and to release the full potential of the reserve base, including upstream and downstream de-bottlenecking projects and tailings initiatives. The upstream project is expected to contribute to production in 2014, while the downstream projects will deliver additional volumes in 2016. The tailings initiatives will increase niobium production through the recovery of waste from Goiás II.

Phosphates

Goiás II is a brownfield project that aims to double the production of phosphate fertiliser concentrate at the same site through the doubling of plant capacity and is expected to increase the production of fertilizers by 725 ktpa by 2018. Goiás II represents an opportunity to capture market share that is currently supplied by imports. A conceptual study for the project was developed towards the end of 2012, and is expected to enter the feasibility stage in 2014.

Outlook

Niobium

The three main niobium producers have all announced brownfield expansion plans though none is expected to be producing at full capacity in 2014. Demand for niobium is expected to increase by around 5% in line with the expected increase in production of crude steel and niobium bearing alloys in the final product mix of steel.

The outlook for 2014 is expected to be more positive owing to continued gradual recovery in the major economies, with growth still driven by China and India and a moderate recovery in the US and Japan.

Phosphates

The fertiliser market is expected to show some improvement in both demand and prices in 2014, driven by a return to more normal levels of demand following adverse weather conditions in the US which affected the timing of crop planting, and a reduction in the phosphates subsidy offered to farmers in India in 2013.

PLATINUM

$ million (unless otherwise stated)	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[(1)]
Underlying operating profit/(loss)	**464**	(120)
Underlying EBITDA	**1,048**	580
Capital expenditure	**608**	822
Share of Group underlying operating profit	**7%**	(2)%
Attributable return on capital employed %	**6%**	(2)%

[(1)] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

Financial and operational overview

Platinum recorded an underlying operating profit of $464 million in 2013, compared with an underlying operating loss of $120 million in 2012. This was primarily due to a weaker average South African rand against the dollar and an increase in sales volumes, which were partly offset by lower realised basket prices, and cost increases.

Cash operating costs per equivalent refined platinum ounce increased by 4% to ZAR17,053 (2012: ZAR16,364), primarily owing to increases in the costs of labour, electricity, diesel and key inputs of processing operations, partly offset by higher production. Productivity, however, increased by 9% to 6.57m^2 (2012: 6.05m^2).

Safety and environment

Platinum recorded its best ever safety performance, however, six employees sadly lost their lives on company operations during 2013. The company extends its sincere condolences to their families, friends and colleagues. Four fatal injuries were due to falls of ground and one involved moving machinery. The final incident is still under investigation to determine whether this was work-related or not. The company's safety performance has shown very encouraging progress since 2007, with fatal injury and lost-time injury frequency rates declining by 60% and 49%, respectively.

The proactive management of safety risks has resulted in a continued fall in safety stoppages from the high in 2011, though the number of Section 54s remained level with 2012, at 72. In addition, 46,261 ounces of production were lost as a result of safety stoppages (2012: 17,000 ounces), though this was well below 138,000 ounces in 2011.

Potable water used for primary and non-primary activities decreased by 6% to 17.3 million m^3 (2012: 18.4 million m^3). The decrease in potable water consumption was influenced mainly by the consistent use of treated sewage water at Rustenburg operations to offset the use of potable water. Platinum remains committed to striving towards zero use of potable water for industrial purposes.

There was one material environmental incident in 2013, with the occurrence of a a tailings spillage from the Blinkwater tailings dam at Mogalakwena mine. The incident, now contained and at an advanced stage of clean-up, affected the Mohlosane river for 2.5 kilometres. The incident was caused by void tunnelling in the tailings dam starter wall, and solutions have been put in place to prevent a recurrence.

Markets

In 2013, gross global platinum demand increased by 507,000 ounces, or 6.3%, as increases in industrial and investment demand more than offset declines from the autocatalyst and jewellery sectors. Primary platinum supply grew by 60,000 ounces, or 1%, as increased supply from South Africa and Zimbabwe exceeded declines in Russia and North America. Secondary supplies from recycled autocatalyst, jewellery and industrial scrap decreased by 29,000 ounces, or 1%, resulting in a 0.4% increase in gross global platinum supply of 31,000 ounces. The resultant platinum deficit of 856,000 ounces was satisfied by cumulative above-ground stocks at market prices during the course of the year.

Gross global palladium demand decreased by 437,000 ounces, or 4%, as reduced demand from the jewellery, industrial and investment sectors far exceeded the increase in autocatalyst demand. Primary palladium supply reduced by 160,000 ounces, or 3%, as the reduction in supply from Russia and the rest of world more than offset the increases from South Africa, Zimbabwe and North America. Secondary supplies from recycled autocatalyst, jewellery and industrial scrap increased by 179,000 ounces, or 8%, resulting in flat gross global palladium supply. The resultant palladium deficit for the year of 621,000 ounces was also satisfied by cumulative above-ground stocks at market prices during the year.

In 2013, gross global rhodium demand increased by 19,000 ounces, or 2%. Although autocatalyst demand remained flat, this was more than compensated by increases in industrial and investment demand. Primary supply decreased by 3% and secondary supply increased by 9%, keeping gross supply flat and with a resultant market deficit of 9,000 ounces.

Autocatalysts

Global light vehicle sales grew by 3.8% in 2013, to 84.2 million units, driven by growth in China and North America, offset by declines in India, Russia and Europe. Gross demand for platinum in autocatalysis declined by 5%, owing largely to lower vehicle production in the diesel-dominant Indian and European markets. Palladium use in autocatalysis increased by 3%, in line with global growth in gasoline vehicle production, with an increase in palladium purchases for autocatalysis in China offsetting weakness in other markets. Gross rhodium use in autocatalysis was flat in 2013, as the increase in Chinese demand was offset by weakness in other markets.

Jewellery

The Chinese platinum jewellery market accounted for 67% of gross global jewellery demand in 2013, and is positioned to grow as disposable income increases and the effective market development by PGI continues. Platinum jewellery sales in China continued to benefit from the narrow price premium to gold; gross demand, however, decreased by 5%. The weak platinum price also reduced the volume of jewellery recycled, resulting in flat net demand. The much smaller markets of Europe, North America and India all increased in 2013, and this, combined with lower Japanese recycled volumes, saw net global platinum jewellery demand increase by 86,000 ounces, or 5%.

Industrial

In 2013, platinum use in industrial applications increased by 250,000 ounces, or 14%, owing to growth in electrical and glass applications.

Palladium industrial use declined by 146,000 ounces as increased substitution by base metals in electronic capacitors and by ceramics in dentistry exceeded palladium's increased use in polyester manufacture.

In 2013, industrial use for rhodium increased by 9,000 ounces, or 6%, following inventory changes in glass manufacture and capacity increases in oxo-alcohol and acetic acid manufacture.

Investment

Platinum investment demand increased by 457,000 ounces, or 102%, owing to the rand-denominated platinum ETF launched in April 2013. Palladium investment demand declined by 451,000 ounces, or 98%, as a result of ETF disinvestment. Rhodium investment demand increased by 8,000 ounces, or 20%.

Operating performance

Production

Equivalent refined platinum production totalled 2.32 million ounces, up 5% on 2012. Platinum's own mines, including Western Limb Tailings Retreatment, produced 1.5 million of equivalent refined platinum ounces, which was 2% higher year on year but in line with the company's strategy.

Production at Khomanani mine, Khuseleka 2 shaft and Union North decline was suspended in August 2013, in line with the proposed restructuring plans. The resources from these mines have now been integrated into the surrounding operations. As a result of these initiatives, 250,000 ounces of annualised unprofitable production have been removed.

The industrial action at Platinum's mining operations from 27 September 2013 to 10 October 2013 resulted in a loss of platinum production of 44,000 ounces. The company quickly ramped up to full production following the strike, with little further loss of production.

Production at the Western Limb operations (Rustenburg, Union and Amandelbult mines) was affected by the industrial action during the second half of 2013. In addition, platinum production at Tumela and Dishaba mines decreased by 2% year on year owing to shortages of production crews and supervisors. The redeployment of labour programme following the placement of mines on care and maintenance was completed in the final quarter of the year and benefits arising from resulting productivity improvements should be seen in 2014.

Production at the Rustenburg mines increased by 12,700 ounces, or 3 %, while output from Union mines declined by 9%. At Mogalakwena mine, output increased by 12% to a record 335,800 ounces[(1)] following higher throughput at the concentrators and improved head grade. Equivalent refined platinum production at Unki increased by 2% to 63,200 ounces as the mine bettered its ramp-up schedule, reaching steady state production levels ahead of expectations.

Refined platinum production at 2.4 million ounces, remained constant year on year, primarily due to increased feed from mining operations and improved performance at the Anglo American Platinum Converting Process (ACP) plant which has been operating at a steady state level since production issues caused by a high-pressure leak were resolved at the end of the second quarter of 2013. Refined production of palladium was relatively flat year on year, decreasing by 1%, while rhodium decreased by 5%. Palladium and rhodium variances are a result of a different source mix from operations and different pipeline processing times for each metal. Nickel production saw a 28% increase as technical challenges in the new nickel tank house are being resolved and as ramp up continues.

Projects

In an environment of capital austerity, careful consideration is taken to determine how projects are prioritised in line with the company's strategy to increase scrutiny over capital allocation. Projects including the development of Twickenham and expansion of production capacity at Mogalakwena mine are in line with the longer term strategy of increasing shallow, mechanised and lower cost production and continue to be progressed.

Outlook

The global platinum market is expected to remain balanced in the short term, with increasing deficits over the medium term as steady demand growth in autocatalyst, jewellery and industrial applications exceeds growth in supply from secondary recycled sources and capital-constrained mining supply. The platinum price remains below sustainable incentive levels despite significant reductions in cumulative above-ground stocks in 2012 and 2013. The record high in platinum investment demand from ETFs, bars and coins in 2013 is unlikely to be repeated and some disinvestment from the greater than 850,000 oz holding in the South Africa based ETF should not be ruled out.

Continued deficits in the palladium market are likely in the short and medium term owing to increased production of gasoline vehicles and supply growth being limited by platinum supply constraints. Above ground stocks of palladium are estimated to be far higher than those of platinum; however, demand growth is expected to more than offset the negative price sentiment associated with elevated stock levels.

Following the implementation of the portfolio review, Platinum is expected to keep baseline production flat at 2.3 to 2.4 million platinum ounces in 2014, with production lost from the mines closed in 2013 offset by production from higher margin operations through the implementation of various operational improvement plans. Platinum continues to aim to align output with expected demand, and to maintain flexibility to meet potential improvements in demand.

Cost inflation will remain a challenge in 2014, as the inflationary pressures from above inflation wage increases and electricity increases in particular, offset the cost reductions realised following the Platinum restructuring. As of 11 December 2013, Platinum settled on a two-year wage agreement with NUM and UASA at an average wage increase of 8.1% for the period. Negotiations with AMCU and NUMSA are continuing, with the related current strike impacting production. Cash unit costs are estimated to increase to around R18,000-R19,000 per equivalent refined platinum ounce for 2014.

[(1)] Includes 16Koz produced at the Messina Baobab plant as part of a toll concentrating agreement.

Platinum’s project portfolio has been aligned with the proposals of the business restructuring, and capital expenditure guidance will be ZAR6 billion to ZAR7.3 billion for 2014, excluding pre-production costs, capitalised waste stripping and interest.

DIAMONDS

$ million (unless otherwise stated)	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Underlying operating profit	**1,003**	474
Underlying EBITDA	**1,451**	712
Capital expenditure	**551**	161
Share of Group underlying operating profit	**15%**	8%
Attributable return on capital employed %	**11%**	10%

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details. Amounts based on the Group's 45% shareholding to 16 August 2012 (except for capital expenditure as defined) and a 100% basis thereafter. De Beers' 2012 attributable ROCE contains 8 months with DeBeers as an associate at 45% subsidiary, and 4 months as a fully consolidated entity with shareholding at 85%.

Financial and operational overview

De Beers' operating profit totalled $1,003 million, an increase of 112% compared with 2012, driven by the Group's increased shareholding and a greater than 35% improvement in the underlying results of the business. The improvement reflected higher sales revenues and tight cost control, which benefited from favourable exchange rate movements.

Markets

Despite global macro-economic uncertainty, diamond jewellery sales increased in local currency terms in all major diamond markets, except India. In India, challenging economic conditions and a devaluation of the rupee resulted in a decline in demand. The US market posted positive growth, with a generally strong holiday season in the fourth quarter. China continued to show positive growth rates, but at levels consistent with slower economic development.

Although the De Beers rough price index increased slightly in the first half, a combination of weaker polished prices, high levels of stock in the cutting centres and tightening liquidity resulted in some of this increase being reversed in the second half. The price decrease, together with an increase in polished sales, saw the rough market stabilise and start to improve toward the end of the year.

Safety, health and environment

De Beers operated without any loss of life in 2013 and improved its lost-time injury frequency rate (LTIFR) considerably from 0.32 in 2012 to 0.19 in 2013. The company continues to improve its monitoring of leading indicators to ensure an increasingly proactive response to emerging risks.

In 2013, 14 new cases of occupational disease were reported. The occupational disease incidence rate remains well below the target of 1 per 200,000 man-hours worked, with the biggest issue being noise-induced hearing loss. The company continues to focus on occupational hygiene management, as well as on efforts to ensure fitness to work, occupational exposure control, incident reporting and reducing absenteeism arising from illness.

Operating performance

Mining and manufacturing

De Beers' full year production increased by 12% to 31.2 million carats (2012: 27.9 million carats) with improvements across all regions, particularly in Botswana and Canada.

In Botswana, higher production was driven by Jwaneng's recovery from the slope failure in June 2012, which followed completion of the remediation programme in the third quarter. Production at Orapa was slightly higher than 2012, despite unplanned maintenance on plant No. 1, which returned to full operation in October.

In South Africa, full production was restored at Venetia after the mine was impacted by very heavy flooding in the Limpopo province at the start of the year. Shortfalls in ore mined were mitigated by the processing of ore stockpiles. Production improved steadily in the third quarter, with full recovery by the fourth quarter.

In Canada, performance at Snap Lake improved significantly, with carats recovered up approximately 50% as a result of a focus on throughput and mining efficiency. At Victor, carat recovery exceeded expectations and was broadly in line with the prior year.

In Namibia, Debmarine Namibia performed strongly, largely due to the contribution of the *MV Mafuta* following its production upgrade in early 2013. Namdeb also performed well, with carat recovery higher than in 2012.

While Element Six experienced a challenging start to the year, performance improved in the second half, driven by the introduction of new products and a continued focus on cost control. In July, Element Six opened its Global Innovation Centre in the UK. The centre is the world's largest and most sophisticated synthetic diamond research and development facility, and will be a key enabler for growth in 2014 and beyond.

Sales

Sales increased slightly to $6.4 billion in 2013 (2012: $6.1 billion on a comparable basis). De Beers' rough diamond price index has increased 2% since the start of the year, while average realised rough diamond prices were 5% higher, driven by the product mix.

De Beers successfully completed the migration of its sales activities from London to Botswana ahead of schedule, hosting international Sights in Gaborone in November and December.

Brands

Forevermark saw strong growth in 2013, with door numbers up by 39% on 2012. This growth was driven primarily by the core markets of the US, China, Japan and India. The brand is now available at more than 1,200 retail partners in 12 markets. Since the launch of Forevermark, more than 870,000 diamonds have received the Forevermark inscription and unique identification number. The inscription is a promise that each diamond has met the brand's high standards of quality, ethical integrity and provenance.

De Beers Diamond Jewellers opened new directly operated stores in Shanghai and Hong Kong's Times Square. Through franchise partnerships it also opened stores in Kuala Lumpur, Baku, Vancouver and Kiev.

Projects

In Botswana, infrastructure construction at Debswana's Jwaneng Cut-8 project is complete. Cut-8 will provide access to an estimated 96 million tonnes of ore to be treated, containing approximately 113 million carats of mainly high quality diamonds, and extend the life of one of the world's richest diamond mines to at least 2028.[(1)]

In South Africa, the first blast took place in September 2013 for the construction of an underground mine beneath the open pit at Venetia. With capital investment of $2 billion, this represents De Beers' largest ever investment in South Africa. Underground mine production is expected to start in 2021 and will extend the life of the mine to beyond 2040. The life of mine plan will treat approximately 129 million tonnes of ore, containing an estimated 94 million carats.[(2)]

In Canada, the Mackenzie Valley Land and Water Board approved a pioneer Land Use Permit for Gahcho Kué, which allows land-based site works to commence in preparation for deliveries planned for the 2014 winter road season.

Outlook

De Beers expects a slight strengthening in growth in diamond jewellery demand in 2014, driven by continued gradual improvements in the global economic outlook. The US and China are expected to continue to be the main engines of growth for polished diamonds, while most other markets are expected to show positive growth in local currency, with final dollar denominated results being partly dependent on currency fluctuations. Rough diamond manufacturers, in India in particular, face continued pressures regarding levels of bank financing. In India, further volatility of the rupee may potentially affect rough diamond sales. In the medium to long term, industry fundamentals are expected to strengthen as diamond production plateaus and demand continues to increase.

[(1)] Scheduled Inferred Resources (below 401 metres) included in the Cut-8 estimates constitute 77% (86.7 Mct) of the estimated carats. Not all inferred resources may be upgraded to reserves, even after additional drilling. The numbers given are scheduled tonnes and carats as per the 2013 life-of-mine plan.

[(2)] The current mining rights expire in 2038; Venetia mine will apply to extend the mining rights at the appropriate time in the future. Scheduled Inferred Resources constitute 28% (26.3 Mct) of the estimated carats. Not all inferred resources may be upgraded to reserves, even after additional drilling. The numbers given are scheduled tonnes and carats as per the 2013 life-of-mine plan.

OTHER MINING & INDUSTRIAL

$ million (unless otherwise stated)	**Year ended 31 Dec 2013**	Year ended 31 Dec 2012[1]
Underlying operating (loss)/profit	**(13)**	168
Underlying EBITDA	**81**	289
Capital expenditure	**53**	171
Share of Group underlying operating profit	**(0.2)%**	3%

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 to the Condensed financial statements for details.

Amapá

Amapá recorded a nil underlying operating profit for the 10 months to the completion of the divestment of the operation on 1 November 2013. All profits and losses generated by Amapá from the signing of the sales agreement at the end of 2012 to completion were for the account of the purchaser and therefore the underlying operating loss of $7 million incurred in the period has been excluded from the Group results. The loss of $7 million (2012: $54 million profit) was mainly due to the suspension of export shipments following the event on 28 March 2013 (see below). The reversal of penalty provisions, as a result of contract renegotiations, which had a beneficial impact on 2012 underlying operating profit, was not repeated in 2013.

On 28 March 2013, a major geological event occurred which resulted in the tragic loss of four lives, with a further two people still missing, as well as the loss of the Santana port operation of Amapá and the suspension of all export shipments. A detailed and independent technical investigation was conducted and a report was shared with the authorities and the investigation commissions in September 2013. The independent investigation report indicates that the incident was not caused by operational factors, but was a result of an unpredictable combination of factors, including geotechnical factors.

