AngloAmerican

YEAR END FINANCIAL REPORT

for the year ended 31 December 2015

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16 February 2016

Anglo American Preliminary Results 2015

Balance sheet resilience through capital and operational discipline and disposals, offsetting further price weakness

- Group underlying EBIT[(1)] of $2.2 billion, a 55% decrease, due to sharply weaker commodity prices ($4.2 billion[(2)] underlying EBIT impact), partially offset by weaker producer country currencies ($1.8 billion underlying EBIT benefit) and incremental cost reductions
- Cost reductions mitigating headwinds, with disposals being progressed:
  - $1.3 billion of cost and productivity improvements delivered in 2015[(3)]
  - Production volumes increased by 5% (Cu eq.)[(4)]
  - Unit costs decreased by 16% in US dollar terms (Cu eq.)[(4)]
  - $2.1 billion[(5)] of completed or announced disposals by end of 2015
- Capital discipline, improved operational performance and disposal proceeds delivered $600 million net debt reduction since the half year, to $12.9 billion as at 31 December 2015 (31 December 2014: $12.9 billion), despite a 14% further decrease in commodity price basket, with $14.8 billion of liquidity maintained
- Commodity price-driven impairments of $3.8 billion since the half year (pre-tax and includes related charges), contributing to a statutory loss before tax for the year of $5.5 billion

Financial highlights US$ million, unless otherwise stated	**Year ended 31 December 2015**	Year ended 31 December 2014	Change
Underlying EBIT[(1)]	**2,223**	4,933	(55)%
Underlying earnings[(6)]	**827**	2,217	(63)%
Group revenue[(7)]	**23,003**	30,988	(26)%
Underlying EBITDA[(8)]	**4,854**	7,832	(38)%
Loss before tax[(9)]	**(5,454)**	(259)	-
Loss for the financial period attributable to equity shareholders of the Company[(9)]	**(5,624)**	(2,513)	-
Underlying earnings per share (US$)[(6)]	**0.64**	1.73	
Dividend per share (US$)	**$0.32**	$0.85	-
Attributable ROCE%[(10)]	**5%**	9%	-

Notes to the highlights and table are shown at the bottom of this section.

Mark Cutifani, Chief Executive of Anglo American, said: "The global economic environment and its impact on prices have presented the industry with significant challenges during 2015. Against the strong headwinds of a 24% decrease in the basket price of our products for the year as a whole, our ongoing intense focus on operational costs and productivity delivered a $1.3 billion EBIT benefit in the year, providing some mitigation. Overall, our copper equivalent unit costs reduced by a further 16% in US dollar terms, representing a 27% total reduction since 2012.

"Our portfolio transformation is well on track, from c.65 assets in 2013 to 45 today. We completed or announced $2.1 billion[(5)] of disposals in 2015, including from the sale of our 50% interest in Lafarge Tarmac and the Norte copper assets in Chile, while also agreeing the sale of the Rustenburg platinum operations and two non-core coal assets in Australia, which we expect to complete during 2016.

"Together with operational and cost improvements, significant capex reductions and making the tough decisions with some of our more marginal assets, we have been able to maintain our net debt and liquidity levels at $12.9 billion and $14.8 billion respectively, despite our $4.0 billion[(11)] of capital commitments for 2015 and the $2.4 billion net EBIT erosion from lower prices and weaker producer country exchange rates.

"We have made significant progress, albeit in an environment that has been deteriorating at a faster pace. Today we are announcing[(12)] detailed and wide-ranging measures to sustainably improve cash flows and materially reduce net debt, while focusing on our most competitive assets to create the new Anglo American, positioned to deliver robust profitability and cash flows through the cycle."

