

CONTENTS

Independent auditor's report to the members of Anglo American plc	112
Primary statements	
Consolidated income statement	116
Consolidated statement of comprehensive income	116
Consolidated balance sheet	117
Consolidated cash flow statement	118
Consolidated statement of changes in equity	119
Notes to the financial statements	
1 Critical accounting judgements and key sources of estimation uncertainty	120
2 Changes in accounting policies and disclosures	122
Notes to the Consolidated income statement	
3 Segmental information	123
4 Operating profit/(loss) from subsidiaries and joint operations	126
5 Underlying EBIT and underlying earnings by segment	127
6 Special items and remeasurements	128
7 Net finance (costs)/income	130
8 Income tax expense	131
9 Earnings per share	132
10 Dividends	133
Notes to the Consolidated balance sheet	
11 Intangible assets	134
12 Property, plant and equipment	134
13 Investments in associates and joint ventures	135
14 Financial asset investments	136
15 Inventories	136
16 Trade and other receivables	136
17 Trade and other payables	136
18 Financial instruments	137
19 Derivatives	139
20 Provisions for liabilities and charges	140
21 Deferred tax	141
Cash flow statement, net debt and related notes	
22 Capital expenditure	142
23 Net debt	143
24 Borrowings	144
25 Commitments	146
Employee remuneration	
26 Employee numbers and costs	147
27 Retirement benefits	148
28 Share-based payments	151
Group structure and transactions	
29 Assets and liabilities held for sale	152
30 Disposals of subsidiaries, joint ventures and mining operations	153
31 Non-controlling interests	154
Additional disclosures	
32 Called-up share capital and consolidated equity analysis	155
33 Auditor's remuneration	156
34 Contingent liabilities	157
35 Related party transactions	157
36 Events occurring after end of year	158
37 Group companies	158
38 Financial risk management	159
39 Accounting policies	162
40 Related undertakings of the Group	167
Financial statements of the Parent Company	175
Summary by business operation	178
Key financial data	179
Exchange rates and commodity prices	180

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANGLO AMERICAN PLC

Opinion on financial statements of Anglo American plc

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2016 and of the Group's profit and the Parent Company's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework'; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements that we have audited comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Cash Flow Statement;
- the Consolidated Statement of Changes in Equity;
- the Accounting Policies;
- the related notes 1 to 40; and
- the Balance Sheet of the Parent Company and related information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Going concern and the directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

As required by the Listing Rules we have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 39 to the financial statements and the directors' statement on the longer-term viability of the Group contained within the strategic report on page 40.

We are required to state whether we have anything material to add or draw attention to in relation to:

- the directors' confirmation on page 40 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 41 to 45 that describe those risks and explain how they are being managed or mitigated;
- the directors' statement in note 39 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the directors' explanation on page 40 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We confirm that we have nothing material to add or draw attention to in respect of these matters.

We agreed with the directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors.

We confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These risks are consistent with those identified last year.

Risk description	How the scope of our audit responded to the risk	Key observations
<p>Impairment (notes 1 and 6)</p> <p>As a consequence of continued volatility in commodity prices and foreign exchange rates, the assessment of the recoverable amount of operating assets and development projects remains a key judgement.</p> <p>This includes the coal operations in Australia (where a pre-tax impairment of \$1.2 billion has been recorded) as well as other specific assets including the Sishen mine operations and the Minas-Rio project where impairments had previously been recorded.</p>	<p>We challenged management's assessment as to whether indicators of impairment or impairment reversal exist for assets including the coal operations in Australia, the Sishen mine operations and the Minas-Rio project. Where such indicators were identified we obtained copies of the valuation models used to determine the value in use or fair value less costs of disposal of the relevant asset.</p> <p>We challenged the assumptions made by management in relation to these models, including the discount rate used, the short-term and long-term commodity prices, capital expenditure and operating cost forecasts and the expected production profiles, by comparison to recent analyst forecast commodity price data, reference to third party documentation where available, utilisation of Deloitte valuation specialists, review of Ore Reserves and Mineral Resources reports, consultation with operational management and consideration of sensitivity analyses.</p> <p>We assessed whether the assumptions had been determined and applied on a consistent basis across the Group.</p>	<p>We found that the assumptions used were reasonable and had been determined and applied on a consistent basis across the Group. No additional impairments or impairment reversals were identified from the work performed.</p> <p>We found that the impairments recorded at the coal operations in Australia were primarily due to reduced forecast long-term commodity prices, but this effect was partially offset by forecast exchange rate movements and targeted reductions in forecast operating costs. In the second half of the year, the impact of encountering challenging geological conditions has been offset by increased spot prices.</p>
<p>Corporate asset transactions (notes 29 and 30)</p> <p>The appropriate accounting treatment of corporate asset disposals which have completed during 2016 is a key area of audit focus specifically in respect of assessing the point at which control is transferred from the seller to the buyer and the calculation of any profit or loss on disposal and assessing the potential accounting implications of ongoing transactions.</p> <p>In 2016 this includes specifically the sale of the Niobium and Phosphates businesses (pre-tax gain on disposal of \$460 million), the Rustenburg operation (pre-tax loss on disposal of \$121 million) and certain coal assets in Australia (combined net gain on disposal of \$606 million).</p>	<p>For the sales completed in the year, we reviewed the sales and purchase agreements to assess whether control had passed to the buyer prior to 31 December 2016 and to recalculate any profit or loss on disposal.</p> <p>For those assets where sales agreements are underway but not completed, we considered whether the criteria of IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> had been met and in particular whether the sale could be considered highly probable.</p>	<p>We are satisfied that the asset disposals that completed in 2016 have been accounted for correctly, with appropriate disclosures properly made.</p> <p>For all other planned asset sales we are satisfied that the criteria have not been met for them to be disclosed as held for sale in accordance with IFRS 5.</p>
<p>Taxation (notes 1, 8 and 21)</p> <p>The assessment of the Group's taxation exposures across all jurisdictions is a key area of judgement particularly with respect to transfer pricing arrangements and the appropriateness of the recognition of tax provisions and deferred taxation assets.</p>	<p>We reviewed all potential taxation exposures within the Group and, through discussions with the Group's taxation department, the tax specialists within the audit team and review of relevant documentation, we assessed the appropriateness of the provisions raised.</p> <p>We considered, in the context of our tax specialists' prior experience of similar issues and the legal advice received by the Group, the Group's transfer pricing arrangements to confirm that they are reasonable and the Group's deferred taxation assets and liabilities to confirm they are appropriate.</p>	<p>We are satisfied that the provisions raised in respect of the Group's potential taxation exposures are appropriate and that deferred tax assets are properly recognised.</p>
<p>Special items and remeasurements (note 6)</p> <p>The assessment of the appropriateness of items disclosed within 'special items and remeasurements' is a key judgement because of their impact upon the reporting of the underlying financial performance achieved by the Group.</p>	<p>In the context of our review of the overall income statement and with reference to the recently published guidance from the European Securities and Market Authority (ESMA) we considered and challenged each item disclosed within 'special items and remeasurements' as defined in note 6 to the financial statements.</p> <p>We determined whether such categorisation is appropriate and consistent with the Group's stated policy and past practice for recognition of such items, and whether, taken as a whole, the income statement is fair and balanced in its presentation.</p>	<p>We are satisfied that all items included within 'special items and remeasurements' display no indication of management bias in the categorisation and that where relevant the categorisation was consistent with prior practice.</p> <p>We consider that the related disclosures are also appropriate.</p>

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality	\$200 million (2015: \$200 million)
Basis for determining materiality	We have considered both asset and profit bases in the determination of materiality. \$200 million equates to 0.8% (2015: 0.9 %) of net assets and 6.3% (2015: 4.7%) of normalised three year pre-tax profit before special items and remeasurements. The use of a combination of bases is a change to our approach in 2015 when materiality was based solely on the normalised three-year pre-tax profit before special items and remeasurements.
Rationale for the benchmark applied	Given the current volatility in commodity prices and the cyclical nature of the mining industry, we believe that widening our assessment to incorporate balance sheet metrics in addition to normalised pre-tax profit before special items and remeasurements is a more appropriate approach as it reflects the capital invested, the changes in production, the volume of commodities sold and the scale of the Group's operations.

We agreed with the Audit Committee that we would report to the Committee all known profit impacting audit differences in excess of \$10 million (2015: \$10 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including internal control, and assessing the risks of material misstatement.

All business units were subject to a full scope audit with the exception of Niobium and Phosphates (which was disposed of in 2016) and Manganese where specific audit procedures were performed. The work performed by the component audit teams at each business unit is guided by the Group audit team and is executed at levels of materiality applicable to each individual entity which were lower than Group materiality and ranged from \$90 million to \$110 million (2015: \$80 million to \$110 million).

The Senior Statutory Auditor and/or a senior member of the Group audit team visits the principal location of each significant business unit at least once every year and key operational assets on a rotating basis.

Group revenue

	%
Full audit scope	95
Specified audit procedures	5

Underlying EBIT

	%
Full audit scope	92
Specified audit procedures	8

Net assets

	%
Full audit scope	98
Specified audit procedures	2

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.

We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review part of the Corporate Governance Statement relating to the company's compliance with certain provisions of the UK Corporate Governance Code.

We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Kari Hale (Senior statutory auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
20 February 2017

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2016

US\$ million	Note	2016			2015		
		Before special items and remeasurements	Special items and remeasurements (note 6)	Total	Before special items and remeasurements	Special items and remeasurements (note 6)	Total
Revenue	3	21,378	–	21,378	20,455	–	20,455
Operating costs		(18,047)	(1,665)	(19,712)	(18,417)	(6,150)	(24,567)
Operating profit/(loss)	3, 4	3,331	(1,665)	1,666	2,038	(6,150)	(4,112)
Non-operating special items	6	–	1,203	1,203	–	(1,278)	(1,278)
Share of net income/(loss) from associates and joint ventures	3, 13	271	7	278	48	(269)	(221)
Profit/(loss) before net finance (costs)/income and tax		3,602	(455)	3,147	2,086	(7,697)	(5,611)
Investment income		186	120	306	172	–	172
Interest expense		(490)	(45)	(535)	(489)	(54)	(543)
Other net financing (losses)/gains		95	(389)	(294)	(141)	669	528
Net finance (costs)/income	7	(209)	(314)	(523)	(458)	615	157
Profit/(loss) before tax		3,393	(769)	2,624	1,628	(7,082)	(5,454)
Income tax expense	8	(742)	44	(698)	(435)	47	(388)
Profit/(loss) for the financial year		2,651	(725)	1,926	1,193	(7,035)	(5,842)
Attributable to:							
Non-controlling interests	31	441	(109)	332	366	(584)	(218)
Equity shareholders of the Company		2,210	(616)	1,594	827	(6,451)	(5,624)
Earnings per share (US\$)							
Basic	9	1.72	(0.48)	1.24	0.64	(5.00)	(4.36)
Diluted	9	1.70	(0.47)	1.23	0.64	(5.00)	(4.36)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2016

US\$ million	2016	2015
Profit/(loss) for the financial year	1,926	(5,842)
Other comprehensive (expense)/income		
Items that will not be reclassified to the income statement (net of tax)⁽¹⁾		
Remeasurement of net retirement benefit obligation	(179)	260
Net items that will not be reclassified to the income statement	(179)	260
Items that have been or may subsequently be reclassified to the income statement (net of tax)⁽¹⁾		
Net exchange differences:		
Net gain/(loss) (including associates and joint ventures)	1,150	(4,185)
Cumulative (gain)/loss transferred to the income statement on disposal of foreign operations	(50)	101
Revaluation of available for sale investments:		
Net revaluation gain/(loss)	122	(203)
Cumulative revaluation gain transferred to the income statement on disposal	(151)	–
Impairment losses transferred to the income statement	–	52
Revaluation of cash flow hedges:		
Net gain	–	9
Transferred to the income statement	(11)	–
Net items that have been or may subsequently be reclassified to the income statement	1,060	(4,226)
Other comprehensive income/(expense) for the financial year (net of tax)	881	(3,966)
Total comprehensive income/(expense) for the financial year (net of tax)	2,807	(9,808)
Attributable to:		
Non-controlling interests	514	(877)
Equity shareholders of the Company	2,293	(8,931)

⁽¹⁾ Tax amounts are shown in note 8c.

CONSOLIDATED BALANCE SHEET

as at 31 December 2016

US\$ million	Note	2016	2015
ASSETS			
Non-current assets			
Intangible assets	11	3,217	3,394
Property, plant and equipment	12	28,719	29,621
Environmental rehabilitation trusts	20	353	290
Investments in associates and joint ventures	13	1,974	1,817
Financial asset investments	14	835	846
Trade and other receivables	16	812	539
Deferred tax assets	21	1,013	914
Derivative financial assets	19	484	460
Other non-current assets		293	335
Total non-current assets		37,700	38,216
Current assets			
Inventories	15	3,727	4,051
Trade and other receivables	16	2,232	1,983
Current tax assets		330	152
Derivative financial assets	19	109	689
Cash and cash equivalents	23a	6,051	6,895
Total current assets		12,449	13,770
Assets classified as held for sale	29	–	27
Total assets		50,149	52,013
LIABILITIES			
Current liabilities			
Trade and other payables	17	(3,384)	(2,753)
Short term borrowings	23a, 24	(1,806)	(1,649)
Provisions for liabilities and charges	20	(621)	(620)
Current tax liabilities		(442)	(340)
Derivative financial liabilities	19	(272)	(477)
Total current liabilities		(6,525)	(5,839)
Non-current liabilities			
Trade and other payables	17	(116)	(26)
Medium and long term borrowings	23a, 24	(11,363)	(16,318)
Retirement benefit obligations	27	(778)	(667)
Deferred tax liabilities	21	(3,520)	(3,253)
Derivative financial liabilities	19	(1,603)	(1,986)
Provisions for liabilities and charges	20	(1,919)	(2,565)
Total non-current liabilities		(19,299)	(24,815)
Liabilities directly associated with assets classified as held for sale	29	–	(17)
Total liabilities		(25,824)	(30,671)
Net assets		24,325	21,342
EQUITY			
Called-up share capital	32	772	772
Share premium account		4,358	4,358
Own shares		(6,090)	(6,051)
Other reserves		(10,000)	(10,811)
Retained earnings		29,976	28,301
Equity attributable to equity shareholders of the Company		19,016	16,569
Non-controlling interests	31	5,309	4,773
Total equity		24,325	21,342

The financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 20 February 2017 and signed on its behalf by:

Mark Cutifani
Chief Executive

René Médori
Finance Director

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2016

US\$ million	Note	2016	2015
Cash flows from operating activities			
Profit/(loss) before tax		2,624	(5,454)
Net finance costs/(income) including financing special items and remeasurements		523	(157)
Share of net (income)/loss from associates and joint ventures		(278)	221
Non-operating special items	6	(1,203)	1,278
Operating profit/(loss)	4	1,666	(4,112)
Operating special items and remeasurements	6	1,665	6,150
Cash element of special items		(144)	(118)
Depreciation and amortisation	3	2,138	2,381
Share-based payment charges		174	151
Decrease in provisions		(139)	(239)
Decrease/(increase) in inventories		301	(84)
(Increase)/decrease in operating receivables		(365)	187
Increase/(decrease) in operating payables		455	(78)
Other adjustments		87	2
Cash flows from operations		5,838	4,240
Dividends from associates and joint ventures	13	167	324
Dividends from financial asset investments		5	9
Income tax paid		(611)	(596)
Net cash inflows from operating activities		5,399	3,977
Cash flows from investing activities			
Expenditure on property, plant and equipment	22	(2,418)	(4,053)
Cash flows from derivatives related to capital expenditure	22	(22)	(200)
Proceeds from disposal of property, plant and equipment	22	23	30
Investments in associates and joint ventures	13	(51)	(80)
Purchase of financial asset investments	14	(3)	(1)
Net redemption of/(investment in) financial asset investment loans and receivables	14	61	(216)
Interest received and other investment income		77	101
Proceeds from disposal of subsidiaries and joint operations, net of cash and cash equivalents disposed	30	1,535	189
Proceeds from disposal of joint ventures		-	1,556
Proceeds from disposal of interests in available for sale investments		230	-
Return of capital and repayments of capitalised loans by associates and joint ventures	13	62	67
Other investing activities		(19)	(7)
Net cash used in investing activities		(525)	(2,614)
Cash flows from financing activities			
Interest paid		(747)	(810)
Cash flows from derivatives related to financing activities	23b	(414)	(170)
Dividends paid to Company shareholders	10	-	(1,078)
Dividends paid to non-controlling interests	31	(15)	(242)
Proceeds from issuance of bonds		-	2,159
Proceeds from other borrowings		694	1,160
Repayments of bonds and borrowings		(5,213)	(1,987)
Proceeds from issue of shares to non-controlling interests		38	46
Proceeds from sale of shares under employee share schemes		8	11
Purchase of shares by Group companies for employee share schemes		(117)	(42)
Other financing activities		(14)	6
Net cash used in financing activities		(5,780)	(947)
Net (decrease)/increase in cash and cash equivalents		(906)	416
Cash and cash equivalents at start of year			
Cash movements in the year	23b	6,889	6,747
Effects of changes in foreign exchange rates		(906)	416
		61	(274)
Cash and cash equivalents at end of year	23b	6,044	6,889

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

US\$ million	Total share capital ⁽¹⁾	Own shares ⁽²⁾	Retained earnings	Cumulative translation adjustment reserve	Fair value and other reserves (note 32)	Total equity attributable to equity shareholders of the Company	Non-controlling interests	Total equity
At 1 January 2015	5,130	(6,359)	34,851	(8,343)	1,138	26,417	5,760	32,177
Total comprehensive expense	-	-	(5,383)	(3,404)	(144)	(8,931)	(877)	(9,808)
Dividends payable	-	-	(1,078)	-	-	(1,078)	(189)	(1,267)
Issue of shares to non-controlling interests	-	-	-	-	-	-	46	46
Equity settled share-based payment schemes	-	308	(112)	-	(41)	155	33	188
Other	-	-	23	-	(17)	6	-	6
At 31 December 2015	5,130	(6,051)	28,301	(11,747)	936	16,569	4,773	21,342
Total comprehensive income	-	-	1,419	896	(22)	2,293	514	2,807
Dividends payable	-	-	-	-	-	-	(40)	(40)
Issue of shares to non-controlling interests	-	-	-	-	-	-	38	38
Equity settled share-based payment schemes	-	(39)	146	-	(63)	44	24	68
Tax recognised directly in equity ⁽³⁾	-	-	110	-	-	110	-	110
At 31 December 2016	5,130	(6,090)	29,976	(10,851)	851	19,016	5,309	24,325

⁽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⁾ See note 8d for further details.**Dividends**

	Note	2016	2015
Proposed ordinary dividend per share (US cents)	10	-	-
Proposed ordinary dividend (US\$ million)	10	-	-
Ordinary dividends payable during the year per share (US cents)	10	-	85
Ordinary dividends payable during the year (US\$ million)	10	-	1,078

NOTES TO THE FINANCIAL STATEMENTS

1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the course of preparing financial statements, management necessarily makes judgements and estimates that can have a significant impact on the financial statements. The most critical of these relate to impairment and impairment reversals of assets, taxation, contingent liabilities, joint arrangements, estimation of Ore Reserves, assessment of fair value, restoration, rehabilitation and environmental costs, retirement benefits and deferred stripping. The use of inaccurate assumptions in assessments made for any of these judgements and estimates could result in a significant impact on financial results.

Critical accounting judgements

Impairment and impairment reversals of assets

Mining operations are large, complex assets requiring significant technical and financial resources to operate. Their value may be sensitive to a range of characteristics unique to each asset and key sources of estimation uncertainty include Ore Reserve estimates and cash flow projections.

In performing the impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to fair value less costs of disposal, assessed using discounted cash flow models. These models are subject to estimation uncertainty and there is judgement in determining the assumptions that are considered to be reasonable and consistent with those that would be applied by market participants as outlined below.

The Group assesses at each reporting date whether there are any indicators that its assets and cash generating units (CGUs) may be impaired. Operating and economic assumptions, which could affect the valuation of assets using discounted cash flows, are updated regularly as part of the Group's planning and forecasting processes. Judgement is therefore required to determine whether the updates represent significant changes in the service potential of an asset or CGU, and are therefore indicators of impairment or impairment reversal. The judgement also takes into account the Group's long-term economic forecasts, market consensus and sensitivity analysis of the discounted cash flow models used to value the Group's assets.

Assets (other than goodwill) that have been previously impaired must be assessed for indicators of both impairment and impairment reversal. Such assets are, by definition, carried on the balance sheet at a value close to their recoverable amount at the last assessment. Therefore in principle any change to operational plans or assumptions, economic parameters, or the passage of time, could result in further impairment or impairment reversal if an indicator is identified. Significant operating assets that the Group has previously impaired include Minas-Rio and Sishen (Iron Ore and Manganese); Moranbah-Grosvenor, Capcoal, Dawson and Isibonelo (Coal); Barro Alto (Nickel) and El Soldado (Copper). These assets have a combined carrying value of \$9.0 billion within property, plant and equipment as at 31 December 2016.

In addition, in making assessments for impairment, management necessarily applies its judgement in allocating assets, including goodwill, that do not generate independent cash flows to appropriate CGUs.

Subsequent changes to the CGU allocation, to the timing of cash flows or to the assumptions used to determine the cash flows could impact the carrying value of the respective assets.

See note 6 for the Group's impairment and impairment reversals disclosures.

Taxation

The Group's tax affairs are governed by complex domestic tax legislations, international tax treaties between countries and the interpretation of both by tax authorities and courts. Given the many uncertainties that could arise from these factors, judgement is often required in determining the tax that is due. Where management is aware of potential uncertainties that are judged more likely than not to result in a liability for additional tax, a provision is made for management's best estimate of the liability, determined with reference to similar transactions and, in some cases, reports from independent experts. See note 8 for the Group's income tax expense disclosures.

In addition, the recognition and measurement of deferred tax requires the application of judgement in assessing the amount, timing and probability of future taxable profits and repatriation of retained earnings. These factors affect the determination of the appropriate rates of tax to apply and the recoverability of deferred tax assets. These judgements are influenced, *inter alia*, by factors such as estimates of future production, commodity lines, operating costs, future capital expenditure and dividend policies. See note 21 for the Group's deferred tax disclosures. Further details of the Group's tax accounting policy are described in note 39c.

Contingent liabilities

On an ongoing basis the Group is a party to various legal disputes, the outcomes of which cannot be assessed with a high degree of certainty.

Management applies its judgement in determining whether or not to record a provision or contingent liability. A provision is recognised where, based on the Group's legal views and, in some cases, independent advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. A contingent liability is a potential future outflow of cash, or other resources, where the likelihood of payment is less than probable but more than remote. Disclosure of contingent liabilities is made in note 34, including quantification of the potential future outflow of resources, unless the amount cannot be reliably estimated.

Joint arrangements

Joint arrangements are classified as joint operations or joint ventures according to the rights and obligations of the parties, as described in note 39k. Judgement is required in determining this classification through an evaluation of the facts and circumstances arising from each individual arrangement. When a joint arrangement has been structured through a separate vehicle, consideration has been given to the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, other facts and circumstances. When the activities of an arrangement are primarily designed for the provision of output to the parties and, the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement, this indicates that the parties to the arrangement have rights to the assets and obligations for the liabilities. Certain joint arrangements that are structured through separate vehicles including Collahuasi, Debswana and Namdeb are accounted for as joint operations. These arrangements are primarily designed for the provision of output to the parties sharing joint control, indicating that the parties have rights to substantially all the economic benefits of the assets. The liabilities of the arrangements are in substance satisfied by cash flows received from the parties; this dependence indicates that the parties effectively have obligations for the liabilities. It is primarily these facts and circumstances that give rise to the classification as joint operations.

Key sources of estimation uncertainty

Ore Reserves

When determining Ore Reserves, which may be used to calculate useful economic lives of assets and depreciation on the Group's mining properties, assumptions that were valid at the time of estimation may change when new information becomes available. In addition, the calculation of the unit of production rate of amortisation could be impacted to the extent that actual production in the future is different from current forecast production.

Any changes in estimate could affect prospective depreciation rates and asset carrying values and, as a result, the determination of Ore Reserves is considered a key source of estimation uncertainty.

Factors which could impact useful economic lives of assets and Ore Reserve estimates include:

- the grade of Ore Reserves varying significantly from time to time
- differences between actual commodity prices and commodity price assumptions used in the estimation of Ore Reserves
- renewal of mining licences
- unforeseen operational issues at mine sites
- adverse changes in capital, operating, mining, processing and reclamation costs, discount rates and foreign exchange rates used to determine Ore Reserves.

For further information refer to the unaudited Ore Reserves and Mineral Resources Report 2016.

1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY continued**Assessment of fair value**

The assessment of fair value is principally used in accounting for business combinations, impairment testing and the valuation of certain financial assets and liabilities.

The fair value of an asset or liability is the price that would be received to sell the asset, or paid to transfer a liability in an orderly transaction between market participants. Fair value is determined based on observable market data, discounted cash flow models (and other valuation techniques), contractual agreements and other assumptions considered to be reasonable and consistent with those that would be applied by a market participant.

The estimation of the fair value of identifiable assets and liabilities is subjective and the use of different valuation assumptions could have a significant impact on financial results.

Fair value of financial instruments

Certain of the Group's financial instruments, principally derivatives, are required to be measured on the balance sheet at fair value. Where a quoted market price for an identical instrument is not available, a valuation model is used to estimate the fair value based on the net present value of the expected cash flows under the contract. Valuation assumptions are usually based on observable market data (for example forward foreign exchange rate, interest rate or commodity price curves) where available.

Cash flow projections for business combinations and impairment testing

Expected future cash flows used in discounted cash flow models are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including Ore Reserves and Mineral Resources, together with economic factors such as commodity prices, exchange rates, discount rates and estimates of production costs and future capital expenditure.

Cash flow projections are based on financial budgets and Life of Mine Plans or, for non-mine assets, an equivalent appropriate long-term forecast, incorporating key assumptions as detailed below:

- **Ore Reserves and Mineral Resources**
Ore Reserves and, where considered appropriate, Mineral Resources are incorporated in projected cash flows, based on Ore Reserves and Mineral Resource statements and exploration and evaluation work undertaken by appropriately qualified persons. Mineral Resources are included where management has a high degree of confidence in their economic extraction, despite additional evaluation still being required prior to meeting the required confidence to convert to Ore Reserves.
- **Commodity and product prices**
Commodity and product prices are based on latest internal forecasts, benchmarked with external sources of information, to ensure they are within the range of available analyst forecasts. In estimating the forecast cash flows, management also takes into account the expected realised price from existing contractual arrangements.
- **Foreign exchange rates**
Foreign exchange rates are based on latest internal forecasts, benchmarked with external sources of information for relevant countries of operation. Foreign exchange rates are kept constant (on a real basis) from 2022 onwards.
- **Discount rates**
Cash flow projections used in fair value less costs of disposal impairment models are discounted based on a real post-tax discount rate, assessed annually, of 6.5% (2015: 6.5%). Adjustments to the rate are made for any risks that are not reflected in the underlying cash flows, including the risk profile of the individual asset and country risk.

- **Operating costs, capital expenditure and other operating factors**
Operating costs and capital expenditure are based on financial budgets covering a five year period. Cash flow projections beyond five years are based on Life of Mine Plans or non-mine production plans, as applicable, and internal management forecasts. Cost assumptions incorporate management experience and expectations, as well as the nature and location of the operation and the risks associated therewith. Underlying input cost assumptions are consistent with related output price assumptions. Other operating factors, such as the timelines of granting licences and permits are based on management's best estimate of the outcome of uncertain future events at the balance sheet date.

Where an asset has potential for future development through capital investment, to which a market participant would attribute value, and the costs and economic benefits can be estimated reliably, this development is included in the cash flows (with appropriate risk adjustments).

Restoration, rehabilitation and environmental costs

Costs for restoration of site damage, rehabilitation and environmental costs are estimated using either the work of external consultants or internal experts. The amount recognised as a provision represents management's best estimate of the consideration required to complete the restoration and rehabilitation activity, the application of the relevant regulatory framework and timing of expenditure. These estimates are inherently uncertain and could materially change over time. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the amount provided could be impacted.

See note 20 for the Group's environmental restoration and decommissioning provisions disclosures.

Retirement benefits

The expected costs of providing pensions and post employment benefits under defined benefit arrangements relating to employee service during the period are determined based on financial and actuarial assumptions.

Assumptions in respect of the expected costs are set after consultation with qualified actuaries. While management believes the assumptions used are appropriate, a change in the assumptions used would affect the amounts recognised in the financial statements.

See note 27 for the Group's retirement benefits disclosures.

Deferred stripping

In certain mining operations, rock or soil overlying a mineral deposit, known as overburden, and other waste materials must be removed to access the orebody. The process of removing overburden and other mine waste materials is referred to as stripping.

The Group defers stripping costs onto the balance sheet where they are considered to improve access to ore in future periods. Where the amount to be capitalised cannot be specifically identified it is determined based on the volume of waste extracted compared with expected volume for the identified component of the orebody. This determination is dependent on an individual mine's design and Life of Mine Plan and therefore changes to the design or Life of Mine Plan will result in changes to these estimates. Identification of the components of a mine's orebody is made by reference to the Life of Mine Plan. The assessment depends on a range of factors including each mine's specific operational features and materiality.

Further details of the Group's deferred stripping accounting policy are described in note 39h and the amounts capitalised are presented within 'Mining properties and leases' in note 12.

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 which take place once every five years (the latest being in 2016). 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 2016, the change in estimate following the annual physical count has had the effect of increasing the value of inventory by \$38 million (2015: increase of \$181 million), resulting in the recognition of a post-tax gain of \$27 million (2015: gain of \$130 million).

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies applied are consistent with those adopted and disclosed in the Group financial statements for the year ended 31 December 2015, except for changes arising from the adoption of the following new accounting pronouncements which became effective in the current reporting period:

- Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations*.
- Amendments to IAS 1 *Presentation of Financial Statements: Disclosure Initiative*.
- *Annual Improvements to IFRSs 2012-2014 cycle*.

The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

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.

New IFRS accounting standards, amendments and interpretations not yet adopted

The following new IFRS accounting standards in issue but not yet effective are expected to have a significant impact on the Group:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and subsequent amendments, Clarifications to IFRS 15, were issued in April 2016. IFRS 15, as amended, is effective for accounting periods beginning on or after 1 January 2018, although the April 2016 amendments have not yet been endorsed by the EU. For the Group, transition to IFRS 15 will take place on 1 January 2018.

The core principle of IFRS 15 is that revenue should be recognised in a manner that depicts the pattern of the transfer of goods and services to customers. The amount recognised should reflect the amount to which the entity expects to be entitled in exchange for those goods and services. The standard requires entities to apportion revenue earned from contracts to individual promises, or performance obligations, on a relative standalone selling price basis, based on a five-step model.

During 2016 the Group has undertaken an accounting impact analysis based on a review of the contractual terms of its principal revenue streams, and internal accounting guidance has been developed. Work is underway to collect the information required to calculate the impact of restating the 31 December 2016 balance sheet and 2017 income statement on adoption of the new standard, and to embed the collection of such new data into existing systems and processes.

The indicative impacts of implementing IFRS 15 on the Group results are as follows:

- Under IFRS 15 the revenue recognition model will change from one based on the transfer of risk and reward of ownership to the transfer of control of ownership. The Group's revenue is predominantly derived from commodity sales, where the point of recognition is dependent on the contract sales terms, known as the International Commercial terms (Incoterms). As the transfer of risks and rewards generally coincides with the transfer of control at a point in time for the Incoterms as part of the Group's commodity sales arrangements, the timing and amount of revenue recognised for the sale of commodities is unlikely to be materially affected for the majority of sales.
- IFRS 15 introduces the concept of performance obligations that are defined as a 'distinct' promised good or service. For the Incoterms Cost, Insurance and Freight (CIF) and Cost and Freight (CFR) the seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. Consequently, the freight service on export commodity contracts with CIF/CFR Incoterms represents a separate performance obligation as defined under the new standard. This means that, where material, a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, will be deferred and recognised over time as this obligation is fulfilled, along with the associated costs. Based upon the preliminary assessment performed, the impact of this change on the amount of revenue and profit recorded in a year is not expected to be material.