On 4 January 2013, Anglo American announced that it had reached an agreement to sell its 70% interest in Amapá to Zamin Ferrous Ltd (Zamin). Following the 28 March event, Anglo American entered into further discussions with its partner Cliffs Natural Resources (Cliffs) and Zamin. Anglo American subsequently entered into an agreement with Cliffs to acquire its 30% interest in Amapá, subject to certain conditions, and entered into an amended sale agreement with Zamin to reflect Anglo American's disposal of a 100% interest in Amapá to Zamin.

On 1 November 2013, Anglo American completed the acquisition from Cliffs and simultaneously completed the sale of the 100% interest in Amapá to Zamin for an initial total consideration of approximately $134 million, net of certain completion adjustments. In addition, Zamin will pay Anglo American conditional deferred consideration of up to a maximum of $130 million in total, payable over a five year period and calculated on the basis of the market price for iron ore. As part of the transaction, Anglo American has assumed responsibility for, and the risks and rewards of, certain insurance claims including those relating to the Santana port incident, through the purchase of the claims from Amapá at the full claim value

Tarmac

Tarmac reported an underlying operating loss of $6 million, compared with a profit of $73 million in 2012. Tarmac's underlying EBITDA was $88 million, 41% lower than in 2012. The results of 2012 included 100% of the contribution from Tarmac Quarry Materials, which formed part of the Lafarge Tarmac joint venture with effect from 7 January 2013.

Building products

A significant improvement in trading performance was driven by higher sales volumes and continued focus on managing the cost base in order to enhance margins and reduce operating costs. Unlike in 2012, there was minimal disruption from poor weather, which enabled building activity to continue throughout the year. During 2013, the market improved in certain sectors, particularly housing, and forecasts indicate that this improvement will continue in 2014.

Middle East

The Middle East business experienced a lull in activity levels and profitability in 2013, following the completion of three major projects in 2012 and early 2013. The road building market remains extremely competitive due to new entrants over the past two to three years, while some customers are becoming competitors through developing their own in-house asphalt and surfacing capability. The outlook for 2014, however, is now more positive, as several major schemes have been approved across the region and the forward order book is strengthening. The business has continued to focus on managing down key costs by improved raw material procurement, productivity and energy consumption initiatives and rationalisation of the workforce.

Lafarge Tarmac joint venture

On 7 January 2013, following final clearance from the UK Competition Commission, Anglo American and Lafarge announced the completion of the transaction to create an incorporated joint venture known as Lafarge Tarmac.

The Group's share in the underlying operating profit for the newly formed joint venture was $9 million, but cannot be validly compared to 2012 due to the separations and combinations of the merger. Despite weaker markets and no surplus carbon credit sales, revenue from the continuing operations contributing to the joint venture increased as a result of higher year-on-year volumes across all key product lines. Although cement prices declined during the year, largely as a result of the entry of a new competitor, excellent progress has been made with the integration process, with synergy delivery of $38 million (100%), which was 23% above original expectations. Although selected market indicators are pointing towards an improvement in 2014, Lafarge Tarmac remains cautious about the underlying strength of recovery within the construction sector.

On 14 January 2014, the UK Competition Commission (CC) published its final report relating to the investigation into the aggregates, cement and ready mix concrete (RMX) markets. In this report the CC concluded that there were aspects of the cement markets that had adverse effects on competition. Accordingly it has determined that, amongst other remedies, Lafarge Tarmac is required to divest of a cement plant (either the Cauldon or Tunstead cement plants, plus relevant depots), and (if required by a prospective purchaser) a number of RMX plants. The CC has determined that the prospective purchaser cannot be one of the existing cement producers in Great Britain. Lafarge Tarmac disputes the conclusions of the CC and is reviewing its options taking into account the best interests of its employees, contractors, customers and shareholders.

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AngloAmerican

CONDENSED FINANCIAL STATEMENTS

for the year ended 31 December 2013

Consolidated income statement
for the year ended 31 December 2013

US$ million	Note	**2013**			2012 restated[(1)]		
		Before special items and remeasure-ments	**Special items and remeasure-ments (note 5)**	**Total**	Before special items and remeasure-ments	Special items and remeasure-ments (note 5)	Total
Group revenue	2	**29,342**	**–**	**29,342**	28,680	–	28,680
Operating costs		**(23,174)**	**(3,761)**	**(26,935)**	(23,187)	(7,093)	(30,280)
Operating profit/(loss) from subsidiaries and joint operations	2	**6,168**	**(3,761)**	**2,407**	5,493	(7,093)	(1,600)
Non-operating special items and remeasurements	5	**–**	**(469)**	**(469)**	–	1,396	1,396
Share of net income from associates and joint ventures	2	**243**	**(75)**	**168**	482	(61)	421
Profit from operations, associates and joint ventures		**6,411**	**(4,305)**	**2,106**	5,975	(5,758)	217
Investment income		**271**	**–**	**271**	418	–	418
Interest expense		**(584)**	**–**	**(584)**	(630)	–	(630)
Other financing (losses)/gains		**37**	**(130)**	**(93)**	(87)	(89)	(176)
Net finance costs	6	**(276)**	**(130)**	**(406)**	(299)	(89)	(388)
Profit/(loss) before tax		**6,135**	**(4,435)**	**1,700**	5,676	(5,847)	(171)
Income tax expense	7a	**(1,861)**	**587**	**(1,274)**	(1,506)	1,113	(393)
Profit/(loss) for the financial year		**4,274**	**(3,848)**	**426**	4,170	(4,734)	(564)
Attributable to:							
Non-controlling interests		**1,601**	**(214)**	**1,387**	1,310	(404)	906
Equity shareholders of the Company		**2,673**	**(3,634)**	**(961)**	2,860	(4,330)	(1,470)
Earnings/(loss) per share (US$)							
Basic	8	**2.09**	**(2.84)**	**(0.75)**	2.28	(3.45)	(1.17)
Diluted	8	**2.08**	**(2.83)**	**(0.75)**	2.26	(3.43)	(1.17)

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

Consolidated statement of comprehensive income

for the year ended 31 December 2013

US$ million	Note	**2013**	2012 restated[1]
Profit/(loss) for the financial year		**426**	(564)
Items that may subsequently be reclassified to the income statement			
Net (loss)/gain on revaluation of available for sale investments		**(69)**	173
Net loss on cash flow hedges		**(16)**	–
Net exchange difference on translation of foreign operations (including associates and joint ventures)		**(4,872)**	(750)
Share of associates' and joint ventures' expense recognised directly in equity, net of tax		**–**	(17)
Tax on items recognised directly in equity that may be reclassified	7c	**173**	(96)
Items that will not be reclassified to the income statement			
Remeasurement of net retirement benefit obligation		**97**	190
Share of associates' and joint ventures' income recognised directly in equity, net of tax		**–**	14
Tax on items recognised directly in equity that will not be reclassified	7c	**(37)**	(25)
Net expense recognised directly in equity		**(4,724)**	(511)
Transferred to the income statement			
Disposal of available for sale investments		**(89)**	(57)
Impairment of available for sale investments		**14**	84
Net exchange difference on disposal of foreign operations		**73**	24
Cash flow hedges		**–**	4
Transferred to the initial carrying amount of hedged items: cash flow hedges		**4**	5
Share of associates' and joint ventures' net expense transferred from equity		**–**	(10)
Tax on items transferred from equity	7c	**12**	29
Total transferred from equity		**14**	79
Total comprehensive expense for the financial year		**(4,284)**	(996)
Attributable to:			
Non-controlling interests		**769**	867
Equity shareholders of the Company		**(5,053)**	(1,863)

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

Consolidated balance sheet

US$ million	Note	31 December 2013	31 December 2012 restated[1]	1 January 2012 restated[1]
ASSETS				
Non-current assets				
Intangible assets		**4,083**	4,569	2,320
Property, plant and equipment		**41,505**	44,731	40,082
Environmental rehabilitation trusts		**348**	392	360
Investments in associates and joint ventures		**4,612**	3,162	5,352
Financial asset investments		**1,446**	2,389	3,003
Trade and other receivables		**797**	560	434
Deferred tax assets		**1,364**	1,204	515
Derivative financial assets		**604**	747	668
Other non-current assets		**247**	235	138
Total non-current assets		**55,006**	57,989	52,872
Current assets				
Inventories		**4,789**	5,002	3,514
Financial asset investments		**19**	102	–
Trade and other receivables		**3,351**	3,243	3,639
Current tax assets		**226**	470	207
Derivative financial assets		**70**	101	172
Cash and cash equivalents	10a	**7,704**	9,080	11,712
Total current assets		**16,159**	17,998	19,244
Assets classified as held for sale		**–**	3,150	–
Total assets		**71,165**	79,137	72,116
LIABILITIES				
Current liabilities				
Trade and other payables		**(4,369)**	(4,494)	(5,047)
Short term borrowings	10a, 11	**(2,108)**	(2,485)	(902)
Provisions for liabilities and charges		**(768)**	(560)	(369)
Current tax liabilities		**(734)**	(819)	(1,528)
Derivative financial liabilities		**(372)**	(280)	(162)
Total current liabilities		**(8,351)**	(8,638)	(8,008)
Non-current liabilities				
Trade and other payables		**(22)**	(18)	–
Medium and long term borrowings	10a, 11	**(15,740)**	(15,150)	(11,855)
Retirement benefit obligations		**(1,204)**	(1,409)	(639)
Deferred tax liabilities		**(4,657)**	(6,051)	(5,693)
Derivative financial liabilities		**(1,139)**	(801)	(950)
Provisions for liabilities and charges		**(2,688)**	(2,384)	(1,829)
Other non-current liabilities		**–**	(29)	(71)
Total non-current liabilities		**(25,450)**	(25,842)	(21,037)
Liabilities directly associated with assets classified as held for sale		**–**	(919)	–
Total liabilities		**(33,801)**	(35,399)	(29,045)
Net assets		**37,364**	43,738	43,071
EQUITY				
Called-up share capital		**772**	772	738
Share premium account		**4,358**	4,357	2,714
Own shares		**(6,463)**	(6,659)	(6,985)
Other reserves		**(5,372)**	(1,202)	283
Retained earnings		**38,376**	40,343	42,240
Equity attributable to equity shareholders of the Company		**31,671**	37,611	38,990
Non-controlling interests		**5,693**	6,127	4,081
Total equity		**37,364**	43,738	43,071

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

The financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 13 February 2014 and signed on its behalf by:

Mark Cutifani
Chief Executive

René Médori
Finance Director

Consolidated cash flow statement
for the year ended 31 December 2013

US$ million	Note	2013	2012 restated[1]
Cash flows from operating activities			
Total profit/(loss) before tax		**1,700**	(171)
Net finance costs		**406**	388
Share of net income from associates and joint ventures		**(168)**	(421)
Non-operating special items and remeasurements	5	**469**	(1,396)
Total operating profit/(loss) from subsidiaries and joint operations		**2,407**	(1,600)
Depreciation and amortisation	2	**2,638**	2,374
Share-based payment charges		**201**	233
Operating remeasurements	5	**550**	116
Non-cash element of operating special items		**3,065**	6,913
Decrease in provisions		**(56)**	(127)
Increase in inventories		**(562)**	(329)
Increase in operating receivables		**(541)**	(32)
Decrease in operating payables		**(18)**	(165)
Other adjustments		**45**	(13)
Cash flows from operations		**7,729**	7,370
Dividends from associates and joint ventures		**246**	294
Dividends from financial asset investments		**18**	54
Income tax paid		**(1,201)**	(1,799)
Net cash inflows from operating activities		**6,792**	5,919
Cash flows from investing activities			
Expenditure on property, plant and equipment	9	**(6,125)**	(5,959)
Cash flows from derivatives related to capital expenditure	9	**(136)**	(71)
Proceeds from disposal of property, plant and equipment		**140**	66
Investments in associates and joint ventures		**(221)**	(114)
Purchase of financial asset investments		**–**	(16)
Net repayment of loans granted		**301**	81
Interest received and other investment income		**193**	278
Acquisition of subsidiaries, net of cash and cash equivalents acquired		**–**	(4,816)
Disposal of subsidiaries, net of cash and cash equivalents disposed	13	**13**	100
Repayment of capitalised loans by associates		**108**	36
Net proceeds from disposal of interests in available for sale investments		**99**	273
Other investing activities		**3**	(32)
Net cash used in investing activities		**(5,625)**	(10,174)
Cash flows from financing activities			
Interest paid		**(907)**	(775)
Cash flows from derivatives related to financing activities	10b	**181**	149
Dividends paid to Company shareholders		**(1,078)**	(970)
Dividends paid to non-controlling interests		**(1,159)**	(1,267)
Net repayment of short term borrowings	10b	**(2,307)**	(747)
Net receipt of medium and long term borrowings	10b	**3,279**	5,633
Movements in non-controlling interests		**71**	1,220
Tax on sale of non-controlling interest in Anglo American Sur		**(395)**	(1,015)
Sale of shares under employee share schemes		**14**	24
Purchase of shares by subsidiaries for employee share schemes[2]		**(92)**	(253)
Other financing activities		**(9)**	(48)
Net cash (used in)/inflows from financing activities		**(2,402)**	1,951
Net decrease in cash and cash equivalents		**(1,235)**	(2,304)
Cash and cash equivalents at start of year	10b	**9,298**	11,712
Cash movements in the year		**(1,235)**	(2,304)
Effects of changes in foreign exchange rates		**(361)**	(110)
Cash and cash equivalents at end of year	10b	**7,702**	9,298

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] 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 2013

US$ million	Total share capital[1]	Own shares[2]	Retained earnings	Share-based payment reserve	Cumulative translation adjustment reserve	Fair value and other reserves[3]	Total equity attributable to equity shareholders of the Company	Non-controlling interests	Total equity
At 1 January 2012	3,452	(6,985)	42,342	453	(1,930)	1,760	39,092	4,097	43,189
Adoption of new standards[4]	–	–	(102)	–	–	–	(102)	(16)	(118)
At 1 January 2012 (restated)	3,452	(6,985)	42,240	453	(1,930)	1,760	38,990	4,081	43,071
Total comprehensive (expense)/income	–	–	(1,304)	–	(687)	128	(1,863)	867	(996)
Dividends payable to Company shareholders	–	–	(970)	–	–	–	(970)	–	(970)
Dividends payable to non-controlling interests	–	–	–	–	–	–	–	(1,259)	(1,259)
Conversion of convertible bond	1,677	–	185	–	–	(355)	1,507	–	1,507
Changes in ownership interest in subsidiaries	–	–	(219)	–	–	–	(219)	970	751
Acquired through business combinations	–	–	–	–	–	–	–	1,423	1,423
Issue of shares to non-controlling interests	–	–	–	–	–	–	–	17	17
Equity settled share-based payment schemes	–	326	(256)	96	–	–	166	28	194
Other	–	–	667	–	–	(667)	–	–	–
At 31 December 2012 (restated)	**5,129**	**(6,659)**	**40,343**	**549**	**(2,617)**	**866**	**37,611**	**6,127**	**43,738**
Total comprehensive (expense)/income	**–**	**–**	**(901)**	**–**	**(4,023)**	**(129)**	**(5,053)**	**769**	**(4,284)**
Dividends payable to Company shareholders	**–**	**–**	**(1,078)**	**–**	**–**	**–**	**(1,078)**	**–**	**(1,078)**
Dividends payable to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,273)**	**(1,273)**
Changes in ownership interest in subsidiaries	**–**	**–**	**38**	**–**	**–**	**–**	**38**	**(14)**	**24**
Issue of shares to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**47**	**47**
Equity settled share-based payment schemes	**–**	**196**	**(43)**	**(1)**	**–**	**–**	**152**	**37**	**189**
Other	**1**	**–**	**17**	**–**	**–**	**(17)**	**1**	**–**	**1**
At 31 December 2013	**5,130**	**(6,463)**	**38,376**	**548**	**(6,640)**	**720**	**31,671**	**5,693**	**37,364**

(1) Includes share capital and share premium.
(2) Own shares comprise shares of Anglo American plc held by the Company (treasury shares), its subsidiaries and employee benefit trusts.
(3) Includes the convertible debt reserve, available for sale reserve, cash flow hedge reserve, legal reserve, capital redemption reserve and revaluation reserve. In 2012, following a capital reduction in the Corporate segment, $667 million was transferred from the legal reserve to retained earnings, reducing the legal reserve from $675 million to $8 million.
(4) Certain balances and changes in equity related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

Dividends

	2013	2012
Proposed ordinary dividend per share (US cents)	**53**	53
Proposed ordinary dividend (US$ million)	**678**	676
Ordinary dividends payable during the year per share (US cents)	**85**	78
Ordinary dividends payable during the year (US$ million)	**1,078**	970

Notes to the Condensed financial statements

1. Basis of preparation

The financial information for the year ended 31 December 2013 does not constitute statutory accounts as defined in section 435 (1) and (2) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2012 have been delivered to the Registrar of Companies and those for 2013 will be delivered following the Company's Annual General Meeting convened for 24 April 2014. 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 2014.

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 2012, except for changes arising from the adoption of new accounting pronouncements detailed below.

The following accounting amendments, standards and interpretations became effective in the current reporting period:

- Amendments to IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*
- IAS 19 *Employee Benefits* revised 2011
- IFRS 13 *Fair Value Measurement*
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

In addition, the Group has early adopted the following standards, which are endorsed by the EU but not effective until 1 January 2014:

- IFRS 10 *Consolidated Financial Statements*
- IAS 27 *Separate Financial Statements*
- IFRS 11 *Joint Arrangements*
- IAS 28 *Investments in Associates and Joint Ventures*
- IFRS 12 *Disclosure of Interests in Other Entities*

The Group has not early adopted any other amendment, standard or interpretation that has been issued but is not yet effective. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date.

A number of other amendments to accounting standards issued by the International Accounting Standards Board also apply for the first time in 2013. These do not have a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

The nature and the impact of each of the new amendments, standards or interpretations are described below:

Amendments to IAS 1 *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income*

The amendments to IAS 1 introduced the grouping of items presented in other comprehensive income. Items that may be reclassified (or recycled) to the income statement at a future point in time are now presented separately from items that will not be reclassified. The amendment affected presentation only and had no impact on the Group's financial position or performance.

1. Basis of preparation (continued)

IAS 19 *Employee Benefits* revised 2011 (IAS 19R)

IAS 19R includes a number of amendments to the accounting for defined benefit plans. The principal impact for the Group arises from the requirement to replace the interest cost on the defined benefit obligation and the expected return on plan assets, with a net interest cost/income based on the net defined benefit liability/asset, calculated using the discount rate used to measure the defined benefit obligation. This has increased the income statement charge as the discount rate now applied to the assets is lower than the expected return on plan assets. There is no effect on total comprehensive income as the increased charge in the income statement is offset by a credit in other comprehensive income.

The Group has applied the standard retrospectively in accordance with the transitional provisions, and the 2012 results have been restated accordingly. IAS 19R introduces more extensive disclosure requirements particularly relating to the characteristics, risks and amounts in the financial statements related to defined benefit plans. Further detail of the impact on the Group financial statements for the year ended 31 December 2012 is set out in note 17.

IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single framework for measuring fair value when such measurements are required or permitted by other standards. The application of IFRS 13 has not materially affected the fair value measurements carried out by the Group. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*. The additional disclosure requirements are reflected within the relevant notes to the Group financial statements for the year ended 31 December 2013.

IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine*

IFRIC 20 specifies the accounting for costs associated with waste removal (stripping) during the production phase of a surface mine. When the benefit from the stripping activity is realised in the current period, the stripping costs are accounted for as the cost of inventory. When the benefit is the improved access to ore in future periods, the costs are recognised as a non-current asset, if certain criteria are met. After initial recognition, the stripping activity asset is depreciated on a systematic basis (unit of production method) over the expected useful life of the identified component of the orebody that becomes more accessible as a result of the stripping activity.

There are two key changes to the Group's previous accounting policy as a result of the adoption of IFRIC 20. Firstly, the initial recognition of the stripping asset and subsequent depreciation is determined by reference to components of the orebody rather than by reference to the entire operation. Secondly, the subsequent remeasurement of the asset is recognised as depreciation on a unit of production basis, rather than as a charge to operating costs based on the expected strip ratio.

The Group has applied IFRIC 20 retrospectively in accordance with the transitional provisions, and the 2012 results have been restated accordingly. Upon adoption of IFRIC 20, the stripping assets on the balance sheet at 1 January 2012 were assessed and it was determined that elements of the assets did not relate to identifiable components of the orebodies. These elements of the assets have been derecognised and recorded against opening retained earnings at 1 January 2012.

The adoption of IFRIC 20 has resulted in increased capitalisation of waste stripping costs and a reduction in cost of sales in 2012. Further detail of the impact on the Group financial statements for the year ended 31 December 2012 is set out in note 17.

IFRS 10 *Consolidated Financial Statements* and IAS 27 *Separate Financial Statements*

IFRS 10 replaces the parts of the previously existing IAS 27 that dealt with consolidated financial statements. The new standard changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to control those returns through its power over the investee. The adoption of IFRS 10 has had no impact on the consolidation of investments held by the Group.

1. **Basis of preparation** (continued)

IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates and Joint Ventures*

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities – Non-monetary Contributions by Venturers*. The new standard changes the classifications for joint arrangements and removes the option to account for joint ventures using proportionate consolidation. Under IFRS 11, investments in joint arrangements are classified as either joint ventures or joint operations based on the rights and obligations of the parties to the arrangement. In a joint venture the parties sharing joint control of the arrangement have rights to the net assets and must account for their interests in the arrangements using the equity method. In a joint operation, the parties have rights to the assets and obligations for the liabilities and must account for the assets and liabilities, revenues and expenses for which they have rights or obligations including their share of such items held or incurred jointly.

The application of this standard has resulted in the newly formed joint venture, Lafarge Tarmac Holdings Limited, and the existing joint venture in Brazil, LLX Minas-Rio Logística Comercial Exportadora SA, being accounted for under the equity method. No other material joint arrangements within the Group were affected.

The Group has applied IFRS 11 retrospectively in accordance with the transitional provisions, and the 2012 results have been restated accordingly. There is no impact on the net assets or underlying earnings of the Group. Further detail of the impact on the Group financial statements for the year ended 31 December 2012 is set out in note 17.

IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 sets out the requirements for disclosures relating to an entity’s interests in subsidiaries (including related non-controlling interests), joint arrangements, associates and structured entities. These disclosures are reflected within the relevant notes to the Group financial statements for the year ended 31 December 2013.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Financial review of Group results on pages 6 to 9. The Group's net debt (including related hedges) at 31 December 2013 was $10.7 billion (31 December 2012: $8.5 billion) representing a gearing level of 22.2% (31 December 2012: 16.3%). Further analysis of net debt is set out in note 10 and details of borrowings and facilities are set out in note 11.

The directors have considered the Group's cash flow forecasts for the period to the end of 31 December 2014. The Board is satisfied that the Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing its Condensed financial statements.

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 certain non-GAAP data to directly comparable IFRS financial measures are presented in notes 2, 4 and 8 to the Condensed financial statements.

Changes in estimates

Due to the nature of Platinum in-process inventories being contained in weirs, pipes and other vessels, physical counts only take place annually, except in the Precious Metal Refinery where counts take place once every three years (the latest being in 2010, the planned stock count in 2013 having been deferred until 2014 due to disruption caused by industrial action). Consequently, the Platinum business runs a theoretical metal inventory system based on inputs, the results of previous physical counts and outputs. Once the results of the physical count are finalised, the variance between the theoretical count and actual count is investigated and recorded as a change in estimate.

During the year ended 31 December 2013, the change in estimate following the annual physical count has had the effect of increasing the value of inventory by $38 million (2012: $172 million), resulting in the recognition of a post-tax gain in the period of $28 million (2012: $124 million) in the income statement.

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. In the instance of Copper, Nickel and Niobium and Phosphates, the same management team is responsible for the management of all three business units.

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).

The Other Mining and Industrial segment includes the Lafarge Tarmac joint venture and other Tarmac businesses, and also included Amapá until it was disposed of in November 2013. Until November 2012, this segment also included Scaw South Africa. Following a Group reorganisation in the second half of 2013, and to align to the way the businesses are now managed, the Niobium and Phosphates business is reported as a separate segment, having previously been reported in the Other Mining and Industrial segment. Comparatives have been reclassified to align with current year presentation.

On 16 August 2012, the Group acquired a controlling interest in De Beers Société Anonyme (De Beers) (Diamonds segment). Until this date De Beers was accounted for as an associate of the Group. From 16 August 2012, De Beers ceased to be an associate and has been accounted for as a subsidiary. For details of this acquisition see note 12.

The Group Management Committee evaluates the financial performance of the Group and its segments principally with reference to underlying operating profit. Underlying operating profit is operating profit before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' operating profit before special items and remeasurements. Underlying EBITDA is underlying operating profit before depreciation and amortisation in subsidiaries and joint operations and includes attributable share of underlying operating profit before depreciation and amortisation of associates and joint ventures.

Segment revenue includes the Group's attributable share of associates' and joint ventures' revenue. 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; Niobium and Phosphates: niobium and phosphates; Platinum: platinum group metals; Diamonds: rough and polished diamonds; and Other Mining and Industrial: heavy building materials, until November 2013, iron ore and until November 2012, steel products.

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

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

2. Segmental information (continued)

Segment results

US$ million	Revenue 2013	Revenue 2012 restated[1]	Underlying operating profit/(loss) 2013	Underlying operating profit/(loss) 2012 restated[1]
Iron Ore and Manganese	**6,517**	6,403	**3,119**	3,011
Metallurgical Coal	**3,396**	3,889	**46**	405
Thermal Coal	**3,004**	3,447	**541**	793
Copper	**5,392**	5,122	**1,739**	1,736
Nickel	**136**	336	**(44)**	26
Niobium and Phosphates	**726**	770	**150**	169
Platinum	**5,688**	5,489	**464**	(120)
Diamonds	**6,404**	4,028	**1,003**	474
Other Mining and Industrial	**1,795**	3,296	**(13)**	168
Exploration	**–**	–	**(207)**	(206)
Corporate Activities and Unallocated Costs	**5**	5	**(178)**	(203)
Segment measure	**33,063**	32,785	**6,620**	6,253
Reconciliation:				
Less: associates and joint ventures	**(3,721)**	(4,105)	**(452)**	(760)
Include: operating special items and remeasurements	**–**	–	**(3,761)**	(7,093)
Statutory measure	**29,342**	28,680	**2,407**	(1,600)

US$ million	Depreciation and amortisation 2013	Depreciation and amortisation 2012 restated[1]	Underlying EBITDA 2013	Underlying EBITDA 2012 restated[1]
Iron Ore and Manganese	**271**	251	**3,390**	3,262
Metallurgical Coal	**566**	472	**612**	877
Thermal Coal	**194**	179	**735**	972
Copper	**663**	552	**2,402**	2,288
Nickel	**7**	24	**(37)**	50
Niobium and Phosphates	**26**	27	**176**	196
Platinum	**584**	700	**1,048**	580
Diamonds	**448**	238	**1,451**	712
Other Mining and Industrial	**94**	121	**81**	289
Exploration	**2**	–	**(205)**	(206)
Corporate Activities and Unallocated Costs	**45**	43	**(133)**	(160)
	2,900[2]	2,607[2]	**9,520**	8,860
Less: associates and joint ventures	**(262)**	(233)	**(714)**	(993)
	2,638	2,374	**8,806**	7,867

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

[2] In addition $131 million (2012: $41 million) of depreciation and amortisation charges arising due to the fair value uplift of the Group's pre-existing 45% shareholding in De Beers and nil (2012: $70 million) of accelerated depreciation arising from the cessation of Loma de Níquel have been recorded within operating special items and remeasurements (see note 5), and $100 million (2012: $81 million) of pre-commercial production depreciation has been capitalised.

2. Segmental information (continued)

Associates' and joint ventures' results by segment

US$ million	Associates' and joint ventures' revenue 2013	Associates' and joint ventures' revenue 2012 restated[2]	Associates' and joint ventures' underlying operating profit/(loss)[1] 2013	Associates' and joint ventures' underlying operating profit/(loss)[1] 2012 restated[2]	Share of net income/(loss) 2013	Share of net income/(loss) 2012 restated[2]
Iron Ore and Manganese	**874**	831	**205**	103	**91**	20
Metallurgical Coal	**319**	315	**44**	111	**27**	80
Thermal Coal	**817**	970	**231**	355	**135**	248
Platinum	**228**	231	**(19)**	(63)	**(30)**	(94)
Diamonds	**89**	1,675	**(21)**	249	**(35)**	163
Other Mining and Industrial	**1,394**	83	**12**	5	**(20)**	4
	3,721	4,105	**452**	760	**168**	421

US$ million	Associates' and joint ventures' depreciation and amortisation 2013	Associates' and joint ventures' depreciation and amortisation 2012 restated[2]	Associates' and joint ventures' underlying EBITDA 2013	Associates' and joint ventures' underlying EBITDA 2012 restated[2]
Iron Ore and Manganese	**48**	50	**253**	153
Metallurgical Coal	**15**	14	**59**	125
Thermal Coal	**71**	54	**302**	409
Platinum	**35**	42	**16**	(21)
Diamonds	**5**	68	**(16)**	317
Other Mining and Industrial	**88**	5	**100**	10
	262	233	**714**	993

[1] Associates' and joint ventures' underlying operating profit/(loss) is the Group's attributable share of associates' and joint ventures' revenue less operating costs before special items and remeasurements.
[2] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

The reconciliation of associates' and joint ventures' underlying operating profit to 'Share of net income from associates and joint ventures' is as follows:

US$ million	2013	2012 restated[1]
Associates' and joint ventures' underlying operating profit	**452**	760
Net finance costs	**(36)**	(75)
Income tax expense	**(158)**	(197)
Non-controlling interests	**(15)**	(6)
Share of net income from associates and joint ventures (before special items and remeasurements)	**243**	482
Special items and remeasurements	**(80)**	(57)
Special items and remeasurements tax	**3**	(3)
Non-controlling interests on special items and remeasurements	**2**	(1)
Share of net income from associates and joint ventures	**168**	421

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

2. Segmental information (continued)

Underlying EBITDA is reconciled to underlying operating profit and to 'Profit from operations, associates and joint ventures' as follows:

US$ million	2013	2012 restated[1]
Underlying EBITDA	**9,520**	8,860
Depreciation and amortisation: subsidiaries and joint operations	**(2,638)**	(2,374)
Depreciation and amortisation: associates and joint ventures	**(262)**	(233)
Underlying operating profit	**6,620**	6,253
Operating special items and remeasurements	**(3,761)**	(7,093)
Non-operating special items and remeasurements	**(469)**	1,396
Associates' and joint ventures' net special items and remeasurements	**(75)**	(61)
Share of associates' and joint ventures' net finance costs, tax and non-controlling interests	**(209)**	(278)
Profit from operations, associates and joint ventures	**2,106**	217

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

Other non-cash expenses

In addition to depreciation and amortisation, other non-cash expenses include equity settled share-based payment charges and amounts in respect of provisions, excluding amounts recorded within special items. Significant other non-cash expenses included within underlying operating profit are as follows:

US$ million	2013	2012
Iron Ore and Manganese	**73**	31
Metallurgical Coal	**149**	140
Thermal Coal	**65**	30
Copper	**142**	98
Nickel	**16**	25
Niobium and Phosphates	**6**	(3)
Platinum	**56**	81
Diamonds	**42**	52
Other Mining and Industrial	**5**	(56)
Exploration	**1**	3
Corporate Activities and Unallocated Costs	**70**	70
	625	471

2. Segmental information (continued)

Segment assets and liabilities

US$ million	Segment assets[1] 2013	Segment assets[1] 2012 restated[3]	Segment liabilities[2] 2013	Segment liabilities[2] 2012 restated[3]	Net segment assets/(liabilities) 2013	Net segment assets/(liabilities) 2012 restated[3]
Iron Ore and Manganese	**11,502**	9,603	**(468)**	(465)	**11,034**	9,138
Metallurgical Coal	**5,335**	6,078	**(705)**	(859)	**4,630**	5,219
Thermal Coal	**2,148**	2,726	**(726)**	(761)	**1,422**	1,965
Copper	**9,549**	9,557	**(1,169)**	(1,126)	**8,380**	8,431
Nickel	**1,695**	2,613	**(98)**	(104)	**1,597**	2,509
Niobium and Phosphates	**955**	806	**(101)**	(115)	**854**	691
Platinum	**9,579**	11,490	**(957)**	(1,071)	**8,622**	10,419
Diamonds	**12,688**	14,392	**(1,337)**	(1,468)	**11,351**	12,924
Other Mining and Industrial	**86**	105	**(61)**	(40)	**25**	65
Exploration	**8**	8	**(5)**	(4)	**3**	4
Corporate Activities and Unallocated Costs	**492**	424	**(612)**	(709)	**(120)**	(285)
	54,037	57,802	**(6,239)**	(6,722)	**47,798**	51,080
Other assets and liabilities						
Investments in associates and joint ventures	**4,612**	3,162	**–**	–	**4,612**	3,162
Financial asset investments	**1,465**	2,491	**–**	–	**1,465**	2,491
Deferred tax assets/(liabilities)	**1,364**	1,204	**(4,657)**	(6,051)	**(3,293)**	(4,847)
Derivative financial assets/(liabilities)	**674**	848	**(1,511)**	(1,081)	**(837)**	(233)
Cash and cash equivalents	**7,704**	9,080	**–**	–	**7,704**	9,080
Other non-operating assets/(liabilities)	**1,309**	1,400	**(1,733)**	(1,651)	**(424)**	(251)
Borrowings	**–**	–	**(17,848)**	(17,635)	**(17,848)**	(17,635)
Other provisions for liabilities and charges	**–**	–	**(1,813)**	(1,340)	**(1,813)**	(1,340)
Assets/(liabilities) classified as held for sale	**–**	3,150[4]	**–**	(919)[4]	**–**	2,231[4]
	71,165	79,137	**(33,801)**	(35,399)	**37,364**	43,738

[1] Segment assets are operating assets and consist of intangible assets of $4,083 million (2012: $4,569 million), property, plant and equipment of $41,505 million (2012: $44,731 million), biological assets of $16 million (2012: $19 million), environmental rehabilitation trusts of $348 million (2012: $392 million), retirement benefit assets of $191 million (2012: $176 million), inventories of $4,789 million (2012: $5,002 million) and operating receivables of $3,105 million (2012: $2,913 million).
[2] Segment liabilities are operating liabilities and consist of non-interest bearing current liabilities of $3,392 million (2012: $3,709 million), environmental restoration and decommissioning provisions of $1,643 million (2012: $1,604 million) and retirement benefit obligations of $1,204 million (2012: $1,409 million).
[3] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[4] Balances for 2012 relate to Amapá and Tarmac Quarry Materials.

Product analysis

Revenue by product

US$ million	2013	2012
Iron ore	**5,365**	5,508
Manganese ore and alloys	**874**	831
Metallurgical coal	**2,610**	3,048
Thermal coal	**3,802**	4,287
Copper	**5,253**	5,038
Nickel	**461**	678
Niobium	**182**	173
Phosphates	**544**	597
Platinum	**3,586**	3,441
Palladium	**1,052**	906
Rhodium	**316**	389
Diamonds	**6,391**	4,027
Heavy building materials	**1,695**	2,171
Steel products	**–**	798
Other	**932**	893
	33,063	32,785

2. Segmental information (continued)

Geographical analysis

Revenue by destination

The Group's geographical analysis of segment revenue allocated based on the country in which the customer is located is as follows:

US$ million	**2013**	2012
South Africa	**2,474**	3,115
Other Africa	**1,201**	715
Brazil	**1,019**	1,093
Chile	**1,692**	1,241
Other South America	**32**	46
North America	**1,084**	1,274
Australia	**277**	340
China	**6,469**	5,927
India	**2,505**	2,544
Japan	**3,769**	4,049
Other Asia	**3,252**	3,595
United Kingdom (Anglo American plc's country of domicile)	**3,697**	3,781
Other Europe	**5,592**	5,065
	33,063	32,785

Revenue and underlying operating profit by origin

The origin of the revenue and underlying operating profit is the location of the operation generating the revenue and operating profit.

	Revenue		Underlying operating profit/(loss)	
US$ million	**2013**	2012	**2013**	2012 restated[1]
South Africa	**14,132**	14,592	**4,189**	3,374
Other Africa	**4,544**	3,256	**532**	437
Brazil	**965**	1,274	**75**	200
Chile	**5,392**	5,122	**1,849**	1,913
Other South America	**817**	1,131	**185**	304
North America	**882**	559	**(129)**	(138)
Australia and Asia	**4,255**	4,616	**238**	465
Europe	**2,076**	2,235	**(319)**	(302)
	33,063	32,785	**6,620**	6,253

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

Segment assets and liabilities by location

	Segment assets		Segment liabilities		Net segment assets	
US$ million	**2013**	2012 restated[1]	**2013**	2012 restated[1]	**2013**	2012 restated[1]
South Africa	**17,092**	20,194	**(2,654)**	(2,922)	**14,438**	17,272
Other Africa	**7,783**	8,313	**(221)**	(202)	**7,562**	8,111
Brazil	**9,964**	8,833	**(216)**	(228)	**9,748**	8,605
Chile	**8,847**	8,589	**(1,131)**	(1,094)	**7,716**	7,495
Other South America	**653**	717	**(55)**	(55)	**598**	662
North America	**1,954**	2,500	**(262)**	(298)	**1,692**	2,202
Australia and Asia	**5,534**	5,850	**(724)**	(819)	**4,810**	5,031
Europe	**2,210**	2,806	**(976)**	(1,104)	**1,234**	1,702
	54,037	57,802	**(6,239)**	(6,722)	**47,798**	51,080

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

2. Segmental information (continued)

Non-current segment assets by location

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

US$ million	**2013**	2012 restated[1]
South Africa	**13,542**	16,492
Other Africa	**6,945**	8,029
Brazil	**9,650**	8,424
Chile	**7,472**	7,364
Other South America	**556**	623
North America	**1,764**	2,205
Australia and Asia	**4,260**	4,687
United Kingdom (Anglo American plc's country of domicile)	**1,257**	1,325
Other Europe	**142**	151
	45,588	49,300

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

3. Exploration and evaluation expenditure

	Exploration expenditure[1]		Evaluation expenditure[2]	
US$ million	**2013**	2012	**2013**	2012
By commodity				
Iron ore	**24**	23	**69**	89
Metallurgical coal	**19**	18	**39**	68
Thermal coal	**14**	14	**21**	33
Copper	**31**	39	**112**	263
Nickel	**22**	32	**8**	32
Niobium and phosphates	**6**	2	**16**	1
Platinum group metals	**2**	4	**15**	24
Diamonds	**53**	23	**46**	15
Central exploration activities	**36**	51	**–**	–
	207	206	**326**	525

[1] Exploration for mineral resources other than that occurring at existing operations and projects.
[2] Evaluation of mineral resources relating to projects in the conceptual or pre-feasibility stage or further evaluation of mineral resources at existing operations.