Notes to the highlights and table on page 1

(1) Underlying EBIT is operating profit presented before special items and remeasurements, and includes the Group's attributable share of associates' and joint ventures' underlying EBIT. See notes 4 and 6 to the Condensed financial statements for underlying EBIT. For definition of special items and remeasurements, see note 7 to the Condensed financial statements.
(2) Excludes De Beers.
(3) Excludes $0.8 billion volume downside at De Beers in response to market conditions.
(4) Copper equivalent production has been adjusted for the disposal of Anglo American Norte in 2015. Copper equivalent unit cost shown on a reported basis. Adjusted for the Platinum strike, copper equivalent unit cost was (13)%.
(5) Gross proceeds from transactions completed or announced in 2015, principally Tarmac UK ($1.6 billion), Anglo American Norte ($0.3 billion) and the fair value of the Rustenburg consideration ($0.2 billion).
(6) See note 6 and 10 to the Condensed financial statements for basis of calculation of underlying earnings.
(7) Includes the Group's attributable share of associates' and joint ventures' revenue of $2,548 million (2014: $3,915 million). See note 4 to the Condensed financial statements.
(8) Underlying EBITDA is underlying EBIT before depreciation and amortisation in subsidiaries and joint operations, and includes the Group's attributable share of associates' and joint ventures' underlying EBITDA.
(9) Stated after special items and remeasurements. See note 7 to the Condensed financial statements.
(10) Attributable ROCE is defined as the return on the capital employed attributable to the equity shareholders of Anglo American plc. It is calculated based on achieved prices and foreign exchange.
(11) Excluding capitalised losses of $147 million.
(12) In the separate Strategy Press Release, published on 16 February 2016.

Financial review of Group results for the year ended 31 December 2015

Summary

Anglo American reported underlying earnings of $0.8 billion (2014: $2.2 billion) with underlying EBIT decreasing by 55% to $2.2 billion.

Falling prices were seen across most products ($4.2 billion impact on underlying EBIT), with the average iron ore CFR China price down 42% and copper price down 20%. This was only partly offset by weaker commodity currencies ($1.8 billion impact), with a weakening of the South African rand and the Australian dollar against the US dollar. After adjusting for inflation, cash costs decreased as a result of cost-reduction initiatives across the Group and falling input costs such as diesel, rubber and steel.

Weaker rough diamond demand negatively affected underlying EBIT, although this was partially offset by increased sales volumes at Coal Australia, Coal South Africa, Kumba Iron Ore (Kumba) and Platinum.

Net debt remained flat at $12.9 billion. Significantly weaker operational cash flows were, for the most part, offset by a $2.0 billion reduction in capital expenditure, as expansionary projects approach completion and stay-in-business capital expenditure has been reduced. In addition, Anglo American received $1.7 billion in net disposal proceeds, primarily from Lafarge-Tarmac and Anglo American Norte.

Full year post-tax impairments of $5.7 billion have been recorded in operating special items, reflecting the impact of deteriorating market conditions, including weaker prices, on asset valuations.

Operational performance (production/costs)

Operational performance was in line with expectations across the majority of the business. Platinum production rose by 25%, largely due to the recovery from the 2014 strike, as well as a strong mining performance at Mogalakwena and Amandelbult. Rough diamond production decreased by 12% in response to prevailing trading conditions. Copper production decreased by 5%, largely due to the disposal of Anglo American Norte, effective from 1 September 2015. On a pro forma basis (excluding the impact of Anglo American Norte), production was 1% lower, driven by the impact of drought conditions on throughput at Los Bronces and plant instability at Collahuasi during the third quarter, partly offset by higher grades.

Nickel production decreased by 19% to 30,300 tonnes, reflecting the impact of the furnace rebuilds at Barro Alto. At Niobium, the 34% increase in output to 6,300 tonnes reflected the ongoing ramp-up of the BVFR project. Production at Kumba decreased 7% owing to mining constraints at Sishen. The ramp-up of Minas-Rio continued, with increases in quarter-on-quarter production throughout the year. Output at Coal Australia and Canada increased by 1%, despite Peace River Coal (which produced 1.5 Mt in 2014) being on care and maintenance for the year. At Coal South Africa, export production decreased 4%, owing to the planned closure of a section at Goedehoop and lower production at Mafube as it transitions to a new mining area.