IFRS 9 Financial Instruments

IFRS 9 was issued in July 2014 and becomes effective for accounting periods beginning on or after 1 January 2018, which will be the date the Group transitions to IFRS 9. The new standard is applicable to financial assets and financial liabilities, and covers the classification, measurement, impairment and derecognition of financial assets and financial liabilities together with a new hedge accounting model.

During the year the Group has undertaken an accounting impact analysis of the new standard based on the nature of the financial instruments it holds and the way in which they are used. The indicative impacts of adopting IFRS 9 on the Group are as follows:

- *Classification and measurement:* IFRS 9 establishes a principles-based approach to determining whether a financial asset should be measured at amortised cost or fair value, based on the cash flow characteristics of the asset and the business model in which the asset is held. The Group anticipates that the classification and measurement basis for its financial assets will be largely unchanged under this model.
- *Impairment:* Based on the Group's initial assessment, the introduction of an 'expected credit loss' model for the assessment of impairment of financial assets held at amortised cost is not expected to have a material impact on the Group's results, given the low exposure to counterparty default risk as a result of the credit risk management processes that are in place.
- *Hedge accounting:* The adoption of the new standard would not materially change the amounts recognised in relation to existing hedging arrangements but could provide scope to apply hedge accounting to a broader range of transactions in the future. The Group is currently assessing whether to take the accounting policy choice, permitted under the IFRS 9 transition requirements, to continue to account for all hedges under IAS 39 *Financial Instruments: Recognition and Measurement*.

IFRS 16 Leases

IFRS 16 was published in January 2016 and will be effective for the Group from 1 January 2019, replacing IAS 17 *Leases* subject to EU endorsement.

The principal impact of IFRS 16 will be to change the accounting treatment by lessees of leases currently classified as operating leases. Lease agreements will give rise to the recognition by the lessee of an asset, representing the right to use the leased item, and a related liability for future lease payments. Lease costs will be recognised in the income statement in the form of depreciation of the right-of-use asset over the lease term, and finance charges representing the unwind of the discount on the lease liability. Certain exemptions from recognising leases on the balance sheet are available for leases with terms of 12 months or less or where the underlying asset is of low value.

The Group has begun its impact assessment on the new standard. The most significant impact on the Group financial statements is expected to be on the balance sheet, as a consequence of the recognition of right-of-use assets and lease liabilities in relation to arrangements currently accounted for as operating leases.

Other issued standards and amendments that are not yet effective are not expected to have a significant impact on the financial statements.

NOTES TO THE CONSOLIDATED INCOME STATEMENT**3. SEGMENTAL INFORMATION**

The Group's segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

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 'Corporate and other' segment includes unallocated corporate costs, exploration costs and the Other Mining and Industrial business unit, the majority of whose remaining operations were disposed of in the year ended 31 December 2015. Exploration costs represent the cost of the Group's exploration activities across all segments.

Segments predominantly derive revenue as follows – De Beers: rough and polished diamonds; Platinum: platinum group metals; Copper: copper; Nickel: nickel; Niobium and Phosphates: niobium and phosphates; Iron Ore and Manganese: iron ore, manganese ore and alloys; Coal: metallurgical coal and thermal coal. See note 39a for the Group's accounting policy on revenue recognition.

Niobium and Phosphates was sold on 30 September 2016 (see note 30).

During the year, Anglo American Platinum Limited has identified certain computational errors affecting its results reported in prior periods, the impact of which is considered material to Anglo American Platinum Limited but is not material to the Group. Consequently, the affected prior period results have been restated in the individual financial statements of Anglo American Platinum Limited but have been corrected in the current year in the Group financial statements. Had the Group results been restated, underlying EBIT and underlying EBITDA for the year ended 31 December 2016 would be higher by \$77 million (2015: underlying EBIT lower by \$21 million and underlying EBITDA lower by \$10 million).

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

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

Segment results

US\$ million	Revenue		Underlying EBIT	
	2016	2015	2016	2015
De Beers	6,068	4,671	1,019	571
Platinum	4,394	4,900	185	263
Copper	3,066	3,539	261	228
Nickel	426	146	(15)	(22)
Niobium and Phosphates	495	544	79	119
Iron Ore and Manganese	3,426	3,390	1,275	671
Coal	5,263	4,888	1,112	457
Corporate and other	4	925	(150)	(64)
	23,142	23,003	3,766	2,223
Reconciliation to Consolidated income statement:				
Less: associates and joint ventures	(1,764)	(2,548)	(435)	(185)
Include: operating special items and remeasurements	–	–	(1,665)	(6,150)
Revenue/Operating profit/(loss)	21,378	20,455	1,666	(4,112)

US\$ million	Depreciation and amortisation		Underlying EBITDA	
	2016	2015	2016	2015
De Beers	387	419	1,406	990
Platinum	347	455	532	718
Copper	642	714	903	942
Nickel	72	19	57	(3)
Niobium and Phosphates	39	27	118	146
Iron Ore and Manganese	261	355	1,536	1,026
Coal	534	589	1,646	1,046
Corporate and other	27	53	(123)	(11)
	2,309	2,631	6,075	4,854
Less: associates and joint ventures	(171)	(250)	(606)	(435)
Depreciation and amortisation/underlying EBITDA from subsidiaries and joint operations	2,138	2,381	5,469	4,419

Underlying EBITDA is reconciled to underlying EBIT and to 'Profit/(loss) before net finance (costs)/income and tax':

US\$ million	2016	2015
Underlying EBITDA	6,075	4,854
Depreciation and amortisation: subsidiaries and joint operations	(2,138)	(2,381)
Depreciation and amortisation: associates and joint ventures	(171)	(250)
Underlying EBIT	3,766	2,223
Operating special items and remeasurements	(1,665)	(6,150)
Non-operating special items	1,203	(1,278)
Associates' and joint ventures' net special items and remeasurements	7	(269)
Share of associates' and joint ventures' net finance costs, tax and non-controlling interests	(164)	(137)
Profit/(loss) before net finance (costs)/income and tax	3,147	(5,611)

NOTES TO THE CONSOLIDATED INCOME STATEMENT

3. SEGMENTAL INFORMATION continued

Associates' and joint ventures' results by segment

US\$ million	Share of net income/(loss)	
	2016	2015
De Beers	2	(6)
Platinum	(9)	(42)
Iron Ore and Manganese	133	(264)
Coal	157	40
Corporate and other	(5)	51
Share of net income/(loss) from associates and joint ventures	278	(221)

US\$ million	Revenue		Underlying EBIT		Depreciation and amortisation		Underlying EBITDA	
	2016	2015	2016	2015	2016	2015	2016	2015
De Beers	73	89	3	(9)	3	3	6	(6)
Platinum	156	187	(8)	(33)	16	28	8	(5)
Iron Ore and Manganese	625	514	209	22	49	82	258	104
Coal	910	877	236	142	103	91	339	233
Corporate and other	–	881	(5)	63	–	46	(5)	109
	1,764	2,548	435	185	171	250	606	435

The reconciliation of associates' and joint ventures' underlying EBIT to 'Share of net income/(loss) from associates and joint ventures' is as follows:

US\$ million	2016	2015
Associates' and joint ventures' underlying EBIT	435	185
Net finance costs	(44)	(40)
Income tax expense	(123)	(100)
Non-controlling interests	3	3
Share of net income from associates and joint ventures (before special items and remeasurements)	271	48
Special items and remeasurements	1	(226)
Special items and remeasurements tax	6	(43)
Share of net income/(loss) from associates and joint ventures	278	(221)

Other non-cash expenses/(income)

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

US\$ million	2016	2015
De Beers	83	(1)
Platinum	70	30
Copper	82	69
Nickel	15	(10)
Niobium and Phosphates	3	24
Iron Ore and Manganese	65	62
Coal	113	125
Corporate and other	77	72
	508	371

Capital employed by segment

Capital employed is the principal measure of segment assets and liabilities reported to the Group Management Committee. Capital employed is defined as net assets excluding net debt and financial asset investments.

US\$ million	Capital employed		Attributable capital employed ⁽¹⁾	
	2016	2015	2016	2015
De Beers	8,725	8,642	7,481	7,402
Platinum	4,457	4,392	3,796	3,726
Copper	6,073	6,332	4,189	4,176
Nickel	2,003	1,968	2,003	1,968
Niobium and Phosphates	–	834	–	834
Iron Ore and Manganese	7,472	6,666	6,435	5,756
Coal	3,509	4,079	3,420	3,978
Corporate and other	(335)	(71)	(335)	(71)
Capital employed	31,904	32,842	26,989	27,769
Reconciliation to Consolidated balance sheet:				
Net debt	(8,487)	(12,901)		
Debit valuation adjustment attributable to derivatives hedging net debt ⁽²⁾	73	555		
Financial asset investments	835	846		
Net assets	24,325	21,342		

⁽¹⁾ Attributable capital employed is capital employed attributable to equity shareholders of the Company, and therefore excludes the portion of capital employed attributable to non-controlling interests in operations where the Group has control but does not hold 100% of the equity. Joint operations, associates and joint ventures are included in their proportionate interest and in line with appropriate accounting treatment.

⁽²⁾ See note 18 for details of the debit valuation adjustment.

NOTES TO THE CONSOLIDATED INCOME STATEMENT**3. SEGMENTAL INFORMATION** continued**Product analysis****Group revenue by product**

US\$ million	2016	2015
Diamonds	6,064	4,660
Platinum	2,498	2,720
Palladium	967	1,159
Rhodium	215	309
Copper	2,946	3,495
Nickel	694	450
Niobium	137	111
Phosphates	358	433
Iron ore	2,611	2,610
Manganese ore and alloys	625	514
Metallurgical coal	2,243	1,832
Thermal coal	3,024	3,068
Heavy building materials	–	921
Other	760	721
	23,142	23,003

Geographical analysis**Group 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	2016	2015
South Africa	1,630	1,764
Other Africa	1,604	982
Brazil	679	745
Chile	481	500
Other South America	12	12
North America	572	855
Australia	164	214
China	4,784	4,662
India	2,756	2,421
Japan	2,131	2,325
Other Asia	3,813	3,199
United Kingdom (Anglo American plc's country of domicile)	1,341	2,220
Other Europe	3,175	3,104
	23,142	23,003

Non-current assets by location

US\$ million	Intangible assets and property, plant and equipment		Total non-current assets ⁽¹⁾	
	2016	2015	2016	2015
South Africa	9,554	8,714	10,488	9,449
Botswana	4,266	4,247	4,266	4,247
Other Africa	1,019	938	1,025	943
Brazil	5,674	6,361	5,804	6,455
Chile	6,089	6,481	6,089	6,481
Other South America	1,106	955	1,915	1,846
North America	784	688	787	690
Australia and Asia	2,078	3,237	2,451	3,568
United Kingdom (Anglo American plc's country of domicile)	1,263	1,278	1,321	1,320
Other Europe	103	116	125	137
Non-current assets by location	31,936	33,015	34,271	35,136
Unallocated assets			3,429	3,080
Total non-current assets			37,700	38,216

⁽¹⁾ Total non-current assets by location primarily comprise Intangible assets, Property, plant and equipment, Environmental rehabilitation trusts and Investments in associates and joint ventures.

NOTES TO THE CONSOLIDATED INCOME STATEMENT**4. OPERATING PROFIT/(LOSS) FROM SUBSIDIARIES AND JOINT OPERATIONS**

US\$ million	2016	2015
Revenue	21,378	20,455
Cost of sales	(15,400)	(15,507)
Operating special items (note 6)	(1,632)	(5,972)
Gross profit/(loss)	4,346	(1,024)
Selling and distribution costs	(1,249)	(1,464)
Administrative expenses	(1,220)	(1,476) ⁽¹⁾
Net other operating costs	(211)	(148) ⁽¹⁾
Operating profit/(loss)	1,666	(4,112)
Operating profit/(loss) is stated after charging:		
Depreciation of property, plant and equipment	(2,096)	(2,337)
Amortisation of intangible assets	(42)	(44)
Rentals under operating leases	(67)	(123)
Research and development expenditure	(63)	(83)
Employee costs (note 26)	(3,336)	(3,955)
Provisional pricing adjustment ⁽²⁾	893	(578)
Royalties ⁽³⁾	(377)	(264)
Exploration expenditure	(107)	(154)
Evaluation expenditure	(105)	(145)

⁽¹⁾ Certain balances have been reclassified between administrative expenses and net other operating costs better to reflect the nature of the expense.

⁽²⁾ Provisionally priced adjustments to sales contracts resulted in a total (realised and unrealised) gain in revenue of \$904 million (2015: \$610 million loss in revenue). Of this, \$21 million relates to realised gains (2015: \$79 million realised losses) for sales outstanding at 31 December 2015 that were settled in 2016, \$584 million relates to realised gains (2015: \$390 million realised losses) for sales entered into and settled in 2016, and \$299 million relates to unrealised gains (2015: \$141 million unrealised losses) for sales outstanding at 31 December 2016. In addition, provisionally priced purchase contracts resulted in operating losses of \$11 million (2015: gains of \$32 million).

⁽³⁾ Excludes those royalties which meet the definition of income tax on profit and accordingly have been accounted for as taxes.

Exploration and evaluation expenditure

See note 39j for the Group's accounting policy on exploration and evaluation expenditure.

The Group's analysis of exploration and evaluation expenditure recognised in the Consolidated income statement is as follows:

US\$ million	Exploration expenditure ⁽¹⁾		Evaluation expenditure ⁽²⁾	
	2016	2015	2016	2015
By commodity/product				
Diamonds	29	34	19	29
Platinum group metals	6	7	2	6
Copper	32	41	45	69
Nickel	7	9	3	4
Niobium	–	–	–	1
Phosphates	–	4	1	1
Iron ore	10	13	13	11
Metallurgical coal	1	7	11	14
Thermal coal	1	4	11	10
Central exploration activities	21	35	–	–
	107	154	105	145

⁽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.

NOTES TO THE CONSOLIDATED INCOME STATEMENT**5. UNDERLYING EBIT AND UNDERLYING EARNINGS BY SEGMENT**

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

The following table analyses underlying EBIT (including the Group's attributable share of associates' and joint ventures' underlying EBIT) by segment and reconciles it to underlying earnings by segment.

	2016					
US\$ million	Underlying EBIT	Operating special items and remeasurements	EBIT after special items and remeasurements	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	1,019	111	908	(242)	(110)	667
Platinum ⁽¹⁾	185	20	165	(101)	(19)	65
Copper	261	200	61	(9)	102	354
Nickel	(15)	(2)	(13)	(42)	–	(57)
Niobium and Phosphates ⁽²⁾	79	–	79	(1)	–	78
Iron Ore and Manganese	1,275	(40)	1,315	(304)	(405)	566
Coal	1,112	1,370	(258)	(183)	(16)	913
Corporate and other	(150)	5	(155)	(236)	10	(376)
	3,766	1,664	2,102	(1,118)	(438)	2,210

	2015					
US\$ million	Underlying EBIT	Operating special items and remeasurements	EBIT after special items and remeasurements	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	571	709	(138)	(274)	(39)	258
Platinum ⁽¹⁾	263	788	(525)	(56)	(39)	168
Copper	228	282	(54)	(120)	(41)	67
Nickel	(22)	2	(24)	3	–	(19)
Niobium and Phosphates ⁽²⁾	119	(1)	120	(71)	–	48
Iron Ore and Manganese	671	3,314	(2,643)	(323)	(250)	98
Coal	457	1,235	(778)	(158)	(7)	292
Corporate and other	(64)	47	(111)	(34)	13	(85)
	2,223	6,376	(4,153)	(1,033)	(363)	827

⁽¹⁾ Anglo American Platinum Limited has restated its results to correct certain computational errors affecting results reported in prior periods. These errors are not considered material to the Group and consequently they have been corrected in the current year in the Group financial statements. See note 3 for further details.

⁽²⁾ Niobium and Phosphates was sold on 30 September 2016 (see note 30).

NOTES TO THE CONSOLIDATED INCOME STATEMENT**6. SPECIAL ITEMS AND REMEASUREMENTS****Special Items**

Special items are those items of financial performance that, due to their size and nature, the Group believes should be separately disclosed on the face of the income statement. These items, along with related tax and non-controlling interest, are excluded from underlying earnings, which is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 188.

- Operating special items are those that relate to the operating performance of the Group and principally include impairment charges and restructuring costs.
- Non-operating special items are those that relate to changes in the Group's asset portfolio. This category principally includes profits and losses on disposal of businesses and investments or closure of operations, adjustments relating to business combinations, and adjustments relating to former operations of the Group, such as changes in the measurement of deferred consideration receivable or provisions recognised on disposal or closure of operations in prior periods. This category also includes charges relating to Black Economic Empowerment (BEE) transactions.
- Financing special items are those that relate to financing activities and include realised gains and losses on early repayment of borrowings, and the unwinding of the discount on material provisions previously recognised as special items.

Remeasurements

Remeasurements are items that are excluded from underlying earnings in order to reverse timing differences in the recognition of gains and losses in the income statement in relation to transactions that, whilst economically linked, are subject to different accounting measurement or recognition criteria. Remeasurements include mark-to-market movements on derivatives that are economic hedges of transactions not yet recorded in the financial statements, in order to ensure that the overall economic impact of such transactions is reflected within the Group's underlying earnings in the period in which they occur. When the underlying transaction is recorded in the income statement, the realised gains or losses are reversed from remeasurements and are recorded in underlying earnings. 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.

- Operating remeasurements include unrealised gains and losses on derivatives relating to revenue, operating profit or capital expenditure transactions. They also include the fair value gain or loss, and its subsequent reversal through depreciation and amortisation, arising on revaluation of a previously held equity interest in a business combination.
- Financing remeasurements include unrealised gains and losses on financial assets and liabilities that represent economic hedges, including accounting hedges, related to financing arrangements.
- Tax remeasurements include 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.

	2016			2015	
US\$ million	Before tax	Tax	Non-controlling interests	Net	Net
Impairments	(1,512)	98	60	(1,354)	(4,894)
Restructuring costs	(120)	17	13	(90)	(106)
Operating special items	(1,632)	115	73	(1,444)	(5,000)
Operating remeasurements	(33)	17	(9)	(25)	(125)
Operating special items and remeasurements	(1,665)	132	64	(1,469)	(5,125)
Disposals of businesses and investments	1,157	(84)	9	1,082	(997)
Adjustments relating to business combinations	121	(24)	(15)	82	-
Charges relating to BEE transactions	(63)	11	16	(36)	(15)
Adjustments relating to former operations	(12)	15	-	3	(51)
Non-operating special items	1,203	(82)	10	1,131	(1,063)
Financing special items and remeasurements	(314)	(4)	-	(318)	668
Special items and remeasurements before tax and non-controlling interests	(776)	46	74	(656)	(5,520)
One-off tax charges	-	(76)	35	(41)	(770)
Tax remeasurements	-	74	-	74	108
Total special items and remeasurements excluding associates and joint ventures	(776)	44	109	(623)	(6,182)
Share of associates' and joint ventures' special items and remeasurements ⁽¹⁾	-	-	-	7	(269)
Total special items and remeasurements	(776)	44	109	(616)	(6,451)

⁽¹⁾ Relates to the Coal and Iron Ore and Manganese segments (2015: Iron Ore and Manganese, Coal and Platinum segments).

Operating special items**Impairments****Coal**

Moranbah North and Grosvenor are adjacent longwall metallurgical coal operations in Queensland, Australia, sharing infrastructure and processing facilities. The two operations are assessed for impairment as a single cash generating unit (CGU).

In the first half of 2016 the Group's expectations for long-term metallurgical coal prices were revised downward. Consequently, an impairment of \$1,248 million (\$1,248 million after tax) against the value of the operations was reported in the Group's 2016 interim results, based on a recoverable amount of \$1.6 billion at 30 June 2016. The valuation was based on the fair value less costs of disposal of the CGU, measured using discounted cash flow projections (see note 1).

The valuation is sensitive to changes in assumptions about future metallurgical coal prices, which are subject to a high level of estimation uncertainty. For example, a \$5/tonne change in the long-term price forecast for hard coking coal, with all other valuation assumptions remaining the same, would change the valuation by \$0.2 billion. The valuation also incorporates assumptions about future production at Grosvenor, which is still ramping up and has encountered challenging geological conditions in the latter part of 2016. Changes in these assumptions could result in further impairments or impairment reversals.

Other coal impairments of \$64 million (\$46 million after tax) relate to assets in Coal South Africa that are no longer expected to provide future economic benefits due to changes in the Life of Mine Plans across the export portfolio during the year.

El Soldado

An impairment charge of \$200 million (\$120 million after tax) has been recorded in relation to El Soldado (Copper) which is no longer expected to provide future economic benefits as a result of licensing uncertainty following changes made to sequencing in response to low prices during 2016.

NOTES TO THE CONSOLIDATED INCOME STATEMENT**6. SPECIAL ITEMS AND REMEASUREMENTS** continued**Minas-Rio**

The Minas-Rio iron ore project (Minas-Rio) (Iron Ore and Manganese) in Brazil was acquired in two separate transactions in 2007 and 2008. Prior to 2016, impairment charges totalling \$11.3 billion (before tax) were recorded against the carrying value of Minas-Rio. The valuation was reassessed as at 31 December 2016 and the recoverable amount was considered to be in line with the carrying value of \$4.3 billion. The valuation remains sensitive to economic and operational factors that provide both upside and downside risk, including price and the scheduling of required permits and licences. For example, a \$5/tonne change in the long-term price forecast for iron ore, with all other valuation assumptions remaining the same, would change the valuation by \$0.7 billion.

Sishen

The Sishen iron ore mine is located in the Northern Cape Province in South Africa. In the year ended 31 December 2015 the operation was impaired by \$514 million based on a recoverable amount of \$1.3 billion. The valuation was reassessed as at 31 December 2016 and the recoverable amount was considered to be in line with the carrying value of \$1.4 billion. The valuation remains sensitive to economic and operational assumptions, particularly price. For example, a \$5/tonne change in the long-term price forecast for iron ore, with all other valuation assumptions remaining the same, would change the valuation by \$0.3 billion.

Restructuring costs

Restructuring costs of \$120 million (before tax) relate to organisational changes as part of the *Driving Value* programme. The programme has incurred costs between 2014 and 2016 and constitutes a single strategic restructuring to effect permanent change to the Group's organisational structure. Restructuring costs in 2015 were \$148 million (\$106 million after tax and non-controlling interests).

2015

In 2015 operating special items principally related to impairments of Minas-Rio, Coal assets, Platinum assets, Snap Lake, Sishen and El Soldado. Total pre-tax impairments were \$5,824 million (\$4,894 million after tax and non-controlling interests).

Operating remeasurements

Operating remeasurements reflect a net loss of \$33 million (\$25 million after tax and non-controlling interests) which principally relates to a \$101 million depreciation and amortisation charge arising due to the fair value uplift on the Group's pre-existing 45% shareholding in De Beers, which was required on acquisition of a controlling stake, and gains on derivatives of \$68 million mostly related to economic hedges of capital expenditure in Iron Ore Brazil.

In 2015 operating remeasurements reflected a net loss before tax of \$178 million (\$125 million after tax and non-controlling interests).

Non-operating special items**Disposals of businesses and investments**

The gain on disposal of \$1,157 million principally comprises net gains on disposal of subsidiaries and joint operations of \$977 million, which relate to the disposals of Callide (gain of \$564 million), Niobium and Phosphates (gain of \$460 million), Rustenburg (loss of \$121 million), Foxleigh (gain of \$42 million) and Morupule (gain of \$32 million). Further details of disposals are provided in note 30.

In addition, a net gain of \$180 million (\$145 million after tax) realised on disposal of the Group's 9.7% interest in Exxaro Resources Limited (Exxaro) on 1 December 2016 for net proceeds of \$215 million.

Adjustments relating to business combinations

Contingent liabilities that were required to be recognised at fair value on acquisition of De Beers in 2012, have been derecognised as the legal proceedings in respect of these matters have been closed. This has resulted in a pre-tax gain of \$121 million (\$82 million after tax and non-controlling interests).

Charges relating to BEE transactions

Charges relating to BEE transactions of \$63 million (\$36 million after tax and non-controlling interests) include a charge of \$24 million relating to the repurchase by De Beers of shares in Ponahalo Holdings Limited awarded to certain employees and their dependants as part of DBCM's 2006 empowerment transaction, and a charge of \$39 million relating to the Kumba Envision Trust, which was Kumba's broad based employee share scheme provided solely for the benefit of non-managerial Historically Disadvantaged South African employees who did not participate in other Kumba share schemes.

Adjustments relating to former operations

The net loss of \$12 million includes amounts contributed to the Q(h)ubeka Trust pursuant to the agreement reached in March 2016 by Anglo American South Africa (AASA) and AngloGold Ashanti which resolved fully and finally 4,400 stand-alone silicosis claims. The settlement was reached without admission of liability by AASA or AngloGold Ashanti.

2015

Non-operating special items in 2015 principally relate to the write-down to fair value of Rustenburg, the loss on disposal of Anglo American Norte S.A. and the loss on disposal of interests in Tarmac businesses. The total charge was \$1,278 million (\$1,063 million after tax and non-controlling interests).

Financing special items and remeasurements

Financing special items and remeasurements reflect a net loss of \$314 million (2015: net gain of \$615 million) and \$318 million after tax and non-controlling interests (2015: net gain of \$668 million after tax and non-controlling interests).

Financing special items and remeasurements principally comprise a net fair value loss of \$389 million on derivatives hedging net debt and a net gain of \$120 million resulting from the bond buybacks completed in the year. Of the fair value losses on derivatives, a loss of \$482 million relates to the reduction in the debit valuation adjustment on derivatives hedging net debt. This adjustment is incorporated into the valuation of these derivatives to reflect the impact on the fair value of Anglo American's own credit quality. The loss principally reflects the reduction in Anglo American's observed credit spreads since 31 December 2015.

Tax associated with special items and remeasurements

Total tax relating to subsidiaries and joint operations amounts to a credit of \$44 million (2015: credit of \$47 million).

This includes one-off tax charges of \$76 million (2015: charges of \$829 million), tax credits on special items and remeasurements of \$46 million (2015: credits of \$769 million) and tax remeasurement credits of \$74 million (2015: credits of \$107 million).

Of the total tax credit of \$44 million, \$129 million relates to a current tax charge (2015: charge of \$55 million) and \$173 million relates to a deferred tax credit (2015: credit of \$102 million).

NOTES TO THE CONSOLIDATED INCOME STATEMENT**7. NET FINANCE (COSTS)/INCOME**

See note 39b for the Group's accounting policy on borrowing costs.

Net finance (costs)/income are presented net of hedges for respective interest bearing and foreign currency borrowings. The weighted average capitalisation rate applied to qualifying capital expenditure was 3.20% (2015: 2.90%).

US\$ million	2016	2015
Investment income		
Interest income from cash and cash equivalents	78	92
Interest income from associates and joint ventures	50	39
Other interest income	43	30
Net interest income on defined benefit arrangements	20	12
Dividend income from financial asset investments	5	9
	196	182
Less: interest income capitalised	(10)	(10)
Total investment income⁽¹⁾	186	172
Interest expense		
Interest and other finance expense	(711)	(706)
Net interest cost on defined benefit arrangements	(44)	(54)
Unwinding of discount relating to provisions and other liabilities	(111)	(96)
	(866)	(856)
Less: interest expense capitalised	376	367
Total interest expense⁽¹⁾	(490)	(489)
Other net financing gains/(losses)		
Net foreign exchange gains/(losses)	84	(180)
Other net fair value gains	11	39
Total other net financing gains/(losses)	95	(141)
Net finance costs before special items and remeasurements	(209)	(458)
Special items and remeasurements (note 6)	(314)	615
Net finance (costs)/income	(523)	157

⁽¹⁾ Interest income recognised at amortised cost is \$131 million (2015: \$136 million) and interest expense recognised at amortised cost is \$237 million (2015: \$247 million).

NOTES TO THE CONSOLIDATED INCOME STATEMENT**8. INCOME TAX EXPENSE**

See note 39c for the Group's accounting policy on tax.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

a) Analysis of charge for the year

US\$ million	2016	2015
United Kingdom tax	26	(11)
South Africa tax	433	214
Other overseas tax	101	338
Prior year adjustments	(176)	(58)
Current tax⁽¹⁾	384	483
Deferred tax	358	(48)
Income tax expense before special items and remeasurements	742	435
Special items and remeasurements tax (note 6)	(44)	(47)
Income tax expense	698	388

⁽¹⁾ 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 26.6% (2015: (7.1%)) is higher (2015: lower) than the applicable weighted average statutory rate of corporation tax in the United Kingdom of 20% (2015: 20.25%). The reconciling items, excluding the impact of associates and joint ventures, are:

US\$ million	2016	2015
Profit/(loss) before tax	2,624	(5,454)
Less: share of net (income)/loss from associates and joint ventures	(278)	221
Profit/(loss) before tax (excluding associates and joint ventures)	2,346	(5,233)
Tax on profit/(loss) (excluding associates and joint ventures) calculated at United Kingdom corporation tax rate of 20% (2015: 20.25%)	469	(1,060)
Tax effects of:		
Items non-taxable/deductible for tax purposes		
Exploration expenditure	9	15
Non-(taxable)/deductible net foreign exchange (gains)/losses	(17)	15
Non-taxable net interest income	(13)	(29)
Other non-deductible expenses	38	144
Other non-taxable income	(11)	(92)
Temporary difference adjustments		
Current year losses not recognised	91	12
Recognition of losses not previously recognised	(15)	(18)
Utilisation of losses not previously recognised	(70)	(13)
Write-off of losses previously recognised	1	29
Adjustment in deferred tax due to change in tax rate	(9)	(2)
Other temporary differences	345 ⁽¹⁾	13
Special items and remeasurements⁽²⁾	111	1,333
Other adjustments		
Dividend withholding taxes	(118)	52
Effect of differences between local and United Kingdom tax rates	56	46
Prior year adjustments to current tax ⁽¹⁾	(176)	(58)
Other adjustments	7	1
Income tax expense	698	388

⁽¹⁾ Included within other temporary differences is an amount of \$306 million in respect of enhanced tax depreciation in Chile. This is partially offset by an amount included within prior year adjustments of \$200 million.

⁽²⁾ The special items and remeasurements reconciling item of \$111 million (2015: \$1,333 million) relates to the net tax impact of total special items and remeasurements before tax calculated at the United Kingdom corporation tax rate less the associated tax recorded against these items, one-off tax charges and tax remeasurements. See note 6 for further details of the tax amounts included within special items and remeasurements.

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 excluded from the Group's income tax expense. Associates' and joint ventures' tax included within 'Share of net income/(loss) from associates and joint ventures' for the year ended 31 December 2016 is a charge of \$117 million (2015: charge of \$143 million). Excluding special items and remeasurements this becomes a charge of \$123 million (2015: charge of \$100 million).

The underlying effective tax rate was 24.6% for the year ended 31 December 2016. This is lower than the equivalent underlying effective tax rate of 31.0% for the year ended 31 December 2015. The decreased rate in 2016 was due to a benefit received in relation to the reassessment of withholding tax provisions, and the utilisation of losses and other tax attributes not previously recognised, partially offset by the impact of enhanced tax depreciation and other prior year adjustments. In future periods it is expected that the underlying effective tax rate will remain above the United Kingdom statutory tax rate.

NOTES TO THE CONSOLIDATED INCOME STATEMENT**8. INCOME TAX EXPENSE** continued

	2016		
	Profit before tax US\$ million	Tax (charge)/ credit US\$ million	Effective tax rate
Calculation of effective tax rate (statutory basis)	2,624	(698)	26.6%
Adjusted for:			
Operating special items	1,632	(115)	
Operating remeasurements	33	(17)	
Non-operating special items	(1,203)	82	
Financing special items and remeasurements	314	4	
One-off tax charges	–	76	
Tax remeasurements	–	(74)	
Share of associates' and joint ventures' special items and remeasurements	(7)	–	
Associates' and joint ventures' tax and non-controlling interests	120	(123)	
Calculation of underlying effective tax rate	3,513	(865)	24.6%
The underlying effective tax rate is favourably/(unfavourably) affected by the following significant items:			
Reassessment of withholding tax provisions primarily in respect of Chile			4.7%
Enhanced tax depreciation in Chile			(2.5)%
Utilisation of tax losses and similar tax attributes not previously recognised primarily in Australia			3.9%
Other items including prior year adjustments			(0.7)%
Underlying effective tax rate excluding the above significant items			30.0%

c) Tax amounts included in other comprehensive income

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

US\$ million	2016	2015
Tax credit/(charge) on items recognised directly in equity that will not be reclassified to the income statement		
Remeasurement of net retirement benefit obligation	35	(30)
Tax (charge)/credit on items recognised directly in equity that may subsequently be reclassified to the income statement		
Net exchange differences on translation of foreign operations	–	35
Net (gain)/loss on revaluation of available for sale investments	(25)	33
Net gain on cash flow hedges	–	(5)
	10	33
Tax credit/(charge) on items transferred from equity		
Transferred to income statement: disposal of available for sale investments	35	–
Transferred to income statement: cash flow hedges	(2)	–
	33	–

d) Tax amounts recognised directly in equity

Deferred tax of \$110 million has been credited directly to equity in 2016 in relation to the disposal of a 25.4% interest in Anglo American Sur S.A. in 2012 as a consequence of the reassessment of withholding tax provisions in Chile (2015: nil).