4. Operating profit and underlying earnings by segment

The following table analyses operating profit (including attributable share of associates' and joint ventures' operating profit) by segment and reconciles it to underlying earnings by segment.

Following a Group reorganisation in the second half of 2013, and to align to the way the businesses are now managed, the Niobium and Phosphates business is reported as a separate segment, having previously been reported in the Other Mining and Industrial segment. Comparatives have been reclassified to align with current year presentation.

Operating profit/(loss) before special items and remeasurements includes attributable share of associates' and joint ventures' operating profit before special items and remeasurements which is reconciled to 'Share of net income from associates and joint ventures' in note 2.

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 'Loss for the financial year attributable to equity shareholders of the Company' to 'Underlying earnings for the financial year', see note 8.

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

US$ million	Operating profit/(loss) before special items and remeasurements	Operating special items and remeasurements (note 5)	Operating profit/(loss) after special items and remeasurements	Net finance costs, income tax expense and non-controlling interests	Underlying earnings
					2013
Iron Ore and Manganese	**3,119**	**435**	**2,684**	**(1,994)**	**1,125**
Metallurgical Coal	**46**	**771**	**(725)**	**14**	**60**
Thermal Coal	**541**	**244**	**297**	**(144)**	**397**
Copper	**1,739**	**337**	**1,402**	**(936)**	**803**
Nickel	**(44)**	**1,028**	**(1,072)**	**(10)**	**(54)**
Niobium and Phosphates	**150**	**6**	**144**	**(58)**	**92**
Platinum	**464**	**522**	**(58)**	**(177)**	**287**
Diamonds	**1,003**	**330**	**673**	**(471)**	**532**
Other Mining and Industrial	**(13)**	**162**	**(175)**	**11**	**(2)**
Exploration	**(207)**	**–**	**(207)**	**17**	**(190)**
Corporate Activities and Unallocated Costs	**(178)**	**6**	**(184)**	**(199)**	**(377)**
	6,620	**3,841**	**2,779**	**(3,947)**	**2,673**

US$ million	Operating profit/(loss) before special items and remeasurements	Operating special items and remeasurements (note 5)	Operating profit/(loss) after special items and remeasurements	Net finance costs, income tax expense and non-controlling interests	Underlying earnings
					2012 restated[(1)]
Iron Ore and Manganese	3,011	5,139	(2,128)	(1,965)	1,046
Metallurgical Coal	405	365	40	(130)	275
Thermal Coal	793	(1)	794	(270)	523
Copper	1,736	(9)	1,745	(795)	941
Nickel	26	184	(158)	(16)	10
Niobium and Phosphates	169	4	165	(62)	107
Platinum	(120)	921	(1,041)	(105)	(225)
Diamonds	474	456	18	(185)	289
Other Mining and Industrial	168	24	144	(47)	121
Exploration	(206)	–	(206)	11	(195)
Corporate Activities and Unallocated Costs	(203)	68	(271)	171	(32)
	6,253	7,151	(898)	(3,393)	2,860

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

5. 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 paragraph 97. Special items that relate to the operating performance of the Group are classified as operating special items and principally comprise impairment charges. Non-operating special items include profits and losses on disposals of investments and businesses as well as certain adjustments relating to business combinations.

5. Special items and remeasurements (continued)

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, for example 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 impacts 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.
- The remeasurement and subsequent depreciation of a previously held equity interest as a result of a business combination.

			2013			2012 restated[1]
US$ million	**Subsidiaries and joint operations**	**Associates and joint ventures[2]**	**Total**	Subsidiaries and joint operations	Associates and joint ventures[2]	Total
Impairment of Minas-Rio	**–**	**–**	**–**	(4,960)	–	(4,960)
Impairment of Barro Alto	**(1,012)**	**–**	**(1,012)**	–	–	–
Platinum operations	**(379)**	**–**	**(379)**	(860)	–	(860)
Impairment of Foxleigh	**(331)**	**–**	**(331)**	–	–	–
Impairment of Michiquillay	**(337)**	**–**	**(337)**	–	–	–
Impairment of Thermal Coal operations	**(243)**	**–**	**(243)**	–	–	–
Cessation of Loma de Níquel	**–**	**–**	**–**	(159)	–	(159)
Other impairments and related charges	**(172)**	**–**	**(172)**	(168)	(62)	(230)
Onerous contract provisions	**(434)**	**–**	**(434)**	(386)	–	(386)
Reversal of De Beers inventory uplift	**(126)**	**–**	**(126)**	(421)	–	(421)
Restructuring costs	**(177)**	**(80)**	**(257)**	(23)	–	(23)
Operating special items	**(3,211)**	**(80)**	**(3,291)**	(6,977)	(62)	(7,039)
Operating remeasurements	**(550)**	**–**	**(550)**	(116)	4	(112)
Operating special items and remeasurements	**(3,761)**	**(80)**	**(3,841)**	(7,093)	(58)	(7,151)
Disposal of Amapá	**(175)**	**–**	**(175)**	(404)	–	(404)
Exit from Pebble	**(311)**	**–**	**(311)**	–	–	–
Loss on formation of Lafarge Tarmac joint venture	**(55)**	**–**	**(55)**	(135)	–	(135)
Atlatsa refinancing (note 15)	**(37)**	**–**	**(37)**	–	–	–
Kumba Envision Trust	**(54)**	**–**	**(54)**	(77)	–	(77)
Other	**163**	**–**	**163**	22	–	22
Non-operating special items	**(469)**	**–**	**(469)**	(594)	–	(594)
Non-operating remeasurement – net gain on acquisition of De Beers	**–**	**–**	**–**	1,990	–	1,990
Non-operating special items and remeasurements	**(469)**	**–**	**(469)**	1,396	–	1,396
Financing remeasurements	**(130)**	**–**	**(130)**	(89)	1	(88)
Total special items and remeasurements before tax and non-controlling interests	**(4,360)**	**(80)**	**(4,440)**	(5,786)	(57)	(5,843)
Special items and remeasurements tax	**587**	**3**	**590**	1,113	(3)	1,110
Non-controlling interests on special items and remeasurements	**214**	**2**	**216**	404	(1)	403
Net total special items and remeasurements attributable to equity shareholders of the Company	**(3,559)**	**(75)**	**(3,634)**	(4,269)	(61)	(4,330)

[1] The non-operating remeasurement related to the net gain on acquisition of De Beers has been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] Relates to the Diamonds, Other Mining and Industrial and Thermal Coal segments (2012: Iron Ore and Manganese, Platinum and, until 16 August, Diamonds).

5. Special items and remeasurements (continued)

Operating special items

Barro Alto

The Barro Alto nickel project produced first metal in 2011 but its ramp-up has been significantly affected by issues in the kilns and furnaces. In order to eliminate uncertainties, most notably as a result of furnace design flaws, and enable attainment of the nominal capacity of the operation, a redesign and rebuild of the furnaces is planned to take place. The cost of the existing furnaces of $211 million has been written-off and the impact of lost production during the rebuild process (together with the associated capital expenditure) as well as a decline in nickel prices and updated operational planning has resulted in a further impairment of $801 million to the asset’s carrying value. Consequently a total impairment charge of $1,012 million has been recorded. The post-tax impairment charge is $724 million.

Platinum portfolio review

Platinum announced in August 2013 that it had completed the section 189 consultations on its proposals to create a sustainable, competitive and profitable platinum business for the long term benefit of all its stakeholders. Following the conclusion of these consultations, the proposals became effective. As a result, Khuseleka 2 shaft and Khomanani 1 and 2 shafts have been placed on long term care and maintenance as part of the consolidation of the Rustenburg operations into three operating mines, and the Union Mine North declines have been closed. As the Group no longer expects to receive future economic benefits from these operations they have been fully impaired, resulting in a charge of $379 million. The charge after tax and non-controlling interests is $232 million. In 2012 an impairment charge of $860 million was recognised in relation to certain Platinum projects and other assets not in use, that were not considered economically viable.

Foxleigh

An impairment charge of $331 million has been recorded in relation to Foxleigh (Metallurgical Coal), principally driven by a decline in metallurgical coal prices. The post-tax impairment charge is $232 million.

Michiquillay

The Group acquired the Michiquillay copper project in northern Peru in 2007. To date, $337 million in costs have been capitalised, primarily representing the costs of acquisition. In 2013, following a review of the concept level study, the Group decided not to progress the study to the pre-feasibility stage in its existing form, and engaged with the Peruvian government to agree a temporary suspension of acquisition payments to allow for a full review of the conceptual study. In view of the uncertainty in relation to the implementation of the project and its outcome, costs capitalised to date are no longer considered recoverable and have been fully impaired, resulting in a charge of $337 million. No tax arises on the impairment.

Thermal Coal

This relates to an impairment of $143 million in relation to the Isibonelo operation, reflecting management’s revised expectation of the operation’s future profitability under a long term coal supply contract, and an impairment of $100 million at the Kleinkopje operation, driven primarily by a decline in export thermal coal prices. The total post-tax impairment charge is $177 million.

Onerous contract provisions

The charge of $434 million in relation to onerous contracts principally reflects a provision increase of $393 million for coal supply agreements inherited on acquisition of Callide in 2000. The pricing in the agreements, which extend to 2031, is significantly below market rates resulting in the unavoidable costs of meeting the obligations exceeding the economic benefit expected to be received from the contract. The increased provision reflects higher forecast operating expenditure. The post-tax charge in relation to onerous contract provisions is $341 million.

Reversal of De Beers inventory uplift

Inventory held by De Beers at the date of acquisition (16 August 2012) was required to be recognised at fair value under IFRS. This resulted in negligible margins being realised upon the subsequent sale of inventory held at the acquisition date. The reversal of fair value uplifts on the remaining inventory sold in 2013 of $126 million (2012: $421 million) has been excluded from the Group's underlying earnings so as not to distort the operating margins of De Beers and to provide more useful information about the performance of the Group.

Restructuring costs

Restructuring costs principally comprise charges of $146 million relating to the implementation of the Platinum portfolio review and $64 million related to integration costs incurred by the Lafarge Tarmac joint venture following its formation. Restructuring costs after tax and non-controlling interests is $167 million.

5. Special items and remeasurements (continued)

2012

In 2012, significant operating special items included the impairment of the Minas-Rio iron ore project (Iron Ore Brazil), impairments of certain Platinum projects and other Platinum assets not in use, a charge arising at Loma de Níquel due to the cancellation of its mining concessions in November 2012, charges relating to onerous contract provisions, principally in relation to Callide, and the reversal of fair value uplifts on inventory sold by De Beers.

Operating remeasurements

Operating remeasurements reflect a net loss of $550 million (2012: $112 million) principally in respect of derivatives related to capital expenditure in Iron Ore Brazil. Derivatives which have been realised during the period had a cumulative net operating remeasurement loss since their inception of $137 million (2012: loss of $71 million).

In addition, operating remeasurements includes a $131 million depreciation and amortisation charge (2012: $41 million) arising due to the fair value uplift on the pre-existing 45% shareholding of De Beers, which was required on acquisition of a controlling stake.

Non-operating special items

A loss of $175 million ($124 million after non-controlling interests) has been recognised in the year relating to the sale of Amapá in November 2013 (Other Mining and Industrial). In December 2012, Amapá was reclassified to held for sale and recognised at fair value less costs to sell, resulting in a loss of $404 million being recognised. For further details see note 13.

In December 2013, the Group withdrew from the Pebble copper project in Alaska. The Group's 50% interest in the project was written off in full, resulting in a charge of $311 million, including exit costs. No tax arises on the exit from Pebble.

A loss of $55 million has been recognised on the formation of the Lafarge Tarmac joint venture in January 2013 (Other Mining and Industrial) (2012: $135 million). The loss in the current year primarily relates to the transfer to the income statement of $62 million cumulative exchange losses previously recognised in equity, partially offset by a net gain of $7 million arising on the formation of the joint venture and the associated sale of certain of Tarmac Quarry Materials' operations. For further details see note 12.

The Kumba Envision Trust charge of $54 million (2012: $77 million) relates to Kumba's broad based employee share scheme provided solely for the benefit of non-managerial Historically Disadvantaged South African employees who do not participate in other Kumba share schemes.

Other non-operating special items principally comprise a gain of $44 million on deferred proceeds following payment received in the year in respect of undeveloped coal assets in Australia (Metallurgical Coal) which the Group disposed of in 2010, and a gain on disposal of the Group's 16.79% effective interest in Palabora Mining Company Limited, a company listed on the Johannesburg Stock Exchange (JSE), in July 2013. Other non-operating special items, after tax and non-controlling interests, are a gain of $154 million.

Financing remeasurements

Financing remeasurements reflect a net loss of $130 million (2012: net loss of $88 million) and relate to an embedded interest rate derivative, derivatives relating to debt and other financing remeasurements.

Special items and remeasurements tax

Special items and remeasurements tax amounted to a credit of $590 million (2012: credit of $1,110 million). This includes a one-off tax charge of $188 million offset by a tax credit on special items and remeasurements of $923 million (2012: credit of $377 million) and a tax remeasurement charge of $145 million (2012: charge of $189 million). The tax charge of $188 million relates principally to a settlement reached in the current year between the South African Revenue Service and Rustenburg Platinum Mines Limited in respect of certain previously unresolved historical tax matters. The total amount payable in terms of the settlement agreement is $324 million and has been fully provided for.

The total tax credit relating to subsidiaries and joint operations of $587 million (2012: credit of $1,113 million) comprises a current tax charge of $159 million (2012: charge of $8 million) offset by a deferred tax credit of $746 million (2012: credit of $1,121 million).

6. Net finance costs

Net finance costs are presented net of hedges for respective interest bearing and foreign currency borrowings.

The weighted average capitalisation rate applied to qualifying capital expenditure was 4.79% (2012: 4.10%).

US$ million	**2013**	2012 restated[(1)]
Investment income		
Interest income from cash and cash equivalents	**113**	153
Other interest income	**134**	208
Net interest income on defined benefit arrangements	**13**	9
Dividend income from financial asset investments	**18**	54
	278	424
Less: interest income capitalised	**(7)**	(6)
Total investment income	**271**	418
Interest expense		
Interest and other finance expense	**(731)**	(675)
Interest payable on convertible bond	**–**	(25)
Unwinding of discount on convertible bond	**–**	(25)
Net interest cost on defined benefit arrangements	**(74)**	(63)
Unwinding of discount relating to provisions and other liabilities	**(106)**	(114)
	(911)	(902)
Less: interest expense capitalised	**327**	272
Total interest expense	**(584)**	(630)
Other financing gains/(losses)		
Net foreign exchange losses	**(21)**	(90)
Net fair value gains/(losses) on fair value hedges	**81**	(24)
Other net fair value (losses)/gains	**(23)**	27
Total other financing gains/(losses)	**37**	(87)
Net finance costs before remeasurements	**(276)**	(299)
Remeasurements (note 5)	**(130)**	(89)
Net finance costs after remeasurements	**(406)**	(388)

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

7. Income tax expense

a) Analysis of charge for the year

US$ million	2013	2012 restated[1]
United Kingdom corporation tax credit	**(1)**	(12)
South Africa tax	**863**	802
Other overseas tax	**692**	605
Prior year adjustments	**32**	61
Current tax[2]	**1,586**	1,456
Deferred tax	**275**	50
Income tax expense before special items and remeasurements	**1,861**	1,506
Special items and remeasurements tax (note 5)	**(587)**	(1,113)
Income tax expense	**1,274**	393

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] Includes royalties which meet the definition of income tax and are in addition to royalties recorded in operating costs.

b) Factors affecting tax charge for the year

The effective tax rate for the year of 74.9% (2012: (229.8)%) is higher (2012: lower) than the applicable weighted average statutory rate of corporation tax in the United Kingdom of 23.25% (2012: 24.5%). The reconciling items, excluding the impact of associates and joint ventures, are:

US$ million	2013	2012 restated[1]
Profit/(loss) before tax	**1,700**	(171)
Less: share of net income from associates and joint ventures	**(168)**	(421)
Profit/(loss) before tax (excluding associates and joint ventures)	**1,532**	(592)
Tax on profit/(loss) (excluding associates and joint ventures) calculated at United Kingdom corporation tax rate of 23.25% (2012: 24.5%)	**356**	(145)
Tax effects of:		
Items non-taxable/deductible for tax purposes		
Exploration expenditure	**22**	43
Non-taxable/deductible net foreign exchange (gains)/losses	**(16)**	7
Non-taxable net interest income	**(9)**	(26)
Other non-deductible expenses	**110**	53
Other non-taxable income	**(105)**	(61)
Temporary difference adjustments		
Current year losses not recognised	**25**	86
Recognition of losses not previously recognised	**(6)**	(69)
Utilisation of losses not previously recognised	**(8)**	–
Write-off of losses previously recognised	**29**	–
Adjustment in deferred tax due to change in tax rate	**14**	37
Other temporary differences	**(28)**	(77)
Special items and remeasurements	**427**	305
Other adjustments		
Secondary tax on companies and dividend withholding taxes	**242**	23
Effect of differences between local and United Kingdom tax rates	**173**	70
Prior year adjustments to current tax	**31**	61
Other adjustments	**17**	86
Income tax expense	**1,274**	393

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

7. Income tax expense (continued)

IAS 1 requires income from associates and joint ventures to be presented net of tax on the face of the income statement. Associates' and joint ventures' tax is therefore not included within the Group's income tax expense. Associates' and joint ventures' tax included within 'Share of net income from associates and joint ventures' for the year ended 31 December 2013 is $155 million (2012: $200 million). Excluding special items and remeasurements this becomes $158 million (2012: $197 million).

The effective tax rate before special items and remeasurements including attributable share of associates' and joint ventures' tax for the year ended 31 December 2013 was 32.0%. This is higher than the equivalent effective rate of 29.0% for the year ended 31 December 2012 due to the impact of various prior year adjustments and the remeasurement of certain withholding tax provisions across the Group. In future periods it is expected that the effective tax rate will remain above the United Kingdom statutory tax rate.