The Group achieved a favourable cost performance in 2015, even allowing for the benefits of weaker local currencies. At Platinum, year-on-year cash operating costs per unit of platinum production (metal in concentrate) decreased by 28% to $1,508 per ounce, owing primarily to the impact of the industrial action on costs in 2014, and the benefit of the weaker rand. As a result of cost savings and the benefit of weaker local currencies at De Beers, consolidated unit costs declined from $111/carat to $104/carat, despite lower volumes. In Copper, there was a $208 million reduction in on-mine cash costs of the retained operations, driven by cost saving initiatives, including a 16% reduction in headcount at Los Bronces. Nickel C1 unit costs decreased by 12%, driven by the weaker Brazilian real, partly offset by inflation and lower production volumes owing to the furnace rebuilds. During the year, Kumba reduced controllable costs by $8/tonne to achieve an average cash break-even price of $49/tonne (CFR China). Coal Australia FOB costs decreased by 7% in local currency terms following increased productivity at underground mines and cost reductions, resulting in the lowest unit costs since 2007. Coal South Africa delivered flat unit costs, despite planned lower production and 8% inflation.

Income Statement

Underlying EBIT

Group underlying EBIT was $2.2 billion, a 55% decrease (2014: $4.9 billion).

$ million	**Year ended 31 December 2015**	Year ended 31 December 2014
Platinum	**263**	32
De Beers	**571**	1,363
Copper	**228**	1,193
Nickel	**(22)**	21
Niobium and Phosphates	**119**	124
Iron Ore and Manganese	**671**	1,957
Coal	**457**	458
Corporate and other	**(64)**	(215)
Total	**2,223**	4,933

Underlying Earnings

Group underlying earnings were $0.8 billion, a 63% decrease (2014: $2.2 billion).

	Year ended 31 December 2015			
$ million	**Underlying EBIT**	**Net finance costs and income tax expense**	**Non-controlling interests**	**Underlying earnings**
Platinum	**263**	**(56)**	**(39)**	**168**
De Beers	**571**	**(274)**	**(39)**	**258**
Copper	**228**	**(120)**	**(41)**	**67**
Nickel	**(22)**	**3**	**-**	**(19)**
Niobium and Phosphates	**119**	**(71)**	**-**	**48**
Iron Ore and Manganese	**671**	**(323)**	**(250)**	**98**
Coal	**457**	**(158)**	**(7)**	**292**
Corporate and other	**(64)**	**(34)**	**13**	**(85)**
Total	**2,223**	**(1,033)**	**(363)**	**827**

Net finance costs

Net finance costs, before special items and remeasurements, excluding associates and joint ventures, were $458 million (2014: $256 million). The increase was driven by lower interest income due to a reduction in the average cash balance held by the Group (2015: $6,963 million, 2014: $7,878 million) and net foreign exchange losses in the current period, primarily driven by the weakening of the Brazilian real and South African rand.

Tax

The effective rate of tax, before special items and remeasurements and including an attributable share of associates' and joint ventures' tax, increased to 31.0% at year end (31 December 2014: 29.8%). This increased rate was due to the net impact of certain prior year adjustments, the remeasurement of withholding tax provisions across the Group, and the relative levels of profits arising in our operating jurisdictions. In future periods, it is expected that the effective tax rate will remain above the United Kingdom statutory tax rate.

Reconciliation to (loss)/profit for the period from underlying earnings

$ million	**Year ended 31 December 2015**	Year ended 31 December 2014
Underlying earnings	**827**	2,217
Operating special items	**(5,972)**	(4,374)
Operating remeasurements	**(178)**	(1)
Non-operating special items	**(1,278)**	(385)
Financing special items and remeasurements	**615**	36
Special items and remeasurements tax	**47**	2
Non-controlling interests on special items and remeasurements	**584**	38
Share of associates' and joint ventures' special items and remeasurements	**(269)**	(46)
Loss for the financial period attributable to equity shareholders of the Company	**(5,624)**	(2,513)
Underlying earnings per share (US$)	**0.64**	1.73

Special items and remeasurements

Special items and remeasurements primarily relate to impairments in respect of the Minas-Rio iron ore project of $2.5 billion; Capcoal, Peace River Coal and other assets within the Coal segment of $1.2 billion; assets and investments within the Platinum business of $0.7 billion; the Snap Lake operation within the De Beers business of $0.6 billion; and the write-down to fair value of the Rustenburg Platinum mine of $0.7 billion. Full details of the special items and remeasurements charges are to be found in note 7 to the Condensed financial statements.