9. EARNINGS PER SHARE

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

US\$	2016	2015
Earnings per share		
Basic	1.24	(4.36)
Diluted	1.23	(4.36)
Headline earnings per share		
Basic	1.47	0.29
Diluted	1.46	0.29
Underlying earnings per share		
Basic	1.72	0.64
Diluted	1.70	0.64

Basic and diluted earnings per share are shown based on headline earnings, a Johannesburg Stock Exchange (JSE) defined performance measure, and underlying earnings.

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.

NOTES TO THE CONSOLIDATED INCOME STATEMENT**9. EARNINGS PER SHARE** continued

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

	Profit/(loss) attributable to equity shareholders of the Company		Headline earnings		Underlying earnings	
	2016	2015	2016	2015	2016	2015
Earnings/(loss) (US\$ million)						
Basic and diluted earnings/(loss)	1,594	(5,624)	1,896	369	2,210	827
Number of shares (million)						
Basic number of ordinary shares outstanding	1,288	1,289	1,288	1,289	1,288	1,289
Effect of dilutive potential ordinary shares:						
Share options and awards	12	–	12	3	12	3
Diluted number of ordinary shares outstanding	1,300	1,289	1,300	1,292	1,300	1,292

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares.

In the year ended 31 December 2016, there were 274,815 share options which were potentially dilutive but not included in the calculation of diluted earnings because they were anti-dilutive.

In the year ended 31 December 2015, the Group disclosed a basic loss per share and consequently all 12,855,264 potential ordinary shares were anti-dilutive and excluded from the calculation of diluted earnings per share. 8,996,586 potential shares were excluded from the calculation of diluted headline earnings per share and diluted underlying earnings per share as they were anti-dilutive.

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

US\$ million	2016	2015
Profit/(loss) for the financial year attributable to equity shareholders of the Company	1,594	(5,624)
Operating special items net of tax and non-controlling interests	1,378	4,997
Non-operating special items net of tax and non-controlling interests	(1,076)	996
Headline earnings for the financial year	1,896	369
Operating special items ⁽¹⁾	102	299
Operating remeasurements	33	178
Non-operating special items ⁽²⁾	(77)	97
Financing special items and remeasurements	314	(615)
One-off tax charges	76	829
Special items and remeasurements tax	(96)	(217)
Non-controlling interests on special items and remeasurements	(38)	(113)
Underlying earnings for the financial year	2,210	827

⁽¹⁾ Includes restructuring costs.

⁽²⁾ Principally relates to BEE transactions (De Beers and Kumba Envision Trust) (2015: Kumba Envision Trust) and adjustments related to a previous business combination (De Beers).

10. DIVIDENDS

No dividends were paid during the year (2015: \$1,078 million).

No final dividend is proposed in respect of the financial year ended 31 December 2016 (2015: nil).

Dividends payable are as follows:

US\$ million	2016	2015
Final ordinary dividend for 2015 – Nil per ordinary share (2014: 53 US cents per ordinary share)	–	680
Interim ordinary dividend for 2016 – Nil per ordinary share (2015: 32 US cents per ordinary share)	–	398
	–	1,078

The employee benefit trust has waived the right to receive dividends on the shares it holds (see note 32).

NOTES TO THE CONSOLIDATED BALANCE SHEET

11. INTANGIBLE ASSETS

See notes 39d, 39e and 39i for the Group's accounting policies on intangible assets.

US\$ million	2016			2015		
	Brands, contracts and other intangibles ⁽¹⁾	Goodwill	Total	Brands, contracts and other intangibles ⁽¹⁾	Goodwill	Total
Net book value						
At 1 January	1,224	2,170	3,394	1,359	2,553	3,912
Additions	12	–	12	10	–	10
Amortisation charge for the year	(61)	–	(61)	(64)	–	(64)
Impairments ⁽²⁾	–	–	–	–	(93)	(93)
Disposals ⁽³⁾	(2)	(224)	(226)	–	–	–
Remeasurements	–	17	17	–	–	–
Currency movements	30	51	81	(81)	(290)	(371)
At 31 December	1,203	2,014	3,217	1,224	2,170	3,394
Cost	1,521	2,014	3,535	1,481	2,170	3,651
Accumulated amortisation	(318)	–	(318)	(257)	–	(257)

⁽¹⁾ Includes brands, contracts and other intangibles of \$1,172 million (2015: \$1,185 million) relating to De Beers, principally comprising assets that were recognised at fair value on acquisition of a controlling interest in De Beers in August 2012. Of these, \$517 million (2015: \$517 million) have indefinite useful lives.

⁽²⁾ 2015 includes goodwill impairment of \$52 million allocated to Snap Lake (De Beers) and \$41 million allocated to Rustenburg (Platinum).

⁽³⁾ Relates to the disposal of the Niobium business (see note 30).

Impairment tests for goodwill

See note 39f for the Group's accounting policy on impairment of goodwill.

Goodwill is allocated for impairment testing purposes to cash generating units (CGUs) or groups of CGUs which reflect how it is monitored for internal management purposes. This allocation largely represents the Group's segments. The allocation of goodwill to CGUs or groups of CGUs is as follows:

US\$ million	2016	2015
De Beers	1,604	1,553
Platinum	189	189
Copper	124	124
Coal South Africa	88	88
Other	9	216
	2,014	2,170

For the purposes of goodwill impairment testing, the recoverable amount of each of the CGUs or group of CGUs has been determined based on a fair value less costs of disposal basis. The key assumptions used in determining fair value less costs of disposal are set out in note 1. Management believes that any reasonably possible change in a key assumption on which the recoverable amounts are based would not cause the carrying amounts to exceed their recoverable amounts.

12. PROPERTY, PLANT AND EQUIPMENT

See notes 39g to 39j for the Group's accounting policies on property, plant and equipment.

US\$ million	2016					2015				
	Mining properties and leases	Land and buildings ⁽¹⁾	Plant and equipment	Capital works in progress	Total	Mining properties and leases	Land and buildings ⁽¹⁾	Plant and equipment	Capital works in progress	Total
Net book value										
At 1 January	8,973	2,771	8,930	8,947	29,621	13,018	3,067	11,115	11,275	38,475
Additions	285	6	27	2,350	2,668	568	25	160	3,846	4,599
Depreciation charge for the year ⁽²⁾	(829)	(166)	(1,233)	–	(2,228)	(921)	(150)	(1,421)	–	(2,492)
Net impairments and losses on assets transferred to held for sale	(444)	(251)	(740)	(62)	(1,497)	(2,104)	(166)	(1,018)	(2,699)	(5,987) ⁽³⁾
Disposal of assets	(2)	(5)	(33)	(6)	(46)	–	(5)	(18)	(5)	(28)
Disposal of businesses and transferred to held for sale ⁽⁴⁾	(62)	(278)	(562)	(155)	(1,057)	(63)	(9)	(294)	(60)	(426)
Reclassifications	1,094	463	2,072	(3,629)	–	714	380	1,602	(2,696)	–
Currency movements	605	142	353	158	1,258	(2,239)	(371)	(1,196)	(714)	(4,520)
At 31 December	9,620	2,682	8,814	7,603	28,719	8,973	2,771	8,930	8,947	29,621
Cost	22,655	4,395	20,153	13,297	60,500	21,859	4,199	19,321	14,520	59,899
Accumulated depreciation	(13,035)	(1,713)	(11,339)	(5,694)	(31,781)	(12,886)	(1,428)	(10,391)	(5,573)	(30,278)

⁽¹⁾ Net book value principally comprises freehold land and buildings.

⁽²⁾ Includes \$2,096 million (2015: \$2,337 million) of depreciation within operating profit, \$85 million (2015: \$82 million) of depreciation arising due to the fair value uplift on the pre-existing 45% shareholding in De Beers which has been included within operating remeasurements (see note 6), and \$47 million (2015: \$73 million) of pre-commercial production depreciation which has been capitalised.

⁽³⁾ 2015 includes \$684 million for the write-down of Rustenburg, which was recorded in non-operating special items. For information on the significant impairments recorded in the year see note 6.

⁽⁴⁾ 2016 includes \$79 million for the disposal of Callide, \$782 million for the disposal of Niobium and Phosphates businesses and \$173 million for the disposal of Rustenburg (see note 30). 2015 includes \$412 million for the transfer and subsequent disposal of Anglo American Norte (see note 30).

Included in additions is \$366 million (2015: \$357 million) of net interest expense incurred on borrowings funding the construction of qualifying assets which has been capitalised during the year.

NOTES TO THE CONSOLIDATED BALANCE SHEET**13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**

See note 39k for the Group's accounting policy on associates and joint arrangements, which includes joint ventures.

Details of principal associates and joint ventures are set out in note 37.

US\$ million	2016			2015		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
At 1 January	1,374	443	1,817	2,681	1,695	4,376
Share of net income/(loss) from associates and joint ventures	148	130	278	14	(235)	(221)
Dividends received	(139)	(28)	(167)	(81)	(243)	(324)
Investment in equity and capitalised loans	34	17	51	77	3	80
Return of capital and repayment of loans	(58)	(4)	(62)	(67)	–	(67)
Reclassification	–	–	–	(812) ⁽¹⁾	812 ⁽¹⁾	–
Impairments and losses on assets transferred to held for sale	(19)	–	(19)	(271) ⁽²⁾	(71)	(342)
Transferred to assets held for sale	–	–	–	–	(1,547)	(1,547)
Other movements	–	36	36	–	45	45
Currency movements	31	9	40	(167)	(16)	(183)
At 31 December	1,371	603	1,974	1,374	443	1,817

⁽¹⁾ 2015 reclassification relates to the Group's interest in Samancor (Iron Ore and Manganese). Samancor has been accounted for as a joint venture since March 2015, following amendments to the agreement that governs the Group's interests in Samancor which resulted in the Group acquiring joint control over the business (previously accounted for as an associate).

⁽²⁾ 2015 includes \$93 million relating to the impairment of the Group's interest in Bokoni and \$178 million for the Group's interest in Bafokeng-Rasimone Platinum Mine.

The Group's total investments in associates and joint ventures comprise:

US\$ million	2016			2015		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Equity	1,266	435	1,701	1,233	294	1,527
Loans ⁽¹⁾	105	168	273	141	149	290
	1,371	603	1,974	1,374	443	1,817

⁽¹⁾ The Group's total investments in associates and joint ventures include long-term loans which in substance form part of the Group's net investment. These loans are not repayable in the foreseeable future.

None of the Group's associates or joint ventures are considered to be individually material to the Group, and therefore the Group's share of the financial information of associates and joint ventures is disclosed on an aggregated basis.

US\$ million	Associates	Joint ventures	Total
Non-current assets	1,474	925	2,399
Current assets	422	528	950
Current liabilities	(221)	(388)	(609)
Non-current liabilities	(304)	(462)	(766)
Net assets as at 31 December 2016	1,371	603	1,974
Net assets as at 31 December 2015	1,374	443	1,817

US\$ million	2016			2015		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Revenue	1,070	694	1,764	1,208	1,340	2,548
Share of net income/(loss) from associates and joint ventures	148	130	278	14	(235)	(221)
Total comprehensive income/(expense)	148	130	278	14	(235)	(221)

Segmental information is provided in aggregate for associates and joint ventures in the table below.

US\$ million	Aggregate investment	
	2016	2015
De Beers	50	44
Platinum	289	251
Iron Ore and Manganese	559	391
Coal	1,055	1,096
Corporate and other	21	35
	1,974	1,817

NOTES TO THE CONSOLIDATED BALANCE SHEET

14. FINANCIAL ASSET INVESTMENTS

See notes 39l and 39m for the Group's accounting policies on financial asset investments.

US\$ million	2016			2015		
	Loans and receivables	Available for sale investments	Total	Loans and receivables	Available for sale investments	Total
At 1 January	662	184	846	761	505	1,266
Additions	–	3	3	–	1	1
Interest receivable	47	–	47	43	–	43
Net loans (repaid)/granted	(61)	–	(61)	216	–	216
Impairments	(16)	–	(16)	(130) ⁽¹⁾	–	(130)
Movements in fair value	–	147	147	(7)	(236)	(243)
Disposals	(27)	(233) ⁽²⁾	(260)	–	–	–
Currency movements	96	33	129	(221)	(86)	(307)
At 31 December	701	134	835	662	184	846

⁽¹⁾ Includes \$119 million relating to the impairment of loans to Atlatsa and Atlatsa Holdings.

⁽²⁾ Includes \$218 million relating to the disposal of Exxaro (see note 6).

15. INVENTORIES

See note 39q for the Group's accounting policy on inventories.

US\$ million	2016	2015
Raw materials and consumables	882	952
Work in progress	1,220	1,076
Finished products	1,625	2,023
	3,727	4,051

The cost of inventories recognised as an expense and included in cost of sales amounted to \$14,006 million (2015: \$13,945 million).

Inventories held at net realisable value amounted to \$641 million (2015: \$1,048 million).

The write-down of inventories (net of revaluation of provisionally priced purchases) amounted to \$96 million (2015: \$121 million).

16. TRADE AND OTHER RECEIVABLES

Trade receivables do not incur any interest, are principally short term in nature and are measured at their nominal value (with the exception of receivables relating to provisionally priced sales, as set out in the revenue recognition accounting policy, see note 39a), net of appropriate provision for estimated irrecoverable amounts. Such provisions are raised based on an assessment of debtor ageing, past experience or known customer circumstances.

US\$ million	2016			2015		
	Due within one year	Due after one year	Total	Due within one year	Due after one year	Total
Trade receivables	1,570	158	1,728	1,355	135	1,490
Tax receivables	316	294	610	271	238	509
Prepayments and accrued income	154	37	191	105	23	128
Other receivables	192	323	515	252	143	395
	2,232	812	3,044	1,983	539	2,522

Of the year end trade receivables balance, \$29 million (2015: \$55 million) were past due at 31 December, stated after an associated impairment provision of \$13 million (2015: \$18 million). The overdue debtor ageing profile is typical of the industry in which certain of the Group's businesses operate. Given this, the use of payment security instruments (including letters of credit from acceptable financial institutions), and the nature of the related counterparties, these amounts are considered recoverable. The historical level of customer default is minimal and as a result the credit quality of year end trade receivables is considered to be high.

17. TRADE AND OTHER PAYABLES

Trade payables are not interest bearing and are measured at their nominal value (with the exception of payables relating to provisionally priced commodity purchases which are marked to market using the appropriate forward price) until settled.

US\$ million	2016	2015
Trade payables	1,700	1,610
Accruals	815	741
Deferred income ⁽¹⁾	166	46
Tax and social security	54	71
Other payables ⁽²⁾	765	311
	3,500	2,779

⁽¹⁾ Includes nil (2015: \$26 million) deferred income recorded within non-current liabilities.

⁽²⁾ Includes \$116 million (2015: nil) other payables within non-current liabilities.

NOTES TO THE CONSOLIDATED BALANCE SHEET**18. FINANCIAL INSTRUMENTS**

See notes 39l, 39m and 39n for the Group's accounting policies on financial asset investments, impairment of financial assets, derivative financial instruments and hedge accounting.

The carrying amounts of financial assets and liabilities are as shown below. Where the carrying amount of a financial asset or liability does not approximate its fair value, this is also disclosed.

For financial assets and liabilities which are traded on an active market, such as listed investments or listed debt instruments, fair value is determined by reference to market value. For non-traded financial assets and liabilities, fair value is calculated using discounted cash flows, considered to be reasonable and consistent with those that would be used by a market participant, and based on observable market data where available, unless carrying value is considered to approximate fair value.

All derivatives that have been designated into hedge relationships have been separately disclosed.

	2016					
US\$ million	At fair value through profit and loss	Loans and receivables	Available for sale	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables ⁽¹⁾	1,090	1,199	–	–	–	2,289
Derivative financial assets	110	–	–	483	–	593
Cash and cash equivalents	–	6,051	–	–	–	6,051
Financial asset investments	–	701	134	–	–	835
	1,200	7,951	134	483	–	9,768
Financial liabilities						
Trade and other payables ⁽¹⁾	(591)	–	–	–	(2,689)	(3,280)
Derivative financial liabilities	(1,865)	–	–	(10)	–	(1,875)
Borrowings ⁽²⁾	–	–	–	(12,337)	(832)	(13,169)
	(2,456)	–	–	(12,347)	(3,521)	(18,324)
Net financial (liabilities)/assets	(1,256)	7,951	134	(11,864)	(3,521)	(8,556)
						2015
US\$ million	At fair value through profit and loss	Loans and receivables	Available for sale	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables ⁽¹⁾	632	1,253	–	–	–	1,885
Derivative financial assets	672	–	–	477	–	1,149
Cash and cash equivalents	–	6,895	–	–	–	6,895
Financial asset investments	–	662	184	–	–	846
	1,304	8,810	184	477	–	10,775
Financial liabilities						
Trade and other payables ⁽¹⁾	(225)	–	–	–	(2,437)	(2,662)
Derivative financial liabilities	(2,439)	–	–	(24)	–	(2,463)
Borrowings ⁽²⁾	–	–	–	(14,800)	(3,167)	(17,967)
	(2,664)	–	–	(14,824)	(5,604)	(23,092)
Net financial (liabilities)/assets	(1,360)	8,810	184	(14,347)	(5,604)	(12,317)

⁽¹⁾ Trade and other receivables exclude prepayments and tax receivables. Trade and other payables exclude tax and social security and deferred income.

⁽²⁾ Borrowings designated in fair value hedges represent listed debt which is held at amortised cost, adjusted for the fair value of the hedged interest rate risk. The fair value of these borrowings is \$12,405 million (2015: \$10,898 million), which is measured using quoted indicative broker prices and consequently categorised as level 2 in the fair value hierarchy. The carrying value of the remaining borrowings at amortised cost of \$832 million, principally comprising bank borrowings, is considered to approximate the fair value. At 31 December 2015 the fair value of borrowings at amortised cost of \$3,167 million, principally comprising bank borrowings, was \$2,463 million. The difference between the carrying value and the fair value primarily reflected the debit valuation adjustment of Anglo American's own credit quality based on observed credit spreads at 31 December 2015.

NOTES TO THE CONSOLIDATED BALANCE SHEET

18. FINANCIAL INSTRUMENTS continued

Fair value hierarchy

An analysis of financial assets and liabilities carried at fair value is set out below:

US\$ million	2016				2015			
	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
Financial assets								
At fair value through profit and loss								
Provisionally priced trade receivables	–	877	–	877	–	562	–	562
Other receivables	–	–	213	213	–	–	70	70
Derivatives hedging net debt	–	10	–	10	–	628	17	645
Other derivatives	6	94	–	100	9	18	–	27
Designated into hedges								
Derivatives hedging net debt	–	483	–	483	–	477	–	477
Available for sale investments								
Financial asset investments	77	–	57	134	162	–	22	184
	83	1,464	270	1,817	171	1,685	109	1,965
Financial liabilities								
At fair value through profit and loss								
Provisionally priced trade payables	–	(466)	–	(466)	–	(225)	–	(225)
Other payables	–	–	(125)	(125)	–	–	–	–
Derivatives hedging net debt	–	(1,852)	–	(1,852)	–	(2,207)	(736)	(2,943)
Other derivatives	(21)	(65)	–	(86)	–	(63)	–	(63)
Designated into hedges								
Derivatives hedging net debt	–	(10)	–	(10)	–	(17)	–	(17)
Other derivatives	–	–	–	–	–	(7)	–	(7)
Debit valuation adjustment to derivative liabilities ⁽⁴⁾	–	73	–	73	–	386	181	567
	(21)	(2,320)	(125)	(2,466)	–	(2,133)	(555)	(2,688)
Net assets/(liabilities) carried at fair value	62	(856)	145	(649)	171	(448)	(446)	(723)

⁽¹⁾ Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes listed equity shares.

⁽²⁾ Instruments in this category are valued using valuation techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data.

⁽³⁾ Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input. This category includes deferred contingent consideration.

⁽⁴⁾ The debit valuation adjustment is recorded to reflect in the fair value of financial liabilities the effect of Anglo American's own credit quality based on observed credit spreads. This adjustment is calculated in total for each counterparty based on the net expected exposure. In many cases this includes exposures on a number of different types of derivative instruments. Consequently the impact of this adjustment has been presented as a separate item within the analysis of derivatives above. Based on an allocation weighted by exposure to each category of instrument, \$73 million (2015: \$555 million) is attributable to derivatives hedging net debt and nil (2015: \$12 million) relates to other derivatives.

Financial assets and liabilities included within level 3 primarily consist of contingent proceeds and receivables relating to disposals and unlisted equity investments.

The movements in the fair value of the level 3 financial assets and liabilities are shown as follows:

US\$ million	Assets		Liabilities	
	2016	2015	2016	2015
At 1 January	109	207	(555)	(499)
Net (loss)/profit recorded in the income statement ⁽¹⁾	(3)	(75)	39	(90)
Net profit/(loss) recorded in the statement of comprehensive income	31	(15)	–	–
Additions	131	–	(136)	–
Settlement	–	–	526	34
Currency movements	2	(8)	1	–
At 31 December	270	109	(125)	(555)

⁽¹⁾ This is principally recorded in special items and remeasurements.

For the level 3 financial assets and liabilities, changing certain estimated inputs to reasonably possible alternative assumptions does not change the fair value significantly.

NOTES TO THE CONSOLIDATED BALANCE SHEET**19. DERIVATIVES**

See note 39n for the Group's accounting policy on derivatives.

The fair values of derivatives are separately recorded on the Consolidated balance sheet within 'Derivative financial assets' and 'Derivative financial liabilities'. Derivatives are classified as current or non-current depending on the contracted maturity of the derivative.

The Group utilises derivative instruments to manage certain market risk exposures. The Group does not use derivative financial instruments for speculative purposes, however it may choose not to designate certain derivatives as hedges for accounting purposes. Such derivatives are classified as 'Held for trading' and fair value movements are recorded in the Consolidated income statement.

The use of derivative instruments is subject to limits and the positions are regularly monitored and reported to senior management.

Cash flow hedges

In certain cases the Group classifies its forward foreign currency contracts, which hedge highly probable forecast transactions, as cash flow hedges. Where this designation is documented, changes in fair value are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the Consolidated income statement (or hedged balance sheet item).

Fair value hedges

The majority of interest rate swaps (taken out to swap the Group's fixed rate borrowings to floating rate, in accordance with the Group's policy) have been designated as fair value hedges. The carrying value of the hedged debt is adjusted at each balance sheet date to reflect the impact on its fair value of changes in market interest rates. Changes in the fair value of the hedged debt are offset against fair value changes in the interest rate swap and recognised in the Consolidated income statement as financing remeasurements.

Held for trading

The Group may choose not to designate certain derivatives as hedges. This may occur where the Group is economically hedged but IAS 39 hedge accounting cannot be achieved or where gains and losses on both the derivative and hedged item naturally offset in the Consolidated income statement, as is the case for certain cross currency swaps of non-US dollar debt. Fair value changes on these derivatives are recognised in the Consolidated income statement as remeasurements or within underlying earnings in accordance with the policy set out in note 6.

The fair value of the Group's open derivative positions at 31 December (excluding normal purchase and sale contracts held off balance sheet), recorded within 'Derivative financial assets' and 'Derivative financial liabilities', is as follows:

US\$ million	2016		Current		2016		Non-current	
	Asset	Liability	Asset	Liability	Asset	Liability	Asset	Liability
Derivatives hedging net debt								
Fair value hedge ⁽¹⁾								
Interest rate swaps	9	–	23	–	474	(10)	454	(18)
Held for trading								
Forward foreign currency contracts	10	(9)	628	(10)	–	–	–	–
Cross currency swaps	–	(178)	14	(430)	–	(1,665)	3	(2,502)
Debit valuation adjustment to derivative liabilities ⁽²⁾	–	1	–	19	–	72	–	536
	19	(186)	665	(421)	474	(1,603)	457	(1,984)
Other derivatives⁽³⁾	90	(86)	24	(56)	10	–	3	(2)
Total derivatives	109	(272)	689	(477)	484	(1,603)	460	(1,986)

⁽¹⁾ Recognised in the Consolidated income statement is a loss on fair value hedged items of \$98 million (2015: \$143 million), offset by a gain on fair value hedging instruments of \$106 million (2015: \$146 million).

⁽²⁾ Relates to cross currency swaps (see note 18).

⁽³⁾ Other derivatives primarily relate to forward foreign currency contracts hedging capital expenditure, forward commodity contracts and other commodity contracts that are accounted for as 'Held for trading'.

These marked to market valuations are not predictive of the future value of the hedged position, nor of the future impact on the profit of the Group. The valuations represent the cost of closing all hedge contracts at 31 December, at market prices and rates available at the time.

The Group is exposed in varying degrees to a variety of financial instrument related risks. For more information about these risks and the ways in which the Group manages them see notes 24 and 38.

NOTES TO THE CONSOLIDATED BALANCE SHEET**20. PROVISIONS FOR LIABILITIES AND CHARGES**

See note 39r for the Group's accounting policy on environmental restoration and decommissioning obligations.

US\$ million	Environmental restoration	Decommissioning	Employee benefits	Onerous contracts	Other	Total
At 1 January 2016	(1,049)	(543)	(325)	(572)	(696)	(3,185)
Charged to the income statement	(147)	–	(209)	(49)	(223)	(628)
Capitalised	(10)	(22)	(3)	–	(38)	(73)
Unwinding of discount	(63)	(33)	(2)	(45)	(10)	(153)
Amounts applied	43	1	163	54	210	471
Unused amounts reversed	16	41	10	17	173	257
Disposal of business	94	56	34	525	255	964
Currency movements	(92)	(38)	(18)	(17)	(28)	(193)
At 31 December 2016	(1,208)	(538)	(350)	(87)	(357)	(2,540)
Current	(114)	(10)	(316)	(18)	(163)	(621)
Non-current	(1,094)	(528)	(34)	(69)	(194)	(1,919)

Environmental restoration

The Group has an obligation to undertake restoration, rehabilitation and environmental work when environmental disturbance is caused by the development or ongoing production of a mining property. A provision is recognised for the present value of such costs, based on management's best estimate of the legal and constructive obligations incurred. Changes in legislation could result in changes in provisions recognised. It is anticipated that the majority of these costs will be incurred over a period in excess of 20 years.

Decommissioning

Provision is made for the present value of costs relating to the decommissioning of plant or other site restoration work. It is anticipated that the majority of these costs will be incurred over a period in excess of 20 years.

The pre-tax, real discount rates that have been used in calculating the environmental restoration and decommissioning liabilities as at 31 December 2016 and 31 December 2015, in the principal currencies in which these liabilities are denominated, are as follows: US dollar: 2.1%; South African rand: 4%; Australian dollar: 3%; Chilean peso: 3%; and Brazilian real: 6%.

Employee benefits

Provision is made for statutory or contractual employee entitlements including long service leave, annual leave, sickness pay and similar obligations. It is anticipated that these costs will be incurred when employees choose to take their benefits.

Onerous contracts

Provision is made for the present value of certain long-term contracts where the unavoidable cost of meeting the Group's obligations is expected to exceed the benefits to be received. It is anticipated that these costs will be incurred over a period of up to nine years.

Other

Other provisions primarily relate to restructuring costs, indemnities, legal and other claims. It is anticipated that the majority of these costs will be incurred over a period of up to five years.

Environmental rehabilitation trusts

The Group makes contributions to controlled funds that were established to meet the cost of some of its restoration and environmental rehabilitation liabilities, primarily in South Africa. The funds comprise the following investments:

US\$ million	2016	2015
Equity	135	115
Bonds	153	121
Cash	65	54
	353	290

These assets are primarily denominated in South African rand. Cash is held in short term fixed deposits or earns interest at floating inter-bank rates. Bonds earn interest at a weighted average fixed rate of 8.0% (2015: 8.1%) for an average period of three years (2015: four years). Equity investments are recorded at fair value through profit and loss and bonds are recorded at amortised cost.

These funds are not available for the general purposes of the Group. All income from these assets is reinvested to meet specific environmental obligations. These obligations are included in provisions stated above.

NOTES TO THE CONSOLIDATED BALANCE SHEET**21. DEFERRED TAX**

See note 39c for the Group's accounting policy on tax.

The movement in net deferred tax liabilities during the year is as follows:

US\$ million	2016	2015
At 1 January	(2,339)	(3,147)
(Charged)/credited to the income statement ⁽¹⁾	(185)	150
Credited to the statement of comprehensive income	43	33
Credited directly to equity	110	–
Disposal of business	38	(72)
Currency movements	(174)	697
At 31 December	(2,507)	(2,339)
Comprising:		
Deferred tax assets	1,013	914
Deferred tax liabilities	(3,520)	(3,253)

⁽¹⁾ This includes one-off tax charges of nil (2015: charge of \$788 million relating to the write-off of deferred tax), a credit of \$74 million (2015: credit of \$107 million) relating to deferred tax remeasurements and a credit of \$99 million (2015: credit of \$783 million) relating to deferred tax on special items (see note 6).

The amount of deferred tax recognised in the Consolidated balance sheet is as follows:

US\$ million	2016	2015
Deferred tax assets		
Tax losses	596	534
Post employment benefits	31	31
Share-based payments	15	10
Enhanced tax depreciation	128	121
Other temporary differences ⁽¹⁾	243	218
	1,013	914
Deferred tax liabilities		
Capital allowances in excess of depreciation	(2,642)	(2,080)
Fair value adjustments	(775)	(689)
Tax losses	27	24
Derivatives	–	2
Provisions	324	278
Withholding tax	(237)	(510)
Other temporary differences ⁽²⁾	(217)	(278)
	(3,520)	(3,253)

⁽¹⁾ The deferred tax asset on other temporary differences of \$243 million arises primarily as a result of currency movements in deferred tax in US dollar functional currency entities whose tax computations are generated based on local currency financial information. This is partially offset by an amount related to capital allowances in excess of depreciation.

⁽²⁾ The deferred tax liability on other temporary differences of \$217 million arises primarily in relation to deferred stripping costs, partially offset by an amount related to post-employment benefits.

The amount of deferred tax (charged)/credited to the Consolidated income statement is as follows:

US\$ million	2016	2015
Capital allowances in excess of depreciation	(384)	123
Fair value adjustments	(25)	(243)
Tax losses	(48)	(54)
Derivatives	(24)	87
Provisions	22	(163)
Withholding tax	163	58
Other temporary differences	111	342
	(185)	150

The Group has the following balances in respect of which no deferred tax asset has been recognised:

US\$ million	2016				2015			
	Tax losses – revenue	Tax losses – capital	Other temporary differences	Total	Tax losses – revenue	Tax losses – capital	Other temporary differences	Total
Expiry date								
Greater than one year, less than five years	575	–	–	575	334	–	–	334
Greater than five years	–	–	3,186	3,186	239	–	3,398	3,637
No expiry date	2,784	1,051	3,363	7,198	5,580	806	1,547	7,933
	3,359	1,051	6,549	10,959	6,153	806	4,945	11,904

No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries, branches, associates and interests in joint arrangements where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with such investments in subsidiaries, branches, associates and interests in joint arrangements is represented by the contribution of those investments to the Group's retained earnings and amounted to \$17,804 million (2015: \$15,103 million).