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	2013	2012 restated[1]
Tax credit/(charge) on items recognised directly in equity that may subsequently be reclassified to the income statement		
Net loss/(gain) on revaluation of available for sale investments	**13**	(79)
Net loss/(gain) on cash flow hedges	**4**	(1)
Net exchange difference on translation of foreign operations	**156**	(16)
Tax charge on items recognised directly in equity that will not be reclassified to the income statement		
Remeasurement of net retirement benefit obligation	**(37)**	(25)
	136	(121)
Tax credit/(charge) on items transferred from equity		
Transferred to income statement: disposal of available for sale investments	**12**	30
Transferred to initial carrying amount of hedged items: cash flow hedges	**–**	(1)
	12	29

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

d) Tax amounts recognised directly in equity

A deferred tax credit of $106 million and a current tax charge of $106 million have been recognised directly in equity in relation to the disposal of a 24.5% interest in Anglo American Sur SA in 2011 (2012: no material current tax amounts, deferred tax charge of $110 million). No capital gains tax has been charged directly to equity (2012: charge of $290 million relating to the profit on sale of a 25.4% share in Anglo American Sur SA).

8. Earnings per share

US$	2013	2012 restated[1]
Loss for the financial year attributable to equity shareholders of the Company		
Basic loss per share[2]	**(0.75)**	(1.17)
Diluted loss per share[2]	**(0.75)**	(1.17)
Headline earnings for the financial year[3]		
Basic earnings per share	**1.02**	0.97
Diluted earnings per share	**1.02**	0.97
Underlying earnings for the financial year[3]		
Basic earnings per share	**2.09**	2.28
Diluted earnings per share	**2.08**	2.26

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
(2) Basic loss per share equals diluted loss per share as all potential ordinary shares are anti-dilutive.
(3) Basic and diluted earnings per share are shown based on headline earnings, a Johannesburg Stock Exchange (JSE) 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.

8. Earnings per share (continued)

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

	Loss attributable to equity shareholders of the Company		Headline earnings		Underlying earnings	
	2013	2012 restated[1]	**2013**	2012 restated[1]	**2013**	2012 restated[1]
Earnings (US$ million)						
Basic (loss)/earnings	**(961)**	(1,470)	**1,312**	1,218	**2,673**	2,860
Effect of dilutive potential ordinary shares						
Interest payable on convertible bond (net of tax)[2]	**–**	–	**–**	–	**–**	19
Unwinding of discount on convertible bond (net of tax)[2]	**–**	–	**–**	–	**–**	19
Diluted earnings (US$ million)	**(961)**	(1,470)	**1,312**	1,218	**2,673**	2,898
Number of shares (million)						
Basic number of ordinary shares outstanding	**1,281**	1,254	**1,281**	1,254	**1,281**	1,254
Effect of dilutive potential ordinary shares						
Share options and awards	**–**	–	**4**	5	**4**	5
Convertible bond[2]	**–**	–	**–**	–	**–**	23
Diluted number of ordinary shares outstanding (million)	**1,281**	1,254	**1,285**	1,259	**1,285**	1,282

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
(2) All outstanding convertible bonds were converted or redeemed in 2012.

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. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Basic loss per share is equal to diluted loss per share as all 16,688,080 (2012: 16,325,905) potential ordinary shares are anti-dilutive and 134,679 (2012: 10,339,454) have been excluded from the calculation of diluted headline earnings per share and diluted underlying earnings per share as they are anti-dilutive.

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.

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 defined performance measure.

8. Earnings per share (continued)

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

US$ million	2013	2012 restated[1]
Loss for the financial year attributable to equity shareholders of the Company	**(961)**	(1,470)
Operating special items	**2,491**	6,050
Operating special items – tax	**(569)**	(1,600)
Operating special items – non-controlling interests	**(53)**	(123)
Non-operating special items and remeasurements	**456**	(1,494)
Non-operating special items – tax	**10**	35
Non-operating special items – non-controlling interests	**(62)**	(180)
Headline earnings for the financial year	**1,312**	1,218
Operating special items[2]	**800**	989
Operating remeasurements	**550**	112
Non-operating special items[3]	**13**	98
Financing remeasurements	**130**	88
Tax special item	**188**	–
Special items and remeasurements tax	**(219)**	455
Non-controlling interests on special items and remeasurements	**(101)**	(100)
Underlying earnings for the financial year	**2,673**	2,860

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] Includes onerous contract provisions, restructuring costs and the reversal of the inventory uplift on De Beers.
[3] Principally relates to the Kumba Envision Trust and elements of the Atlatsa refinancing (2012: Kumba Envision Trust and transaction costs related to the De Beers acquisition).

9. Capital expenditure

Expenditure on property, plant and equipment

Capital expenditure is segmented on a cash basis and includes cash flows on related derivatives.

US$ million	2013	2012 restated[1]
Iron Ore and Manganese	**2,517**	2,139
Metallurgical Coal	**1,050**	1,028
Thermal Coal	**217**	266
Copper	**1,011**	1,214
Nickel	**(28)**[2]	100
Niobium and Phosphates	**237**	94
Platinum	**608**	822
Diamonds	**551**	161
Other Mining and Industrial	**53**	171
Exploration	**1**	6
Corporate Activities and Unallocated Costs	**44**	29
	6,261	6,030
Less: cash outflows from derivatives relating to capital expenditure	**(136)**	(71)
Expenditure on property, plant and equipment	**6,125**	5,959

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] Cash capital expenditure for Nickel of $76 million is offset by the capitalisation of $104 million of net operating cash inflows generated by Barro Alto which has not yet reached commercial production.

9. Capital expenditure (continued)

Capital expenditure by category including associated derivatives

US$ million	2013	2012 restated[1]
Expansionary[2]	**3,258**	2,956
Stay-in-business	**2,242**	2,290
Stripping and development	**761**	784
Expenditure on property, plant and equipment	**6,261**	6,030

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] Cash flows from derivatives relating to capital expenditure relate entirely to expansionary capital expenditure.

10. Net debt

Net debt is a measure of the Group's financial position. The Group uses net debt to monitor the sources and uses of financial resources, the availability of capital to invest or return to shareholders, and the resilience of the balance sheet. Net debt is calculated as total borrowings less cash and cash equivalents (including derivatives which provide an economic hedge of debt and the net debt of disposal groups).

a) Reconciliation to the balance sheet

	Cash and cash equivalents		Short term borrowings		Medium and long term borrowings	
US$ million	2013	2012 restated[1]	2013	2012 restated[1]	2013	2012
Balance sheet	**7,704**	9,080	**(2,108)**	(2,485)	**(15,740)**	(15,150)
Balance sheet – disposal groups[2]	**–**	227	**–**	(14)	**–**	–
Bank overdrafts	**(2)**	(9)	**2**	9	**–**	–
Net debt classifications	**7,702**	9,298	**(2,106)**	(2,490)	**(15,740)**	(15,150)

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] 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.

b) Movement in net debt

US$ million	Cash and cash equivalents	Short term borrowings	Medium and long term borrowings	Net debt excluding derivatives	Derivatives hedging net debt	Net debt including derivatives
At 1 January 2012	11,732	(1,018)	(11,855)	(1,141)	(233)	(1,374)
Adoption of new standards[1]	(20)	116	–	96	–	96
At 1 January 2012 (restated)	11,712	(902)	(11,855)	(1,045)	(233)	(1,278)
Cash flow	(2,304)	747	(5,633)	(7,190)	(149)	(7,339)
Unwinding of discount on convertible bond	–	–	(25)	(25)	–	(25)
Conversion of convertible bond	–	–	1,507	1,507	–	1,507
Acquired through business combinations	–	(3)	(1,578)	(1,581)	(15)	(1,596)
Disposal of businesses	–	53	228	281	–	281
Reclassifications	–	(2,396)	2,396	–	–	–
Movement in fair value	–	2	(198)	(196)	229	33
Other non-cash movements	–	–	(21)	(21)	–	(21)
Currency movements	(110)	9	29	(72)	–	(72)
At 31 December 2012 (restated)	**9,298**	**(2,490)**	**(15,150)**	**(8,342)**	**(168)**	**(8,510)**
Cash flow	**(1,235)**	**2,307**	**(3,279)**	**(2,207)**	**(181)**	**(2,388)**
Disposal of businesses	**–**	**69**	**–**	**69**	**–**	**69**
Reclassifications	**–**	**(2,084)**	**2,084**	**–**	**–**	**–**
Movement in fair value	**–**	**24**	**521**	**545**	**(155)**	**390**
Other non-cash movements	**–**	**(5)**	**(39)**	**(44)**	**–**	**(44)**
Currency movements	**(361)**	**73**	**123**	**(165)**	**(4)**	**(169)**
At 31 December 2013	**7,702**	**(2,106)**	**(15,740)**	**(10,144)**	**(508)**	**(10,652)**

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

10. Net debt (continued)

c) Net debt by segment

The Group's policy is to hold the majority of its cash and borrowings at the corporate centre. Business units may from time to time raise borrowings in connection with specific capital projects, and subsidiaries with non-controlling interests have borrowings which are without recourse to the Group. Other than the impact of South African exchange controls (see note 10d below), there are no significant restrictions over the Group's ability to access these cash balances or repay these borrowings. Net debt by segment is stated after elimination of inter-segment balances and it includes related hedges. Net debt in disposal groups is part of total net debt but not allocated to segments.

US$ million	2013	2012 restated[1]
Iron Ore and Manganese	**(1,413)**	(996)
Metallurgical Coal	**218**	510
Thermal Coal	**(49)**	(32)
Copper	**531**	775
Nickel	**(398)**	(477)
Niobium and Phosphates	**68**	18
Platinum	**(50)**	(98)
Diamonds	**(311)**	(839)
Other Mining and Industrial	**33**	16
Exploration	**4**	8
Corporate Activities and Unallocated Costs	**(9,285)**	(7,608)
	(10,652)	(8,723)
Net cash in disposal groups	**–**	213
	(10,652)	(8,510)

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.

d) South Africa net debt

The Group operates in South Africa where the existence of exchange controls may restrict the use of certain cash balances. The Group therefore monitors the cash and debt associated with these operations separately. These restrictions are not expected to have a material effect on the Group's ability to meet its ongoing obligations. Below is a breakdown of net debt in South Africa.

US$ million	2013	2012
Cash and cash equivalents	**2,247**	1,893
Short term borrowings	**(512)**	(373)
Medium and long term borrowings	**(1,000)**	(1,754)
Net cash/(debt) excluding derivatives	**735**	(234)
Derivatives hedging net debt	**4**	31
Net cash/(debt) including derivatives	**739**	(203)

11. Borrowings

The Group accesses borrowings mostly in capital markets through bonds issued under the Euro Medium Term Note (EMTN) programme, the South African Domestic Medium Term Note (DMTN) programme, through accessing the United States (US) bond markets, and this year under the Australian Medium Term Note (AMTN) programme. The Group uses interest rate and cross currency swaps to ensure that the majority of the Group's borrowings are floating rate US dollar denominated.

During 2013, the Group issued corporate bonds with a US$ equivalent value of $3.5 billion. These included €750 million 2.5% guaranteed notes due 2021, €900 million 1.75% guaranteed notes due 2017, and €600 million 2.875% guaranteed notes due 2020 issued under the EMTN programme, and AUD500 million 5.75% guaranteed notes due 2018 issued under the AMTN programme.

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

US$ million				**2013**				2012 restated[1]
	Short term borrowings	**Medium and long term borrowings**	**Total borrowings**	**Contractual repayment at hedged rates**	Short term borrowings	Medium and long term borrowings	Total borrowings	Contractual repayment at hedged rates
Secured								
Bank loans and overdrafts[2]	**9**	**32**	**41**	**41**	5	21	26	26
Obligations under finance leases	**7**	**49**	**56**	**56**	3	19	22	22
	16	**81**	**97**	**97**	8	40	48	48
Unsecured								
Bank loans and overdrafts	**433**	**2,003**	**2,436**	**2,467**	251	2,871	3,122	3,141
Bonds issued under EMTN programme	**–**	**9,498**	**9,498**	**9,476**	994	6,382	7,376	7,493
US bonds	**1,256**	**3,194**	**4,450**	**4,450**	767	4,628	5,395	5,200
Bonds issued under AMTN programme	**–**	**440**	**440**	**470**	–	–	–	–
Bonds issued under DMTN programme	**–**	**307**	**307**	**304**	–	398	398	378
Other loans	**403**	**217**	**620**	**621**	465	831	1,296	1,282
	2,092	**15,659**	**17,751**	**17,788**	2,477	15,110	17,587	17,494
Total borrowings	**2,108**	**15,740**	**17,848**	**17,885**	2,485	15,150	17,635	17,542

(1) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
(2) Assets with a book value of $56 million (2012: $49 million) have been pledged as security, of which $30 million (2012: $35 million) are property, plant and equipment, $22 million (2012: $10 million) are financial assets and $4 million (2012: $4 million) are inventories. Related to these assets are borrowings of $41 million (2012: $26 million).

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

US$ million	**2013**	2012
Expiry date		
Within one year[1]	**1,318**	2,923
Greater than one year, less than two years	**637**	569
Greater than two years, less than three years	**1,449**	3,612
Greater than three years, less than four years	**–**	2,153
Greater than four years, less than five years	**5,847**	–
Greater than five years	**–**	–
	9,251	9,257

(1) Includes undrawn rand facilities equivalent to $1.2 billion (2012: $1.5 billion) in respect of facilities with 364 day maturity which roll automatically on a daily basis, unless notice is served.

In March 2013 the Group replaced a $3.5 billion credit facility maturing in July 2015 with a $5 billion credit facility maturing in March 2018. At the same time the $2 billion multi-currency credit facility within the Diamond segment was repaid and cancelled.

12. Business combinations and formation of joint ventures

2013

Lafarge Tarmac transaction

On 18 February 2011 the Group announced an agreement with Lafarge SA (Lafarge) to combine their cement, aggregates, ready-mix concrete, asphalt and asphalt surfacing, maintenance services and waste services businesses in the United Kingdom, forming a 50:50 joint venture.

In May 2012 the Competition Commission approved the formation of the joint venture subject to a number of conditions being met. In July 2012 the Group accepted the conditions of the Competition Commission and consequently the associated Tarmac Quarry Materials assets were classified as held for sale and measured at fair value less costs to sell.

On 7 January 2013 the Group announced the completion of the 50:50 joint venture. At the same time, and pursuant to the Competition Commission's conditions precedent to the formation of the joint venture, the Group completed the sale of certain of Tarmac Quarry Materials' operations for consideration of $196 million to Mittal Investments. The agreed sale of Tarmac Quarry Materials' 50% ownership interest in Midland Quarry Products was subject to a right of pre-emption in favour of Hanson Quarry Products Europe Limited (Hanson), who exercised their right in April 2013.

The main accounting effects of the transaction are set out below:

- At 31 December 2012 the assets and liabilities of Tarmac Quarry Materials were presented separately in the Consolidated balance sheet, within 'Assets held for sale' and 'Liabilities directly associated with assets held for sale'.
- During the first half of 2013 the Group disposed of its interests in Tarmac Quarry Materials in exchange for a 50% interest in the newly formed joint venture, plus cash, deferred consideration and contingent consideration receivable for the operations that were sold to Mittal Investments and Hanson.

This resulted in derecognition of all assets and liabilities relating to the Tarmac Quarry Materials operations and recognition of an investment in the Lafarge Tarmac joint venture (included in 'Investments in associates and joint ventures' on the Consolidated balance sheet). The Group's retained interest in the assets and liabilities of Tarmac Quarry Materials was included at the pre-transaction carrying amount. The Group's share of the Lafarge business, acquired through its new interest in the Lafarge Tarmac joint venture, was accounted for at fair value. The difference between the fair value of the acquired share of the Lafarge business and the fair value of the acquired share of its identifiable net assets was recognised as goodwill.

The fair values of the Lafarge identifiable net assets acquired and of the Lafarge Tarmac joint venture as a whole, were determined primarily by reference to the present value of future income streams expected to be generated by the assets, and to market prices achieved for comparable assets. Where appropriate, certain assets were valued using a depreciated replacement cost approach. Fair values recognised on acquisition were provisional at 30 June 2013 and are final at 31 December 2013.

12. Business combinations and formation of joint ventures (continued)

The net assets derecognised, the proceeds and the resulting loss on disposal were as follows:

US$ million	2013
Intangible assets	**417**
Property, plant and equipment	**1,642**
Other non-current assets	**11**
Current assets excluding cash	**400**
Total assets classified as held for sale	**2,470**
Current liabilities	**(400)**
Non-current liabilities	**(262)**
Total liabilities directly associated with assets classified as held for sale	**(662)**
Net assets derecognised	**1,808**
Exchanged for:	
50% interest in Lafarge Tarmac joint venture	**1,658**
Cash (net of cash derecognised[1])	**70**
Deferred and contingent consideration	**87**
	1,815
Net gain arising	**7**
Less: cumulative translation loss recycled from reserves	**(62)**
Net loss on disposal	**(55)**

(1) Cash derecognised in the transaction was $39 million. In addition, transaction costs of $22 million, accrued in 2012, were paid in the year, resulting in a net cash inflow of $48 million.

The Group's share of the net assets of the joint venture (included in 'Investments in associates and joint ventures' on the Consolidated balance sheet), based on final fair values at the date of acquisition, was as follows:

			2013
	Retained share in Tarmac Quarry Materials	Acquired share of Lafarge business	Joint venture net assets
US$ million	Book values	Fair values	Total
Property, plant and equipment	**721**	**560**	**1,281**
Other non-current assets	**6**	**8**	**14**
Current assets	**247**	**246**	**493**
Net assets classified as held for sale	**28**	**–**	**28**
Current liabilities	**(266)**	**(239)**	**(505)**
Non-current liabilities	**(120)**	**(81)**	**(201)**
Net identifiable assets	**616**	**494**	**1,110**
Goodwill	**202**	**346**	**548**
Investment in joint venture[1]	**818**	**840**	**1,658**

(1) Included within Other Mining and Industrial segment.

Goodwill of $548 million within the investment comprised $202 million of pre-existing goodwill relating to the retained interest in the Tarmac Quarry Materials business, and $346 million of goodwill relating to the formation of the new joint venture. The latter portion relates in part to synergies expected to be realised through the combination of the two businesses, and also includes $26 million associated with the requirement to recognise a deferred tax liability based on the difference between the fair value of the assets acquired and their tax bases.

12. Business combinations and formation of joint ventures (continued)

2012

De Beers

On 16 August 2012 Anglo American acquired an additional 40% of the share capital of De Beers Société Anonyme (De Beers) to bring its total shareholding to 85%. De Beers is a leading diamond company with expertise in the exploration, mining and marketing of diamonds.

The Group funded the acquisition by way of cash consideration of $5.2 billion, less cash acquired of $0.4 billion. The acquisition has been accounted for as a business combination using the acquisition method of accounting with an effective date of 16 August 2012, being the date the Group gained control of De Beers.

Goodwill recognised on acquisition, of $2,355 million, arose principally from the significant synergies associated with the Group having control of De Beers, the value associated with the De Beers workforce and the requirement to recognise a deferred tax liability calculated as the difference between the tax effect of the fair value of the assets acquired and their tax bases. No goodwill is expected to be deductible for tax purposes.