Group ROCE

Attributable ROCE declined to 5% in 2015 (2014: 9%) primarily as a consequence of weaker commodity prices, partly offset by improved operational performance and recovery from the platinum strike in 2014, the benefit of weaker local currencies, a lower proportion of post-tax earnings attributable to non-controlling interests and lower average attributable capital employed. Average attributable capital employed was lower at $32.6 billion (2014: $38.7 billion), driven by impairments, offset by ongoing capital expenditure.

Attributable ROCE is the primary return measure used in the Group. This is underlying attributable EBIT divided by average attributable capital employed. It is defined as the return on the capital employed attributable to equity shareholders of Anglo American, and therefore excludes the portion of underlying EBIT and capital employed attributable to non-controlling interests in operations where Anglo American has control, but does not hold 100% of the equity. Joint operations, associates and joint ventures are included in their proportionate interest, in line with appropriate accounting treatment. ROCE is calculated based on achieved prices and foreign exchange.

The previous ROCE measure, used to track the *Driving Value* programme, incorporated a number of adjustments, principally to reverse the impact of certain impairments and acquisition fair value adjustments. The new attributable ROCE measure has been developed to allow a clearer link to the published financial statements. Comparatives have been restated to align with the current period presentation, and capital employed by segment is disclosed in note 4 to the Condensed financial statements.

Balance sheet

Net assets of the Group decreased to $21.3 billion (2014: $32.2 billion), driven primarily by impairments of $5.7 billion, losses on disposals of subsidiaries and joint ventures, foreign exchange losses of $4.1 billion, and depreciation of $2.6 billion. Capital expenditure, including capitalised operating cash outflows, for the year was $4.2 billion, whilst net debt remained flat at $12.9 billion, as explained below.

Net debt

$ million	2015	2014
Opening net debt	**(12,871)**	**(10,652)**
EBITDA[1]	4,419	7,104
Working capital movements	25	9
Other cash flows from operations	(204)	(164)
Cash flows from operations	**4,240**	**6,949**
Capital expenditure including related derivatives[2]	(4,177)	(6,018)
Cash tax paid	(596)	(1,298)
Dividends from associates, joint ventures and financial asset investments	333	460
Net interest	(540)	(473)
Dividends paid to non-controlling interests	(242)	(823)
Attributable free cash flow	**(982)**	**(1,203)**
Dividends paid to Company shareholders	(1,078)	(1,099)
Disposals (net proceeds)	1,745	44
Other net debt movements	285	39
Total movement in net debt	(30)	(2,219)
Closing net debt [3]	**(12,901)**	**(12,871)**

(1) EBITDA is underlying EBITDA, as described in note 4 to the Condensed financial statements, less EBITDA of associates and joint ventures.
(2) Please see note 11 to the Condensed financial statements for the definition of capital expenditure.
(3) Net debt excludes the own credit risk fair value adjustment on derivatives of $555 million (31 December 2014: Nil).

Net debt

Net debt (including related hedges) of $12,901 million was $30 million higher than at 31 December 2014, representing gearing of 37.7% (31 December 2014: 28.6%). Net debt is made up of cash and cash equivalents of $6,889 million (31 December 2014: $6,747 million) and gross debt including related derivatives of $19,790 million (31 December 2014: $19,618 million). Net debt remained flat year-on-year, with significant cash outflows arising on capital expenditure, the payment of dividends to Company shareholders and to non-controlling interests, and interest payments, offset by cash generated from operations and disposal proceeds.

Anglo American received net proceeds from disposals of $1,745 million (31 December 2014: $44 million), primarily for the sale of its 50% interest in Lafarge Tarmac and for the sale of Anglo American Norte, taking into account disposed cash and transaction costs.

Cash flow from operations

Cash flow from operations decreased by $2,709 million to $4,240 million (31 December 2014: $6,949 million), driven by the 38% decrease in underlying EBITDA. Cash inflows on operating working capital were $25 million (31 December 2014: inflows of $9 million). These were due to a decrease in operating receivables, primarily at Kumba, owing to lower realised prices, offset by increases in inventories at De Beers, resulting from lower volumes sold.