CASH FLOW STATEMENT, NET DEBT AND RELATED NOTES**22. CAPITAL EXPENDITURE**

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

Capital expenditure by segment

US\$ million	2016	2015
De Beers	526	697
Platinum	314	366
Copper	563	659
Nickel	62	26
Niobium and Phosphates ⁽¹⁾	26	50
Iron Ore and Manganese	269	1,422
Coal	613	941
Corporate and other	14	16
Capital expenditure⁽²⁾	2,387	4,177
Reconciliation to Consolidated cash flow statement:		
Cash flows from derivatives related to capital expenditure	(22)	(200)
Proceeds from disposal of property, plant and equipment	23	30
Direct funding for capital expenditure received from non-controlling interests	30	46
Expenditure on property, plant and equipment	2,418	4,053

⁽¹⁾ Niobium and Phosphates was sold on 30 September 2016 (see note 30).

⁽²⁾ Capital expenditure includes capitalised operating cash flows generated by operations that have not yet reached commercial production. Nickel includes net capitalised operating cash inflows of nil (2015: net inflows of \$180 million) relating to Barro Alto, which reached commercial production in October 2015. Niobium and Phosphates includes net capitalised operating cash inflows of \$32 million (2015: net inflows of \$10 million) relating to Boa Vista Fresh Rock, which reached commercial production in March 2016. Iron Ore and Manganese includes net capitalised operating cash inflows of \$108 million (2015: net outflows of \$338 million) relating to Minas-Rio.

Capital expenditure by category

US\$ million	2016	2015
Expansionary ⁽¹⁾	817	2,083
Stay-in-business	1,042	1,384
Stripping and development	551	740
Proceeds from disposal of property, plant and equipment	(23)	(30)
	2,387	4,177

⁽¹⁾ The expansionary category includes the cash flows from derivatives related to capital expenditure and is net of direct funding for capital expenditure received from non-controlling interests.

CASH FLOW STATEMENT, NET DEBT AND RELATED NOTES**23. NET DEBT**

See note 39o for the Group's accounting policy on cash and debt.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

a) Reconciliation to the Consolidated balance sheet

US\$ million	Cash and cash equivalents		Short term borrowings		Medium and long term borrowings	
	2016	2015	2016	2015	2016	2015
Balance sheet	6,051	6,895	(1,806)	(1,649)	(11,363)	(16,318)
Balance sheet – disposal groups	–	9	–	–	–	–
Bank overdrafts	(7)	(15)	7	15	–	–
Net cash/(debt) classifications	6,044	6,889	(1,799)	(1,634)	(11,363)	(16,318)

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 ⁽¹⁾	Net debt including derivatives
At 1 January 2015	6,747	(1,617)	(16,917)	(11,787)	(1,084)	(12,871)
Cash flow	416	1,404	(2,736)	(916)	170	(746)
Reclassifications	–	(1,616)	1,616	–	–	–
Movement in fair value	–	(9)	151	142	(924)	(782)
Other non-cash movements	–	(2)	(45)	(47)	–	(47)
Currency movements	(274)	206	1,613	1,545	–	1,545
At 31 December 2015	6,889	(1,634)	(16,318)	(11,063)	(1,838)	(12,901)
Cash flow	(906)	1,834	2,685	3,613	414	4,027
Reclassifications	–	(1,977)	1,977	–	–	–
Movement in fair value	–	19	79	98	55	153
Other non-cash movements	–	(12)	59	47	–	47
Currency movements	61	(29)	155	187	–	187
At 31 December 2016	6,044	(1,799)	(11,363)	(7,118)	(1,369)	(8,487)

⁽¹⁾ Derivatives hedging net debt represents the mark-to-market valuation of such derivatives before taking into account the effect of debit valuation adjustments which reduce the valuation of derivative liabilities hedging net debt by \$73 million (2015: \$555 million). Further details on this adjustment are provided in note 18.

c) Net (debt)/cash 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 23d below), there are no significant restrictions over the Group's ability to access these cash balances or repay these borrowings. Net (debt)/cash by segment is stated after elimination of inter-segment balances.

US\$ million	2016	2015
De Beers	(112)	(109)
Platinum	83	(176)
Copper	1,354	820
Nickel	63	(138)
Niobium and Phosphates ⁽¹⁾	–	123
Iron Ore and Manganese	(83)	(2,370)
Coal	572	260
Corporate and other	(10,364)	(11,311)
Net debt including derivatives	(8,487)	(12,901)

⁽¹⁾ Niobium and Phosphates was sold on 30 September 2016 (see note 30).

d) South Africa net cash/(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 cash/(debt) in South Africa.

US\$ million	2016	2015
Cash and cash equivalents	2,749	1,419
Short term borrowings	(61)	(49)
Medium and long term borrowings	(1,130)	(1,471)
Net cash/(debt) excluding derivatives	1,558	(101)
Derivatives hedging net debt	–	(4)
Net cash/(debt) including derivatives	1,558	(105)

CASH FLOW STATEMENT, NET DEBT AND RELATED NOTES

24. BORROWINGS

See note 39o for the Group's accounting policy on bank 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, the Australian Medium Term Note (AMTN) programme and through accessing the US bond markets. 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.

In March 2016, the Group completed a bond buyback transaction consisting of Euro, Sterling and US dollar denominated bonds with maturities from December 2016 to September 2018. The Group used \$1.7 billion of cash to retire \$1.83 billion of contractual repayment obligations (including derivatives hedging the bonds).

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

US\$ million	2016				2015			
	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 ⁽¹⁾	13	48	61	61	9	10	19	19
Obligations under finance leases	8	53	61	61	7	53	60	60
	21	101	122	122	16	63	79	79
Unsecured								
Bank loans and overdrafts	12	457	469	469	270	1,961	2,231	2,979
Bonds issued under EMTN programme								
4.375% €581m bond due December 2016 ⁽²⁾	–	–	–	–	839	–	839	1,122
1.75% €594m bond due November 2017 ⁽³⁾	633	–	633	799	–	995	995	1,211
1.75% €538m bond due April 2018 ⁽³⁾	–	574	574	741	–	829	829	1,033
6.875% £267m bond due May 2018 ⁽³⁾	–	348	348	529	–	644	644	793
2.5% €482m bond due September 2018 ⁽³⁾	–	521	521	616	–	841	841	959
1.028% JPY10,000m bond due December 2018	–	86	86	97	–	83	83	97
2.75% €750m bond due June 2019	–	823	823	941	–	854	854	941
1.5% €600m bond due April 2020	–	638	638	659	–	651	651	659
2.875% €600m bond due November 2020	–	669	669	807	–	688	688	807
2.5% €750m bond due April 2021	–	830	830	977	–	849	849	977
3.5% €750m bond due March 2022	–	884	884	992	–	908	908	992
3.25% €750m bond due April 2023	–	857	857	1,033	–	868	868	1,033
US bonds								
LIBOR+0.95% \$500m bond due April 2016	–	–	–	–	500	–	500	500
2.625% \$452m bond due April 2017 ⁽³⁾	453	–	453	452	–	602	602	600
2.625% \$635m bond due September 2017 ⁽³⁾	633	–	633	635	–	744	744	750
9.375% \$750m bond due April 2019	–	781	781	750	–	795	795	750
3.625% \$850m bond due May 2020	–	841	841	850	–	842	842	850
4.45% \$500m bond due September 2020	–	515	515	500	–	522	522	500
4.125% \$500m bond due April 2021	–	504	504	500	–	508	508	500
4.125% \$600m bond due September 2022	–	586	586	600	–	588	588	600
4.875% \$650m bond due May 2025	–	640	640	650	–	644	644	650
Bonds issued under AMTN programme								
5.75% AUD500m bond due November 2018	–	371	371	470	–	379	379	470
Bonds issued under DMTN programme								
JIBAR+0.5% R200m bond due March 2016	–	–	–	–	13	–	13	13
JIBAR+1.38% R600m bond due March 2017	44	–	44	44	–	39	39	39
9.27% R1,400m bond due March 2019	–	102	102	102	–	87	87	91
9.49% R650m bond due April 2021	–	48	48	47	–	40	40	42
JIBAR+1.47% R400m bond due April 2021	–	29	29	29	–	26	26	26
Other loans	10	158	168	168	11	268	279	279
	1,785	11,262	13,047	14,457	1,633	16,255	17,888	20,263
Total borrowings	1,806	11,363	13,169	14,579	1,649	16,318	17,967	20,342

⁽¹⁾ Assets with a book value of \$123 million (2015: \$91 million) have been pledged as security, of which \$92 million (2015: \$40 million) are property, plant and equipment, \$31 million (2015: \$49 million) are financial assets and nil (2015: \$2 million) are inventories. Related to these assets are borrowings of \$61 million (2015: \$19 million).

⁽²⁾ In March 2016, €169 million of outstanding value was repaid as part of the bond buyback transaction, the remaining €581 million was repaid on maturity.

⁽³⁾ Outstanding value of bond shown subsequent to bond buyback transaction completed in March 2016.

CASH FLOW STATEMENT, NET DEBT AND RELATED NOTES**24. BORROWINGS** continued**Liquidity risk**

The Group ensures that there are sufficient committed loan facilities (including refinancing, where necessary) in order to meet short term business requirements, after taking into account cash flows from operations and its holding of cash and cash equivalents, as well as any Group distribution restrictions that exist. In addition, certain projects may be financed by means of limited recourse project finance, if appropriate.

The expected undiscounted cash flows of the Group's net debt related and other financial liabilities, by remaining contractual maturity, based on conditions existing at the balance sheet date are as follows:

US\$ million	Net debt related financial liabilities				2016
	Borrowings	Expected future interest payments	Derivatives hedging net debt	Other financial liabilities	Total
Amount due for repayment within one year	(1,801)	(466)	(150)	(3,164)	(5,581)
Greater than one year, less than two years	(1,895)	(460)	(556)	(31)	(2,942)
Greater than two years, less than three years	(1,686)	(350)	(121)	–	(2,157)
Greater than three years, less than four years	(3,090)	(268)	(180)	–	(3,538)
Greater than four years, less than five years	(1,460)	(153)	(166)	–	(1,779)
Greater than five years	(2,900)	(252)	(374)	(304)	(3,830)
Total due for repayment after more than one year	(11,031)	(1,483)	(1,397)	(335)	(14,246)
Total	(12,832)	(1,949)	(1,547)	(3,499)	(19,827)

US\$ million	Net debt related financial liabilities				2015
	Borrowings	Expected future interest payments	Derivatives hedging net debt	Other financial liabilities	Total
Amount due for repayment within one year	(1,631)	(702)	(232)	(2,662)	(5,227)
Greater than one year, less than two years	(2,617)	(657)	(113)	–	(3,387)
Greater than two years, less than three years	(3,067)	(587)	(544)	–	(4,198)
Greater than three years, less than four years	(1,871)	(424)	(43)	–	(2,338)
Greater than four years, less than five years	(3,508)	(286)	(101)	–	(3,895)
Greater than five years	(4,853)	(459)	(420)	–	(5,732)
Total due for repayment after more than one year	(15,916)	(2,413)	(1,221)	–	(19,550)
Total	(17,547)	(3,115)	(1,453)	(2,662)	(24,777)

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

US\$ million	2016	2015
Expiry date		
Within one year ⁽¹⁾	660	683
Greater than one year, less than two years	1,446	32
Greater than two years, less than three years	1,175	1,110
Greater than three years, less than four years	6,203	192
Greater than four years, less than five years	223	5,862
	9,707	7,879

⁽¹⁾ Includes undrawn South African rand facilities equivalent to \$0.5 billion (2015: \$0.5 billion) in respect of facilities with a 364 day maturity which roll automatically on a daily basis, unless notice is served.

In January 2017, the Group retired the \$1.05 billion Club facility which was entered into in 2016 in the context of the bond buyback transaction. This facility was undrawn at 31 December 2016 and is included in the table above within 'greater than one year, less than two years'.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and, with cognisance of forecast future market conditions and structuring, to maintain an optimal capital structure to enable the business to operate effectively.

In order to manage the short and long term capital structure, the Group has a number of options including raising and refinancing debt, adjusting returns to equity shareholders, managing the allocation of capital and divesting non-core assets to reduce debt.

The Group monitors capital using various financial metrics including the ratio of net debt to total capital (gearing). Net debt is calculated as total borrowings less cash and cash equivalents (including derivatives which provide an economic hedge of net debt). Total capital is calculated as 'Net assets' (as shown in the Consolidated balance sheet) excluding net debt. Total capital and gearing are as follows:

US\$ million	2016	2015
Net assets	24,325	21,342
Net debt including related derivatives (note 23)	8,487	12,901
Total capital	32,812	34,243
Gearing	25.9%	37.7%

Gearing has decreased from 37.7% at 31 December 2015 to 25.9% at 31 December 2016 as net debt has decreased, offset by a decrease in total capital. Net debt decreased from \$12.9 billion to \$8.5 billion during the year, driven by operating cash inflows and proceeds from asset disposals.

CASH FLOW STATEMENT, NET DEBT AND RELATED NOTES**24. BORROWINGS** continued**Market risk**

Market risk is the risk that financial instrument fair values and related cash flows will fluctuate due to changes in market prices. The Group manages interest rate risks and foreign exchange risks on borrowings and cash with the use of cross currency swaps and interest rate swaps in order to ensure that the majority of borrowings are floating rate US dollar denominated. The Group does not hedge foreign exchange exposures on rand denominated borrowings in South Africa. For more information regarding the Group's financial risk management see note 38.

The table below reflects the exposure of the Group's net debt to currency and interest rate risk.

	2016					
US\$ million	Cash and cash equivalents	Floating rate borrowings	Fixed rate borrowings	Derivatives hedging net debt	Impact of currency derivatives	Total
US dollar	4,844	(168)	(4,992)	(1,369)	(7,234)	(8,919)
Euro	5	–	(6,429)	–	6,429	5
South African rand	894	(594)	(160)	–	–	140
Brazilian real	96	–	–	–	–	96
Australian dollar	74	–	(371)	–	371	74
Sterling	18	–	(348)	–	348	18
Other	113	–	(100)	–	86	99
Impact of interest derivatives	–	(12,337)	12,337	–	–	–
Total	6,044	(13,099)	(63)	(1,369)	–	(8,487)

	2015					
US\$ million	Cash and cash equivalents	Floating rate borrowings	Fixed rate borrowings	Derivatives hedging net debt	Impact of currency derivatives	Total
US dollar	6,239	(1,197)	(5,400)	(1,835)	(10,221)	(12,414)
Euro	6	–	(8,322)	–	8,322	6
South African rand	116	(966)	(136)	(3)	–	(989)
Brazilian real	238	(793)	–	–	793	238
Australian dollar	148	–	(379)	–	379	148
Sterling	18	–	(644)	–	644	18
Other	124	(17)	(98)	–	83	92
Impact of interest derivatives	–	(14,800)	14,800	–	–	–
Total	6,889	(17,773)	(179)	(1,838)	–	(12,901)

25. COMMITMENTS

See note 39x for the Group's accounting policy on leases.

A commitment is a contractual obligation to make a payment in the future which is not provided for in the balance sheet. The Group also has purchase obligations relating to take or pay agreements which are legally binding and enforceable.

Capital commitments for subsidiaries and joint operations relating to the acquisition of property, plant and equipment are \$1,317 million (2015: \$1,168 million), of which 45% (2015: 82%) relate to expenditure to be incurred within the next year.

The Group's outstanding commitments relating to take or pay agreements are \$14,398 million (2015: \$14,928 million), of which 9% (2015: 8%) relate to expenditure to be incurred within the next year.

At 31 December the Group's total future minimum lease payments under non-cancellable operating leases are as follows:

US\$ million	2016	2015
Within one year	92	92
Greater than one year, less than two years	50	75
Greater than two years, less than five years	48	72
Greater than five years	22	24
	212	263

Operating leases relate principally to land and buildings, vehicles and mining equipment.

EMPLOYEE REMUNERATION**26. EMPLOYEE NUMBERS AND COSTS**

The average number of employees, excluding contractors and associates' and joint ventures' employees, and including a proportionate share of employees within joint operations by segment, was:

Thousand	2016	2015
De Beers	9	11
Platinum	45	48
Copper	4	5
Nickel	2	2
Niobium and Phosphates ⁽¹⁾	2	2
Iron Ore and Manganese	7	10
Coal	10	11
Corporate and other	1	2
	80	91

⁽¹⁾ Niobium and Phosphates was sold on 30 September 2016 (see note 30).

The average number of employees, excluding contractors and associates' and joint ventures' employees, and including a proportionate share of employees within joint operations, by principal location of employment was:

Thousand	2016	2015
South Africa	61	69
Other Africa	4	4
South America	9	10
North America	1	2
Australia and Asia	3	4
Europe	2	2
	80	91

Payroll costs in respect of the employees included in the tables above were:

US\$ million	2016	2015
Wages and salaries	3,107	3,798
Social security costs	110	135
Post employment benefits ⁽¹⁾	285	332
Share-based payments (note 28)	236	209
Total payroll costs	3,738	4,474
Reconciliation:		
Less: employee costs capitalised	(258)	(319)
Less: employee costs included within special items	(144)	(200)
Employee costs included in operating costs	3,336	3,955

⁽¹⁾ Includes contributions to defined contribution pension and medical plans, current and past service costs related to defined benefit pension and medical plans and other benefits provided to certain employees during retirement (see note 27).

Key management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (executive and non-executive) of the Group. Key management comprises members of the Board and the Group Management Committee.

Compensation for key management was as follows:

US\$ million	2016	2015
Salaries and short term employee benefits	19	22
Social security costs	3	4
Termination benefits	5	2
Post employment benefits	3	3
Share-based payments	17	13
	47	44

Disclosure of directors' emoluments, pension entitlements, share options and long term incentive plan awards required by the Companies Act 2006 and those specified for audit by Regulation 11 and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 are included in the Remuneration report.

EMPLOYEE REMUNERATION**27. RETIREMENT BENEFITS**

See note 39t for the Group's accounting policy on retirement benefits.

The Group operates a number of defined contribution and defined benefit pension plans. It also operates post employment medical plans, principally in South Africa.

Defined contribution plans

The defined contribution pension and medical cost represents the actual contributions payable by the Group to the various plans.

The assets of the defined contribution plans are held separately in independently administered funds. The charge in respect of these plans is calculated on the basis of the contribution payable by the Group in the financial year. The charge for the year for defined contribution pension plans (net of amounts capitalised and special items) was \$180 million (2015: \$221 million) and for defined contribution medical plans (net of amounts capitalised) was \$64 million (2015: \$73 million).

Defined benefit pension plans and post employment medical plans

The Group operates defined benefit pension and medical plans across a number of regions. The most significant plans are in South Africa and the United Kingdom.

A summary of the movements in the net pension plan assets and retirement benefit obligations on the Consolidated balance sheet is as follows:

US\$ million	2016	2015
Net liability recognised at 1 January	(361)	(889)
Net income statement charge	(42)	(60)
Remeasurement of net defined benefit obligation	(214)	290
Employer contributions to funded pension plans	105	118
Benefits paid to unfunded plans	39	24
Disposal of business	(2)	41
Other	(3)	12
Currency movements	(30)	103
Net liability recognised at 31 December	(508)	(361)
Amounts recognised as:		
Defined benefit pension plans in surplus ⁽¹⁾	270	306
Retirement benefit obligation – pension plans	(377)	(330)
Retirement benefit obligation – medical plans	(401)	(337)
	(508)	(361)

⁽¹⁾ Included in 'Other non-current assets' on the Consolidated balance sheet.

The majority of the defined benefit pension plans are funded. The assets of these plans are held separately from those of the Group, in independently administered funds, in accordance with statutory requirements or local practice in the relevant jurisdiction. The unfunded liabilities are principally in relation to termination indemnity plans in Chile.

The post employment medical plans provide health benefits to retired employees and certain dependants. Eligibility for cover is dependent upon certain criteria. The majority of these plans are unfunded and are principally in South Africa.

Independent qualified actuaries carry out full valuations at least every three years using the projected unit credit method. The actuaries have updated the valuations to 31 December 2016. Assumptions are set after consultation with the qualified actuaries. While management believes the assumptions used are appropriate, a change in the assumptions used would impact the Group's other comprehensive income.

Characteristics and risks of plans

The defined benefit plans are exposed to risks such as longevity, investment risk, inflation risk, interest rate risk and foreign exchange risk.

The weighted average duration of the South African plans is 11 years (2015: 11 years), United Kingdom plans is 19 years (2015: 18 years) and plans in other regions is 14 years (2015: 14 years). This represents the average period over which future benefit payments are expected to be made.

Employer contributions are made in accordance with the terms of each plan and may vary from year to year. Employer contributions made to funded plans in the year ended 31 December 2016 were \$105 million (2015: \$118 million). In addition \$39 million (2015: \$24 million) of benefits were paid to unfunded plans and \$21 million (2015: \$23 million) of benefits were paid in relation to post employment medical plans. The Group expects to contribute \$108 million to its pension plans and \$25 million to its post employment medical plans in 2017.

The responsibility for the governance of the funded retirement benefit plans, including investment and funding decisions, lies with the Trustees of each scheme.

South Africa

The pension plans in South Africa are in surplus, with the asset recognised on the Consolidated balance sheet restricted to the amount in the Employer Surplus Account, being plan assets less plan liabilities less any contingency reserves as recommended by the funds' actuaries.

The Employer Surplus Account is the amount that the Group is entitled to by way of refund. All pension plans in South Africa are closed to new members and the majority of plans are closed to future benefit accrual. As the plans are in surplus no employer contributions are currently being made.

The Group's provision of anti-retroviral therapy to HIV positive staff does not significantly impact the post employment medical plan liability.

United Kingdom

The Group operates funded pension plans in the United Kingdom. These plans are closed to new members and to the future accrual of benefits.

Certain assets held by the main plans in the United Kingdom are structured to closely match the characteristics of the liabilities through a variety of investment strategies, including the use of interest rate hedging and inflation hedging to manage interest rate risk and inflation rate risk, respectively.

The Group is committed to make payments to certain United Kingdom pension plans under deficit funding plans agreed with the respective Trustees. Where the present value of the agreed funding payments exceeds the liability in respect of the plans as measured under IFRS, and would therefore, when paid, give rise to a surplus as measured under IFRS, a provision is recognised for any part of that surplus that would not be recoverable. Any resulting surplus has been assessed to be fully recoverable and as such no provision has been recognised.

EMPLOYEE REMUNERATION**27. RETIREMENT BENEFITS** continued**Other**

Other pension and post employment medical plans primarily comprise obligations in Chile where legislation requires employers to provide for a termination indemnity, entitling employees to a cash payment made on the termination of an employment contract. The features of this provision meet the definition of a post employment benefit obligation and consequently an unfunded liability is recognised on the Consolidated balance sheet. Other plans are in Brazil, Canada and mainland Europe and consist of funded and unfunded pension plans and unfunded medical aid plans. These plans are not considered to be significant to the Group.

Actuarial assumptions

The principal assumptions used to determine the actuarial present value of benefit obligations and pension charges and credits are detailed below (shown as weighted averages):

	2016			2015		
	South Africa	United Kingdom	Other	South Africa	United Kingdom	Other
Defined benefit pension plans						
Average discount rate for plan liabilities	9.5%	2.6%	5.5%	10.3%	3.9%	6.8%
Average rate of inflation	7.0%	3.3%	3.3%	7.9%	3.1%	3.6%
Average rate of increase of pensions in payment	7.0%	3.3%	3.0%	7.9%	3.1%	3.2%
Post employment medical plans						
Average discount rate for plan liabilities	9.4%	2.6%	6.9%	10.3%	3.9%	9.1%
Average rate of inflation	7.0%	3.3%	5.2%	7.9%	3.1%	6.9%
Expected average increase in healthcare costs	8.8%	7.8%	8.0%	9.6%	7.8%	9.1%

Mortality assumptions are determined based on standard mortality tables with adjustments, as appropriate, to reflect experience of conditions locally. In South Africa, the PA90 tables are used. The main plans in the United Kingdom use either CMI tables or Club Vita models with plan specific adjustments based on mortality investigations. The mortality tables used imply that a male or female aged 60 at the balance sheet date has the following future life expectancy (shown as weighted averages):

Years	Male		Female	
	2016	2015	2016	2015
South Africa	19.9	19.8	24.7	24.5
United Kingdom	28.1	28.2	29.8	30.0
Other	21.9	22.8	26.0	27.2

The table below summarises the expected life expectancy from the age of 60 for a male or female aged 45 at the balance sheet date. When viewed together with the respective life expectancy at age 60 in the table above this indicates the anticipated improvement in life expectancy (shown as weighted averages):

Years	Male		Female	
	2016	2015	2016	2015
South Africa	19.9	19.8	24.7	24.5
United Kingdom	29.9	29.6	32.2	32.0
Other	23.9	25.1	27.9	29.3

Sensitivity analysis

Significant actuarial assumptions for the determination of pension and medical plan liabilities are the discount rate, inflation rate and mortality. The sensitivity analysis below has been provided by local actuaries on an approximate basis based on changes in the assumptions occurring at the end of the year, assuming that all other assumptions are held constant and the effect of interrelationships is excluded. The effect on plan liabilities is as follows:

US\$ million	2016			
	South Africa	United Kingdom	Other	Total
Discount rate – 0.5% decrease	(62)	(403)	(17)	(482)
Inflation rate – pension plans – 0.5% increase	(41)	(166)	(11)	(218)
Inflation rate – medical plans – 0.5% increase	(19)	–	(4)	(23)
Life expectancy – increase by 1 year	(58)	(163)	(3)	(224)

Income statement

The amounts recognised in the Consolidated income statement are as follows:

US\$ million	2016			2015		
	Pension plans	Post employment medical plans	Total	Pension plans	Post employment medical plans	Total
Charge to operating costs	14	4	18	14	4	18
Net (credit)/charge to net finance costs ⁽¹⁾	(8)	32	24	9	33	42
Total net charge to the income statement	6	36	42	23	37	60

⁽¹⁾ Includes interest expense on surplus restriction of \$16 million (2015: \$13 million).

EMPLOYEE REMUNERATION

27. RETIREMENT BENEFITS continued

Comprehensive income

The pre-tax amounts recognised in the Consolidated statement of comprehensive income are as follows:

US\$ million	2016			2015		
	Pension plans	Post employment medical plans	Total	Pension plans	Post employment medical plans	Total
Return on plan assets, excluding interest income	627	–	627	(125)	–	(125)
Actuarial (losses)/gains on plan liabilities ⁽¹⁾	(858)	(10)	(868)	401	23	424
Movement in surplus restriction	27	–	27	(9)	–	(9)
Remeasurement of net defined benefit obligation⁽²⁾	(204)	(10)	(214)	267	23	290

⁽¹⁾ Comprises (losses)/gains from changes in financial and demographic assumptions as well as experience on plan liabilities.

⁽²⁾ The tax amounts arising on remeasurement of net defined benefit obligations are disclosed in note 8c.

Pension plan assets and liabilities by geography

The split of the present value of funded and unfunded obligations in defined benefit pension plans and the fair value of pension assets at 31 December is as follows:

US\$ million	2016				2015			
	South Africa	United Kingdom	Other	Total	South Africa	United Kingdom	Other	Total
Equity	400	402	6	808	354	857	9	1,220
Corporate bonds	267	1,561	31	1,859	247	1,356	33	1,636
Government bonds	510	1,699	33	2,242	459	1,378	35	1,872
Cash	54	15	2	71	66	51	1	118
Other	–	207	4	211	–	199	6	205
Fair value of pension plan assets⁽¹⁾	1,231	3,884	76	5,191	1,126	3,841	84	5,051
Active members	(6)	(198)	(16)	(220)	(7)	(179)	(17)	(203)
Deferred members	(11)	(1,550)	(6)	(1,567)	(12)	(1,401)	(5)	(1,418)
Pensioners	(929)	(2,179)	(66)	(3,174)	(827)	(2,242)	(67)	(3,136)
Present value of funded obligations	(946)	(3,927)	(88)	(4,961)	(846)	(3,822)	(89)	(4,757)
Present value of unfunded obligations⁽²⁾	–	–	(176)	(176)	–	–	(161)	(161)
Net surplus/(deficit) in pension plans	285	(43)	(188)	54	280	19	(166)	133
Surplus restriction	(161)	–	–	(161)	(156)	–	(1)	(157)
Recognised retirement benefit assets/(liabilities)	124	(43)	(188)	(107)	124	19	(167)	(24)
Amounts in the Consolidated balance sheet								
Defined benefit pension plans in surplus	124	146	–	270	124	182	–	306
Retirement benefit obligation – pension plans	–	(189)	(188)	(377)	–	(163)	(167)	(330)
	124	(43)	(188)	(107)	124	19	(167)	(24)

⁽¹⁾ The fair value of assets is used to determine the funding level of the plans. The fair value of the assets of the funded plans was sufficient to cover 105% (2015: 106%) of the benefits that had accrued to members after allowing for expected increases in future earnings and pensions.

⁽²⁾ Includes \$166 million (2015: \$151 million) relating to active members.

All investments have been fair valued based on quoted market prices.

Movement analysis

The changes in the fair value of plan assets are as follows:

US\$ million	2016			2015		
	Pension plans	Post employment medical plans	Total	Pension plans	Post employment medical plans	Total
At 1 January	5,051	13	5,064	5,627	14	5,641
Effects of settlements	(25)	–	(25)	(6)	–	(6)
Interest income ⁽¹⁾	257	1	258	260	1	261
Return on plan assets, excluding interest income ⁽¹⁾	627	–	627	(125)	–	(125)
Contributions paid by employer to funded pension plans	105	–	105	118	–	118
Benefits paid ⁽²⁾	(230)	(1)	(231)	(243)	(1)	(244)
Disposal of business	(2)	–	(2)	–	–	–
Other	4	–	4	5	–	5
Currency movements	(596)	–	(596)	(585)	(1)	(586)
At 31 December	5,191	13	5,204	5,051	13	5,064

⁽¹⁾ The actual return on assets in respect of pension plans was \$884 million (2015: \$135 million).

⁽²⁾ Includes \$6 million (2015: \$10 million) of benefits paid to defined contribution plans.

EMPLOYEE REMUNERATION**27. RETIREMENT BENEFITS** continued

The changes in the present value of defined benefit obligations are as follows:

US\$ million	2016			2015		
	Pension plans	Post employment medical plans	Total	Pension plans	Post employment medical plans	Total
At 1 January	(4,918)	(350)	(5,268)	(5,876)	(472)	(6,348)
Current service costs	(14)	(4)	(18)	(21)	(4)	(25)
Effects of settlements	25	–	25	6	–	6
Interest costs	(233)	(33)	(266)	(256)	(34)	(290)
Actuarial (losses)/gains arising from changing financial assumptions	(917)	(8)	(925)	221	18	239
Actuarial gains arising from changing demographic assumptions	49	1	50	40	–	40
Actuarial gains/(losses) arising from experience adjustment	10	(3)	7	140	5	145
Benefits paid	248	22	270	257	23	280
Disposal of business	–	–	–	41	–	41
Other	(4)	(3)	(7)	(5)	–	(5)
Currency movements	617	(36)	581	535	114	649
At 31 December	(5,137)	(414)	(5,551)	(4,918)	(350)	(5,268)

28. SHARE-BASED PAYMENTS

See note 39u for the Group's accounting policy on share-based payments.

During the year ended 31 December 2016 the Group had share-based payment arrangements with employees relating to shares of the Company, the details of which are described in the Remuneration report. All of these Company schemes, as well as any non-cyclical awards, are equity settled either by award of ordinary shares (BSP, LTIP, SIP and Non-cyclical) or award of options to acquire ordinary shares (SAYE).

The total share-based payment charge relating to Anglo American plc shares for the year is split as follows:

US\$ million	2016	2015
BSP	100	88
LTIP	49	42
Other schemes	12	5
Share-based payment charge relating to Anglo American plc shares⁽¹⁾	161	135

⁽¹⁾ In addition, there are equity settled share-based payment charges of \$43 million (2015: \$47 million) relating to Kumba Iron Ore Limited shares, \$28 million (2015: \$26 million) relating to Anglo American Platinum Limited shares and \$2 million (2015: nil) of other equity settled share-based payment charges. Certain business units also operate cash settled employee share-based payment schemes. These schemes had a charge of \$2 million (2015: \$1 million).

Schemes settled by award of ordinary shares

The fair value of ordinary shares under the BSP, LTIP and LTIP-ROCE, being the more material schemes, was calculated using the Black Scholes model. The fair value of shares awarded under the LTIP-TSR scheme was calculated using the Monte Carlo model.