13. Disposals of subsidiaries

US$ million	2013	2012
Net assets disposed		
Property, plant and equipment	**214**	208
Other non-current assets	**5**	65
Current assets	**323**	347
Current liabilities	**(296)**	(187)
Non-current liabilities	**(61)**	(273)
Net assets prior to completion[1]	**185**	160
Fair value of indemnities provided and risks retained by Anglo American on sale	**100**	–
Non-controlling interests	**–**	(5)
Net assets disposed	**285**	155
Cumulative translation loss/(gain) recycled from reserves	**11**	(6)
Other (credits)/charges	**(3)**	2
Net loss on disposal[2]	**(129)**	(21)
Net consideration for equity interest	**164**	130
Less:		
Net cash and cash equivalents disposed	**(11)**	(38)
Purchase of insurance claims for cash	**(168)**	–
Deferred contingent consideration at fair value	**(30)**	–
Accrued transaction fees and similar items	**–**	8
Net cash (outflow)/inflow from disposals	**(45)**	100

(1) These net assets were included within 'Assets classified as held for sale' and 'Liabilities directly associated with assets classified as held for sale'. Current liabilities included intercompany debt due to Anglo American. The net assets do not include the insurance claims which were purchased by the Group for cash consideration of $168 million.

(2) Included in non-operating special items, see note 5. The total net loss on disposal of Amapá of $175 million also includes a $46 million impairment recognised in the six months ending 30 June 2013.

Disposal of Amapá

On 28 December 2012 Anglo American and Cliffs Natural Resources (Cliffs) agreed to sell their respective 70% and 30% interests in the Amapá iron ore system, including the mine, the rail infrastructure and the port of Santana, to Zamin Ferrous Limited (Zamin). Amapá was classified as held for sale as at 31 December 2012.

On 28 March 2013 an incident occurred which resulted in the tragic loss of four lives with a further two people still missing, as well as the total loss of the port operation. A detailed investigation into the causes of the incident has been undertaken and the results have been passed on to Amapá's insurers.

13. Disposals of subsidiaries (continued)

In light of the incident at the port, Anglo American entered into further discussions with Cliffs and Zamin. On 25 September 2013 the Group announced that it had entered into an agreement with Cliffs to acquire its 30% interest in Amapá and had agreed to amend its sale agreement with Zamin to reflect, *inter alia*, Anglo American's disposal of a 100% interest in Amapá to Zamin. These transactions completed on 1 November 2013.

Consideration of $164 million from Zamin comprised:

- $134 million in cash (net of certain adjustments at completion). A potential adjustment of up to an additional $25 million is subject to the outcome of certain rulings in respect of the port reconstruction; and
- conditional deferred consideration of up to a maximum of $130 million in total, payable over a five year period and calculated on the basis of the market price for iron ore. The estimated fair value of this consideration was $30 million.

Anglo American assumed responsibility for, and the risks and rewards of, certain insurance claims including those relating to the port incident, through the purchase of the claims from Amapá at the full claim value of $168 million.

After the transaction the Group continued to recognise a deferred consideration asset, an insurance receivable and certain retained liabilities.

The valuation of the amounts receivable and the retained liabilities incorporates estimates, particularly in relation to the likely value of conditional deferred consideration receivable and the fair value of the insurance claims acquired from Amapá. These estimates are based on assumptions about future events and conditions which are considered appropriate based on the information available. Reasonable changes in these assumptions would not result in a material change in the loss on disposal.

Disposal proceeds in 2013

In addition to the net cash outflow of $45 million on disposal of Amapá, there was a net cash inflow of $48 million in respect of the formation of the Lafarge Tarmac joint venture (Other Mining and Industrial segment, see note 12), a cash inflow of $44 million relating to deferred proceeds in respect of undeveloped coal assets in Australia which the Group disposed of in 2010 (Metallurgical Coal segment), a further $30 million cash payment in respect of liabilities assumed as part of the Amapá disposal and payments of $4 million in respect of transaction fees accrued in prior years. This resulted in a net cash inflow on disposal of subsidiaries, net of cash disposed, of $13 million for the year ended 31 December 2013.

Disposals in 2012

Disposals during 2012 relate to the disposal of Scaw South Africa and related companies in the Other Mining and Industrial segment.

14. 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 to Mitsubishi of a 24.5% interest in Anglo American Sur SA in 2011. Having taken appropriate legal advice, the Group believes that a material liability arising from the indemnities provided is unlikely.

The Group is required to provide guarantees in several jurisdictions in respect of environmental restoration and decommissioning obligations. The Group has provided for the estimated cost of these activities.

No contingent liabilities were secured on the assets of the Group at 31 December 2013 or 31 December 2012.

14. Contingent liabilities (continued)

Other

Kumba Iron Ore (Kumba)

21.4% undivided share of the Sishen mine mineral rights

On 28 March 2013 the Supreme Court of Appeal (SCA) dismissed the appeals of the Department of Mineral Resources (DMR) and Imperial Crown Trading 289 (Pty) Ltd (ICT) against the decision of the North Gauteng High Court, which, *inter alia*, confirmed that Sishen Iron Ore Company (Pty) Ltd (SIOC) became the exclusive holder of the mining rights at the Sishen mine in 2008 when the DMR converted SIOC's old order rights, and further set aside the grant of a prospecting right to ICT by the DMR. The SCA held that as a matter of law and as at midnight on 30 April 2009, SIOC became the sole holder of the mining right to iron ore in respect of the Sishen mine, after ArcelorMittal South Africa Limited (ArcelorMittal S.A.) failed to convert its undivided share of the old order mining right.

Both ICT and the DMR lodged applications for leave to appeal against the SCA to the Constitutional Court. The Constitutional Court hearing was held on 3 September 2013.

On 12 December 2013 the Constitutional Court granted the DMR's appeal in part against the SCA judgment. In a detailed judgment, the Constitutional Court clarified that SIOC, when it lodged its application for conversion of its old order right, converted only the right it held at that time (being a 78.6% undivided share in the Sishen mining right). The Constitutional Court further held that ArcelorMittal S.A. retained the right to lodge its old order right (21.4% undivided share) for conversion before midnight on 30 April 2009, but failed to do so. As a consequence of such failure by ArcelorMittal S.A., the 21.4% undivided right remained available for allocation by the DMR.

The Constitutional Court ruled further that, based on the provisions of the Mineral and Petroleum Resources Development Act (MPRDA), only SIOC can apply for the residual 21.4% undivided share of the Sishen mining right. The grant of the mining right may be made subject to such conditions considered by the Minister to be appropriate, provided that the proposed conditions are permissible under the MPRDA. SIOC had previously applied for this 21.4%, and continues to account for 100% of what is mined from the reserves at Sishen mine. SIOC has however, in compliance with the Constitutional Court order, submitted a further application to be granted this right.

As a further consequence of this finding, the High Court's ruling setting aside the prospecting right granted by the DMR to ICT also stands.

The findings made by the Constitutional Court are favourable to both SIOC and the DMR. SIOC's position as the only competent applicant for the residual right protects SIOC's interests. The DMR's position as custodian of the mineral resources on behalf of the nation, and the authority of the DMR to allocate rights, has also been ratified by the Court.

ArcelorMittal S.A. supply agreement

The dispute between SIOC and ArcelorMittal S.A. regarding the contract mining agreement had been referred to arbitration in 2010. In December 2011 the parties agreed to delay the arbitration proceedings until the final resolution of the mining rights dispute (see above).

Interim Pricing Agreements were implemented to 31 December 2013.

In November 2013 SIOC and ArcelorMittal S.A. entered into a new Supply Agreement regulating the sale and purchase of iron ore between the parties which became effective from 1 January 2014. This agreement, subject to certain express conditions, is contemplated to endure until the end of Life of Mine for the Sishen mine.

The conclusion of this agreement settled the arbitration and the various other disputes between the companies.

Following the Constitutional Court ruling (see above), the sale of iron ore from SIOC to ArcelorMittal S.A. will remain regulated by the recently concluded Supply Agreement.

14. Contingent liabilities (continued)

Anglo American South Africa Limited (AASA)

AASA, a wholly owned subsidiary of the Company, is a defendant in a number of lawsuits filed in England and South Africa on behalf of former mineworkers (or their dependants or survivors) who allegedly contracted silicosis working for gold mining companies in which AASA was a shareholder and to which AASA provided various technical and administrative services.

In England: AASA is a defendant in five lawsuits filed in the High Court in London on behalf of approximately 6,000 named former mineworkers or their dependants. One of the lawsuits is also a “representative claim” on behalf of all black underground miners in “Anglo gold mines” who have been certified as suffering from silicosis and related diseases.

In South Africa: (i) AASA is a defendant in approximately 100 separate lawsuits filed in the North Gauteng High Court (Pretoria) which have been referred to arbitration. (ii) AASA is named as one of 32 defendants in a consolidated class certification application filed in South Africa. (iii) On 19 September 2013 AASA concluded a settlement agreement in terms of which 23 claims (filed in South Africa between 2004 and 2009) were settled, without admission of liability by AASA. The terms of the agreement and the settlement amount (which is not material to AASA) are confidential.

The aggregate amount of the individual South African claims is less than $15 million (excluding claims for interests and costs). No specific amount of damages has been specified in the claims filed in England or in the consolidated class certification application filed in South Africa.

AASA successfully contested the jurisdiction of the English courts to hear the claims filed against it in that jurisdiction. That ruling has been appealed. AASA is defending the separate lawsuits filed in South Africa and will oppose the application for consolidated class certification in South Africa.

15. Related party transactions

The Group has a related party relationship with its subsidiaries, joint operations, associates and joint ventures. Members of the Board and the Group Management Committee are considered to be related parties.

The Company and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions with joint operations, associates and joint ventures 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, other than purchases by De Beers from its joint operations in excess of its attributable share of their production, which amounted to $3,064 million (2012: $1,049 million, representing purchases from 16 August 2012, the date the Group obtained control of De Beers).

US$ million	2013	2012 restated[1]
Loans receivable[2]		
Associates	**164**	305
Joint ventures	**265**	242
	429	547

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 for details.
[2] These loans are included in ‘Financial asset investments’.

At 31 December 2013 the directors of the Company and their immediate relatives controlled 0.1% (2012: 0.1%) of the voting shares of the Company.

Refinancing of Atlatsa

In 2009, Platinum sold a 51% interest in Bokoni Platinum Mines Proprietary Limited (Bokoni) and a 1% interest in certain undeveloped projects to Atlatsa Resources Corporation (Atlatsa) in a Black Economic Empowerment (BEE) transaction. Platinum retained 49% of Bokoni, and in addition acquired an effective 27% interest in Atlatsa as part of the sale consideration. Both Atlatsa and Bokoni are associates of the Group.

Between 2009 and December 2013 Platinum has provided Atlatsa and its subsidiaries, including Bokoni, with additional debt and equity funding and in 2012, Platinum and Atlatsa agreed to restructure, recapitalise and refinance both Atlatsa and Bokoni. The first phase of the refinancing transaction completed in December 2013, whereby Platinum acquired certain properties from Bokoni and in return the level of debt outstanding from Atlatsa was reduced. A charge of $37 million has been recorded within non-operating special items relating to this transaction, see note 5.

15. Related party transactions (continued)

Related party transaction with Mitsubishi
During the year the Group entered into a transaction with a related party of the Company for the purposes of the United Kingdom Listing Authority Listing Rules.

An Anglo American subsidiary entered into a Shareholder Agreement (SHA) with a subsidiary of Mitsubishi Corporation (Mitsubishi) in relation to Anglo American Quellaveco SA, which owns Anglo American's Quellaveco copper project. Mitsubishi is a related party to Anglo American because its wholly owned subsidiary is a substantial shareholder in Anglo American Sur SA, a significant subsidiary of the Company. Anglo American Sur SA owns and operates copper mines and metallurgical plants in Chile and has no ownership interest in Quellaveco.

Anglo American has a controlling 81.9% interest in Anglo American Quellaveco SA. Mitsubishi purchased its 18.1% shareholding in this company in 2011 from an unrelated third party. The entry into the SHA provides a formal contractual relationship with a minority shareholder to give more certainty to the way in which the shareholding relationship in Anglo American Quellaveco SA is managed. It is primarily focused on the governance aspects of the relationship, information rights, the transferability of shares, arrangements for future funding and entitlement to production from the Quellaveco project. The entry into the SHA did not involve a purchase or sale of an asset and no value is ascribed to this transaction.

16. Events occurring after end of year

With the exception of the proposed final dividend for 2013, there have been no reportable events since 31 December 2013.

17. Accounting policy changes – restatements

As discussed in note 1, the Group has restated the financial performance and position of the Group for the year ended 31 December 2012 to reflect the adoption of IFRS 11, IFRIC 20 and IAS 19R. The quantitative impact of adopting these standards on the prior year Consolidated financial statements is set out in the tables below.

Adjustments to the Consolidated income statement

US$ million	Year ended 31.12.12 as previously stated	IFRS 11	IFRIC 20	IAS 19R	Year ended 31.12.12 restated
Group revenue	28,761	(81)	–	–	28,680
Total operating costs[1]	(30,449)	78	91	–	(30,280)
Share of net income from associates and joint ventures	432	(7)	(1)	(3)	421
Non-operating special items and remeasurements	1,394	–	2	–	1,396
Net finance (costs)/income	(377)	14	–	(25)	(388)
Income tax expense	(375)	(4)	(20)	6	(393)
Non-controlling interests	(879)	–	(27)	–	(906)
Loss for the financial year attributable to equity shareholders of the Company	(1,493)	–	45	(22)	(1,470)

[1] Restatements to operating costs include a decrease in depreciation of $5 million due to IFRS 11 and an increase in depreciation of $90 million due to IFRIC 20.

17. Accounting policy changes – restatements (continued)

Adjustments to the Consolidated statement of comprehensive income

US$ million	Year ended 31.12.12 as previously stated	IFRS 11	IFRIC 20	IAS 19R	Year ended 31.12.12 restated
Loss for the financial year	(614)	–	72	(22)	(564)
Items that may subsequently be reclassified to the income statement					
Net exchange difference on translation of foreign operations (including associates and joint ventures)	(747)	–	(3)	–	(750)
Other comprehensive income that may be reclassified	60	–	–	–	60
Items that will not be reclassified to the income statement					
Remeasurement of net retirement benefit obligation	165	–	–	25	190
Share of associates' and joint ventures' income recognised directly in equity, net of tax	11	–	–	3	14
Tax on items recognised directly in equity that will not be reclassified	(19)	–	–	(6)	(25)
Items transferred from equity	79	–	–	–	79
Total comprehensive expense for the financial year	(1,065)	–	69	–	(996)

Adjustments to the Consolidated balance sheet

At 31 December 2012

US$ million	31.12.12 as previously stated	IFRS 11	IFRIC 20	IAS 19R	31.12.12 restated
Property, plant and equipment[1]	45,089	(292)	(66)	–	44,731
Investments in associates and joint ventures	3,063	99	–	–	3,162
Financial asset investments (non-current)	2,278	111	–	–	2,389
Short term borrowings	(2,604)	119	–	–	(2,485)
Deferred tax liabilities	(6,069)	–	18	–	(6,051)
Retained earnings	(40,388)	–	45	–	(40,343)
Non-controlling interests	(6,130)	–	3	–	(6,127)
Other assets, liabilities and equity[2]	4,761	(37)	–	–	4,724

[1] The adjustment to property, plant and equipment in relation to IFRIC 20 includes the $155 million write-off of opening stripping assets which do not relate to identifiable components of orebodies and depreciation of $34 million in excess of amounts previously charged to operating costs, offset by $123 million of net additional capitalisation.

[2] Restatements of the balance sheet at 31 December 2012 also had an immaterial impact on intangible assets, environmental rehabilitation trusts, trade and other receivables (non-current), deferred tax assets, other non-current assets, inventories, trade and other receivables (current), cash and cash equivalents, trade and other payables (current), provisions for liabilities and charges (current) and other reserves.

At 1 January 2012

US$ million	01.01.12 as previously stated	IFRS 11	IFRIC 20	IAS 19R	01.01.12 restated
Property, plant and equipment	40,549	(312)	(155)	–	40,082
Investments in associates and joint ventures	5,240	113	(1)	–	5,352
Financial asset investments (non-current)	2,896	107	–	–	3,003
Short term borrowings	(1,018)	116	–	–	(902)
Deferred tax liabilities	(5,730)	–	37	–	(5,693)
Retained earnings	(42,342)	–	102	–	(42,240)
Non-controlling interests	(4,097)	–	16	–	(4,081)
Other assets, liabilities and equity[1]	4,502	(24)	1	–	4,479

[1] Restatements of the balance sheet at 1 January 2012 also had an immaterial impact on intangible assets, environmental rehabilitation trusts, trade and other receivables (non-current), deferred tax assets, other non-current assets, inventories, trade and other receivables (current), cash and cash equivalents, trade and other payables (current), provisions for liabilities and charges (current) and other reserves.

17. Accounting policy changes – restatements (continued)

Adjustments to the Consolidated cash flow statement

US$ million	Year ended 31.12.12 as previously stated	IFRS 11	IFRIC 20[1]	IAS 19R	Year ended 31.12.12 restated
Cash flows from operations	7,021	(7)	356	–	7,370
Dividends from associates and joint ventures	286	8	–	–	294
Expenditure on property, plant and equipment	(5,607)	4	(356)	–	(5,959)
Other investing and financing cash flows	(4,009)	–	–	–	(4,009)
Net (decrease)/increase in cash and cash equivalents	(2,309)	5	–	–	(2,304)

[1] The adjustment is due to a re-presentation of cash flows to better reflect internal management reporting following the adoption of IFRIC 20.

Non-GAAP data

US$ million	Year ended 31.12.12 as previously stated	IFRS 11	IFRIC 20	IAS 19R	Year ended 31.12.12 restated
Underlying EBITDA	8,686	–	174	–	8,860
Depreciation and amortisation[1]	2,522	–	85	–	2,607
Underlying operating profit	6,164	–	89	–	6,253
Underlying earnings	2,839	–	43	(22)	2,860
Net debt	(8,615)	105	–	–	(8,510)

[1] Includes attributable share of depreciation and amortisation in associates and joint ventures. Depreciation and amortisation excluding associates and joint ventures has increased by $90 million in 2012 due to the introduction of IFRIC 20.