Attributable free cash flow

Attributable free cash flow increased by $221 million to an outflow of $982 million despite cash flow from operations decreasing by $2,709 million. The improvement was primarily due to a reduction in capital expenditure of $1,841 million to $4,177 million (31 December 2014: $6,018 million) mainly owing to the Minas-Rio iron ore project in Brazil moving into its ramp-up phase. Cash tax paid and dividends paid to non-controlling interests decreased by $1,283 million in total, driven by lower earnings.

Net disposal proceeds of $1,745 million relate primarily to the completion of the sale of the Group's interests in Lafarge Tarmac and Anglo American Norte.

Liquidity and funding

At 31 December 2015, the Group had undrawn committed bank facilities of $7.9 billion and cash of $6.9 billion. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate the Group's ability to operate within the level of its current facilities. The Group has certain financial covenants in place in relation to external debt which are not expected to be breached in the foreseeable future.

Dividends

No final dividend was declared for 2015 (final dividend 2014: 53 US cents per ordinary share). An interim dividend of 32 US cents was declared and paid. Total dividends paid to Company shareholders during 2015 were $1,078 million (31 December 2014: $1,099 million).

Further protecting its balance sheet and cash position, Anglo American announced in December 2015 its decision to suspend dividend payments. The commitment to a dividend during the ordinary course of business remains a core part of the Group's overall capital allocation approach and the Board has recommended that, upon resumption, Anglo American should adopt a payout ratio-based dividend policy in order to provide shareholders with exposure to improvements in commodity prices, while retaining cash flow flexibility during periods of weaker pricing.

Projects and capital expenditure

Following an increased focus on capital discipline and in response to current conditions, capital expenditure was reduced, before capitalised losses, to $4.0 billion (2014: $6.0 billion). The reduction was largely driven by a 41% decline in expansionary capital expenditure, mainly owing to the Minas-Rio iron ore project in Brazil moving into its ramp-up phase.

Expansionary capital expenditure remains focused on the delivery of our portfolio of existing major projects, including Gahcho Kué, Venetia Underground and Grosvenor. As these projects transition into production, expansionary capital expenditure will continue to decrease, which will enable the Group to further align its level of growth investment with prevailing commodity market conditions.

Stay-in-business capital expenditure declined by 30% to $1.4 billion (2014: $2.0 billion), as the roll-out of the Operating Model across our assets delivered an optimised stay-in-business capital expenditure plan.

Projects in ramp-up in 2015

In Nickel, the rebuild of the two furnaces at Barro Alto was concluded ahead of schedule and budget. Delivery of first metal from the second furnace rebuild occurred in September, more than one month ahead of expectations, and nameplate capacity production should be achieved through 2016.

Niobium's Boa Vista Fresh Rock project reached 69% of nameplate capacity in December 2015, and is expected to reach full nameplate capacity in the third quarter of 2016.

The Minas-Rio iron ore operation continued to ramp up in 2015, with increases in quarter-on-quarter production throughout the year. The operation is expected to reach commercial production capacity in 2016, although it will remain in ramp-up throughout the year.

Projects advanced in 2015

De Beers' Gahcho Kué project in Canada is progressing well, with key land use, water licence and surface leases all now received. In addition, all six Impact Benefit Agreements (with indigenous communities) have been completed. As at 31 December 2015, the project was 83% complete and remains on track for first production during the second half of 2016, with commercial production expected in the first quarter of 2017.

Construction of De Beers' Venetia Underground mine in South Africa continues to progress, with the decline advanced to more than 1,100 metres and the project 21% complete. The underground operation is expected to become the principal source of ore at Venetia from late 2022.

Projects initiated in 2015

No new major growth projects were initiated in 2015, in line with the Group's focus on improving cash flows.

Disposals completed in 2015

The evaluation and sales processes for a number of Anglo American's major assets are progressing. During 2015, we completed or announced $2.1 billion of disposal transactions, including from our 50% share of the Lafarge Tarmac JV ($1.6 billion) that was agreed in 2014, and the sale of the Norte copper assets in Chile ($0.3 billion), while also announcing the sale of the Rustenburg platinum mines to Sibanye Gold. Sales have recently been agreed for the Dartbrook and Callide coal mines in Australia (subject to a number of conditions) and the sale of Kimberley Mines has been completed.

The Board

On 22 July 2015, Tony O'Neill was appointed to the Board as an executive director. Mr O'Neill joined Anglo American as Group Director – Technical in September 2013, with responsibility for mining and technology, business performance, projects and SHE (safety, health and environment).