The awards were granted on 04/03/16 (2015: 03/03/15) with a share price of £5.92 (2015: £12.05). These awards have a contractual life of three years and are conditional on three years continuous employment. The LTIP-ROCE and LTIP-TSR awards are conditional on a Group ROCE target and market based performance conditions, respectively, being achieved. The following assumptions were used in the valuation of the awards: expected volatility of 50% (2015: 35%) based on historic volatility over the last five years; risk free interest rate of 0.5% (2015: 0.9%) based on the yield on zero-coupon UK government bonds with a term similar to the expected life of the award; expected departures rate of 5% pa (2015: 5% pa); and a dividend yield of nil (2015: 2.1%).

The awards granted during the year under these assumptions are summarised below:

	2016		2015	
	Number of instruments ⁽¹⁾	Fair value at date of grant (weighted average)(£)	Number of instruments ⁽¹⁾	Fair value at date of grant (weighted average)(£)
BSP	11,369,105	5.92	5,560,276	12.05
LTIP	6,997,155	5.92	2,792,470	12.05
LTIP-ROCE	2,213,836	5.92	827,674	12.05
LTIP-TSR	2,213,836	4.12	827,674	5.30

⁽¹⁾ The number of instruments used in the fair value models may differ from the total number of instruments awarded in the year due to awards made subsequent to the fair value calculations. The fair value calculated per the assumptions above has been applied to the total number of awards. The difference in income statement charge is not considered significant.

The charges arising in respect of the other Anglo American plc employee share schemes that the Group operated during the year are not considered material.

GROUP STRUCTURE AND TRANSACTIONS**28. SHARE-BASED PAYMENTS** continued

The movements in the number of shares for the more significant share-based payment arrangements are as follows:

Bonus Share Plan⁽¹⁾

Ordinary shares of 54⁸⁶/₉₁ US cents may be awarded under the terms of this scheme for no consideration.

Number of awards	2016	2015
Outstanding at 1 January	12,623,762	12,104,010
Conditionally awarded in year	11,369,105	5,560,276
Vested in year	(4,413,116)	(2,937,812)
Forfeited or expired in year	(2,196,826)	(2,102,712)
Outstanding at 31 December	17,382,925	12,623,762

⁽¹⁾ Further information in respect of the BSP, including performance conditions, is shown in the Remuneration report.

Long Term Incentive Plan⁽¹⁾

Ordinary shares of 54⁸⁶/₉₁ US cents may be awarded under the terms of this scheme for no consideration.

Number of awards	2016	2015
Outstanding at 1 January	8,558,889	6,131,998
Conditionally awarded in year	11,424,827	4,447,817
Vested in year	(1,800,261)	(1,313,835)
Forfeited or expired in year	(1,371,677)	(707,091)
Outstanding at 31 December	16,811,778	8,558,889

⁽¹⁾ The early vesting of share awards is permitted at the discretion of the Company upon, *inter alia*, termination of employment, ill health or death. The LTIP awards are contingent on pre-established performance criteria being met. Further information in respect of this scheme is shown in the Remuneration report.

29. ASSETS AND LIABILITIES HELD FOR SALE

Assets classified as held for sale as at 31 December 2015 of \$27 million and associated liabilities of \$17 million principally relate to the Kimberley Mines (De Beers) in South Africa. The sale transaction was announced on 1 December 2015 and subsequently completed on 18 January 2016.

GROUP STRUCTURE AND TRANSACTIONS**30. DISPOSALS OF SUBSIDIARIES, JOINT VENTURES AND MINING OPERATIONS**

US\$ million	2016				2015
	Callide mine	Niobium and Phosphates businesses	Rustenburg mine	Foxleigh mine	Total
Intangible assets	–	226	–	–	–
Property, plant and equipment	79	782	173	–	412
Investments in joint ventures	–	–	–	–	1,539
Other non-current assets	2	54	–	–	73
Current assets	91	358	10	54	316
Current liabilities	(98)	(91)	(93)	(18)	(119)
Non-current liabilities	(545)	(283)	(53)	(24)	(114)
Net (liabilities)/assets disposed	(471)	1,046	37	12	2,107
Consideration	–	1,675	160	46	1,824
Cash and cash equivalents disposed	(8)	(144)	–	(19)	(82)
Retained liabilities and net costs of disposal	(29)	–	(230)	(43)	–
Transaction costs and other adjustments	–	(46)	(14)	–	25
Adjustments for non-cash items	16	12	79	23	(12)
Net cash (outflow)/inflow	(21)	1,497	(5)	7	1,755
Loss on transfer to held for sale	–	–	–	–	(100)
Cumulative translation gain/(loss) recycled from reserves	122	(123)	–	51	(101)
Net gain/(loss) on disposal⁽¹⁾	564	460	(121)	42	(459)

⁽¹⁾ Included in non-operating special items (see note 6).

2016**Callide mine**

On 31 October 2016, the Group completed the sale of Callide thermal coal mine in Queensland, Australia (Coal) resulting in a net cash outflow of \$21 million. As a consequence of the disposal, the Group has derecognised a provision for onerous coal supply contracts of \$525 million. A pre-tax gain on disposal of \$564 million (post-tax \$564 million) has been recorded within non-operating special items (see note 6).

Niobium and Phosphates businesses

On 30 September 2016, the Group completed the sale of the Niobium and Phosphates businesses. The Phosphates business consists of a mine, beneficiation plant, two chemical complexes and two further mineral deposits. The Niobium business consists of one mine and three processing facilities, two non-operating mines, two further mineral deposits and sales and marketing operations in the United Kingdom and Singapore.

The total consideration comprised \$1,500 million plus working capital and other adjustments of \$175 million. A pre-tax gain on disposal of \$460 million (post-tax \$356 million) has been recorded within non-operating special items (see note 6).

Rustenburg mine

On 1 November 2016, Anglo American Platinum completed the sale of the Rustenburg mine (Platinum) which comprises the Bathopele, Siphumelele (including Khomanani), and Thembelani (including Khuseleka) mining operations, two concentrating plants, an on-site chrome recovery plant, the Western Limb Tailings Retreatment Plant, associated surface infrastructure and related assets and liabilities.

The consideration comprises cash of R1.5 billion (\$110 million) and deferred contingent consideration amounting to 35% of the business's distributable free cash flow for six to eight years subject to a minimum nominal amount of R3.0 billion (\$220 million). In addition, Anglo American Platinum must provide shortfall funding of up to R267 million (\$20 million) per annum from the closing of the transaction to 31 December 2018 if Rustenburg generates negative free cash flows during this period. As part of the transaction, Platinum also assumed a liability to pay \$210 million for in-process inventories from Rustenburg held at the date of disposal over a four-month period from completion. A pre-tax loss on disposal of \$121 million (post-tax \$66 million) has been recorded within non-operating special items (see note 6).

Foxleigh mine

On 29 August 2016, the Group completed the sale of its 70% interest in the Foxleigh metallurgical coal mine in Queensland, Australia (Coal) resulting in a net cash inflow of \$7 million.

A pre-tax gain on disposal of \$42 million (post-tax \$42 million) has been recorded within non-operating special items (see note 6).

Other

In addition, the Group received deferred consideration of \$39 million in respect of disposals recognised in previous periods (Corporate and other), net cash inflows of \$21 million on disposal of the Morupule mine in Botswana (De Beers) and net cash outflows of \$3 million on other transactions, resulting in proceeds from disposal of subsidiaries and joint operations, net of cash disposed, of \$1,535 million.

2015

Disposals in 2015 principally comprised the sale of the Group's 50% ownership interest in Lafarge Tarmac (Corporate and other) and the sale of Anglo American Norte S.A. (AA Norte) (Copper).

GROUP STRUCTURE AND TRANSACTIONS**31. NON-CONTROLLING INTERESTS**

Non-controlling interests that are material to the Group relate to the following subsidiaries:

- Kumba Iron Ore Limited (Kumba Iron Ore), which is a company incorporated in South Africa and listed on the JSE. Its principal mining operations are the Sishen and Kolomela iron ore mines which are located in South Africa. Non-controlling interests hold an effective 46.8% (2015: 46.3%) interest in the operations of Kumba Iron Ore, comprising the 30.3% interest held by other shareholders in Kumba Iron Ore and the 23.7% (2015: 23.0%) of Kumba Iron Ore's principal operating subsidiary, Sishen Iron Ore Company Proprietary Limited, that is held by shareholders outside the Group.
- Anglo American Sur S.A. (Anglo American Sur), which is a company incorporated in Chile. Its principal operations are the Los Bronces and El Soldado copper mines and the Chagres smelting plant, which are located in Chile. Non-controlling interests hold a 49.9% interest in Anglo American Sur.

US\$ million	2016				2015			
	Kumba Iron Ore	Anglo American Sur	Other ⁽¹⁾	Total	Kumba Iron Ore	Anglo American Sur	Other ⁽¹⁾	Total
Profit/(loss) attributable to non-controlling interests	351	(162)	143	332	52	(55)	(215)	(218)
Equity attributable to non-controlling interests	1,214	1,946	2,149	5,309	731	2,130	1,912	4,773
Dividends paid to non-controlling interests	–	–	(15)	(15)	(131)	(62)	(49)	(242)

⁽¹⁾ Other consists of individually immaterial non-controlling interests.

Summarised financial information on a 100% basis and before inter-company eliminations for Kumba Iron Ore and Anglo American Sur is as follows:

US\$ million	2016		2015	
	Kumba Iron Ore	Anglo American Sur	Kumba Iron Ore	Anglo American Sur
Non-current assets	2,473	4,122	2,205	4,419
Current assets	1,709	1,188	931	751
Current liabilities	(432)	(379)	(320)	(271)
Non-current liabilities	(1,079)	(1,035)	(1,189)	(627)
Net assets	2,671	3,896	1,627	4,272
Revenue	2,801	1,676	2,876	2,080
Profit/(loss) for the financial year ⁽¹⁾	775	(324)	43	(102)
Total comprehensive income/(expense)	1,024	(336)	(566)	(108)
Net cash inflow from operating activities	933	529	1,119	599

⁽¹⁾ Stated after special items (see note 6).

There were no material changes in ownership interests in subsidiaries in 2016 or 2015.

ADDITIONAL DISCLOSURES**32. CALLED-UP SHARE CAPITAL AND CONSOLIDATED EQUITY ANALYSIS****Called-up share capital**

	2016		2015	
	Number of shares	US\$ million	Number of shares	US\$ million
Called-up, allotted and fully paid: 5% cumulative preference shares of £1 each	50,000	–	50,000	–
Ordinary shares of 54 ⁸⁶ / ₉₁ US cents each: At 1 January and 31 December	1,405,465,332	772	1,405,465,332	772

No ordinary shares were allotted to non-executive directors in 2016 or 2015.

Excluding shares held in treasury (but including the shares held by the Group in other structures, as outlined in the Tenon and Employee benefit trust sections below) the number and carrying value of called-up, allotted and fully paid ordinary shares as at 31 December 2016 was 1,402,242,532 and \$770 million (2015: 1,401,861,508 and \$770 million).

At general meetings, every member who is present in person has one vote on a show of hands and, on a poll, every member who is present in person or by proxy has one vote for every ordinary share held.

In the event of winding up, the holders of the cumulative preference shares will be entitled to the repayment of a sum equal to the nominal capital paid up, or credited as paid up, on the cumulative preference shares held by them and any accrued dividend, whether such dividend has been earned or declared or not, calculated up to the date of the winding up.

Own shares

	2016		2015	
	Number of shares	US\$ million	Number of shares	US\$ million
Own shares				
Treasury shares	3,222,800	153	3,603,824	173
Own shares held by subsidiaries and employee benefit trusts	123,743,483	5,937	117,334,305	5,878
Total	126,966,283	6,090	120,938,129	6,051

The movement in treasury shares during the year is as follows:

	2016		2015	
	Number of shares	US\$ million	Number of shares	US\$ million
Treasury shares				
At 1 January	3,603,824	173	8,794,085	481
Transferred to employees in settlement of share awards	(381,024)	(20)	(5,190,261)	(308)
At 31 December	3,222,800	153	3,603,824	173

Tenon

Tenon Investment Holdings Proprietary Limited (Tenon), a wholly owned subsidiary of Anglo American South Africa Limited (AASA), has entered into agreements with Epoch Investment Holdings Proprietary Limited (Epoch), Epoch Two Investment Holdings Proprietary Limited (Epoch Two) and Tarl Investment Holdings Proprietary Limited (Tarl) (collectively the Investment Companies), each owned by independent charitable trusts whose trustees are independent of the Group. Under the terms of these agreements, the Investment Companies have purchased Anglo American plc shares on the market and have granted to Tenon the right to nominate a third party (which may include Anglo American plc but not any of its subsidiaries) to take transfer of the Anglo American plc shares each has purchased on the market. Tenon paid the Investment Companies 80% of the cost of the Anglo American plc shares including associated costs for this right to nominate, which together with subscriptions by Tenon for non-voting participating redeemable preference shares in the Investment Companies, provided all the funding required to acquire the Anglo American plc shares through the market. These payments by Tenon were sourced from the cash resources of AASA. Tenon is able to exercise its right of nomination at any time up to 31 December 2025 against payment of an average amount of \$3.95 per share to Epoch, \$6.15 per share to Epoch Two and \$5.10 per share to Tarl which will be equal to 20% of the total costs respectively incurred by Epoch, Epoch Two and Tarl in purchasing shares nominated for transfer to the third party. These funds will then become available for redemption of the preference shares issued by the Investment Companies. The amount payable by the third party on receipt of the Anglo American plc shares will accrue to Tenon and, as these are own shares of the Company, any resulting gain or loss recorded by Tenon will not be recognised in the Consolidated income statement of Anglo American plc.

Under the agreements, the Investment Companies will receive dividends on the shares they hold and have agreed to waive the right to vote on those shares. The preference shares issued to the charitable trusts are entitled to a participating right of up to 10% of the profit after tax of Epoch and 5% of the profit after tax of Epoch Two and Tarl. The preference shares issued to Tenon will carry a fixed coupon of 3% plus a participating right of up to 80% of the profit after tax of Epoch and 85% of the profit after tax of Epoch Two and Tarl. Any remaining distributable earnings in the Investment Companies, after the above dividends, are then available for distribution as ordinary dividends to the charitable trusts.

The structure effectively provides Tenon with a beneficial interest in the price risk on these shares together with participation in future dividend receipts. The Investment Companies will retain legal title to the shares until Tenon exercises its right to nominate a transferee.

At 31 December 2016 the Investment Companies together held 112,300,129 (2015: 112,300,129) Anglo American plc shares, which represented 8.0% (2015: 8.0%) of the ordinary shares in issue (excluding treasury shares) with a market value of \$1,603 million (2015: \$498 million). The Investment Companies are not permitted to hold more than an aggregate of 10% of the issued share capital of Anglo American plc at any one time.

The Investment Companies are considered to be structured entities. Although the Group has no voting rights in the Investment Companies and cannot appoint or remove trustees of the charitable trusts, the Group considers that the agreement outlined above, including Tenon's right to nominate the transferee of the Anglo American plc shares held by the Investment Companies, result in the Group having control over the Investment Companies as defined under IFRS 10. Accordingly, the Investment Companies are required to be consolidated by the Group.

ADDITIONAL DISCLOSURES**32. CALLED-UP SHARE CAPITAL AND CONSOLIDATED EQUITY ANALYSIS** continued**Employee benefit trust**

The provision of shares to certain of the Company's share option and share incentive schemes may be facilitated by an employee benefit trust or settled by the issue of treasury shares. During 2016, 263,281 shares (2015: nil) from the trust were transferred to employees in settlement of share awards. Shares held by the trust are recorded as own shares, and the carrying value is shown as a reduction within shareholders' equity. The employee benefit trust has waived the right to receive dividends on these shares. The costs of operating the trust are borne by the Group but are not material.

The market value of the 4,736,720 shares (2015: 1 share) held by the trust at 31 December 2016 was \$67,609,894 (2015: \$4).

Consolidated equity analysis

Fair value and other reserves comprise:

US\$ million	Share-based payment reserve	Available for sale reserve	Cash flow hedge reserve	Other reserves ⁽¹⁾	Total fair value and other reserves
At 1 January 2015	540	456	2	140	1,138
Total comprehensive (expense)/income	–	(153)	9	–	(144)
Equity settled share-based payment schemes	(41)	–	–	–	(41)
Other	–	–	–	(17)	(17)
At 31 December 2015	499	303	11	123	936
Total comprehensive expense	–	(11)	(11)	–	(22)
Equity settled share-based payment schemes	(63)	–	–	–	(63)
At 31 December 2016	436	292	–	123	851

⁽¹⁾ Other reserves comprise a capital redemption reserve of \$115 million (2015: \$115 million) and a legal reserve of \$8 million (2015: \$8 million).

33. AUDITOR'S REMUNERATION

US\$ million	2016				2015			
	Paid/payable to Deloitte			Paid/payable to auditor (if not Deloitte)	Paid/payable to Deloitte			Paid/payable to auditor (if not Deloitte)
	United Kingdom	Overseas	Total	Overseas	United Kingdom	Overseas	Total	Overseas
Paid to the Company's auditor for audit of the Anglo American plc Annual Report	1.5	2.6	4.1	–	1.5	2.1	3.6	–
Paid to the Company's auditor for other services to the Group								
Audit of the Company's subsidiaries	0.9	3.9	4.8	0.2	0.5	5.9	6.4	0.2
Total audit fees	2.4	6.5	8.9	0.2	2.0	8.0	10.0	0.2
Audit related assurance services ⁽¹⁾	0.5	1.3	1.8	0.1	0.6	1.3	1.9	–
Taxation compliance services	–	0.2	0.2	–	–	0.2	0.2	0.1
Taxation advisory services	0.3	0.5	0.8	–	0.1	0.4	0.5	0.1
Other assurance services	0.1	0.6	0.7	–	0.3	0.4	0.7	–
Other non-audit services	0.4	0.6	1.0	–	0.4	0.7	1.1	0.1
Total non-audit fees	1.3	3.2	4.5	0.1	1.4	3.0	4.4	0.3

⁽¹⁾ Includes \$1.4 million (2015: \$1.5 million) for the interim review.

ADDITIONAL DISCLOSURES**34. CONTINGENT LIABILITIES**

The Group is subject to various claims which arise in the ordinary course of business. Additionally, the Group has provided indemnities against certain liabilities as part of agreements for the sale or other disposal of business operations. Having taken appropriate legal advice, the Group believes that a material liability arising from the indemnities provided is remote.

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 2016 or 31 December 2015.

Anglo American South Africa Limited (AASA)

AASA is named as one of 32 respondents in a consolidated class certification application filed in the South Gauteng High Court (Johannesburg) on behalf of former mineworkers (or their dependants or survivors) who allegedly contracted silicosis or tuberculosis as a result of having worked for various gold mining companies including some in which AASA was a shareholder and to which AASA provided various technical and administrative services. The High Court has certified two classes of claimants: those with silicosis or who died from silicosis and those with tuberculosis or who died from tuberculosis. AASA and other respondents are appealing the ruling.

AASA, AngloGold Ashanti, Gold Fields, Harmony Gold and Sibanye Gold announced in November 2014 that they had formed an industry working group to address issues relating to compensation and medical care for occupational lung disease in the gold mining industry in South Africa. The companies are in the process of engaging all stakeholders on these matters, including government, organised labour, other mining companies and legal representatives of claimants who have filed legal suits against the companies. These legal proceedings are being defended. The industry working group is seeking a comprehensive solution to address legacy compensation issues and future legal frameworks that is fair to past and current employees and enables companies to continue to be competitive over the long term.

AASA was also a defendant in approximately 4,400 separate lawsuits filed in the North Gauteng High Court (Pretoria), which were referred to arbitration. These 4,400 claims (approximately 1,200 of which were separately instituted against AngloGold Ashanti) were settled by AASA and AngloGold Ashanti in 2016, without admission of liability, for an amount which is not material to the Group.

35. RELATED PARTY TRANSACTIONS

The Group has a related party relationship with its subsidiaries, joint operations, associates and joint ventures (see notes 37 and 40). 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 sale, purchase and service transactions with joint operations, associates, 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.

US\$ million	Associates		Joint ventures		Joint operations ⁽¹⁾	
	2016	2015	2016	2015	2016	2015
Transactions with related parties						
Sale of goods and services	19	28	1	3	171	123
Purchase of goods and services	(399)	(425)	(137)	(183)	(3,390)	(2,606)
Balances with related parties						
Trade and other receivables from related parties	5	7	1	–	17	15
Trade and other payables to related parties	(126)	(135)	(30)	(15)	(79)	(68)
Loans receivable from related parties ⁽²⁾	–	–	401	431	–	21

⁽¹⁾ Represents the portion of balances and transactions with joint operations or joint operation partners that the Group does not have the right to offset against the corresponding amount recorded by the respective joint operations. These amounts primarily relate to purchases by De Beers and Platinum from their joint operations in excess of the Group's attributable share of their production.

⁽²⁾ Included in 'Financial asset investments' on the Consolidated balance sheet.

At 31 December 2016 the directors of the Company and their immediate relatives controlled 0.33% (2015: 0.2%) of the voting shares of the Company.

Remuneration and benefits received by directors are disclosed in the Remuneration report. Remuneration and benefits of key management personnel, including directors, are disclosed in note 26.

Information relating to pension fund arrangements is disclosed in note 27.

ADDITIONAL DISCLOSURES**36. EVENTS OCCURRING AFTER END OF YEAR**

On 3 February 2017, the South African Revenue Services and Sishen Iron Ore Company Proprietary Limited (a subsidiary of Kumba Iron Ore Limited) agreed on a R2.5 billion (approximately \$185 million) settlement of a tax matter relating to the period covering 2006 to 2015 inclusive. The Group had previously provided for R1.5 billion and an additional R1.0 billion was provided in 2016.

On 14 February 2017, the Group announced that it had agreed the sale of its interest in the Union platinum mine to Siyanda Resources Proprietary Limited ('Siyanda') for consideration comprising upfront cash of R400 million (approximately \$29 million) and deferred consideration based on the operation's free cash flow generation over a ten year period.

37. GROUP COMPANIES

The Group consists of the parent company, Anglo American plc, incorporated in the United Kingdom and its subsidiaries, joint operations, joint ventures and associates. For information on the Group's policies and the nature of any significant judgements in relation to the basis of accounting for interests in other entities, see note 1. Further information on interests in associates and joint ventures is provided in note 13.

The Group holds certain interests in both consolidated and unconsolidated structured entities. Further details on consolidated structured entities can be found in note 32. Unconsolidated structured entities consist of employee benefit trusts and community investment vehicles, principally in South Africa. Financial support provided to these entities by the Group is not material.

The principal subsidiaries, joint operations, joint ventures and associates of the Group and the Group percentage of equity capital are set out below. All these interests are held indirectly by the parent company and are consolidated within these financial statements. A complete list of the Group's related undertakings can be found in note 40.

Subsidiary undertakings	Country of incorporation ⁽¹⁾	Business	Percentage of equity owned ⁽²⁾	
			2016	2015
De Beers				
De Beers Consolidated Mines Proprietary Limited ⁽³⁾	South Africa	Diamonds	74%	74%
De Beers plc ⁽⁴⁾	Jersey ⁽⁵⁾	Diamonds	85%	85%
Platinum				
Anglo American Platinum Limited ⁽⁶⁾	South Africa	Platinum	78%	78%
Copper				
Anglo American Sur S.A.	Chile	Copper	50.1%	50.1%
Anglo American Quellaveco S.A.	Peru	Copper project	81.9%	81.9%
Nickel				
Anglo American Níquel Brasil Limitada	Brazil	Nickel	100%	100%
Niobium and Phosphates⁽⁷⁾				
Anglo American Nióbio Brasil Limitada	Brazil	Niobium	–	100%
Anglo American Fosfatos Brasil Limitada	Brazil	Phosphates	–	100%
Iron Ore and Manganese				
Anglo American Minério de Ferro Brasil S.A.	Brazil	Iron ore project	100%	100%
Kumba Iron Ore Limited	South Africa	Iron ore	69.7%	69.7%
Sishen Iron Ore Company Proprietary Limited ⁽⁸⁾	South Africa	Iron ore	76.3%	73.9%
Coal				
Anglo American Metallurgical Coal Holdings Limited	Australia	Coal	100%	100%
Anglo Coal ⁽⁹⁾	South Africa	Coal	100%	100%
Peace River Coal Inc.	Canada	Coal	100%	100%

Proportionately consolidated joint operations	Country of incorporation ⁽¹⁾	Business	Percentage of equity owned ⁽¹⁰⁾	
			2016	2015
Debswana Diamond Company (Proprietary) Limited ⁽¹¹⁾	Botswana	Diamonds	50%	50%
Namdeb Holdings (Proprietary) Limited ⁽¹²⁾	Namibia	Diamonds	50%	50%
Compañía Minera Doña Inés de Collahuasi SCM	Chile	Copper	44%	44%
Capcoal ⁽¹³⁾	Australia	Coal	70%	70%
Dawson ⁽¹³⁾	Australia	Coal	51%	51%
Drayton ⁽¹³⁾	Australia	Coal	88.2%	88.2%
Foxleigh ⁽¹³⁾ (14)	Australia	Coal	–	70%
Moranbah North ⁽¹³⁾	Australia	Coal	88%	88%

See page 159 for footnotes.

ADDITIONAL DISCLOSURES**37. GROUP COMPANIES** continued

Joint ventures	Country of incorporation ⁽¹⁾	Business	Percentage of equity owned ⁽¹⁰⁾	
			2016	2015
Ferroport Logística Comercial Exportadora S.A.	Brazil	Port	50%	50%
Samancor Holdings Proprietary Limited ⁽¹⁵⁾⁽¹⁶⁾⁽¹⁷⁾	South Africa	Manganese	40%	40%
Groote Eylandt Mining Company Pty Limited (GEMCO) ⁽¹⁵⁾⁽¹⁶⁾	Australia	Manganese	40%	40%
Tasmanian Electro Metallurgical Company Pty Limited (TEMCO) ⁽¹⁵⁾⁽¹⁶⁾	Australia	Manganese	40%	40%

Associates	Country of incorporation ⁽¹⁾	Business	Percentage of equity owned ⁽¹⁰⁾	
			2016	2015
Carbones del Cerrejón Limited	Anguilla ⁽¹⁸⁾	Coal	33.3%	33.3%
Cerrejón Zona Norte S.A.	Colombia	Coal	33.3%	33.3%
Jellinbah Group Pty Limited ⁽¹⁹⁾	Australia	Coal	33.3%	33.3%

⁽¹⁾ The principal country of operation is the same as the country of incorporation for all entities with the exception of De Beers plc (De Beers), which has worldwide operations.

⁽²⁾ The proportion of voting rights of subsidiaries held by the Group is the same as the proportion of equity owned.

⁽³⁾ The 74% interest in De Beers Consolidated Mines Proprietary Limited (DBCM) is held indirectly through De Beers. The 74% interest represents De Beers' legal ownership share in DBCM. For accounting purposes De Beers consolidates 100% of DBCM as it is deemed to control the BEE entity, Ponahalo, which holds the remaining 26%. The Group's effective interest in DBCM is 85%.

⁽⁴⁾ This entity was previously known as De Beers Société Anonyme and incorporated in Luxembourg.

⁽⁵⁾ Tax resident in the United Kingdom.

⁽⁶⁾ The Group's effective interest in Anglo American Platinum Limited is 79.6% which includes shares issued as part of a community empowerment deal.

⁽⁷⁾ Niobium and Phosphates was sold on 30 September 2016 (see note 30).

⁽⁸⁾ The 76.3% (2015: 73.9%) interest in Sishen Iron Ore Company Proprietary Limited (SIOC) is held indirectly through Kumba Iron Ore Limited, in which the Group has a 69.7% interest. A 3.1% interest in SIOC was previously held by the Kumba Envision Trust for the benefit of participants in Kumba's broad based employee share scheme for non-managerial Historically Disadvantaged South African employees. The Trust met the definition of a subsidiary under IFRS, and was therefore consolidated by Kumba Iron Ore Limited. The earlier mentioned interest in the Kumba Envision Trust is no longer held at year end due to the wind up of the Envision Trust in November 2016. Consequently the effective interest in SIOC included in the Group's results is 53.2% (2015: 53.7%).

⁽⁹⁾ A division of Anglo Operations Proprietary Limited, a wholly owned subsidiary.

⁽¹⁰⁾ All equity interests shown are ordinary shares.

⁽¹¹⁾ The 50% interest in Debswana Diamond Company (Proprietary) Limited is held indirectly through De Beers and is consolidated on a 19.2% proportionate basis, reflecting economic interest.

The Group's effective interest in Debswana Diamond Company (Proprietary) Limited is 16.3%.

⁽¹²⁾ The 50% interest in Namdeb Holdings (Proprietary) Limited is held indirectly through De Beers. The Group's effective interest in Namdeb Holdings (Proprietary) Limited is 42.5%.

⁽¹³⁾ The wholly owned subsidiary Anglo American Metallurgical Coal Holdings Limited holds the proportionately consolidated joint operations. These operations are unincorporated and jointly controlled.

⁽¹⁴⁾ The Group disposed of its interest in Foxleigh on 29 August 2016.

⁽¹⁵⁾ Samancor has been accounted for as a joint venture since March 2015, following amendments to the agreement that governs the Group's interests in Samancor which resulted in the Group acquiring joint control over the business (previously accounted for as an associate).

⁽¹⁶⁾ These entities have a 30 June year end.

⁽¹⁷⁾ Samancor Holdings Proprietary Limited is the parent company of Hotazel Manganese Mines (HMM) and the Metalloys Smelter. BEE shareholders hold a 26% interest in HMM and therefore the Group's effective ownership interest in HMM is 29.6%.

⁽¹⁸⁾ Tax resident in Colombia.

⁽¹⁹⁾ The Group's effective interest in the Jellinbah operation is 23.3%. The entity has a 30 June year end.

38. FINANCIAL RISK MANAGEMENT

The Board approves and monitors the risk management processes, including documented treasury policies, counterparty limits and controlling and reporting structures. The risk management processes of the Group's independently listed subsidiaries are in line with the Group's own policy.

The types of risk exposure, the way in which such exposure is managed and quantification of the level of exposure in the Consolidated balance sheet at 31 December is as follows (subcategorised into credit risk, commodity price risk, foreign exchange risk and interest rate risk). See note 24 for liquidity risk.

Market risks**a) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will cause a loss to the Group by failing to pay for its obligation. The Group's principal financial assets are cash, trade and other receivables, investments and derivative financial instruments. The Group's maximum exposure to credit risk primarily arises from these financial assets and is as follows:

US\$ million	2016	2015
Cash and cash equivalents	6,051	6,895
Trade and other receivables ⁽¹⁾	2,289	1,885
Financial asset investments ⁽²⁾	701	662
Derivative financial assets	593	1,149
	9,634	10,591

⁽¹⁾ Trade and other receivables exclude prepayments and tax receivables.

⁽²⁾ Financial asset investments exclude available for sale investments.

The Group limits credit risk on liquid funds and derivative financial instruments through diversification of exposures with a range of financial institutions approved by the Board. Counterparty limits are set for each financial institution with reference to credit ratings assigned by Standard & Poor's, Moody's and Fitch Ratings, shareholder equity (in case of relationship banks) and fund size (in case of asset managers).

Given the diverse nature of the Group's operations (both in relation to commodity markets and geographically), and the use of payment security instruments (including letters of credit from financial institutions), it does not have significant concentration of credit risk in respect of trade receivables, with exposure spread over a large number of customers.

A provision for impairment of trade receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Details of the credit quality of trade receivables and the associated provision for impairment are disclosed in note 16.

ADDITIONAL DISCLOSURES**38. FINANCIAL RISK MANAGEMENT** continued**b) Commodity price risk**

The Group's earnings are exposed to movements in the prices of the commodities it produces.

The Group's policy is to sell its products at prevailing market prices and is generally not to hedge commodity price risk, although some hedging may be undertaken for strategic reasons. In such cases, the Group generally uses forward contracts to hedge the price risk.

Certain of the Group's sales and purchases are provisionally priced, meaning that the selling price is determined normally 30 to 180 days after delivery to the customer, based on quoted market prices stipulated in the contract, and as a result are susceptible to future price movements. The exposure of the Group's financial assets and liabilities to commodity price risk is as follows:

US\$ million	2016				2015			
	Commodity price linked			Total	Commodity price linked			Total
	Subject to price movements ⁽¹⁾	Fixed price ⁽²⁾	Not linked to commodity price		Subject to price movements ⁽¹⁾	Fixed price ⁽²⁾	Not linked to commodity price	
Total net financial instruments (excluding derivatives)	421	464	(8,159)	(7,274)	337	334	(11,674)	(11,003)
Derivatives	(28)	–	(1,254)	(1,282)	16	–	(1,330)	(1,314)
	393	464	(9,413)	(8,556)	353	334	(13,004)	(12,317)

⁽¹⁾ Includes provisionally priced trade receivables and trade payables.