Summary by business operation

US$ million	Revenue[1] 2013	Revenue[1] 2012	Underlying EBITDA[2] 2013	Underlying EBITDA[2] 2012 restated[4]	Underlying operating profit/(loss)[3] 2013	Underlying operating profit/(loss)[3] 2012 restated[4]	Underlying earnings 2013	Underlying earnings 2012 restated[4]
Iron Ore and Manganese	**6,517**	6,403	**3,390**	3,262	**3,119**	3,011	**1,125**	1,046
Kumba Iron Ore	**5,643**	5,572	**3,266**	3,239	**3,047**	3,042	**1,171**[5]	1,107
Iron Ore Brazil	**–**	–	**(27)**	(1)	**(31)**	(5)	**(51)**	(43)
Samancor	**874**	831	**258**	153	**210**	103	**92**	83
Projects and corporate	**–**	–	**(107)**	(129)	**(107)**	(129)	**(87)**[5]	(101)
Metallurgical Coal	**3,396**	3,889	**612**	877	**46**	405	**60**	275
Australia	**3,138**	3,657	**665**	940	**176**	519	**132**	365
Canada	**258**	232	**7**	13	**(70)**	(38)	**(21)**	(27)
Projects and corporate	**–**	–	**(60)**	(76)	**(60)**	(76)	**(51)**	(63)
Thermal Coal	**3,004**	3,447	**735**	972	**541**	793	**397**	523
South Africa	**2,187**	2,477	**479**	607	**356**	482	**283**	312
Colombia	**817**	970	**299**	412	**228**	358	**151**	251
Projects and corporate	**–**	–	**(43)**	(47)	**(43)**	(47)	**(37)**	(40)
Copper	**5,392**	5,122	**2,402**	2,288	**1,739**	1,736	**803**	941
Anglo American Sur	**3,300**	3,186	**1,642**	1,762	**1,220**	1,402	**464**	695
Anglo American Norte	**778**	934	**191**	336	**135**	288	**85**	237
Collahuasi	**1,314**	1,002	**718**	484	**533**	340	**386**	243
Projects and corporate	**–**	–	**(149)**	(294)	**(149)**	(294)	**(132)**	(234)
Nickel	**136**	336	**(37)**	50	**(44)**	26	**(54)**	10
Codemin	**136**	176	**23**	53	**17**	47	**5**	31
Loma de Níquel	**–**	160	**(5)**	46	**(5)**	29	**(7)**	17
Barro Alto	**–**	–	**(38)**	(7)	**(39)**	(8)	**(38)**	(5)
Projects and corporate	**–**	–	**(17)**	(42)	**(17)**	(42)	**(14)**	(33)
Niobium and Phosphates	**726**	770	**176**	196	**150**	169	**92**	107
Niobium	**182**	173	**94**	85	**89**	81	**48**	47
Phosphates	**544**	597	**100**	114	**79**	91	**57**	63
Projects and corporate	**–**	–	**(18)**	(3)	**(18)**	(3)	**(13)**	(3)
Platinum	**5,688**	5,489	**1,048**	580	**464**	(120)	**287**	(225)
Operations	**5,688**	5,489	**1,121**	656	**537**	(44)	**356**	(155)
Projects and corporate	**–**	–	**(73)**	(76)	**(73)**	(76)	**(69)**	(70)
Diamonds[6]	**6,404**	4,028	**1,451**	712	**1,003**	474	**532**	289
Operations	**6,404**	4,028	**1,516**	734	**1,068**	496	**591**	309
Projects and corporate	**–**	–	**(65)**	(22)	**(65)**	(22)	**(59)**	(20)
Other Mining and Industrial	**1,795**	3,296	**81**	289	**(13)**	168	**(2)**	121
Amapá[7]	**100**	327	**–**	89	**–**	54	**–**	27
Tarmac	**1,695**	2,171	**88**	148	**(6)**	73	**5**	65
Scaw Metals[8]	**–**	798	**–**	60	**–**	49	**–**	37
Projects and corporate	**–**	–	**(7)**	(8)	**(7)**	(8)	**(7)**	(8)
Exploration	**–**	–	**(205)**	(206)	**(207)**	(206)	**(190)**	(195)
Corporate Activities and Unallocated Costs	**5**	5	**(133)**	(160)	**(178)**	(203)	**(377)**	(32)
	33,063	32,785	**9,520**	8,860	**6,620**	6,253	**2,673**	2,860

(1) Revenue includes the Group's attributable share of revenue of associates and joint ventures. Revenue for copper is shown after deduction of treatment and refining charges (TC/RCs).
(2) Underlying EBITDA is underlying operating profit before depreciation and amortisation in subsidiaries and joint operations and includes attributable share of underlying operating profit before depreciation and amortisation of associates and joint ventures.
(3) Underlying operating profit/(loss) is operating profit/(loss) before special items and remeasurements, and includes the Group's attributable share of associates' and joint ventures' operating profit/(loss) before special items and remeasurements.
(4) Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 of the Condensed financial statements for details.
(5) Of the projects and corporate expense, which includes a corporate cost allocation, $63 million (2012: $67 million) relates to Kumba Iron Ore. The total contribution from Kumba Iron Ore to the Group's underlying earnings is $1,108 million (2012: $1,040 million) as reported in the external earnings reconciliation, see page 83.
(6) On 16 August 2012 the Group acquired a controlling interest in De Beers (Diamonds segment). De Beers ceased to be an associate of the Group and has been accounted for as a subsidiary since this date.
(7) The Group disposed of its interest in Amapá in November 2013.
(8) The Group disposed of its interest in Scaw Metals in November 2012.

Marketing activities are allocated to the underlying operation to which they relate.

Key financial data

US$ million (unless otherwise stated)	2013	2012 restated[1]	2011	2010	2009	2008	2007	2006[2]	2005[2]	2004[2]
Group revenue including associates and joint ventures	**33,063**	32,785	36,548	32,929	24,637	32,964	30,559	29,404	24,872	22,610
Less: share of associates' and joint ventures' revenue	**(3,721)**	(4,105)	(5,968)	(4,969)	(3,779)	(6,653)	(5,089)	(4,413)	(4,740)	(5,429)
Group revenue	**29,342**	28,680	30,580	27,960	20,858	26,311	25,470	24,991	20,132	17,181
Underlying operating profit including associates and joint ventures before special items and remeasurements	**6,620**	6,253	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)	**(4,310)**	(5,755)	(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 and joint ventures	**(204)**	(281)	(452)	(423)	(313)	(783)	(434)	(398)	(315)	(391)
Total profit from operations, associates and joint ventures	**2,106**	217	10,599	11,067	4,436	8,972	8,929	8,514	5,250	3,997
Net finance (costs)/income (including financing special items and remeasurements)	**(406)**	(388)	183	(139)	(407)	(401)	(108)	(71)	(220)	(385)
Profit/(loss) before tax	**1,700**	(171)	10,782	10,928	4,029	8,571	8,821	8,443	5,030	3,612
Income tax expense (including special items and remeasurements)	**(1,274)**	(393)	(2,860)	(2,809)	(1,117)	(2,451)	(2,693)	(2,518)	(1,208)	(765)
Profit/(loss) for the financial year – continuing operations	**426**	(564)	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/(loss) for the financial year – total Group	**426**	(564)	7,922	8,119	2,912	6,120	8,172	6,922	3,933	3,941
Non-controlling interests	**(1,387)**	(906)	(1,753)	(1,575)	(487)	(905)	(868)	(736)	(412)	(440)
(Loss)/profit attributable to equity shareholders of the Company	**(961)**	(1,470)	6,169	6,544	2,425	5,215	7,304	6,186	3,521	3,501
Underlying earnings[3] – continuing operations	**2,673**	2,860	6,120	4,976	2,569	5,237	5,477	5,019	3,335	2,178
Underlying earnings[3] – discontinued operations	**–**	–	–	–	–	–	284	452	401	506
Underlying earnings[3] – total Group	**2,673**	2,860	6,120	4,976	2,569	5,237	5,761	5,471	3,736	2,684
(Loss)/earnings per share (US$) – continuing operations	**(0.75)**	(1.17)	5.10	5.43	2.02	4.34	4.04	3.51	2.35	1.84
Earnings per share (US$) – discontinued operations	**–**	–	–	–	–	–	1.54	0.70	0.08	0.60
(Loss)/earnings per share (US$) – total Group	**(0.75)**	(1.17)	5.10	5.43	2.02	4.34	5.58	4.21	2.43	2.44
Underlying earnings per share (US$) – continuing operations	**2.09**	2.28	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	**2.09**	2.28	5.06	4.13	2.14	4.36	4.40	3.73	2.58	1.87
Ordinary dividend per share (US cents)	**85.0**	85.0	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)	**1,281**	1,254	1,210	1,206	1,202	1,202	1,309	1,468	1,447	1,434
Underlying EBITDA[4] – continuing operations	**9,520**	8,860	13,348	11,983	6,930	11,847	11,171	10,431	7,172	5,359
Underlying EBITDA[4] – discontinued operations	**–**	–	–	–	–	–	961	1,766	1,787	1,672
Underlying EBITDA[4] – total Group	**9,520**	8,860	13,348	11,983	6,930	11,847	12,132	12,197	8,959	7,031
Underlying EBITDA interest cover[5] – total Group	**51.5**	52.1	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	**20.0%**	19.1%	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	**2.5**	2.7	6.8	6.4	–	9.9	3.5	3.5	2.9	2.7

See following page for footnotes.

Key financial data (continued)[9]

US$ million (unless otherwise stated)	**2013**	2012 restated[1]	2011	2010	2009	2008	2007	2006[2]	2005[2]	2004[2]
Balance sheet										
Intangible assets and property, plant and equipment	**45,588**	49,300	42,871	42,126	37,974	32,551	25,090	25,632	33,368	35,816
Other non-current assets and investments[6]	**9,418**	8,689	10,269	9,852	7,303	7,607	9,271	8,258	5,585	5,547
Working capital	**3,771**	3,751	2,093	2,385	2,168	861	1,966	3,096	3,538	3,543
Other net current liabilities[6]	**(1,559)**	(986)	(1,683)	(785)	(272)	(840)	(911)	(1,430)	(1,429)	(611)
Other non-current liabilities and obligations[6]	**(9,710)**	(10,692)	(9,220)	(8,757)	(8,487)	(7,567)	(6,387)	(5,826)	(8,491)	(8,339)
Cash and cash equivalents and borrowings[7]	**(10,144)**	(8,555)	(1,141)	(7,038)	(11,046)	(11,051)	(5,170)	(3,244)	(4,993)	(8,243)
Net assets classified as held for sale	**–**	2,231	–	188	429	195	471	641	–	–
Net assets	**37,364**	43,738	43,189	37,971	28,069	21,756	24,330	27,127	27,578	27,713
Non-controlling interests	**(5,693)**	(6,127)	(4,097)	(3,732)	(1,948)	(1,535)	(1,869)	(2,856)	(3,957)	(4,588)
Equity attributable to equity shareholders of the Company	**31,671**	37,611	39,092	34,239	26,121	20,221	22,461	24,271	23,621	23,125
Total capital[8]	**48,016**	52,248	44,563	45,355	39,349	33,096	29,181	30,258	32,558	35,806
Cash flows from operations – continuing operations	**7,729**	7,370	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	**7,729**	7,370	11,498	9,924	4,904	9,579	9,845	10,057	7,265	5,291
Dividends received from associates, joint ventures and financial asset investments – continuing operations	**264**	348	403	285	639	659	311	251	468	380
Dividends received from associates, joint ventures and financial asset investments – discontinued operations	**–**	–	–	–	–	–	52	37	2	16
Dividends received from associates, joint ventures and financial asset investments – total Group	**264**	348	403	285	639	659	363	288	470	396
EBITDA/average total capital[8] – total Group	**19.0%**	18.3%	29.7%	28.3%	19.1%	38.0%	40.8%	38.8%	26.2%	21.3%
Net debt to total capital (gearing)[9]	**22.2%**	16.3%	3.1%	16.3%	28.7%	34.3%	16.6%	10.3%	15.3%	22.6%

[1] Certain balances related to 2012 have been restated to reflect the adoption of new accounting pronouncements. See note 1 of the Condensed financial statements for details.
[2] Comparatives for 2006, 2005 and 2004 were adjusted in the 2007 Annual Report to reclassify amounts relating to discontinued operations where applicable.
[3] Underlying earnings is profit attributable to equity shareholders of the Company before special items and remeasurements, and is therefore presented after net finance costs, income tax and non-controlling interests.
[4] Underlying EBITDA is operating profit before special items and remeasurements, depreciation and amortisation in subsidiaries and joint operations and includes attributable share of EBITDA of associates and joint ventures.
[5] Underlying EBITDA interest cover is underlying 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 liabilities, financing special items and remeasurements, and including attributable share of associates' and joint ventures' net interest expense, which in 2011 results in a net finance income and therefore the ratio is not applicable.
[6] 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.
[7] This differs from the Group's measure of 'Net debt' as it excludes the net cash/(debt) of disposal groups (2013: nil; 2012: $213 million; 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 (2013: net liabilities of $508 million; 2012: net liabilities of $168 million; 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 10 of the Condensed financial statements for further details.
[8] Total capital is net assets excluding net debt.
[9] Net debt to total capital is calculated as net debt (including related hedges and net debt in disposal groups) divided by total capital. Comparatives are presented on a consistent basis.

Reconciliation of subsidiaries' reported earnings to the underlying earnings included in the consolidated financial statements

for the year ended 31 December 2013

Note only key reported lines are reconciled.

Kumba Iron Ore Limited

US$ million	2013	2012 restated[1]
IFRS headline earnings	**1,604**	1,534
Exploration	**14**	16
Kumba Envision Trust[2]	**33**	53
Other adjustments	**2**	3
	1,653	1,606
Non-controlling interests	**(501)**	(513)
Elimination of intercompany interest	**12**	4
Depreciation on assets fair valued on acquisition (net of tax)	**(6)**	(8)
Corporate cost allocation	**(50)**	(49)
Contribution to Anglo American underlying earnings	**1,108**	1,040

(1) Headline and underlying earnings have been restated to reflect the adoption of new accounting pronouncements.
(2) The Kumba Envision Trust charge is included in IFRS headline earnings but is a non-operating special item so is excluded from underlying earnings.

Anglo American Platinum Limited

US$ million	2013	2012
IFRS headline earnings/(loss)	**152**	(170)
Exploration	**2**	4
Operating and financing remeasurements (net of tax)	**(8)**	2
Restructuring costs included in headline earnings (net of tax)	**105**	–
BEE transactions and related charges	**(44)**	–
Tax special item included in headline earnings	**188**	–
Other adjustments	**5**	–
	400	(164)
Non-controlling interests	**(80)**	33
Elimination of intercompany interest	**67**	10
Depreciation on assets fair valued on acquisition (net of tax)	**(36)**	(41)
Corporate cost allocation	**(64)**	(63)
Contribution to Anglo American underlying earnings/(loss)	**287**	(225)

Exchange rates and commodity prices

US$ exchange rates	2013	2012
Year end spot rates		
Rand	**10.51**	8.47
Brazilian real	**2.36**	2.05
Sterling	**0.60**	0.62
Australian dollar	**1.12**	0.96
Euro	**0.73**	0.76
Chilean peso	**526**	479
Botswana pula	**8.76**	7.79
Average rates for the year		
Rand	**9.65**	8.21
Brazilian real	**2.16**	1.95
Sterling	**0.64**	0.63
Australian dollar	**1.03**	0.97
Euro	**0.75**	0.78
Chilean peso	**495**	486
Botswana pula	**8.39**	7.61

Commodity prices		2013	2012
Year end spot prices			
Iron ore (FOB Australia)[1]	US$/tonne	**123**	138
Thermal coal (FOB South Africa)[2]	US$/tonne	**85**	89
Thermal coal (FOB Australia)[2]	US$/tonne	**85**	91
Hard coking coal (FOB Australia)[3]	US$/tonne	**132**	170
Copper[4]	US cents/lb	**335**	359
Nickel[4]	US cents/lb	**663**	771
Platinum[5]	US$/oz	**1,357**	1,523
Palladium[5]	US$/oz	**716**	699
Rhodium[5]	US$/oz	**975**	1,080
Average market prices for the year			
Iron ore (FOB Australia)[1]	US$/tonne	**127**	122
Thermal coal (FOB South Africa)[2]	US$/tonne	**80**	93
Thermal coal (FOB Australia)[2]	US$/tonne	**84**	94
Hard coking coal (FOB Australia)[6]	US$/tonne	**159**	210
Copper[4]	US cents/lb	**332**	361
Nickel[4]	US cents/lb	**680**	794
Platinum[5]	US$/oz	**1,485**	1,551
Palladium[5]	US$/oz	**725**	644
Rhodium[5]	US$/oz	**1,066**	1,275

(1) Source: Platts.
(2) Source: McCloskey.
(3) Source: Represents the quarter four benchmark.
(4) Source: London Metal Exchange (LME) daily prices.
(5) Source: London Platinum and Palladium Market (LPPM).
(6) Source: Represents the average quarterly benchmark.

Attributable Return on Capital Employed (ROCE) Definition

Attributable ROCE Definitions:

- Return on capital employed is a ratio that measures the efficiency and profitability of a company's capital investments. It displays how effectively assets are generating profit for the size of invested capital.
- ROCE is calculated as underlying operating profit divided by capital employed.
- Adjusted ROCE calculation is underlying operating profit divided by adjusted capital employed. Adjusted Capital employed is net assets excluding net debt and financial asset investments, adjusted for remeasurements of a previously held equity interest as a result of business combination and impairments incurred in the current year and reported since 10 December 2013.
- Attributable ROCE is the return on the adjusted capital employed attributable to equity shareholders of Anglo American, and therefore excludes the portion of underlying operating profit and capital employed attributable to non-controlling interests in operations where Anglo American has control but does not hold 100% of the equity. Joint ventures, joint operations and associates are included in their proportionate interest and in line with appropriate accounting treatment.

Adjustments

- Structural adjustments for the De Beers acquisition assuming ownership of 85% of De Beers for 1 January 2012 and disposals from Anglo American Sur assuming ownership of 50.1% from the start of 2012 will be included;
- The De Beers fair value uplift which resulted from the revaluing upward of Anglo American plc's existing 45% share of De Beers will be removed from opening 2012 capital employed onwards;
- Impairments announced after 10 December 2013 are not removed from total capital employed;
- The impairments and disposals which will be removed from opening capital employed from 2012 and onwards, on a post-tax basis, are:
  - Pebble loss on exit
  - Michiquillay impairment
  - Barro Alto furnace write-down consequent on the rebuild of both furnaces (not the impairment)
  - Khomanani, Khuseleka and Union North Declines, plus 2012 platinum project asset scrappings
  - Isibonelo and Kleinkopje impairments.

In 2012, Anglo American took an impairment on Minas-Rio and asset scrappings in Platinum. These have been removed from 2012 opening capital employed balance, on a post-tax basis, for consistency.

Attributable ROCE is based on realised prices and foreign exchange rates, and includes the above adjustments to capital employed.

The 2013 attributable operating profit of $4,369 million is the underlying operating profit attributable to equity shareholders of Anglo American plc.