Phuthuma Nhleko resigned as an independent non-executive director on 27 November 2015, having expressed his wish to concentrate on his business interests in South Africa. The Board would like to thank him for his keen commercial and strategic capability, and sound judgement over the last four years.

Principal risks and uncertainties

Anglo American is exposed to a variety of risks and uncertainties which may have a financial, operational or reputational impact on the Group, and which may also have an impact on the achievement of social, economic and environmental objectives.

The principal risks and uncertainties facing the Group at the year-end are set out in detail in the Strategic Report section of the Annual Report 2015. The principal risks relate to the following:

- Commodity prices
- Political and regulatory
- Organisational change
- Portfolio restructuring
- Minas-Rio
- South Africa power
- Safety.

The Group also face certain risks that we deem catastrophic risks; high severity, very low likelihood events that could result in multiple fatalities or injuries, an unplanned fundamental change to strategy or the way we operate, and have significant financial consequences. Catastrophic risks are included as principal risks and are:

- Tailings dam failure
- Slope wall failure
- Mineshaft failure
- Fire and/or explosion.

The Group is exposed to changes in the economic environment, as with any other business. Details of any key risks and uncertainties specific to the period are covered in the operations review section.
The Annual Report 2015 is available on the Group's website **www.angloamerican.com.**

Operations review for the year ended 31 December 2015

In the operations review on the following pages, underlying EBIT includes the attributable share of associates' and joint ventures' EBIT and is before special items and remeasurements unless otherwise stated. Capital expenditure is defined as cash expenditure on property, plant and equipment, including related derivatives, proceeds from disposal of property, plant and equipment and direct funding for capital expenditure from non-controlling interests.

PLATINUM

Key performance indicators

	Production volume	Sales volume	Price	Unit cost	Revenue	Underlying EBITDA	Underlying EBIT	Capex	ROCE
	koz[1]	koz	$/Pt oz[2]	$/Pt oz	$m	$m	$m	$m	
Platinum	**2,337**	**2,471**	**1,905**	**1,508**	**4,900**	**718**	**263**	**366**	**4%**
Prior year	*1,870*	*2,115*	*2,413*	*2,081*	*5,396*	*527*	*32*	*576*	*0%*
Mogalakwena	**392**	**422**	**2,585**	**1,369**	**1,092**	**496**	**368**	**151**	**-**
Prior year	*370*	*382*	*3,277*	*1,742*	*1,271*	*504*	*371*	*196*	*-*
Amandelbult	**437**	**433**	**1,641**	**1,382**	**712**	**97**	**36**	**53**	**-**
Prior year	*219*	*279*	*2,117*	*2,384*	*593*	*(37)*	*(96)*	*68*	*-*
Other operations	**1,508**	**1,616**	**-**	**-**	**3,096**	**177**	**(89)**	**156**	**-**
Prior year	*1,281*	*1,454*	*-*	*-*	*3,532*	*118*	*(185)*	*306*	*-*
Project and corporate	**-**	**-**	**-**	**-**	**-**	**(52)**	**(52)**	**6**	**-**
Prior year	*-*	*-*	*-*	*-*	*-*	*(58)*	*(58)*	*6*	*-*

(1) In keeping with industry benchmarks, production disclosure has been amended to reflect own mine production and purchases of metal in concentrate. Previous disclosure of own mine production and purchases of metal in concentrate was converted to equivalent refined production using standard smelting and refining recoveries.
(2) Average US$ basket price.

Financial and operating overview

Underlying EBIT increased by $231 million to $263 million (2014: $32 million). This was due to an improved operational performance following the 2014 industrial action, higher sales volumes, the weakening of the South African rand against the dollar, and an annual inventory adjustment which improved underlying EBIT by $181 million.

Year-on-year cash operating costs per unit of platinum production (metal in concentrate) decreased by 28% to $1,508 per ounce, excluding projects, owing primarily to the impact of the industrial action on costs in 2014, and the benefit of the weaker rand. On a 2014 financial year strike-adjusted unit cost basis, rand cash operating costs per unit of platinum production increased by 6% as a result of mining inflation costs, specifically relating to electricity and employment. This compares, however, to a mining inflation rate of ~7% in South Africa. On a strike-adjusted US dollar basis, unit costs were 10% lower, reflecting the benefit of the weaker rand.