⁽²⁾ Includes receivables and payables for commodity sales and purchases not subject to price adjustment at the balance sheet date.

Commodity based contracts that are classified as part of normal sales and purchases and settled through physical delivery of the Group's production are not marked to market.

c) Foreign exchange risk

As a global business, the Group is exposed to many currencies principally as a result of non-US dollar operating costs and, to a lesser extent, from non-US dollar revenue. The Brazilian real, South African rand and Australian dollar are the most significant non-US dollar currencies influencing costs. A strengthening of the US dollar against the currencies to which the Group is exposed has a positive effect on the Group's underlying earnings. The Group's policy is generally not to hedge such exposures given the correlation, over the longer term, with commodity prices and the diversified nature of the Group, though exceptions can be approved by the Group Management Committee.

In addition, currency exposures exist in respect of non-US dollar approved capital expenditure projects and non-US dollar borrowings in US dollar functional currency entities. The Group's policy is that such exposures should be hedged subject to a review of the specific circumstances of the exposure.

Analysis of foreign exchange risk associated with net debt balances and the impact of derivatives to hedge against this risk is included within note 24. Net other financial liabilities (excluding net debt related balances and cash in disposal groups, but including the debit valuation adjustment attributable to derivatives hedging net debt) are \$72 million. This includes net assets of \$503 million denominated in US dollars and \$215 million denominated in Brazilian real, and net liabilities of \$212 million denominated in Australian dollars, \$207 million denominated in Chilean pesos and \$234 million denominated in South African rand.

d) Interest rate risk

Interest rate risk arises due to fluctuations in interest rates which impact on the value of short term investments and financing activities. The Group is principally exposed to US and South African interest rates.

The Group's policy is to borrow funds at floating rates of interest given the link with economic output and therefore the correlation, over the longer term, with commodity prices. The Group uses interest rate swap contracts to manage its exposure to interest rate movements on its debt. Strategic hedging using fixed rate debt may also be undertaken from time to time if approved by the Group Management Committee.

In respect of financial assets, the Group's policy is to invest cash at floating rates of interest and to maintain cash reserves in short term investments (less than one year) in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Analysis of interest rate risk associated with net debt balances and the impact of derivatives to hedge against this risk is included within note 24. Net other financial liabilities (excluding net debt related balances and cash in disposal groups, but including the debit valuation adjustment attributable to derivatives hedging net debt) of \$72 million, are primarily non-interest bearing.

ADDITIONAL DISCLOSURES**38. FINANCIAL RISK MANAGEMENT** continued**e) Financial instrument sensitivities**

Financial instruments affected by market risk include borrowings, deposits, derivative financial instruments, trade receivables and trade payables. The following analysis is intended to illustrate the sensitivity of the Group's financial instruments at 31 December to changes in foreign currencies, commodity prices and interest rates.

The sensitivity analysis has been prepared on the basis that the components of net debt, the ratio of fixed to floating interest rates of the debt and derivatives portfolio and the proportion of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December. In addition, the commodity price impact for provisionally priced contracts is based on the related trade receivables and trade payables at 31 December. As a consequence, this sensitivity analysis relates to the position at 31 December.

The following assumptions were made in calculating the sensitivity analysis:

- all income statement sensitivities also impact equity
- for debt and other deposits carried at amortised cost, carrying value does not change as interest rates move
- no sensitivity is provided for interest accruals as these are based on pre-agreed interest rates and therefore are not susceptible to further rate changes
- no sensitivity has been calculated on derivatives and related underlying instruments designated into fair value hedge relationships as these are assumed materially to offset one another
- all hedge relationships are assumed to be fully effective
- debt with a maturity of less than one year is floating rate, unless it is a long term fixed rate debt in its final year
- translation of foreign subsidiaries and operations into the Group's presentation currency has been excluded from the sensitivity.

Using the above assumptions, the following table shows the illustrative effect on the income statement and equity that would result from reasonably possible changes in the relevant foreign currency, commodity price and interest rate.

US\$ million	2016		2015	
	Income	Equity	Income	Equity
Foreign currency sensitivities⁽¹⁾				
+10% US dollar to rand	(74)	(74)	(19)	(19)
-10% US dollar to rand	74	74	19	19
+10% US dollar to Brazilian real ⁽²⁾	1	1	(46)	(46)
-10% US dollar to Brazilian real ⁽²⁾	(1)	(1)	46	46
+10% US dollar to Australian dollar	10	10	9	9
-10% US dollar to Australian dollar	(10)	(10)	(9)	(9)
+10% US dollar to Chilean peso	24	24	21	21
-10% US dollar to Chilean peso	(24)	(24)	(24)	(24)
Commodity price sensitivities				
10% increase in the copper price	50	50	117	117
10% decrease in the copper price	(50)	(50)	(117)	(117)
10% increase in the platinum group metals price	(30)	(30)	(13)	(13)
10% decrease in the platinum group metals price	30	30	13	13
Interest rate sensitivity				
50bps increase in LIBOR ⁽³⁾	(30)	(30)	(32)	(32)
50bps decrease in LIBOR ⁽³⁾	30	30	32	32

⁽¹⁾ + represents strengthening of US dollar against the respective currency.

⁽²⁾ Includes sensitivities for derivatives related to capital expenditure.

⁽³⁾ Without the impact of capitalised interest, the Group's sensitivity to a 50bps increase and decrease in LIBOR would be \$57 million (2015: \$61 million) loss and gain respectively.

The above sensitivities are calculated with reference to a single moment in time and are subject to change due to a number of factors including:

- fluctuating trade receivable and trade payable balances
- derivative instruments and borrowings settled throughout the year
- fluctuating cash balances
- changes in currency mix.

As the sensitivities are limited to year end financial instrument balances, they do not take account of the Group's sales and operating costs, which are highly sensitive to changes in commodity prices and exchange rates. In addition, each of the sensitivities is calculated in isolation whilst, in reality, commodity prices, interest rates and foreign currencies do not move independently.

ADDITIONAL DISCLOSURES**39. ACCOUNTING POLICIES****Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations as 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 Disclosure and Transparency rules of the Financial Conduct Authority in the United Kingdom as applicable to periodic financial reporting. The financial statements have been prepared under the historical cost convention as modified by the revaluation of pension assets and liabilities and certain financial instruments. A summary of the principal Group accounting policies is set out below.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

As permitted by UK company law, the Group's results are presented in US dollars, the currency in which its business is primarily conducted.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus the going concern basis of accounting in preparing the financial statements continues to be adopted. Further details are contained in the Directors' report on page 198.

Basis of consolidation

The financial statements incorporate a consolidation of the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the results of subsidiaries, joint arrangements and associates to bring their accounting policies into line with those used by the Group. Intra-group transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

For non-wholly owned subsidiaries, non-controlling interests are presented in equity separately from the equity attributable to shareholders of the Company. Profit or loss and other comprehensive income are attributed to the shareholders of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in ownership interest in subsidiaries that do not result in a change in control are accounted for in equity. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recorded directly in equity and attributed to the shareholders of the Company.

39a. Revenue recognition

Revenue is derived principally from the sale of goods and is measured at the fair value of consideration received or receivable, after deducting discounts, volume rebates, value added tax and other sales taxes. A sale is recognised when the significant risks and rewards of ownership have passed. This is usually when title and insurance risk have passed to the customer and the goods have been delivered to a contractually agreed location.

Sales of metal concentrate are stated at their invoiced amount which is net of treatment and refining charges. Sales of certain commodities are provisionally priced such that the price is not settled until a predetermined future date and is based on the market price at that time. Revenue on these sales is initially recognised (when the above criteria are met) at the current market price. Provisionally priced sales are marked to market at each reporting date using the forward price for the period equivalent to that outlined in the contract. This mark-to-market adjustment is recognised in revenue, see note 4 for more information on provisional price adjustments.

Revenues from the sale of material by-products are included within revenue. Where a by-product is not regarded as significant, revenue may be credited against the cost of sales.

Revenue from services is recognised as services are rendered and accepted by the customer. Amounts billed to customers in respect of shipping and handling activities are classified as revenue where the Group is responsible for freight. In situations where the Group is acting as an agent, amounts billed to customers are offset against the relevant costs.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

39b. Borrowing costs

Interest on borrowings directly relating to the financing of qualifying assets in the course of construction is added to the capitalised cost of those projects under 'Capital works in progress', until such time as the assets are substantially ready for their intended use or sale. Where funds have been borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

39c. Tax

The tax expense includes the current tax and deferred tax charge recognised in the income statement.

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or of an asset or liability in a transaction (other than in a business combination) that affects neither taxable profit nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, joint arrangements and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also taken directly to equity.

ADDITIONAL DISCLOSURES

39. ACCOUNTING POLICIES *continued*

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis in that taxation authority.

39d. Business combinations and goodwill arising thereon

The identifiable assets, liabilities and contingent liabilities of a subsidiary, a joint arrangement or an associate, which can be measured reliably, are recorded at their provisional fair values at the date of acquisition. Goodwill is the fair value of the consideration transferred (including contingent consideration and previously held non-controlling interests) less the fair value of the Group's share of identifiable net assets on acquisition.

Where a business combination is achieved in stages, the Group's previously held interests in the acquiree are remeasured to fair value at the acquisition date and the resulting gain or loss is recognised in the income statement.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the income statement, where such treatment would be appropriate if that interest were disposed of.

Transaction costs incurred in connection with the business combination are expensed. Provisional fair values are finalised within 12 months of the acquisition date.

Goodwill in respect of subsidiaries and joint operations is included within intangible assets. Goodwill relating to associates and joint ventures is included within the carrying value of the investment.

Where the fair value of the identifiable net assets acquired exceeds the cost of the acquisition, the surplus, which represents the discount on the acquisition, is recognised directly in the income statement in the period of acquisition.

For non-wholly owned subsidiaries, non-controlling interests are initially recorded at the non-controlling interests' proportion of the fair values of net assets recognised at acquisition.

39e. Non-mining licences and other intangibles

Non-mining licences and other intangibles are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the asset is separable or arises from contractual or legal rights and the fair value can be measured reliably on initial recognition. Intangible assets are amortised over their estimated useful lives, usually between 3 and 20 years, except goodwill and those intangible assets that are considered to have indefinite lives. For intangible assets with a finite life, the amortisation period is determined as the period over which the Group expects to obtain benefits from the asset, taking account of all relevant facts and circumstances including contractual lives and expectations about the renewal of contractual arrangements without significant incremental costs. An intangible asset is deemed to have an indefinite life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate cash flows for the Group. Amortisation methods, residual values and estimated useful lives are reviewed at least annually.

39f. Impairment of goodwill

Goodwill arising on business combinations is allocated to the group of cash generating units (CGUs) that is expected to benefit from synergies of the combination, and represents the lowest level at which goodwill is monitored by the Group's board of directors for internal management purposes. The recoverable amount of the CGU, or group of CGUs, to which goodwill has been allocated is tested for impairment annually, or when events or changes in circumstances indicate that it may be impaired.

Any impairment loss is recognised immediately in the income statement. Impairment of goodwill is not subsequently reversed.

39g. Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. Cost is the fair value of consideration required to acquire and develop the asset and includes the purchase price, acquisition of mineral rights, costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation and, for assets that take a substantial period of time to get ready for their intended use, borrowing costs.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount. The gain or loss is recognised in the income statement.

Depreciation of property, plant and equipment

Mining properties are depreciated to their residual values using the unit of production method based on Proved and Probable Ore Reserves and, in certain limited circumstances, other Mineral Resources included in the Life of Mine Plan. These other Mineral Resources are included in depreciation calculations where, taking into account historical rates of conversion to Ore Reserves, there is a high degree of confidence that they will be extracted in an economic manner. This is the case principally for diamond operations, where depreciation calculations are based on Diamond Reserves and Diamond Resources included in the Life of Mine Plan. This reflects the unique nature of diamond deposits where, due to the difficulty in estimating grade, Life of Mine Plans frequently include significant amounts of Indicated or Inferred Resources.

Buildings and items of plant and equipment for which the consumption of economic benefit is linked primarily to utilisation or to throughput rather than production, are depreciated to their residual values at varying rates on a straight line basis over their estimated useful lives, or the Reserve Life, whichever is shorter. Estimated useful lives normally vary from up to 20 years for items of plant and equipment to a maximum of 50 years for buildings. Under limited circumstances, items of plant and equipment may be depreciated over a period that exceeds the Reserve Life by taking into account additional Mineral Resources other than Proved and Probable Reserves included in the Life of Mine Plan, after making allowance for expected production losses based on historical rates of resource conversion. 'Capital works in progress' are measured at cost less any recognised impairment. Depreciation commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset class.

Land is not depreciated.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

Depreciation methods, residual values and estimated useful lives are reviewed at least annually.

Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

39h. Deferred stripping

The removal of rock or soil overlying a mineral deposit, overburden, and other waste materials is often necessary during the initial development of an open pit mine site, in order to access the orebody. The process of removing overburden and other mine waste materials is referred to as stripping. The directly attributable cost of this activity is capitalised in full within 'Mining properties and leases', until the point at which the mine is considered to be capable of operating in the manner intended by management. This is classified as expansionary capital expenditure, within investing cash flows.

The removal of waste material after the point at which depreciation commences is referred to as production stripping. When the waste removal activity improves access to ore extracted in the current period, the costs of production stripping are charged to the income statement as operating costs in accordance with the principles of IAS 2 *Inventories*.

ADDITIONAL DISCLOSURES

39. ACCOUNTING POLICIES *continued*

Where production stripping activity both produces inventory and improves access to ore in future periods the associated costs of waste removal are allocated between the two elements. The portion that benefits future ore extraction is capitalised within 'Mining properties and leases'. This is classified as stripping and development capital expenditure, within investing cash flows. If the amount to be capitalised cannot be specifically identified it is determined based on the volume of waste extracted compared with expected volume for the identified component of the orebody. Components are specific volumes of a mine's orebody that are determined by reference to the Life of Mine Plan.

In certain instances significant levels of waste removal may occur during the production phase with little or no associated production. This may occur at both open pit and underground mines, for example longwall development.

The cost of this waste removal is capitalised in full to 'Mining properties and leases'.

All amounts capitalised in respect of waste removal are depreciated using the unit of production method based on Proved and Probable Ore Reserves of the component of the orebody to which they relate.

The effects of changes to the Life of Mine Plan on the expected cost of waste removal or remaining Ore Reserves for a component are accounted for prospectively as a change in estimate.

39i. Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets are impaired. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use (VIU). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the asset or CGU. A reversal of an impairment loss is recognised in the income statement.

39j. Exploration and evaluation expenditure

Exploration and evaluation expenditure is expensed in the year in which it is incurred.

Exploration expenditure is the cost of exploring for Mineral Resources other than that occurring at existing operations and projects and comprises geological and geophysical studies, exploratory drilling and sampling and resource development.

Evaluation expenditure includes the cost of conceptual and pre-feasibility studies and evaluation of Mineral Resources at existing operations.

When a decision is taken that a mining project is technically feasible and commercially viable, usually after a pre-feasibility study has been completed, subsequent directly attributable expenditure, including feasibility study costs, are considered development expenditure and are capitalised within property, plant and equipment.

Exploration properties acquired are recognised in the balance sheet when management considers that their value is recoverable. These properties are measured at cost less any accumulated impairment losses.

39k. Associates and joint arrangements

Associates are investments over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee, but without the ability to exercise control or joint control. Typically the Group owns between 20% and 50% of the voting equity of its associates.

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the activities that significantly affect the arrangement's returns require the unanimous consent of the parties sharing control.

Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement. In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties have rights to the net assets of the arrangement.

Joint arrangements that are not structured through a separate vehicle are always joint operations. Joint arrangements that are structured through a separate vehicle may be either joint operations or joint ventures depending on the substance of the arrangement. In these cases, consideration is given to the legal form of the separate vehicle, the terms of the contractual arrangement and, when relevant, other facts and circumstances. When the activities of an arrangement are primarily designed for the provision of output to the parties, and the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement, this indicates that the parties to the arrangements have rights to the assets and obligations for the liabilities.

The Group accounts for joint operations by recognising the assets, liabilities, revenue and expenses for which it has rights or obligations, including its share of such items held or incurred jointly.

Investments in associates and joint ventures are accounted for using the equity method of accounting except when classified as held for sale. The Group's share of associates' and joint ventures' net income is based on their most recent audited financial statements or unaudited interim statements drawn up to the Group's balance sheet date.

The total carrying values of investments in associates and joint ventures represent the cost of each investment including the carrying value of goodwill, the share of post acquisition retained earnings, any other movements in reserves and any long term debt interests which in substance form part of the Group's net investment. The carrying values of associates and joint ventures are reviewed on a regular basis and if there is objective evidence that an impairment in value has occurred as a result of one or more events during the period, the investment is impaired.

The Group's share of an associate's or joint venture's losses in excess of its interest in that associate or joint venture is not recognised unless the Group has an obligation to fund such losses. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

39l. Financial asset investments

Investments, other than investments in subsidiaries, joint arrangements and associates, are financial asset investments and are initially recognised at fair value. At subsequent reporting dates, financial assets classified as held-to-maturity or as loans and receivables are measured at amortised cost, less any impairment losses. Other investments are classified as either at fair value through profit or loss (which includes investments held for trading) or available for sale financial assets. Both categories are subsequently measured at fair value. Where investments are held for trading purposes, unrealised gains and losses for the period are included in the income statement within other gains and losses. For available for sale investments, unrealised gains and losses are recognised in equity until the investment is disposed of or impaired, at which time the cumulative gain or loss previously recognised in equity is recycled to the income statement.

ADDITIONAL DISCLOSURES

39. ACCOUNTING POLICIES *continued*

39m. Impairment of financial assets (including receivables)

A financial asset not measured at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Losses are recognised in the income statement. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the income statement.

Impairment losses relating to available for sale investments are recognised when a decline in fair value is considered significant or prolonged. These impairment losses are recognised by transferring the cumulative loss that has been recognised in the statement of comprehensive income to the income statement. The loss recognised in the income statement is the difference between the acquisition cost and the current fair value.

39n. Derivative financial instruments and hedge accounting

In order to hedge its exposure to foreign exchange, interest rate and commodity price risk, the Group enters into forward, option and swap contracts. The Group does not use derivative financial instruments for speculative purposes. Commodity based (own use) contracts that meet the scope exemption in IAS 39 *Financial Instruments: Recognition and Measurement* are recognised in earnings when they are settled by physical delivery.

All derivatives are held at fair value in the balance sheet within 'Derivative financial assets' or 'Derivative financial liabilities' except if they are linked to settlement and delivery of an unquoted equity instrument and the fair value cannot be measured reliably, in which case they are carried at cost. A derivative cannot be measured reliably where the range of reasonable fair value estimates is significant and the probabilities of various estimates cannot be reasonably assessed.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows (cash flow hedges) are recognised directly in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or liability, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects profit or loss.

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged. The corresponding entry and gains or losses arising from remeasuring the associated derivative are recognised in the income statement.

The gain or loss on hedging instruments relating to the effective portion of a net investment hedge is recognised in equity (within the cumulative translation adjustment reserve). The ineffective portion is recognised immediately in the income statement. Gains or losses accumulated in the cumulative translation adjustment reserve are recycled to the income statement on disposal of the foreign operations to which they relate.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained until the forecast transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is recycled to the income statement for the period.

Changes in the fair value of any derivative instruments that are not designated in a hedge relationship are recognised immediately in the income statement and are classified within other gains and losses (operating costs) or net finance costs depending on the type of risk to which the derivative relates.

Derivatives embedded in other financial instruments or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contracts and the host contracts themselves are not carried at fair value with unrealised gains or losses reported in the income statement.

39o. Cash and debt

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on demand deposits, together with short term, highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet. Cash and cash equivalents in the cash flow statement are shown net of overdrafts. Cash and cash equivalents are measured at amortised cost.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified and accounted for as debt or equity according to the substance of the contractual arrangements entered into.

Borrowings

Interest bearing borrowings and overdrafts are initially recognised at fair value, net of directly attributable transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs are recognised in the income statement using the effective interest method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

39p. Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the right to receive cash flows from the asset has expired, the right to receive cash flows has been retained but an obligation to on-pay them in full without material delay has been assumed or the right to receive cash flows has been transferred together with substantially all the risks and rewards of ownership.

Financial liabilities are derecognised when the associated obligation has been discharged, cancelled or has expired.

39q. Inventories

Inventory and work in progress are measured at the lower of cost and net realisable value. The production cost of inventory includes an appropriate proportion of depreciation and production overheads. Cost is determined on the following basis:

- Raw materials and consumables are measured at cost on a first in, first out (FIFO) basis or a weighted average cost basis.
- Work in progress and finished products are measured at raw material cost, labour cost and a proportion of manufacturing overhead expenses.
- Metal and coal stocks are included within finished products and are measured at average cost.

At precious metals operations that produce 'joint products', cost is allocated amongst products according to the ratio of contribution of these metals to gross sales revenues.

39r. Environmental restoration and decommissioning obligations

An obligation to incur environmental restoration, rehabilitation and decommissioning costs arises when disturbance is caused by the development or ongoing production of a mining asset. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalised at the start of each project, as soon as the obligation to incur such costs arises.

These costs are recognised in the income statement over the life of the operation, through the depreciation of the asset and the unwinding of the discount on the provision. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and recognised in the income statement as extraction progresses.

ADDITIONAL DISCLOSURES

39. ACCOUNTING POLICIES *continued*

Changes in the measurement of a liability relating to the decommissioning of plant or other site preparation work (that result from changes in the estimated timing or amount of the cash flow or a change in the discount rate), are added to or deducted from the cost of the related asset in the current period. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the income statement. If the asset value is increased and there is an indication that the revised carrying value is not recoverable, an impairment test is performed in accordance with the accounting policy set out above.

For some South African operations annual contributions are made to dedicated environmental rehabilitation trusts to fund the estimated cost of rehabilitation during and at the end of the life of the relevant mine. The Group exercises full control of these trusts and therefore the trusts are consolidated. The trusts' assets are disclosed separately on the balance sheet as non-current assets.

The trusts' assets are measured based on the nature of the underlying assets in accordance with accounting policies for similar assets.

39s. Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is met only when a sale is highly probable within one year from the date of classification, management is committed to the sale and the asset or disposal group is available for immediate sale in its present condition.

Non-current assets and disposal groups are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less costs to sell. Any resulting impairment loss is recognised in the income statement.

On classification as held for sale the assets are no longer depreciated. Comparative amounts are not adjusted.

39t. Retirement benefits

The Group operates both defined benefit and defined contribution pension plans for its employees as well as post employment medical plans. For defined contribution plans the amount recognised in the income statement is the contributions paid or payable during the year.

For defined benefit pension and post employment medical plans, full actuarial valuations are carried out at least every three years using the projected unit credit method and updates are performed for each financial year end. The average discount rate for the plans' liabilities is based on AA rated corporate bonds of a suitable duration and currency or, where there is no deep market for such bonds, is based on government bonds. Pension plan assets are measured using year end market values.

Remeasurements comprising actuarial gains and losses, movements in asset surplus restrictions and the return on scheme assets (excluding interest income) are recognised immediately in the statement of comprehensive income and are not recycled to the income statement. Any increase in the present value of plan liabilities expected to arise from employee service during the year is charged to operating profit. The net interest income or cost on the net defined benefit asset or liability is included in investment income or interest expense respectively.

Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise amortised on a straight line basis over the average period until the benefits vest.

The retirement benefit obligation recognised on the balance sheet represents the present value of the deficit or surplus of the defined benefit plans. Any recognised surplus is limited to the present value of available refunds or reductions in future contributions to the plan.

39u. Share-based payments

The Group makes equity settled share-based payments to certain employees, which are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. For those share schemes with market related vesting conditions, the fair value is determined using the Monte Carlo method at the grant date. The fair value of share options issued with non-market vesting conditions has been calculated using the Black Scholes model.

For all other share awards, the fair value is determined by reference to the market value of the shares at the grant date. For all share schemes with non-market vesting conditions, the likelihood of vesting has been taken into account when determining the relevant charge. Vesting assumptions are reviewed during each reporting period to ensure they reflect current expectations.

39v. Black Economic Empowerment (BEE) transactions

Where the Group disposes of a portion of a South African based subsidiary or operation to a BEE company at a discount to fair value, the transaction is considered to be a share-based payment (in line with the principle contained in South Africa interpretation AC 503 Accounting for Black Economic Empowerment (BEE) Transactions).

The discount provided or value given is calculated in accordance with IFRS 2 and the cost, representing the fair value of the BEE credentials obtained by the subsidiary, is recorded in the income statement.

39w. Foreign currency transactions and translation

Foreign currency transactions by Group companies are recognised in the functional currencies of the companies at the exchange rate ruling on the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on retranslation are included in the income statement for the period and are classified as either operating or financing depending on the nature of the monetary item giving rise to them.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period where these approximate the rates at the dates of the transactions. Any exchange differences arising are classified within the statement of comprehensive income and transferred to the Group's cumulative translation adjustment reserve. Exchange differences on foreign currency balances with foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future, and therefore form part of the Group's net investment in these foreign operations, are offset in the cumulative translation adjustment reserve.

Cumulative translation differences are recycled from equity and recognised as income or expense on disposal of the operation to which they relate.

Goodwill and fair value adjustments arising on the acquisition of foreign entities are treated as assets of the foreign entity and translated at the closing rate.

39x. Leases

In addition to lease contracts, other significant contracts are assessed to determine whether, in substance, they are or contain a lease. This includes assessment of whether the arrangement is dependent on use of a specific asset and the right to use that asset is conveyed through the contract.

Rental costs under operating leases are recognised in the income statement in equal annual amounts over the lease term.

ADDITIONAL DISCLOSURES

40. RELATED UNDERTAKINGS OF THE GROUP

The Group consists of the parent company, Anglo American plc, incorporated in the United Kingdom and its subsidiaries, joint operations, joint ventures and associates. In accordance with Section 409 of the Companies Act 2006 a full list of related undertakings, the country of incorporation and the effective percentage of equity owned as at 31 December 2016 is disclosed below. Unless otherwise disclosed all entities with an indirect equity holding of greater than 51% are considered subsidiary undertakings. See note 37 for the Group's principal subsidiaries, joint operations, joint ventures and associates.

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
Angola	De Beers Angola Holdings S.A.	85%	Rua Rainha Ginga 87 9º andar, Luanda, Caixa Postal 4031
Anguilla ⁽³⁾	Carbones del Cerrejón Limited	33%	Calle 100 No. 19-54 Piso 12, Bogota, Colombia
Argentina	Minera Anglo American Argentina S.A.	100%	San Martin 1167 Piso 2º Mendoza
Australia	A.C.N. 127 881 510 Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Australia Finance Limited	100% ⁽⁴⁾	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Australia Holdings Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Australia Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Exploration (Australia) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Investments (Australia) Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Metallurgical Coal Assets Eastern Australia Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Metallurgical Coal Assets Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Metallurgical Coal Finance Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Metallurgical Coal Holdings Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Metallurgical Coal Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo American Thermal Coal (Australia) Pty. Ltd.	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Archvevor Management) Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Capcoal Management) Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Contracting) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dartbrook Management) Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dartbrook) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dawson Management) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dawson Services) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dawson South Management) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dawson South) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dawson) Holdings Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Dawson) Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Drayton Management) Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Drayton South Management) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Drayton South) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Drayton) No.2 Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Drayton) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (German Creek) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Grasstree Management) Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Grosvenor Management) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Grosvenor) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Jellinbah) Holdings Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Monash Energy) Holdings Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Moranbah North Management) Pty Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Roper Creek) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Coal (Theodore South) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Anglo Operations (Australia) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Bowen Basin Coal Pty Ltd	23%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Dalrymple Bay Coal Terminal Pty Ltd	25%	Martin Armstrong Drive, Hay Point via Mackay, QLD 4741
Australia	Dartbrook Coal (Sales) Pty Ltd	84%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Dawson Coal Processing Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Dawson Highwall Mining Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Dawson Sales Pty Ltd	51%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Dawson South Sales Pty Ltd	51%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	De Beers Australia Exploration Limited	85%	896 Beaufort Street, Suite 4, Inglewood, WA 6052
Australia	Drayton Coal (Sales) Pty. Ltd.	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Drayton Coal Shipping Pty. Limited	88%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	German Creek Coal Pty. Limited	70%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Groote Eylandt Mining Company Pty Limited	40%	Level 235, 108 St Georges Terrace, Perth, WA 6000
Australia	Grosvenor Sales Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Jellinbah Group Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Jellinbah Mining Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Jellinbah Resources Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Jena Pty. Limited	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	JG Land Company Pty Ltd	23%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Lake Vermont Marketing Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Lake Vermont Resources Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Monash Energy Coal Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Monash Energy Pty Limited	50%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Moranbah North Coal (No2) Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Moranbah North Coal (Sales) Pty Ltd	88%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	Moranbah North Coal Pty Ltd	100%	Level 11, 201 Charlotte Street, Brisbane, QLD 4000
Australia	QCMM (Lake Vermont Holdings) Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	QCMM Finance Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Australia	Tasmanian Electro Metallurgical Company Pty Limited	40%	Level 235, 108 St Georges Terrace, Perth, WA 6000
Australia	Tremell Pty Ltd	33%	Level 7, Comalco Place, 12 Creek Street, Brisbane, QLD 4000
Belgium	De Beers Auction Sales Belgium NV	85%	8th Floor, 21 Schupstraat, 2018 Antwerp
Belgium	Diamond Trading Company Proprietary Ltd NV	85%	21 Schupstraat, 2018 Antwerp
Belgium	International Institute of Diamond Grading and Research (Belgium) NV	85%	21 Schupstraat, 2018 Antwerp
Bermuda	Coromin Limited	100%	Clarendon House, 2 Church Street, Hamilton

See page 174 for footnotes.