Attributable Return on Capital Employed (ROCE) Definition (continued)

Reconciliation of total capital employed to Average Attributable Capital Employed

US$ billion	**31 December 2013**	31 December 2012	1 January 2012
Net assets	**37**	44	43
Less: financial asset investments	**(2)**	(2)	(3)
Add: net debt	**11**	9	1
Less: De Beers fair value adjustment on 45% pre-existing stake[1]	**(1)**	(2)	–
Total capital employed	**45**	48	41
Less:			
Impairments taken in 2012[2]	**–**	–	(5)
Impairments taken in 2013 that had been announced before 10 December 2013[3]	**–**	(1)	(1)
Add:			
2013 impairment where no benefit taken for attributable ROCE purposes[4]	**1**	–	–
Structural assumptions – De Beers increase holding to a subsidiary[5]	**–**	–	8
Total capital employed	**46**	46	43
Less: non-controlling interest capital employed	**(7)**	(7)	(4)
Structural assumptions – Remove non-controlling interest relating to De Beers consolidation[5]	**–**	–	(1)
Structural assumptions – Remove non-controlling interest relating to Anglo American Sur disposal[6]	**–**	–	(1)
Closing attributable non-controlling interest adjustment	**(7)**	(7)	(6)
Closing attributable capital employed	**39**	40	37
Average attributable capital employed	**39**	38	–

(1) Removal of the accounting fair value uplift adjustment on the Group's existing 45% holding following acquisition of control on 16 August 2012.
(2) 2012 Impairments (post tax): Minas Rio ($4.0 billion) and Platinum operations impairment ($0.6 billion).
(3) 2013 Impairments and disposals (post tax) reducing capital employed: Barro Alto furnace ($0.2 billion), Platinum portfolio review ($0.3 billion), Michiquillay ($0.3 billion), Isibonelo and Kleinkopje ($0.2 billion), disposal of Amapá ($0.2 billion) and Pebble ($0.3 billion).
(4) 2013 Impairments (post tax) not removed from capital employed: Barro Alto impairment ($0.5 billion) and Foxleigh ($0.2 billion).
(5) De Beers has been consolidated into the Group's results since its acquisition on 16 August 2012. An adjustment has been made to the 2012 Capital Employed total to increase to a 100% of De Beers for the full year (net of fair value uplift) and the non-controlling interest of 15% stripped out within NCI capital employed, so that 2012 and 2013 ROCE figures are comparable.
(6) The disposal of 25.4% of Anglo American Sur in 2012. An adjustment has been made to the 2012 non-controlling interest capital employed to reduce the holding in Anglo American Sur to 50.1% for the full year, so that 2012 and 2013 ROCE figures are comparable.

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.

	2013	2012
Iron Ore and Manganese segment (tonnes)		
Kumba Iron Ore		
Lump	**25,496,000**	26,580,500
Fines	**16,877,100**	16,484,600
Total Kumba production	**42,373,100**	43,065,100
Sishen	**30,938,500**	33,696,700
Kolomela	**10,808,700**	8,544,900
Thabazimbi	**625,900**	823,500
Total Kumba production	**42,373,100**	43,065,100
Kumba sales volume		
RSA export iron ore	**39,076,000**	39,657,000
RSA domestic iron ore	**4,631,400**	4,683,000
Samancor		
Manganese ore[(1)]	**3,301,700**	3,347,800
Manganese alloys[(1) (2)]	**251,100**	198,400
Samancor sales volume		
Manganese ore	**3,262,100**	3,212,400
Manganese alloys	**248,700**	236,000
Coal (tonnes)		
Metallurgical Coal segment		
Australia		
Metallurgical – Export Coking Coal	**11,711,600**	10,484,700
Metallurgical – Export PCI	**5,260,200**	5,802,700
Thermal – Export	**6,264,000**	6,045,900
Thermal – Domestic	**6,239,400**	6,924,600
Total Australian Metallurgical Coal segment coal production	**29,475,200**	29,257,900
Canada		
Metallurgical – Export Coking Coal	**1,663,800**	1,376,900
Metallurgical – Export PCI	**20,000**	–
Total Metallurgical Coal segment coal production	**31,159,000**	30,634,800
Australia		
Callide	**6,317,800**	7,464,000
Capcoal	**6,061,400**	6,022,400
Dawson complex	**3,985,700**	4,593,500
Drayton	**3,710,700**	3,663,300
Foxleigh	**1,966,600**	1,896,000
Jellinbah East	**2,516,500**	2,073,200
Moranbah North	**4,916,500**	3,545,500
Total Australian Metallurgical Coal segment coal production	**29,475,200**	29,257,900
Canada		
Peace River Coal	**1,683,800**	1,376,900
Total Metallurgical Coal segment coal production	**31,159,000**	30,634,800
Weighted average achieved FOB prices		
Metallurgical – Export[(3)] US$/t	**140**	178
Thermal – Export US$/t	**84**	96
Thermal – Domestic US$/t	**39**	37
Sales volumes		
Metallurgical – Export[(4)]	**19,044,500**	17,413,000
Thermal – Export	**6,371,600**	6,042,600
Thermal – Domestic	**6,125,400**	6,920,900

(1) Saleable production.
(2) Production includes Medium Carbon Ferro Manganese.
(3) Within export coking and export PCI coals there are different grades of coal with different weighted average prices compared to benchmark.
(4) Includes both hard coking coal and PCI sales volumes.

Production statistics (continued)

	2013	2012
Coal (tonnes) (continued)		
Thermal Coal segment		
South Africa		
Thermal – Export	**17,031,300**	17,132,100
Thermal – Domestic (Eskom)	**33,567,400**	33,706,400
Thermal – Domestic (Other)	**5,992,000**	6,219,100
Metallurgical – Domestic	**–**	74,100
Total South African Thermal Coal production	**56,590,700**	57,131,700
Colombia		
Thermal – Export	**11,001,500**	11,548,800
Total Thermal Coal segment coal production	**67,592,200**	68,680,500
South Africa		
Goedehoop	**4,680,800**	4,859,900
Greenside	**3,269,500**	2,883,200
Isibonelo	**5,066,800**	5,399,200
Kleinkopje	**3,997,200**	3,765,500
Kriel	**8,102,700**	8,096,900
Landau	**4,084,000**	4,272,300
Mafube	**1,825,400**	1,804,100
New Denmark	**3,586,900**	3,401,200
New Vaal	**17,105,700**	17,623,300
Zibulo	**4,871,700**	5,026,100
Total South African Thermal Coal production	**56,590,700**	57,131,700
Colombia		
Carbones del Cerrejón	**11,001,500**	11,548,800
Total Thermal Coal segment coal production	**67,592,200**	68,680,500
Weighted average achieved FOB prices		
South Africa		
Thermal – Export US$/t	**77**	92
Thermal – Domestic US$/t	**19**	21
Colombia		
Thermal – Export US$/t	**73**	89
Sales volumes		
South Africa		
Thermal – Export	**17,501,800**	17,150,600
Thermal – Domestic	**39,044,100**	40,018,000
Colombia		
Thermal – Export	**11,152,500**	10,925,600
Total Thermal Coal Sales	**67,698,400**	68,094,200

Production statistics (continued)

			2013	2012
Copper segment[1]				
Collahuasi				
100% basis (Anglo American share 44%)				
Ore mined		tonnes	**80,955,500**	74,647,600
Ore processed	Oxide	tonnes	**7,028,900**	8,081,400
	Sulphide	tonnes	**47,559,000**	43,618,600
Ore grade process	Oxide	% ASCu[2]	**0.81**	0.88
	Sulphide	% TCu[3]	**1.07**	0.76
Production	Copper cathode	tonnes	**28,400**	36,800
	Copper in concentrate	tonnes	**416,100**	245,300
Total copper production for Collahuasi[4]		tonnes	**444,500**	282,100
Anglo American's share of copper production for Collahuasi[4]		tonnes	**195,600**	124,100
Anglo American Sur				
Los Bronces mine[5]				
Ore mined		tonnes	**56,938,200**	49,766,500
Marginal ore mined		tonnes	**17,221,300**	17,854,200
Ore processed	Sulphide	tonnes	**51,960,500**	45,854,800
Ore grade processed	Sulphide	% TCu	**0.83**	0.84
Production	Copper cathode	tonnes	**37,700**	40,800
	Copper in sulphate	tonnes	**600**	2,500
	Copper in concentrate	tonnes	**378,000**	322,000
Production total		tonnes	**416,300**	365,300
El Soldado mine[5]				
Ore mined		tonnes	**8,576,700**	8,544,500
Ore processed	Sulphide	tonnes	**7,312,500**	7,782,300
Ore grade processed	Sulphide	% TCu	**0.88**	0.83
Production	Copper cathode	tonnes	**1,100**	2,000
	Copper in concentrate	tonnes	**50,400**	51,800
Production total		tonnes	**51,500**	53,800
Chagres Smelter[5]				
Ore smelted		tonnes	**149,800**	142,900
Production		tonnes	**145,200**	138,700
Total copper production for Anglo American Sur		tonnes	**467,800**	419,100
Anglo American Norte				
Mantos Blancos mine				
Ore processed	Sulphide	tonnes	**4,329,600**	4,393,200
Ore grade processed	Sulphide	% ICu[6]	**0.65**	0.64
Production	Copper cathode	tonnes	**29,500**	29,200
	Copper in concentrate	tonnes	**25,100**	25,000
Production total		tonnes	**54,600**	54,200
Mantoverde mine				
Ore processed	Oxide	tonnes	**10,385,200**	10,460,400
	Marginal ore	tonnes	**8,280,400**	8,671,700
Ore grade processed	Oxide	% ASCu	**0.57**	0.63
	Marginal ore	% ASCu	**0.25**	0.25
Production	Copper cathode	tonnes	**56,800**	62,300
Total copper production for Anglo American Norte		tonnes	**111,400**	116,500
Total Copper segment copper production		tonnes	**1,023,700**	817,700
Total attributable copper production[7]		tonnes	**774,800**	659,700
Attributable sales volumes		tonnes	**768,200**	643,600

[1] Excludes Anglo American Platinum's copper production.
[2] ASCu = acid soluble copper.
[3] TCu = total copper.
[4] Anglo American's share of Collahuasi production is 44%.
[5] Anglo American previously held 74.5% of Anglo American Sur; as from 24 August 2012, it held 50.1%. Production is stated at 100% as Anglo American continues to consolidate Anglo American Sur.
[6] ICu = insoluble copper (total copper less acid soluble copper).
[7] Difference between total copper production and attributable copper production arises from Anglo American's 44% interest in Collahuasi.

Production statistics (continued)

		2013	2012
Nickel segment			
Barro Alto			
Ore mined	tonnes	**1,999,000**	1,844,400
Ore processed	tonnes	**1,616,300**	1,422,100
Ore grade processed	% Ni	**1.82**	1.94
Production	tonnes	**25,100**	21,600
Codemin			
Ore mined	tonnes	**6,800**	–
Ore processed	tonnes	**602,400**	581,100
Ore grade processed	% Ni	**1.71**	1.81
Production	tonnes	**9,300**	9,600
Loma de Níquel			
Ore mined	tonnes	**–**	432,900
Ore processed	tonnes	**–**	767,400
Ore grade processed	% Ni	**–**	1.40%
Production	tonnes	**–**	8,100
Total Nickel segment nickel production[(1)]	tonnes	**34,400**	39,300
Sales volumes	tonnes	**33,800**	40,000
Niobium and Phosphates segment			
Niobium			
Ore mined	tonnes	**1,228,809**	933,203
Ore processed	tonnes	**963,118**	973,484
Ore grade processed	% Nb	**1.16**	1.21
Production	tonnes	**4,500**	4,400
Phosphates			
Concentrate	tonnes	**1,406,300**	1,357,100
Phosphoric acid	tonnes	**317,100**	299,800
Fertiliser[(2)]	tonnes	**1,199,000**	1,127,600
DCP	tonnes	**159,600**	150,000
Platinum segment			
Refined production			
Platinum	troy ounces	**2,379,500**	2,378,600
Palladium	troy ounces	**1,380,800**	1,395,900
Rhodium	troy ounces	**294,700**	310,700
Copper refined[(3)]	tonnes	**8,300**	11,400
Copper matte[(3)]	tonnes	**5,800**	–
Nickel refined[(3)]	tonnes	**16,800**	17,700
Nickel matte[(3)]	tonnes	**5,800**	–
Gold	troy ounces	**100,000**	105,200
Equivalent refined			
Platinum	troy ounces	**2,320,400**	2,219,100
4E Built-up head grade[(4)]	g/tonne milled	**3.26**	3.20
Diamonds segment (De Beers)			
Carats recovered 100% basis			
Debswana		**22,707,000**	20,216,000
Namdeb Holdings		**1,762,000**	1,667,000
De Beers Consolidated Mines		**4,724,000**	4,432,000
De Beers Canada		**1,966,000**	1,560,000
Total carats recovered		**31,159,000**	27,875,000

(1) Excludes Anglo American Platinum's nickel production.
(2) 2012 fertiliser production restated to reflect the change in production quantification methodology in the acidulation plant at Cubatão.
(3) Nickel and copper refined through third parties is now shown as production of nickel matte and copper matte. Nickel and copper matte, per the table, reflect matte sold to a third party in Q4 2013 from 2012 and 2013 production stockpiles.
(4) 4E: the grade measured as the combined content of the four most valuable precious metals: platinum, palladium, rhodium and gold.

Production statistics (continued)

Quarterly production statistics

	Quarter ended					% Change (Quarter ended)	
	31 December 2013	**30 September 2013**	**30 June 2013**	**31 March 2013**	31 December 2012	31 December 2013 v 30 September 2013	31 December 2013 v 31 December 2012
Iron Ore and Manganese segment (tonnes)							
Iron ore	**11,285,700**	**9,474,600**	**11,277,800**	**10,335,000**	9,012,500	19%	25%
Manganese ore[1]	**846,000**	**788,100**	**864,200**	**803,400**	846,800	7%	–
Manganese alloys[1][2]	**66,200**	**54,800**	**72,800**	**57,300**	61,200	21%	8%
Metallurgical Coal segment (tonnes)							
Metallurgical – Export coking coal	**3,473,200**	**3,465,500**	**3,111,900**	**3,324,800**	3,387,000	–	3%
Metallurgical – Export PCI	**1,260,200**	**1,446,400**	**1,283,800**	**1,289,800**	1,193,000	(13)%	6%
Thermal – Export	**1,584,700**	**1,672,400**	**1,513,100**	**1,493,800**	1,689,400	(5)%	(6)%
Thermal – Domestic	**1,688,800**	**1,752,300**	**1,725,300**	**1,073,000**	2,025,300	(4)%	(17)%
Thermal Coal segment (tonnes)							
Thermal – Export (RSA)	**4,602,000**	**4,504,900**	**4,015,200**	**3,909,200**	4,659,100	2%	(1)%
Thermal – Domestic (Eskom)	**7,617,800**	**9,053,200**	**8,766,600**	**8,129,800**	8,560,600	(16)%	(11)%
Thermal – Domestic other	**1,234,100**	**1,665,300**	**1,573,800**	**1,518,800**	1,594,500	(26)%	(23)%
Thermal – Export (Colombia)	**3,290,300**	**3,184,900**	**3,014,300**	**1,512,000**	2,661,700	3%	24%
Copper segment (tonnes)[3][4]	**214,400**	**207,100**	**182,900**	**170,400**	172,900	4%	24%
Nickel segment (tonnes)[5]	**10,200**	**9,500**	**8,500**	**6,200**	7,400	7%	38%
Niobium and Phosphates segment (tonnes)							
Niobium	**1,200**	**1,100**	**1,100**	**1,100**	1,000	9%	20%
Phosphates (fertiliser)[6]	**299,000**	**326,300**	**300,500**	**273,200**	294,200	(8)%	2%
Platinum segment							
Platinum (troy ounces)	**692,100**	**666,400**	**581,800**	**439,200**	703,800	4%	(2)%
Palladium (troy ounces)	**428,200**	**369,300**	**319,700**	**263,600**	413,300	16%	4%
Rhodium (troy ounces)	**83,500**	**84,900**	**69,800**	**56,500**	91,200	(2)%	(8)%
Copper refined (tonnes)	**1,800**	**2,600**	**1,900**	**2,000**	2,500	(31)%	(28)%
Copper matte (tonnes)	**1,400**	**300**	**4,100**	**–**	–	367%	–
Nickel refined (tonnes)	**5,200**	**4,900**	**3,400**	**3,300**	3,900	6%	33%
Nickel matte (tonnes)	**100**	**300**	**5,400**	**–**	–	(67)%	–
Gold (troy ounces)	**26,700**	**33,700**	**16,300**	**23,300**	18,600	(21)%	44%
Equivalent refined platinum (troy ounces)	**520,300**	**622,600**	**594,500**	**583,000**	416,000	(16)%	25%
Diamonds segment (De Beers) (diamonds recovered – carats) 100% basis							
Diamonds	**9,132,000**	**7,732,000**	**7,931,000**	**6,364,000**	8,051,000	18%	13%

(1) Saleable production.
(2) Production includes medium carbon ferro-manganese.
(3) Excludes Platinum copper production.
(4) Copper segment attributable production.
(5) Excludes Platinum nickel production.
(6) 2012 fertiliser production restated to reflect the change in production quantification methodology in the acidulation plant at Cubatão.

AngloAmerican

ANGLO AMERICAN plc

(Incorporated in England and Wales – Registered number 3564138)

(the Company)

Notice of Final Dividend

(Dividend No. 27)

The directors have recommended that a dividend on the Company's ordinary share capital in respect of the year ended 31 December 2013 will, subject to approval by shareholders at the Annual General Meeting to be held at 2.30 pm on Thursday 24 April 2014, be paid as follows:

Amount (United States currency)	53 cents per ordinary share (note 1)
Amount (South African currency)	R5.8696440 per ordinary share (note 2)
Last day to effect removal of shares between the UK and SA registers	Thursday 13 February 2014
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Thursday 13 March 2014
Ex-dividend on the JSE from the commencement of trading on	Friday 14 March 2014 (note 3)
Ex-dividend on the London Stock Exchange from the commencement of trading on	Wednesday 19 March 2014
Record date applicable to the South African branch register	Thursday 20 March 2014
Record date applicable to the United Kingdom principal register	Friday 21 March 2014
Removal of shares between the UK and SA registers permissible from	Monday 24 March 2014
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 1)	Friday 4 April 2014
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by the UK Registrars (notes 4, 5 and 6)	Friday 4 April 2014
Last day for receipt of DRIP mandate forms by Central Securities Depository Participants (CSDPs) (notes 4, 5 and 6)	Tuesday 8 April 2014
Last day for receipt of DRIP mandate forms by South African Transfer Secretaries (notes 4, 5 and 6)	Wednesday 9 April 2014
Currency conversion US$:£/€ rates announced on	Monday 14 April 2014
Dividend warrants posted SA	Friday 25 April 2014
Dividend warrants posted UK	Monday 28 April 2014
Payment date of dividend	Tuesday 29 April 2014

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 provided the UK Registrars receive such election by Friday 4 April 2014. 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. Dividend Tax will be withheld from the amount of the gross dividend of R5.8696440 per ordinary share paid to South African shareholders at the rate of 15% unless a shareholder qualifies for exemption. After the Dividend Tax has been withheld, the net dividend will be R4.9891974 per ordinary share.
   Anglo American plc had a total of 1,394,171,599 ordinary shares in issue, including 11,293,733 treasury shares, as at the date hereof. In South Africa the dividend will be distributed by Anglo South Africa Capital (Pty) Limited, a South African company with tax registration number 9273/364/84/5, in terms of the Company's dividend access share arrangements. No Secondary Tax on Companies (STC) credits will be used for the payment of the dividend.
3. 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).
4. 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.
5. 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 Thursday 8 May 2014. CREST accounts will be credited on Tuesday 6 May 2014.
6. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.

14 February 2014

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