Markets

	2015	2014
Average platinum market price ($/oz)	**1,051**	1,385
Average palladium market price ($/oz)	**691**	803
Average rhodium market price ($/oz)	**932**	1,173
Average gold market price ($/oz)	**1,160**	1,266
US$ realised basket price – Pt ($/Pt oz)	**1,905**	2,413
Rand realised basket price – Pt (ZAR/Pt oz)	**24,203**	26,219

The average US dollar basket price per platinum ounce sold decreased by 21% in 2015 to $1,905, despite platinum and palladium demand exceeding supply from mining and recycling for the fourth consecutive year. The prospect of monetary tightening in the US, growth concerns in China, uncertainty surrounding Greece's possible exit from the euro, and the unfolding vehicle emissions scandal all dampened sentiment towards platinum group metals (PGMs). In addition, further supply from above-ground inventories and a weakening rand led to price declines in the year. Mined metal in South Africa recovered to above 2013 levels, following strike-affected 2014, though production from both Russia and North America fell. Total secondary supply declined owing to lower jewellery recycling volumes in China and reduced scrap incentives in the automotive sector. Declines in jewellery and investment demand were offset by a relatively strong performance by the automotive and industrial sectors.

Operating performance

Total platinum production (metal in concentrate) rose by 25% to 2,337,000 ounces (2014: 1,870,000 ounces). The increase was attributable to recovery from the five-month strike and subsequent ramp-up in the prior year, as well as a strong mining performance at Mogalakwena, Amandelbult and Unki mines.

Mogalakwena mine, which was unaffected by strike action in 2014, continued its robust operational performance, with growth in production resulting from higher concentrator recoveries and head grade, despite a community protest action which resulted in a loss of 9,000 ounces. Total output from Mogalakwena increased by 6% to 392,000 ounces (2014: 370,000 ounces), with a 5% increase in on-mine production of platinum to 368,000 ounces, while toll concentrating activities at a third-party concentrator yielded 24,000 ounces. As a result, the unit cost per platinum ounce (metal in concentrate) at Mogalakwena decreased by 20% to $1,369 per ounce, including the benefit of the weaker rand.

Production at Amandelbult increased from 219,000 ounces to 437,000 ounces owing to the mine returning to normal production following the strike, as well as an improved mining performance.

Unki mine in Zimbabwe produced 66,000 ounces, an increase of 7%, on the back of improved mining efficiencies and higher grades.

Rustenburg, including the Western Limb Tailings, increased output by 202,000 ounces to 485,000 ounces, largely driven by the recovery from the industrial action. Rustenburg was further consolidated into two mines; East and West mine, and is in the process of implementing its optimised mine plan. This has led to an increase in immediately available Ore Reserves, improved productivity and increased profitability.

Union mine, which has recovered in the aftermath of the 2014 strike, produced 141,000 ounces, an increase of 53,000 ounces, despite the closure of its decline section in 2014. Union's continued focus is on ensuring it improves performance in line with its optimised mine plan.

Section 54 safety stoppages affected production across almost all operations, predominantly in the first half of the year. The Department of Mineral Resources has been engaged to ensure the impact of such stoppages is limited and that Section 54 notices are only used as a last resort.

Production from the joint venture and associate portfolio, inclusive of both mined and purchased production, decreased by 2%. Lower output was largely the result of safety stoppages following fatal incidents at Bafokeng-Rasimone platinum mine, closure of two shafts at Bokoni and lower grades at Mototolo. This was partly offset by higher production from Kroondal.

Refined platinum production increased by 30% to 2,459,000 ounces (2014: 1,890,000 ounces) owing to production returning to normal following the 2014 strike, as well as operational improvements. In addition, a physical count of in-process metals that was conducted in the first half of the year led to an inventory increase of 130,000 ounces. The subsequent processing of this additional inventory resulted in refined platinum production of 2,459,000 ounces exceeding 2,337,000 ounces of produced metal.

In line with the return to normal production levels, refined palladium output increased by 30%, while refined production of rhodium was 33% higher.