ADDITIONAL DISCLOSURES**40. RELATED UNDERTAKINGS OF THE GROUP** continued

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
Bermuda	Holdac Limited	100%	Clarendon House, 2 Church Street, Hamilton
Botswana	Ambase Exploration (Botswana) (Pty) Ltd	100%	1st Floor, Mokolwane House, Plot 67978, Fairground, Gaborone
Botswana	Ambase Prospecting (Botswana) (Pty) Ltd	100%	1st Floor, Mokolwane House, Plot 67978, Fairground, Gaborone
Botswana	Anglo American Bokamoso (Pty) Ltd	100%	c/o KPMG, Chartered Accountants, Plot 67977, Off Tlokweg Road, Fairground, PO Box 1519, Gaborone
Botswana	Anglo American Corporation Botswana (Services) Limited	100%	Plot 67977, Fairground Office Park, Gaborone
Botswana	Anglo Coal Botswana (Pty) Ltd	100%	Plot 67977, Fairground Office Park, Gaborone
Botswana	Broadhurst Primary School (Pty) Ltd	29%	Plot 64288 Airport Road, Block 8, Gaborone
Botswana	De Beers Botswana (Pty) Ltd	85%	3rd Floor, DTCB Building, Plot 63016, Block 8, Airport Road, Gaborone
Botswana	De Beers Global Sightholder Sales (Pty) Ltd	85%	3rd Floor, DTCB Building, Plot 63016, Block 8, Airport Road, Gaborone
Botswana	De Beers Holdings Botswana (Pty) Ltd	85%	5th Floor, Debswana House, Main Mall, Gaborone
Botswana	Debswana ART Fund Trust	43%	Plot 64288, Airport Road, Block 8, Gaborone
Botswana	Debswana Diamond Company (Pty) Ltd	43% ⁽⁵⁾	Plot 64288, Airport Road, Block 8, Gaborone
Botswana	Diamond Trading Company Botswana (Pty) Ltd	43%	Plot 63016, Airport Road, Block 8, Gaborone
Botswana	Rainbow Gas and Coal Exploration (Pty) Ltd	51%	Plot 67977, Fairground Office Park, Gaborone
Botswana	Sesiro Insurance Company (Pty) Ltd	43%	First Floor Debswana Corporate Centre, Plot 64288, Airport Road, Block 8, Gaborone
Botswana	The Diamond Trust	21%	Debswana House, The Mall, Gaborone
Brazil	Anglo American Consultoria em Minério de Ferro Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Anglo American Investimentos - Minério de Ferro Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar, sala 1603, bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Anglo American Minério de Ferro Brasil S.A.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar, sala 1601, bairro Santa Lucia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Anglo American Níquel Brasil Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 20º andar (parte), Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Anglo American Participações Minério de Ferro Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar, sala 1602, bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Anglo Ferrous Brazil Participações S.A.	100%	Rua Maria Luiza Santiago, nº. 200, 20º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Coruripe Participações Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Element Six Ltda.	51%	Rua da Consolação, 368, 15º andar Consolação, São Paulo
Brazil	Ferropport Logística Comercial Exportadora S.A.	50%	Rua da Passagem, nº. 123, 11º andar, sala 1101, Botafogo, CEP 22290-030, Rio de Janeiro/RJ
Brazil	GD Empreendimentos Imobiliários S.A.	33%	Rua Visconde de Ouro Preto, nº. 5, 11º andar (parte), Botafogo, Rio de Janeiro/RJ
Brazil	Gespa Gesso Paulista Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Guaporé Mineração Ltda.	49%	Avenida Paulista, nº. 2.300, 10º andar (parte), CEP 01.310-300, São Paulo/SP
Brazil	Instituto Anglo American Brasil	100%	Avenida Paulista, nº. 2.300, 10º andar, CEP 01.310-300, São Paulo/SP
Brazil	Mineração Itamaracá Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Mineração Tanagra Ltda.	49%	Rua Maria Luiza Santiago, nº. 200, 20º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Mineração Tariana Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Morro do Níquel Ltda.	100%	Rua Maria Luiza Santiago, nº. 200, 16º andar (parte), bairro Santa Lúcia, CEP 30360-740, Belo Horizonte, Minas Gerais
Brazil	Câmara De Comércio Brasil República Sul Africana	100%	Avenida Paulista, nº. 2.300, 10º andar, Cerqueira César, São Paulo/SP
British Virgin Islands	Anglo American Services (International) Limited	100%	9 Columbus Centre, Pelican Drive, P.O. Box 805, Road Town, Tortola, VG1110
British Virgin Islands	De Beers Angola Investments Limited	68%	9 Columbus Centre, Pelican Drive, Road Town, Tortola
British Virgin Islands	De Beers Angola Prospecting Pty Ltd	68%	Midocean Management and Trust Services (BVI) Limited, Midocean Chambers, P.O. Box 805, Road Town, Tortola
British Virgin Islands	De Beers Centenary Angola Properties Ltd	85%	Midocean Chambers, 9 Columbus Centre, Pelican Drive, Road Town, Tortola
British Virgin Islands ⁽⁶⁾	Delibes Holdings Limited	85%	9 Columbus Centre, Pelican Drive, P.O. Box 805, Road Town, Tortola, VG1110
British Virgin Islands ⁽⁶⁾	Highbirch Ltd	100%	9 Columbus Centre, Pelican Drive, P.O. Box 805, Road Town, Tortola, VG1110
British Virgin Islands ⁽⁶⁾	Loma de Níquel Holdings Limited	94%	Craigmuir Chambers, P.O. Box 71, Road Town, Tortola
British Virgin Islands ⁽⁶⁾	Scallion Limited	85%	Midocean Chambers, 9 Columbus Centre, Pelican Drive, Road Town, Tortola
Canada	0912055 BC Ltd	100%	Suite 2400, 745 Thurlow Street, Vancouver, BC V6E 0C5
Canada	4259785 Canada Inc.	85%	333 Bay Street, Suite 2400, Toronto, ON M5H2T6
Canada	Anglo American Exploration (Canada) Ltd.	100%	Suite 800, 700 West Pender Street, Vancouver, BC V6C 1G8
Canada	Belcourt Saxon Coal Limited	50%	1600-925 West Georgia Street, Vancouver, BC V6C 3L2
Canada	Belcourt Saxon Coal Limited Partnership	50%	1600-925 West Georgia Street, Vancouver, BC V6C 3L2
Canada	De Beers Canada Holdings Inc.	85%	2400-333 Bay Street, Toronto, ON M5H2T6
Canada	De Beers Canada Inc.	85%	2400-333 Bay Street, Toronto, ON M5H2T6
Canada	Kaymin Resources Limited	78%	McCarthy Tetrault LLP, Pacific Centre, PO Box 10424, Suite 1300, 777 Dunsmuir Street, Vancouver, BC V7Y 1K2
Canada	Peace River Coal Inc.	100%	Suite 2400, 745 Thurlow Street, Vancouver, BC V6E 0C5
Cayman Islands ⁽⁶⁾	Cheviot Holdings Limited	85%	Maples and Calder, P.O. Box 309, George Town, Grand Cayman
Chile	Anglo American Chile Inversiones S.A.	100%	Av. Pedro de Valdivia 291, Santiago
Chile	Anglo American Chile Ltda	100%	Av. Pedro de Valdivia 291, Santiago
Chile	Anglo American Sur S.A.	50%	Av. Pedro de Valdivia 291, Santiago
Chile	Compañía Minera Doña Inés de Collahuasi SCM	44%	Avenida Andres Bello 2687, Piso 11 Edif. el Pacifico, Las Condes, Santiago, Región Metropolitana
Chile	Compañía Minera Westwall S.C.M.	50%	Av. Pedro de Valdivia 291, Santiago

See page 174 for footnotes.

ADDITIONAL DISCLOSURES

40. RELATED UNDERTAKINGS OF THE GROUP continued

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
Chile	Inversiones Anglo American Norte S.A.	100%	Av. Pedro de Valdivia 291, Santiago
Chile	Inversiones Anglo American Sur S.A.	100%	Av. Pedro de Valdivia 291, Santiago
Chile	Inversiones Minorco Chile S.A.	100%	Av. Pedro de Valdivia 291, Santiago
China	De Beers Jewellers Commercial (Shanghai) Co., Ltd	43%	Room 1707B, 17F, Plaza 66, No. 1266 West Nanjing Road, Shanghai
China	Element Six Hard Materials (Wuxi) Co., Ltd	51%	No. 105-1, Xinjin Road, Meicun, Wuxi New District, Jiangsu Province, 214112
China	Element Six Trading (Shanghai) Co., Ltd	51%	2802A, Chong Hing Finance Centre, No. 288 Nan Jing Road West, Huang Pu District, Shanghai, 200003
China	Forevermark Marketing Shanghai Company Limited	85%	Unit 01 & 08 40F, Park Place No 1601, Nan Jing Road (W), Shanghai
China	Platinum Guild International (Shanghai) Co., Ltd	78%	Room 601, L'avenue, 99 XianXia Road, Shanghai, 200051
Colombia	Anglo American Colombia Exploration S.A.	100%	Avenida Carrera 9a # 115 – 06/30 Oficina 1702, Bogotá
Colombia	Carbones del Cerrejón Limited	33%	Calle 100 19-54, 12th Floor, Bogotá
Colombia	Cerrejón Zona Norte S.A.	33%	Calle 100 19-54, 12th Floor, Bogotá
Cyprus ⁽⁶⁾	Anglo American Amcoll (UK) Limited	100%	Themistokli Dervi, 3, Julia House, 1066, Nicosia
Cyprus ⁽⁶⁾	Anglo American Chile Investments (UK) Limited	100%	Themistokli Dervi, 3, Julia House, 1066, Nicosia
Cyprus ⁽⁶⁾	Anglo American Clarent (UK) Limited	100%	Themistokli Dervi, 3, Julia House, 1066, Nicosia
Democratic Republic of Congo	Ambase Exploration Africa (RDC) SPRL	100%	No. 510 LP, Avenue Sumahili, Quartier Golf, Commune De Lubumbashi, Lubumbashi
Democratic Republic of Congo	De Beers DRC Exploration SARL	85%	14, Avenue Sergent Moke, Commune de Ngaliema, Kinshasa
Finland	AA Sakatti Mining Oy	100%	AA Sakatti Mining Oy, Tuohiaavantie 2, 99600 Sodankylä
Gabon	Samancor Gabon SA	40%	Immeuble 2 AG, Libreville, 4660
Germany	Anglo Exploration GmbH	100%	D 12163, Berlin
Germany	Element Six GmbH (DECAR)	51%	Staedeweg 18, 36151, Burghaun
Germany	Hydrogenious Technologies GmbH	27%	Weidenweg 13, 91058 Erlangen
Guernsey	Intersea Pension Services Ltd	85%	Albert House, South Esplanade, St Peter Port, Guernsey, Channel Islands
Hong Kong	De Beers Auction Sales Holdings Ltd	85%	Unit 1001,10/F Unicorn Trade Centre, 127-131 Des Voeux Road, Central
Hong Kong	De Beers Auction Sales Hong Kong Ltd	85%	Unit 1001,10/F Unicorn Trade Centre, 127-131 Des Voeux Road, Central
Hong Kong	De Beers Diamond Jewellers (Hong Kong) Limited	43%	24th Floor, Oxford House, 979 King's Road, Taikoo Place, Island East
Hong Kong	Diamdel (Hong Kong) Limited	85%	Unit 1001,10/F Unicorn Trade Centre, 127-131 Des Voeux Road, Central
Hong Kong	Diamdel Holdings Limited	85%	Unit 1001,10/F Unicorn Trade Centre, 127-131 Des Voeux Road, Central
Hong Kong	Element Six Ltd	51%	15/F Chung Hing Commercial Building, 62-63 Connaught Road, Central
Hong Kong	Forevermark Limited	85%	2602B, 2603, 2604, 2605, 2606, 26th floor Kinwick Centre, 32 Hollywood Road, Central
Hong Kong	Platinum Guild International (Hong Kong) Limited	78%	Suites 2901-2, Global Trade Square, No. 21 Wong Chuk Hang Road
India	Anglo American (India) Private Limited	100%	A-1/292, Janak Puri, New Delhi, 110058
India	Anglo American Exploration (India) Private Limited	100%	A-1/292, Janak Puri, New Delhi, 110058
India	Anglo American Services (India) Private Limited	100%	A-1/292, Janak Puri, New Delhi, 110058
India	De Beers India Private Limited	85%	Advanced Business Centre, 83 Maker Chambers VI, Nariman Point, Mumbai, 400 021
India	DTC Marketing India Private Limited	85%	Peninsula Chambers, Ganpatrao Kadam Marg, Mumbai, Maharashtra, 400 013
India	Forevermark Diamonds Private Limited	85%	Advanced Business Centre, 83 Maker Chambers VI, Nariman Point, Mumbai, 400 021
India	Hindustan Diamond Company Private Limited	43%	E-6010, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai, 400051
India	Inglewood Minerals Private Limited	100%	A-1/292, Janak Puri, New Delhi, 110058
India	International Institute of Diamond Grading & Research India Private Limited	85%	Advanced Business Centre, 83 Maker Chambers VI, Nariman Point, Mumbai, 400 021
India	Platinum Guild India Private Limited	78%	Notan Classic, 3rd Floor, 114 Turner Road, Bandra West, Mumbai, 400 050
Indonesia	PT Anglo American Indonesia	100%	Pondok Indah Office Tower 3, 17th Floor, Jl. Sultan Iskandar Muda, Pondok Indah, Jakarta 12310
Indonesia	PT Minorco Services Indonesia	100%	Belagri Hotel, Jl. Raja Ampat, No 1 Kampung Baru, Sorong, Papua Barat
Ireland	Alluvium Limited	100%	Shannon Airport, Shannon, Co. Clare
Ireland	CMC-Coal Marketing Designated Activity Company	33%	Fumbally Square, New Street, Dublin D08 XYA5
Ireland	Coromin Insurance (Ireland) DAC	100%	Fourth Floor, 25/28 Adelaide Road, Dublin
Ireland	Element Six (Holdings) Limited	51%	Shannon Airport, Shannon, Co. Clare
Ireland	Element Six (Trade Marks)	51%	Shannon Airport, Shannon, Co. Clare
Ireland	Element Six Abrasives Treasury Limited	51%	Shannon Airport, Shannon, Co. Clare
Ireland	Element Six Limited	51%	Shannon Airport, Shannon, Co. Clare
Ireland	Element Six Treasury Limited	85%	Shannon Airport, Shannon, Co. Clare
Isle of Man	Element Six (Isle of Man) Corporate Trustee Limited	85%	Isle of Man Freeport, PO Box 6, Ballasalla
Isle of Man	Element Six Limited	85%	Isle of Man Freeport, PO Box 6, Ballasalla
Israel	De Beers Auction Sales Israel Ltd	85%	21 Toval Street, Ramat Gan, 52522
Israel	Diamdel Diamonds Ltd	85%	21 Toval Street, Ramat Gan, 52522
Italy	Anglo American Italy	100%	Via Melchiorre Gioia, 8, 20124 Milano
Italy	Forevermark Italy S.R.L.	85%	Via Burlamacchi Francesco 14, 20135, Milan
Japan	De Beers Diamond Jewellers Ltd (Japan)	43%	1-1, Hirakawacho 2-chome, Chiyoda-ku, Tokyo, Japan K.K.
Japan	Element Six Ltd	51%	9F PMO Hatchobori, 3-22-13 Hatchobori, Chuo-ku, Tokyo, 104
Japan	Forevermark KK	85%	New Otani Garden Court 7th Floor, 4-1 Kioi-cho, Chiyoda-ku, Tokyo
Japan	PGI KK	78%	Imperial Hotel Tower 17F, 1-1-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo, 100-8575
Jersey ⁽⁶⁾	A.R.H. Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	A.R.H. Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo African Exploration Holdings Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Exploration Colombia Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Exploration Overseas Holdings Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Ferrous Investments (Overseas) Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Finance Overseas Holdings Limited	100% ⁽⁷⁾	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Finland Holdings 1 Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Finland Holdings 2 Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Liberia Holdings Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Michiquillay Peru Limited	100%	44 Esplanade, St Helier, JE4 9WG

See page 174 for footnotes.

ADDITIONAL DISCLOSURES

40. RELATED UNDERTAKINGS OF THE GROUP continued

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
Jersey ⁽⁶⁾	Anglo Australia Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Coal International Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Diamond Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Iron Ore Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Loma Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Operations (International) Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Peru Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Quellaveco Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo Venezuela Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Aval Holdings Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Buttercup Company Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Cencan plc	85%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	De Beers Investments plc	85%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	De Beers Exploration Holdings Limited	85%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	De Beers Holdings Investments Limited	85%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	De Beers plc	85%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Hermitage Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	IIDGR Holdings Limited	85%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Midway Investment Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Minorco Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Minorco Peru Holdings Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Minpress Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo American Venezuela Corporation Limited	100%	44 Esplanade, St Helier, JE4 9WG
Jersey ⁽⁶⁾	Anglo South American Investments Limited	100%	44 Esplanade, St Helier, JE4 9WG
Liberia	Anglo American Kumba Exploration Liberia Ltd	35%	The David A. B. Jallah Law Firm, P.O. Box 4069, Broad and Johnson Streets, Monrovia
Liberia ⁽⁶⁾	Anglo American Corporation de Chile Holdings Limited	100%	80 Broad Street, Monrovia
Luxembourg	Ambras Holdings Sarl	100% ⁽⁸⁾	48, rue de Bragance, Luxembourg, L-1255
Luxembourg	Ammin Coal Holdings	100%	48, rue de Bragance, Luxembourg, L-1255
Luxembourg	Anglo American Capital Luxembourg	100%	48, rue de Bragance, Luxembourg, L-1255
Luxembourg	Anglo American Luxembourg	100%	48, rue de Bragance, Luxembourg, L-1255
Luxembourg	Element Six Abrasives S.A.	51%	48, rue de Bragance, Luxembourg, L-1255
Luxembourg	Element Six S.A.	85%	48, rue de Bragance, Luxembourg, L-1255
Luxembourg	Element Six Ventures Sarl	85%	48, rue de Bragance, Luxembourg, L-1255
Luxembourg	KIO Exploration Liberia Sarl	70%	11-13 Boulevard de la Foire, L-1528
Luxembourg	Kumba International Trading Sarl	53%	11-13 Boulevard de la Foire, L-1528
Luxembourg	Kumba Iron Ore Holdings Sarl	53%	48, rue de Bragance, Luxembourg, L-1255
Macau	De Beers Diamond Jewellers (Macau) Company Limited	43%	Avenida da Praia Grande, no 409, China Law Building 16/F - B79
Madagascar	Societe Civile De Prospection De Nickel A Madagascar	32%	44 Main Street, Johannesburg, 2001
Malta ⁽⁶⁾	Element Six Technologies Holding Ltd	85%	Leicester Court, Suite 2, Edgar Bernard Street, Gzira, GZR 1702
Malta	Element Six Technologies Ltd	85%	Leicester Court, Suite 2, Edgar Bernard Street, Gzira, GZR 1702
Mauritius	Anglo American International Limited	100%	2nd Floor, The AXIS26 Bank Street, Cybercity Ebene, 72201
Mauritius	De Beers Centenary Mauritius Limited	85%	C/o Cim Corporate Services Ltd, Les Cascades Building, 33, Edith Cavell Street, Port Louis
Mauritius	De Beers Mauritius Holdings Private Ltd	85%	C/o Cim Corporate Services Ltd, Les Cascades Building, 33, Edith Cavell Street, Port Louis
Mauritius	De Beers Mauritius Private Ltd	85%	C/o Cim Corporate Services Ltd, Les Cascades Building, 33, Edith Cavell Street, Port Louis
Mauritius	Inglewood Holdings Limited	100%	St Louis Business Centre, Cnr Desroches & St Louis Streets, Port Louis
Mexico	Anglo American Mexico S.A. de C.V.	100%	C/o Chavero Y Asociados, S.C., Medanos No. 169 Colonia Las Aquilas Delegacion Alvaro Obregón
Mexico	Servicios Anglo American Mexico S.A. de C.V.	100%	Sanchez Mejorada, Velasco y Ribe, S.C., Paseo de la Reforma No. 450 Col. Lomas de Chaptultepec 11000, D.F.
Mongolia	Anglo American Development LLC	100%	Blue Sky Tower, Peace Avenue-17, Ulaanbaatar, 14240
Mozambique	Anglo American Corporation Moçambique Servicos Limitada	100%	7th Flr Predio 33 Andares 25 De Setembro, 1230
Mozambique	Anglo American Corporation Mozambique Ltd	100%	7th, 25 Setembro Ave, Maputo
Mozambique	Anglo American Moçambique Limitada	90%	Pestana Rovuma Hotel Office Centre, 5th Floor / 5º Andar, Rua da Sé No. 114, Maputo
Namibia	Ambase Prospecting (Namibia) (Pty) Ltd	100%	24 Orban Street, Klein Windhoek, Windhoek, PO Box 30, Windhoek
Namibia	De Beers Marine Namibia (Pty) Ltd	43%	4th Floor, Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	De Beers Namibia Holdings (Pty) Ltd	85%	6th floor, Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Debmarine Namdeb Foundation	43%	10th Floor Namdeb Centre 10 Dr Frans Indongo Street, Windhoek
Namibia	DTC Valuations Namibia (Pty) Ltd	85%	4th Floor, Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Exclusive Properties (Pty) Ltd	43%	10th Floor, Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Longboat Trading (Pty) Ltd	100%	15 Albert Wessels Street, Northern Industrial, Windhoek
Namibia	Marmora Mines and Estates Limited	28%	10th Floor Namdeb Centre 10 Dr Frans Indongo Street, Windhoek
Namibia	Namdeb Diamond Corporation (Pty) Ltd	43%	Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Namdeb Holdings (Pty) Ltd	43%	10th Floor Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Namdeb Hospital Pharmacy (Pty) Ltd	43%	10th Floor Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Namdeb Properties (Pty) Ltd	43%	10th Floor Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Namibia Diamond Trading Company (Pty) Ltd	43%	Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Oranjemund Town Management Company (Pty) Ltd	43%	10th Floor Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Namibia	Oranjemund Private Hospital (Pty) Ltd	43%	10th Floor Namdeb Centre, 10 Dr Frans Indongo Street, Windhoek
Netherlands ⁽⁶⁾	AA Holdings Argentina B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo American (NA) 1 B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo American (NA) 3 B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo American Exploration B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo American Exploration (India) B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo American Exploration (Philippines) B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo American India Holdings B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo American International B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom

See page 174 for footnotes.

ADDITIONAL DISCLOSURES

40. RELATED UNDERTAKINGS OF THE GROUP continued

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
Netherlands ⁽⁶⁾	Anglo American Netherlands B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Anglo Operations (Netherlands) B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands	Element Six N.V.	85%	De Nieuwe Erven 2, 5431 NT, Cuijk
Netherlands ⁽⁶⁾	Erabas B.V.	78%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands	Indiapro B.V.	51%	Beversestraat 20, 5431 SH, Cuijk
Netherlands	Kumba International B.V.	70%	Stationsplein 8K, Maastricht, 6221 BT
Netherlands ⁽⁶⁾	Loma de Niquel Holdings B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Minorco Exploration (Indonesia) B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Netherlands ⁽⁶⁾	Tarmac International Holdings B.V.	100%	20 Carlton House Terrace, London, SW1Y 5AN, United Kingdom
Papua New Guinea	Anglo American Exploration PNG Limited	100%	Allens, Level 6, Mogoru Moto Building, Champion Parade, Port Moresby, National Capital District
Peru	Anglo American Michiquillay S.A.	100%	Calle Esquilache 371, Piso 10, San Isidro, Lima 27
Peru	Anglo American Peru S.A.	100%	Calle Esquilache 371, Piso 10, San Isidro, Lima 27
Peru	Anglo American Quellaveco S.A.	82%	Calle Esquilache 371, Piso 10, San Isidro, Lima 27
Peru	Anglo American Servicios Perú S.A.	100%	Calle Esquilache 371, Piso 10, San Isidro, Lima 27
Peru	Asociación Michiquillay	100%	Calle Esquilache 371, Piso 10, San Isidro, Lima 27
Peru	Asociación Quellaveco	100%	Calle Esquilache 371, Piso 10, San Isidro, Lima 27
Philippines	Anglo American Exploration (Philippines) Inc.	100%	27th Floor, Tower 2, The Enterprise Centre, 6766 Ayala Avenue corner Paseo de Roxas, Makati City
Philippines	Minphil Exploration Co Inc.	40%	27 Phitex Building, Brixton Street, Pasig, Metro Manila
Philippines	Northern Luzon Exploration & Mining Co Inc.	40%	27 Phitex Building, Brixton Street, Pasig, Metro Manila
Portugal	Anglo American Corporation De Portugal SARL	95%	244 Avenida Da Liberdade, Lisbon
Singapore	Anglo American Exploration (Singapore) Pte. Ltd.	100%	10 Collyer Quay, #38-00 Ocean Financial Centre, 049315
Singapore	Anglo American Mongolia Holdings Pte. Ltd.	100%	10 Collyer Quay, #38-00 Ocean Financial Centre, 049315
Singapore	De Beers Auction Sales Singapore Pte. Ltd.	85%	10 Collyer Quay, #03-04 Ocean Financial Centre, 049315
Singapore	Kumba Singapore Pte. Ltd.	53%	10 Collyer Quay, #38-00 Ocean Financial Centre, 049315
Singapore	MR Iron Ore Marketing Services Singapore Pte. Ltd.	50%	10 Collyer Quay, #38-00 Ocean Financial Centre, 049315
South Africa	ACRO (Hanise) (Pty) Ltd	100%	44 Main Street, Gauteng, 1627
South Africa	A E F Mining Services (Pty) Ltd	25%	Zommerlust Building, Rietbok Road, Kathu, 8446
South Africa	Africa Pipe Industries North (Pty) Ltd	39%	55 Marshall Street, Johannesburg, 2001
South Africa	Almenta 127 (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Amaprop Townships Limited	100%	2nd Floor, Genesis House, 27 Fricker Road, Illovo, 2196
South Africa	Ambase Investment Africa (Botswana) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Ambase Investment Africa (DRC) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Ambase Investment Africa (Mozambique) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Ambase Investment Africa (Namibia) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Ambase Investment Africa (Tanzania) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Ambase Investment Africa (Zambia) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Amcoal Collieries Recruiting Organisation (Pty) Limited	100%	55 Marshall Street Johannesburg, 2001
South Africa	Ampros (Pty) Ltd	100%	2nd Floor, Genesis House, 27 Fricker Road, Illovo, 2196
South Africa	Anglo American Corporation of South Africa (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American EMEA Shared Services (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Farms (Pty) Ltd	100%	Vergelegen Wine Estate, Lourensford Road, Somerset West, 7130
South Africa	Anglo American Farms Investment Holdings (Pty) Ltd	100%	Vergelegen Wine Estate, Lourensford Road, Somerset West, 7130
South Africa	Anglo American Group Employee Shareholder Nominees (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Inyosi Coal (Pty) Ltd	73%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Platinum Limited	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Anglo American Properties Limited	100%	2nd Floor, Genesis House, 27 Fricker Road, Illovo, 2196
South Africa	Anglo American Prospecting Services (Pty) Ltd	100%	55 Marshall Street, Johannesburg, 2001
South Africa	Anglo American SA Finance Limited	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Sebenza Fund (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American SEFA Mining Fund (Pty) Ltd	50%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American South Africa Limited	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Zimele (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Zimele Community Fund (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Zimele Green Fund (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo Coal Investment Africa (Botswana) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo Corporate Enterprises (Pty) Ltd	100%	55 Marshall Street, Johannesburg, 2001
South Africa	Anglo Inyosi Coal Security Company Limited	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo Operations (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo Platinum Management Services (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Anglo South Africa (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo South Africa Capital (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo Ventures (SA) (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Anglo American Zimele Business Support Services (Pty) Ltd	100%	55 Marshall Street, Johannesburg, 2001
South Africa	Anselde Holdings Proprietary Limited	100%	44 Main Street, Johannesburg, 2001
South Africa	Asambeni Mining Solutions (Pty) Ltd	56%	44 Main Street, Johannesburg, 2001
South Africa	Automatic Trading (Pty) Ltd	58%	55 Marshall Street, Johannesburg, 2001
South Africa	Balگو Nominees (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Blinkwater Farms 244KR (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Blue Lounge Trading 129 (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Blue Steam Investments (Pty) Ltd	37%	5 Jellicoe Avenue, Rosebank, Johannesburg, 2196
South Africa	Boikgantsho Platinum Mine (Pty) Ltd	38%	82 Grayston Drive, Sandton, Johannesburg, 2196
South Africa	Bokoni Platinum Holdings (Pty) Ltd	38%	4th Floor Atholl, Johannesburg, 2916
South Africa	Bokoni Platinum Mines (Pty) Ltd	38%	4th Floor Atholl, Johannesburg, 2916
South Africa	Butsanani Energy Investment Holdings (Pty) Ltd	33%	44 Main Street, Johannesburg, 2001
South Africa	Chamfron Limited	100%	44 Main Street, Johannesburg, 2001
South Africa	Colliery Training College (Pty) Ltd	56%	Cnr OR Tambo & Stevenson Str, Klipfontein, Emalaheni, 1034
South Africa	Copper Moon Trading 567 (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Cytobex (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001

See page 174 for footnotes.

ADDITIONAL DISCLOSURES

40. RELATED UNDERTAKINGS OF THE GROUP continued

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
South Africa	Cytoblox (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Cytobuzz (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Damelin Emalahleni (Pty) Ltd	20%	Cnr OR Tambo and Beatrix Avenue, Witbank, 1035
South Africa	Danjan (Pty) Ltd	51%	210 Cumberland Avenue, Bryanston, Gauteng, 2021
South Africa	DBCM Holdings (Pty) Ltd	63%	36 Stockdale Street, Kimberley, 8301
South Africa	De Beers Consolidated Mines (Pty) Ltd	63% ⁽⁹⁾	36 Stockdale Street, Kimberley, 8301
South Africa	De Beers Group Services (Pty) Ltd	85%	De Beers House, Corner Diamond Drive and Crownwood Road, Theta, Johannesburg, 2013
South Africa	De Beers Marine (Pty) Ltd	85%	De Beers House, Corner Diamond Drive and Crownwood Road, Theta, Johannesburg, 2013
South Africa	De Beers Matlafalang Business Development (Pty) Ltd	63%	De Beers House, Corner Diamond Drive and Crownwood Road, Theta, Johannesburg, 2013
South Africa	De Beers Sightholder Sales South Africa (Pty) Ltd	63%	De Beers House, Corner Diamond Drive and Crownwood Road, Theta, Johannesburg, 2013
South Africa	De Beers Small Business Start Up Fund (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Dido Nominees (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	DMS Powders (Pty) Ltd	21%	12th Floor Nedbank Building, 81 Main Street, Johannesburg, 2001
South Africa	Dream Weaver Trading 140 (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Element Six (Production) (Pty) Ltd	51%	Debid Road, Nuffield, Springs, 1559
South Africa	Element Six (Pty) Ltd	51%	1 Parry Road, Nuffield, Springs, 1559
South Africa	Element Six South Africa (Pty) Ltd	51%	Debid Road, Nuffield, Springs, 1559
South Africa	Element Six Technologies (Pty) Ltd	85%	Debid Road, Nuffield, Springs, 1559
South Africa	Elipsis Blue Trading 43 (Pty) Ltd	30%	Unit 6A, Phithaba Industrial Park, 97 Hefer Street, Rustenburg, 0299
South Africa	Enanticept (Pty) Ltd	30%	44 Main Street, Johannesburg, 2001
South Africa	Fermain Nominees (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Fundirite (Pty) Ltd	50%	44 Main Street, Johannesburg, 2001
South Africa	Ga-Phasha Platinum Mine (Pty) Ltd	38%	4th Floor 82 Grayston Drive, Sandton, Johannesburg, 2196
South Africa	Godisa Supplier Development Fund (Pty) Ltd	50%	44 Main Street, Johannesburg, 2001
South Africa	Golden Pond Trading 248 (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	High Ground Investments Limited	100%	44 Main Street, Johannesburg, 2001
South Africa	HL & H Timber Processors (Pty) Ltd	50%	Millennia Park, 16 Stellentia Avenue, Stellenbosch
South Africa	Hoddle Investment Holdings 6 (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Hotazel Manganese Mines (Pty) Ltd	30%	39 Melrose Boulevard, Melrose Arch, Johannesburg, 2076
South Africa	Identity Development Fund Managers (Pty) Ltd	20%	1st Floor, Etana House, 22 Oxford Road, Parktown, 2193
South Africa	Ingagane Colliery (Pty) Ltd	98%	55 Marshall Street, Johannesburg, 2001
South Africa	Invincible Trading 14 (Pty) Ltd	20%	16 Euclid Road, Industria East, Ext 3, Germiston, 1400
South Africa	KIO Investments Holdings (Pty) Ltd	70%	124 Akkerboom Street, Building 2B, Centurion, 0157
South Africa	Kumba BSP Trust	53%	124 Akkerboom Street, Building 2B, Centurion, 0157
South Africa	Kumba Iron Ore Limited	70%	124 Akkerboom Street, Building 2B, Centurion, 0157
South Africa	Kwanda Platinum Mine (Pty) Ltd	38%	82 Grayston Drive, Sandton, 2146
South Africa	Lansan Investment Holdings (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Lebowa Platinum Mines Limited	38%	4th Floor Atholl, Johannesburg, 2916
South Africa	Lexshell 49 General Trading (Pty) Ltd	35%	55 Marshall Street, Johannesburg, 2001
South Africa	Lexshell 688 Investments (Pty) Ltd	66%	55 Marshall Street, Johannesburg, 2001
South Africa	Longboat (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Longmeadow Home Farm (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Mafube Coal Mining (Pty) Ltd	50%	44 Main Street, Johannesburg, 2001
South Africa	Main Place Holdings Limited	39%	4 Stirling Street, Zonnebloem, Western Cape, 7295
South Africa	Main Street 1252 (Pty) Ltd	63%	De Beers House, Corner Diamond Drive and Crownwood Road, Theta, Johannesburg, 2013
South Africa	Manganore Iron Mining Limited	46%	39 Melrose Boulevard, Melrose Arch, Johannesburg, 2076
South Africa	Manngwe Mining (Pty) Ltd	25%	Suite 105D, Lorgadia Building, Embankment Road, Centurion, 0157
South Africa	Maotsi Stone Crushers (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Marikana Ferrochrome Limited	100%	55 Marshall Street, Johannesburg, 2001
South Africa	Marikana Minerals (Pty) Ltd	100%	55 Marshall Street, Johannesburg, 2001
South Africa	Masa Chrome Company (Pty) Ltd	39%	55 Marshall Street, Johannesburg, 2001
South Africa	Matthey Rustenburg Refiners (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Meruka Mining (Pty) Ltd	30%	16 North Road, Dunkeld Court, Dunkeld West, 2196
South Africa	Micawber 146 (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Middelplaats Manganese (Pty) Ltd	29%	39 Melrose Boulevard, Melrose Arch, Johannesburg, 2076
South Africa	Mindset Coal Consultancy Services CC	36%	298 Stokkiesdraai Street, Erasmusrand, Pretoria, 0181
South Africa	Modikwa Mining Personnel Services (Pty) Ltd	39%	29 Impala Road, Chislehurst, Sandton, Gauteng, 2196
South Africa	Modikwa Platinum Mine (Pty) Ltd	39%	29 Impala Road, Chislehurst, Sandton, Gauteng, 2196
South Africa	Mogalakwena Platinum Mines	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Mototolo Holdings (Pty) Ltd	39%	55 Marshall Street, Johannesburg, 2001
South Africa	Muvhuso Minerals (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Ndowana Exploration (Pty) Ltd	42%	36 Stockdale Street, Kimberley, 8301
South Africa	Newshelf 480 (Pty) Ltd	55%	44 Main Street, Johannesburg, 2001
South Africa	Newshelf 1316 (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Nkangala Bucket Repair Services (Pty) Ltd	19%	9 Milli Street, Middelburg, Mpumalanga, 1055
South Africa	Norsand Holdings (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Peglerae Hospital (Pty) Ltd	31%	21 Oxford Manor, Rudd & Chaplin Roads, Illovo, Johannesburg, 2196
South Africa	Peruke (Pty) Ltd	51%	44 Main Street, Johannesburg, 2001
South Africa	PGM Investment Company (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Phola Coal Processing Plant (Pty) Ltd	37%	55 Marshall Street, Johannesburg, 2001
South Africa	Platmed Properties (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Platmed (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Polokwane Iron Ore (Pty) Ltd	27%	124 Akkerboom Street, Building 2B, Centurion, 0157
South Africa	Ponahalo Investments (Pty) Ltd	0% ⁽¹⁰⁾	De Beers House, Corner Diamond Drive and Crownwood Road, Theta, Johannesburg, 2013
South Africa	Pro Enviro (Pty) Ltd	20%	Greenside Colliery, PTN off 331, Groenfontein, Black Hills, 1032
South Africa	RA Gilbert (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001

See page 174 for footnotes.

ADDITIONAL DISCLOSURES

40. RELATED UNDERTAKINGS OF THE GROUP continued

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
South Africa	Ravenswood House (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Reitpoort Mining (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Resident Nominees (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Reunko Steel Suppliers (Pty) Ltd	20%	10372 Mfeka Street, Tokoza, 1421
South Africa	Richards Bay Coal Terminal (Pty) Ltd	23%	South Dunes, Richards Bay Harbour, Kwa Zulu Natal, 3900
South Africa	Richtrau No. 123 (Pty) Ltd	20%	55 Marshall Street, Johannesburg, 2001
South Africa	Rietvlei Mining Company (Pty) Ltd	20%	Vunani House, Athol Ridge Office Park, 151 Katherine Street, Sandton, 2196
South Africa	Roodepoortjie Resources (Pty) Ltd	49%	16 North Road, Dunkeld Court, Dunkeld West, 2196
South Africa	Rustenburg Platinum Mines Limited	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Samancor Holdings (Pty) Ltd	40%	39 Melrose Boulevard, Melrose Arch, Johannesburg, 2076
South Africa	Samancor Manganeze (Pty) Ltd	40%	39 Melrose Boulevard, Melrose Arch, Johannesburg, 2076
South Africa	Sheba's Ridge Platinum (Pty) Ltd	27%	Libanon Business Park, Hospital Street Off Cedar Avenue, Westonaria, Gauteng, 1779
South Africa	Sibelo Resource Development (Pty) Ltd	53%	124 Akkerboom Street, Building 2B, Centurion, 0157
South Africa	SIOC International Finance (Pty) Ltd	53%	124 Akkerboom Street, Building 2B, Centurion, 0157
South Africa	Sishen Iron Ore Company (Pty) Ltd	53%	124 Akkerboom Street, Building 2B, Centurion, 0157
South Africa	Spectrem Air (Pty) Ltd	21%	44 Main Street, Johannesburg, 2001
South Africa	Springfield Collieries Limited	100%	55 Marshall Street, Johannesburg, 2001
South Africa	Steppe Eagle (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Sunbali Flowers (Pty) Ltd	20%	44 Main Street, Johannesburg, 2001
South Africa	Tenon Investment Holdings (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Terra Nominees (Pty) Ltd	40%	39 Melrose Boulevard, Melrose Arch, Johannesburg, 2076
South Africa	The Village of Cullinan (Pty) Ltd	63%	36 Stockdale Street, Kimberley, 8301
South Africa	Tshipi Kwena Steel (Pty) Ltd	100%	12 Piketberg Street, Helderkrui Ext. 7, Roodepoort, 1724
South Africa	Vergelegen Wine Estate (Pty) Ltd	100%	Vergelegen Wine Estate, Lourensford Road, Somerset West, 7130
South Africa	Vergelegen Wines (Pty) Ltd	100%	Vergelegen Wine Estate, Lourensford Road, Somerset West, 7130
South Africa	Vika Investments Holdings (Pty) Ltd	49%	44 Main Street, Johannesburg, 2001
South Africa	Vumo MRF (Pty) Ltd	100%	55 Marshall Street, Johannesburg, 2001
South Africa	Whiskey Creek Management Services (Pty) Ltd	78%	55 Marshall Street, Johannesburg, 2001
South Africa	Zimshelf Four Investment Holdings (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Zimshelf One Investment Holdings (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Zimshelf Three Investment Holdings (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
South Africa	Zimshelf Two Investment Holdings (Pty) Ltd	100%	44 Main Street, Johannesburg, 2001
Sweden	Element Six AB	51%	Box 505, S-915 23, Robertsfors
Switzerland	De Beers Centenary AG	85%	Hertensteinstrasse 66, CH-6000, Lucerne 6
Switzerland	Element Six SA	51%	rue du Tir-au-Canon 2, Carouge, Geneva
Switzerland	PGI SA	78%	Avenue Mon-Repos 24, Case postale 656, CH-1001 Lausanne
Switzerland	Samancor AG	40%	Jöchlerweg 2, Baar, CH-6340
Switzerland	Synova S.A.	28%	2, Chemin de la Dent-D'Oche, 1024, Ecublens
Tanzania	Ambase Prospecting (Tanzania) (Pty) Ltd	100%	Pemba House, 269 Toure Drive Oyster Bay, Dar Es Salaam
United Kingdom	AP Ventures LLP	50%	C/O Hackwood Secretaries Limited, One Silk Street, London, EC2Y 8HQ
United Kingdom	Anglo American (London)	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American (London) 2	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American (TIIL) Investments Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American 2005 Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Australia Investments Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Capital Australia Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Capital International Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Capital plc	100% ⁽⁴⁾	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American CMC Holdings Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Corporate Secretary Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Diamond Holdings Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Farms (UK) Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Ferrous 2	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Ferrous Investments Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Finance (UK) Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Global Finance Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Group Foundation	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Holdings Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American International Holdings Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Investments (NA) Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Investments (UK) Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Marketing Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Medical Plan Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Nickel Marketing Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American PNG Holdings Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Prefco Limited	100% ⁽⁴⁾	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American REACH Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Representative Offices Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Services (UK) Ltd	100% ⁽⁴⁾	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo American Services Overseas Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo Base Metals Marketing Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo Coal Holdings Limited	100% ⁽⁴⁾	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo Coal Overseas Services Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo Ferrous Metals Marketing Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo Platinum Marketing Limited	78%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo Platinum Ventures Holdings Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anglo UK Pension Trustee Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anmercosa Finance Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anmercosa Pension Trustees Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Anmercosa Sales Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Aurumar Alaska Holdings Ltd (UK)	85%	17 Charterhouse Street, London, EC1N 6RA

See page 174 for footnotes.

ADDITIONAL DISCLOSURES**40. RELATED UNDERTAKINGS OF THE GROUP** continued

Country of incorporation ⁽¹⁾⁽²⁾	Name of undertaking	Percentage of equity owned	Registered address
United Kingdom	Birchall Gardens LLP	50%	Grant Thornton UK LLP, 300 Pavilion Drive, Northampton, Northamptonshire, NN4 7YE
United Kingdom	Charterhouse CAP Ltd	85%	17 Charterhouse Street, London, EC1N 6RA
United Kingdom	Curtis Fitch Limited	21%	6th Floor, Eagle Tower, Montpellier Drive, Cheltenham, Gloucestershire, GL50 1TA
United Kingdom	De Beers Diamond Jewellers Ltd	43%	45 Old Bond Street, London, W1S 4QT
United Kingdom	De Beers Diamond Jewellers Trade Mark Limited	43%	45 Old Bond Street, London, W1S 4QT
United Kingdom	De Beers Diamond Jewellers UK Ltd	43%	45 Old Bond Street, London, W1S 4QT
United Kingdom	De Beers Intangibles Ltd	85%	17 Charterhouse Street, London, EC1N 6RA
United Kingdom	De Beers Trademarks Ltd	85%	17 Charterhouse Street, London, EC1N 6RA
United Kingdom	De Beers UK Ltd	85%	17 Charterhouse Street, London, EC1N 6RA
United Kingdom	Ebbsfleet Property Limited	50%	Grant Thornton UK LLP, 300 Pavilion Drive, Northampton, Northamptonshire, NN4 7YE
United Kingdom	Element Six (Production) Ltd	51%	Global Innovation Centre, Fermi Avenue, Harwell, Didcot, Oxfordshire, OX11 0QR
United Kingdom	Element Six (UK) Ltd	51%	Global Innovation Centre, Fermi Avenue, Harwell, Didcot, Oxfordshire, OX11 0QR
United Kingdom	Element Six Holdings Limited	85%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Element Six Ltd	85%	Global Innovation Centre, Fermi Avenue, Harwell, Didcot, Oxfordshire, OX11 0QR
United Kingdom	Element Six Technologies Ltd	85%	Global Innovation Centre, Fermi Avenue, Harwell, Didcot, Oxfordshire, OX11 0QR
United Kingdom	Ferro Nickel Marketing Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Firecrest Investments Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Forevermark Limited	85%	17 Charterhouse Street, London, EC1N 6RA
United Kingdom	IIDGR (UK) Limited	85%	17 Charterhouse Street, London, EC1N 6RA
United Kingdom	Mallord Properties Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Neville Street Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Northfleet Property LLP	50%	Grant Thornton UK LLP, 300 Pavilion Drive, Northampton, Northamptonshire, NN4 7YE
United Kingdom	Platinum Guild Limited (United Kingdom) Limited	78%	New Bridge Street House, 30-34 New Bridge Street, London, SE1 9QR
United Kingdom	Reunion Group Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Reunion Mining Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Rhoango Trustees Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Riverbank Investments Ltd	85%	17 Charterhouse Street, London, EC1N 6RA
United Kingdom	Security Nominees Limited	100%	20 Carlton House Terrace, London, SW1Y 5AN
United Kingdom	Swanscombe Development LLP	50%	Grant Thornton UK LLP, 300 Pavilion Drive, Northampton, Northamptonshire, NN4 7YE
United Kingdom	The Diamond Trading Company Limited	85%	17 Charterhouse Street, London, EC1N 6RA
United States	Anglo American Exploration (USA), Inc.	100%	Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801
United States	Anglo American US (Pebble) LLC	100%	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE 19808
United States	Anglo American US (Utah) Inc.	100%	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE 19808
United States	Big Hill, LLC	55%	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE 19808
United States	Coal Marketing Company (U.S.A.) Inc.	33%	1180 Peachtree Street, Suite 2420, Atlanta, GA 30309
United States	De Beers Diamond Jewellers US, Inc.	43%	598 Madison Avenue, 4th Floor, New York, NY 10022
United States	Element Six Technologies U.S. Corporation	85%	Incorporating Services Limited, 3500 South Dupont Highway, Dover, County of Kent, DE 19901
United States	Element Six US Corporation	51%	24900 Pitkin Road, Suite 250, Spring, TX 77386
United States	Forevermark US, Inc.	85%	300 First Stamford Place, Stamford, CT 06902
United States	International Institute of Diamond Valuation Inc.	85%	Corporation Trust Center 1209 Orange Street, Wilmington, DE 19801
United States	Platinum Guild International (U.S.A.) Jewelry Inc.	78%	125 Park Avenue, 25th Floor, New York, NY 10017
United States	Primus Power Corporation	28%	3967 Trust Way, Hayward, CA 94545
United States	Anglo American US Holdings Inc.	100%	2711 Centerville Road, Suite 400, City of Wilmington, County of New Castle, DE 19808
Venezuela	Anglo American Venezuela S.A.	100%	Torre Humboldt, floor 9, office 09-07, Rio Caura Street, Prados del Este. Caracas 1080
Venezuela	Minera Loma de Níquel C.A.	98%	Torre Humboldt, floor 9, office 09-07, Rio Caura Street, Prados del Este. Caracas 1080
Zambia	Ambase Exploration (Zambia) (Pty) Ltd	100%	Building 3, Acacia Park, Stand No 22768, Thabo Mbeki Road, Lusaka
Zambia	Anglo Exploration (Zambia) Limited	100%	Plot 2386, Longolongo Road, Lusaka
Zambia	Zamango Prospecting Limited	100%	Building 3, Acacia Park, Stand No 22768, Thabo Mbeki Road, Lusaka
Zimbabwe	Addon Investments (Private) Limited	100%	28 Broadlands Road, Emerald Hill, Harare
Zimbabwe	Amzim Holdings Limited	78%	28 Broadlands Road, Emerald Hill, Harare
Zimbabwe	Anglo American Corporation Zimbabwe Limited	100%	28 Broadlands Road, Emerald Hill, Harare
Zimbabwe	Broadlands Park Limited	100%	28 Broadlands Road, Emerald Hill, Harare
Zimbabwe	Southridge Limited	100%	28 Broadlands Road, Emerald Hill, Harare
Zimbabwe	Unki Mines (Private) Limited	78%	28 Broadlands Road, Emerald Hill, Harare

⁽¹⁾ All the companies with an incorporation in the United Kingdom are registered in England and Wales.

⁽²⁾ The country of tax residence is disclosed where different from the country of incorporation.

⁽³⁾ Tax resident in Colombia.

⁽⁴⁾ 100% direct holding by Anglo American plc.

⁽⁵⁾ The 50% interest in Debswana Diamond Company (Proprietary) Limited is held indirectly through De Beers and is consolidated on a 19.2% proportionate basis, reflecting economic interest. The Group's effective interest in Debswana Diamond Company (Proprietary) Limited is 16.3%.

⁽⁶⁾ Tax resident in the United Kingdom.

⁽⁷⁾ 5% direct holding by Anglo American plc.

⁽⁸⁾ 2% direct holding by Anglo American plc.

⁽⁹⁾ A 74% interest in De Beers Consolidated Mines Proprietary Limited (DBCM) is held indirectly through De Beers. The 74% interest represents De Beers' legal ownership share in DBCM. For accounting purposes De Beers consolidates 100% of DBCM as it is deemed to control the BEE entity, Ponahalo, which holds the remaining 26%. The Group's effective interest in DBCM is 85%.

⁽¹⁰⁾ Ponahalo Investments (Pty) Ltd is deemed to be controlled due to the financing structure in place and is consolidated as a majority owned subsidiary.

FINANCIAL STATEMENTS OF THE PARENT COMPANY**Balance sheet of the Company, Anglo American plc, as at 31 December 2016**

US\$ million	Note	2016	2015
Fixed assets			
Investment in subsidiaries	1	29,344	15,125
Current assets			
Amounts due from subsidiaries		576	15,067
Cash at bank and in hand		8	15
		584	15,082
Creditors due within one year			
Amounts owed to group undertakings		(200)	(231)
		(200)	(231)
Net current assets		384	14,851
Total assets less current liabilities		29,728	29,976
Net assets		29,728	29,976
Capital and reserves			
Called-up share capital	2	772	772
Share premium account	2	4,358	4,358
Capital redemption reserve	2	115	115
Other reserves	2	1,955	1,955
Profit and loss account	2	22,528	22,776
Total shareholders' funds (equity)		29,728	29,976

The loss after tax for the year of the Company amounted to \$343 million (2015: profit of \$1,850 million).

The financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 20 February 2017 and signed on its behalf by:

Mark Cutifani
Chief Executive

René Médori
Finance Director

1) Investment in subsidiaries

US\$ million	2016	2015
Cost		
At 1 January	15,142	15,088
Capital contributions ⁽¹⁾	146	54
Additions	14,520	–
At 31 December	29,808	15,142
Provisions for impairment		
At 1 January	(17)	(17)
Charge for the year ⁽²⁾	(447)	–
At 31 December	(464)	(17)
Net book value	29,344	15,125

⁽¹⁾ This amount is net of \$13 million (2015: \$78 million) of intra-group recharges.

⁽²⁾ This relates to an impairment charge of \$447 million that was recorded in the year with respect to an equity holding in one of the Company's subsidiaries.

Further information about subsidiaries is provided in note 40 to the Consolidated financial statements.

2) Reconciliation of movements in equity shareholders' funds

US\$ million	Called-up share capital	Share premium account	Capital redemption reserve	Other reserves ⁽¹⁾	Profit and loss account ⁽²⁾	Total
At 1 January 2015	772	4,358	115	1,955	21,472	28,672
Profit for the financial year	–	–	–	–	1,850	1,850
Dividends payable to Company shareholders ⁽³⁾	–	–	–	–	(684)	(684)
Capital contribution to Group undertakings	–	–	–	–	132	132
Other	–	–	–	–	6	6
At 31 December 2015	772	4,358	115	1,955	22,776	29,976
Loss for the financial year	–	–	–	–	(343)	(343)
Purchase of treasury shares under employee share schemes	–	–	–	–	(64)	(64)
Capital contribution to Group undertakings	–	–	–	–	159	159
At 31 December 2016	772	4,358	115	1,955	22,528	29,728

⁽¹⁾ At 31 December 2016 other reserves of \$1,955 million (2015: \$1,955 million) were not distributable under the Companies Act 2006.

⁽²⁾ At 31 December 2016 \$2,685 million (2015: \$2,685 million) of the Company profit and loss account of \$22,528 million (2015: \$22,776 million) was not distributable under the Companies Act 2006.

⁽³⁾ Dividends payable relate only to shareholders on the United Kingdom principal register excluding dividends waived by Wealth Nominees Limited as nominees for Estera Trust (Jersey) Limited, the trustee for the Anglo American employee share scheme. Dividends paid to shareholders on the Johannesburg branch register are distributed by a South African subsidiary in accordance with the terms of the Dividend Access Share Provisions of Anglo American plc's Articles of Association. The directors are proposing no final dividend in respect of the year ended 31 December 2016 (see note 10 of the Consolidated financial statements).

The audit fee in respect of the Company was \$6,323 (2015: \$10,613). Fees payable to Deloitte for non-audit services to the Company are not required to be disclosed because they are included within the consolidated disclosure in note 33.

3) Accounting policies: Anglo American plc (the Company)

The Company balance sheet and related notes have been prepared under the historical cost convention and in accordance with Financial Reporting Standards 100 *Application of Financial Reporting Requirements* (FRS 100) and 101 *Reduced Disclosure Framework* (FRS 101).

A summary of the principal accounting policies is set out below.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the Company is not presented as part of these financial statements.

Significant accounting policies**Investments**

Investments represent equity holdings in subsidiaries and are measured at cost less accumulated impairment.

Financial Instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire.

Dividends

Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Share-based payments

The Company has applied the requirements of IFRS 2 *Share-based payment*.

The Company makes equity settled share-based payments to the directors, which are measured at fair value at the date of grant and expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. For those share schemes with market related vesting conditions, the fair value is determined using the Monte Carlo model at the grant date. The fair value of share options issued with non-market vesting conditions has been calculated using the Black Scholes model. For all other share awards, the fair value is determined by reference to the market value of the shares at the grant date. For all share schemes with non-market vesting conditions, the likelihood of vesting has been taken into account when determining the relevant charge. Vesting assumptions are reviewed during each reporting period to ensure they reflect current expectations.

The Company also makes equity settled share-based payments to certain employees of certain subsidiary undertakings. Equity settled share-based payments that are made to employees of the Company's subsidiaries are treated as increases in equity over the vesting period of the award, with a corresponding increase in the Company's investments in subsidiaries, based on an estimate of the number of shares that will eventually vest.

Any payments received from subsidiaries are applied to reduce the related increases in investments in subsidiaries.

Details on the schemes and option pricing models relevant to the charge included in the Company financial statements are set out in note 28 to the Consolidated financial statements of the Group for the year ended 31 December 2016.

SUMMARY BY BUSINESS OPERATION

This section includes certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

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

US\$ million	Group revenue ⁽¹⁾		Underlying EBITDA		Underlying EBIT		Underlying earnings	
	2016	2015	2016	2015	2016	2015	2016	2015
De Beers	6,068	4,671	1,406	990	1,019	571	667	258
Mining								
Debswana	n/a	n/a	571	379	543	352	n/a	n/a
Namdeb Holdings	n/a	n/a	184	147	163	120	n/a	n/a
South Africa	n/a	n/a	268	282	172	174	n/a	n/a
Canada	n/a	n/a	79	154	13	65	n/a	n/a
Trading	n/a	n/a	378	107	371	100	n/a	n/a
Other ⁽²⁾	n/a	n/a	(35)	(30)	(204)	(191)	n/a	n/a
Projects and corporate	-	-	(39)	(49)	(39)	(49)	n/a	n/a
Platinum⁽³⁾	4,394	4,900	532	718	185	263	65	168
Mogalakwena	968	1,092	393	496	269	368	n/a	n/a
Amandelbult	739	712	102	97	46	36	n/a	n/a
Other operations	2,687	3,096	77	177	(90)	(89)	n/a	n/a
Projects and corporate	-	-	(40)	(52)	(40)	(52)	n/a	n/a
Copper	3,066	3,539	903	942	261	228	354	67
Los Bronces	1,386	1,852	326	622	(49)	240	n/a	n/a
Collahuasi	1,068	971	569	381	342	167	221	77
Other operations	612	716	83	55	43	(63)	n/a	n/a
Projects and corporate	-	-	(75)	(116)	(75)	(116)	(75)	(89)
Nickel	426	146	57	(3)	(15)	(22)	(57)	(19)
Codemin	82	100	9	20	3	12	(1)	10
Loma de Niquel	-	-	4	3	3	3	2	3
Barro Alto	344	46	54	(14)	(11)	(25)	(48)	(21)
Projects and corporate	-	-	(10)	(12)	(10)	(12)	(10)	(11)
Niobium and Phosphates⁽⁴⁾	495	544	118	146	79	119	78	48
Niobium	137	111	41	40	21	33	22	7
Phosphates	358	433	80	111	61	91	59	45
Projects and corporate	-	-	(3)	(5)	(3)	(5)	(3)	(4)
Iron Ore and Manganese	3,426	3,390	1,536	1,026	1,275	671	566	98
Kumba Iron Ore	2,801	2,876	1,347	1,011	1,135	739	475 ⁽⁵⁾	280 ⁽⁵⁾
Iron Ore Brazil	-	-	(6)	(20)	(6)	(21)	4	(61)
Samancor	625	514	258	104	209	22	146	(54)
Projects and corporate	-	-	(63)	(69)	(63)	(69)	(59) ⁽⁵⁾	(67) ⁽⁵⁾
Coal	5,263	4,888	1,646	1,046	1,112	457	913	292
Australia and Canada	2,547	2,374	996	586	661	190	625	123
South Africa	2,109	1,893	473	345	366	230	258	174
Colombia	607	621	235	168	143	90	85	44
Projects and corporate	-	-	(58)	(53)	(58)	(53)	(55)	(49)
Corporate and other	4	925	(123)	(11)	(150)	(64)	(376)	(85)
Other Mining and Industrial	-	921	(2)	110	(2)	64	3	52
Exploration	-	-	(107)	(152)	(107)	(154)	(99)	(142)
Corporate activities and unallocated costs	4	4	(14)	31	(41)	26	(280)	5
	23,142	23,003	6,075	4,854	3,766	2,223	2,210	827

⁽¹⁾ Group revenue for copper is shown after deduction of treatment and refining charges (TC/RCS).

⁽²⁾ Other includes Element Six, downstream activities and the purchase price allocation adjustment.

⁽³⁾ Anglo American Platinum Limited has restated its results to correct certain computational errors affecting results reported in prior periods. These errors are not considered material to the Group and consequently they have been corrected in the current year in the Group financial statements. See note 3 for further details.

⁽⁴⁾ Niobium and Phosphates was sold on 30 September 2016, see note 30.

⁽⁵⁾ Of the projects and corporate expense, which includes a corporate cost allocation, \$37 million (2015: \$42 million) relates to Kumba Iron Ore. The total contribution from Kumba Iron Ore to the Group's underlying earnings is \$438 million (2015: \$238 million).

KEY FINANCIAL DATA

This section includes certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 188.

US\$ million (unless otherwise stated)	2016	2015	2014	2013	2012 restated ⁽¹⁾	2011	2010	2009	2008	2007
Income statement measures										
Group revenue	23,142	23,003	30,988	33,063	32,785	36,548	32,929	24,637	32,964	30,559
Underlying EBIT	3,766	2,223	4,933	6,620	6,253	11,095	9,763	4,957	10,085	9,590
Underlying EBITDA	6,075	4,854	7,832	9,520	8,860	13,348	11,983	6,930	11,847	12,132
Revenue	21,378	20,455	27,073	29,342	28,680	30,580	27,960	20,858	26,311	25,470
Net finance costs (before special items and remeasurements)	(209)	(458)	(256)	(276)	(299)	(20)	(244)	(273)	(452)	(137)
Profit/(loss) before tax	2,624	(5,454)	(259)	1,700	(171)	10,782	10,928	4,029	8,571	8,821
Profit/(loss) for the financial year	1,926	(5,842)	(1,524)	426	(564)	7,922	8,119	2,912	6,120	8,172
Non-controlling interests	(332)	218	(989)	(1,387)	(906)	(1,753)	(1,575)	(487)	(905)	(868)
Profit/(loss) attributable to equity shareholders of the Company	1,594	(5,624)	(2,513)	(961)	(1,470)	6,169	6,544	2,425	5,215	7,304
Underlying earnings	2,210	827	2,217	2,673	2,860	6,120	4,976	2,569	5,237	5,761
Balance sheet measures										
Capital employed	31,904	32,842	43,782	46,551	49,757	41,667	42,135	36,623	29,808	24,401
Net assets	24,325	21,342	32,177	37,364	43,738	43,189	37,971	28,069	21,756	24,330
Non-controlling interests	(5,309)	(4,773)	(5,760)	(5,693)	(6,127)	(4,097)	(3,732)	(1,948)	(1,535)	(1,869)
Equity attributable to equity shareholders of the Company	19,016	16,569	26,417	31,671	37,611	39,092	34,239	26,121	20,221	22,461
Cash flow measures										
Cash flows from operations	5,838	4,240	6,949	7,729	7,370	11,498	9,924	4,904	9,579	9,845
Capital expenditure	(2,387)	(4,177)	(6,018)	(6,075)	(5,947)	(5,672)	(4,902)	(4,707)	(5,282)	(4,002)
Net debt	(8,487)	(12,901)	(12,871)	(10,652)	(8,510)	(1,374)	(7,384)	(11,280)	(11,340)	(4,851)
Metrics and ratios										
Underlying earnings per share (US\$)	1.72	0.64	1.73	2.09	2.28	5.06	4.13	2.14	4.36	4.40
Earnings per share (US\$)	1.24	(4.36)	(1.96)	(0.75)	(1.17)	5.10	5.43	2.02	4.34	5.58
Ordinary dividend per share (US cents)	–	32	85	85	85	74	65	–	44	124
Ordinary dividend cover (based on underlying earnings per share)	–	2.0	2.0	2.5	2.7	6.8	6.4	–	9.9	3.5
Underlying EBIT margin	16.3%	9.7%	15.9%	20.0%	19.1%	30.4%	29.6%	20.1%	30.6%	28.4%
Underlying EBIT interest cover ⁽²⁾	16.7	10.1	30.1	35.8	36.8	n/a	34.2	19.6	24.1	33.2
Underlying effective tax rate	24.6%	31.0%	29.8%	32.0%	29.0%	28.3%	31.9%	33.1%	33.4%	31.8%
Gearing (net debt to total capital) ⁽³⁾	25.9%	37.7%	28.6%	22.2%	16.3%	3.1%	16.3%	28.7%	34.3%	16.6%

⁽¹⁾ Certain balances relating to 2012 were restated to reflect the adoption of new accounting pronouncements. See note 2 of the 2013 Consolidated financial statements for details.

⁽²⁾ Underlying EBIT interest cover is underlying EBIT divided by net finance costs, excluding net foreign exchange gains and losses, unwinding of discount relating to provisions and other liabilities, financing special items and remeasurements, and including the Group's attributable share of associates' and joint ventures' net finance costs, which in 2011 resulted in a net finance income and therefore the ratio is not applicable.

⁽³⁾ Net debt to total capital is calculated as net debt divided by total capital (being 'Net assets' as shown in the Consolidated balance sheet excluding net debt).

EXCHANGE RATES AND COMMODITY PRICES

US\$ exchange rates		2016	2015
Year end spot rates			
South African rand		13.73	15.47
Brazilian real		3.25	3.96
Sterling		0.81	0.68
Australian dollar		1.38	1.37
Euro		0.95	0.92
Chilean peso		667	709
Botswana pula		10.69	11.25
Average rates for the year			
South African rand		14.70	12.78
Brazilian real		3.48	3.34
Sterling		0.74	0.65
Australian dollar		1.34	1.33
Euro		0.90	0.90
Chilean peso		676	655
Botswana pula		10.89	10.12
Commodity prices		2016	2015
Year end spot prices			
Platinum ⁽¹⁾	US\$/oz	898	868
Palladium ⁽¹⁾	US\$/oz	670	555
Rhodium ⁽²⁾	US\$/oz	758	644
Copper ⁽³⁾	US cents/lb	250	213
Nickel ⁽³⁾	US cents/lb	454	393
Iron ore (62% Fe CFR) ⁽⁴⁾	US\$/tonne	80	43
Iron ore (66% Fe Concentrate CFR) ⁽⁵⁾	US\$/tonne	101	46
Thermal coal (FOB South Africa) ⁽⁶⁾	US\$/tonne	86	49
Thermal coal (FOB Australia) ⁽⁷⁾	US\$/tonne	94	50
Thermal coal (FOB Colombia) ⁽⁶⁾	US\$/tonne	94	45
Hard coking coal (FOB Australia) ⁽⁸⁾	US\$/tonne	200	89
PCI (FOB Australia) ⁽⁸⁾	US\$/tonne	133	71
Average market prices for the year			
Platinum ⁽¹⁾	US\$/oz	989	1,051
Palladium ⁽¹⁾	US\$/oz	615	691
Rhodium ⁽²⁾	US\$/oz	681	932
Copper ⁽³⁾	US cents/lb	221	249
Nickel ⁽³⁾	US cents/lb	436	536
Iron ore (62% Fe CFR) ⁽⁴⁾	US\$/tonne	58	56
Iron ore (66% Fe Concentrate CFR) ⁽⁵⁾	US\$/tonne	69	67
Thermal coal (FOB South Africa) ⁽⁶⁾	US\$/tonne	64	57
Thermal coal (FOB Australia) ⁽⁷⁾	US\$/tonne	66	59
Thermal coal (FOB Colombia) ⁽⁶⁾	US\$/tonne	58	52
Hard coking coal (FOB Australia) ⁽⁸⁾	US\$/tonne	114	102
PCI (FOB Australia) ⁽⁸⁾	US\$/tonne	88	84

⁽¹⁾ Source: London Platinum and Palladium Market (LPPM).

⁽²⁾ Source: Comdaq.

⁽³⁾ Source: London Metal Exchange (LME).

⁽⁴⁾ Source: Platts.

⁽⁵⁾ Source: Metal Bulletin.

⁽⁶⁾ Source: McCloskey.

⁽⁷⁾ Source: globalCOAL.

⁽⁸⁾ Source: Represents the quarter four benchmark.

⁽⁹⁾ Source: Represents the average quarterly benchmark.