As a result of higher refined production, platinum sales volumes increased by 17% to 2,471,000 platinum ounces.

Operational outlook

It is anticipated that platinum production (metal in concentrate) will remain between 2.3-2.4 million ounces in 2016. The required process to put the Twickenham project on care and maintenance will commence in 2016.

It is estimated that cash unit costs will be R19,250-R19,750 per platinum ounce (metal in concentrate) for 2016. Platinum believes the focus on cost rationalisation will enable it to meet its goals of keeping costs at below mining inflation.

DE BEERS

Key performance indicators[1]

	Production volume	Sales volume	Price	Unit Cost	Revenue	Underlying EBITDA	Underlying EBIT	Capex	ROCE
	’000 carats	’000 carats[2]	$/ct[3]	$/ct[4]	$m[5]	$m	$m	$m	
De Beers	**28,692**	**19,945**	**207**	**104**	**4,671**	**990**	**571**	**697**	**6%**
Prior year	*32,605*	*32,730*	198	*111*	*7,114*	*1,818*	*1,363*	*689*	*13%*
Debswana	**20,368**	**-**	**178**	**34**	**-**	**379**	**352**	**101**	**-**
Prior year	*24,237*	-	*172*	*31*	-	*604*	*579*	*114*	-
Namdeb Holdings	**1,764**	**-**	**553**	**273**	**-**	**147**	**120**	**30**	**-**
Prior year	*1,886*	-	*581*	*283*	-	*207*	*177*	*37*	-
South Africa	**4,673**	**-**	**131**	**81**	**-**	**282**	**174**	**279**	**-**
Prior year	*4,634*	-	*155*	*89*	-	*344*	*243*	*296*	-
Canada	**1,887**	**-**	**275**	**229**	**-**	**154**	**65**	**254**	**-**
Prior year	*1,848*	-	*312*	*279*	-	*178*	*77*	*186*	-
Trading	**-**	**-**	**-**	**-**	**-**	**107**	**100**	**2**	**-**
Prior year	-	-	-	-	-	*579*	*572*	*4*	-
Other[6]	**-**	**-**	**-**	**-**	**-**	**(79)**	**(240)**	**31**	**-**
Prior year	-	-	-	-	-	*(94)*	*(285)*	*52*	-

(1) Prepared on a consolidated accounting basis, except for production which is stated on a 100% basis.
(2) Sales volumes on a 100% basis were 20.6 million carats (2014: 34.4 million carats).
(3) Pricing for the mining business units based on 100% selling value post-aggregation.
(4) Based on total cost per carat recovered, including depreciation.
(5) Includes rough diamond sales of $4.1 billion (2014: $6.5 billion).
(6) Other includes Element Six, downstream and acquisition accounting adjustments.

Financial and operational overview

De Beers’ underlying EBIT decreased by 58% to $571 million (2014: $1,363 million). This was the result of weaker rough diamond demand and lower revenue, offset in part by tight operating cost control and favourable exchange rates.

Total De Beers revenue fell by 34% to $4.7 billion (2014: $7.1 billion), mainly driven by lower rough diamond sales, which declined by 36% to $4.1 billion. This was due to a 39% reduction in consolidated sales volumes to 19.9 million carats (2014: 32.7 million carats), partly offset by a 5% increase in the average realised diamond price.

This 5% increase in average realised diamond prices to $207/carat (2014: $198/carat) reflected a stronger product mix, despite an 8% lower average rough price index for the period. From the final Sight in 2014 to the final Sight in 2015, the De Beers rough price index declined by 15%.

Owing to weaker rough diamond demand, De Beers reduced production, costs and capital expenditure. As a result of the cost saving programmes, supported by favourable exchange rate movements, consolidated unit costs declined from $111/carat to $104/carat.

Markets

Global consumer demand for diamond jewellery in 2015 is expected to have declined marginally in US dollar terms from the record levels of 2014, as growth in the US was offset by the economic slowdown in China and the strength of the dollar.

The US, the largest market for polished diamonds at approximately 45% of global market value, again saw the strongest growth, albeit at a slower rate than in 2014. Demand for diamond jewellery by Chinese consumers was stable, while in India, diamond jewellery demand contracted in local currency terms.

Weaker than expected consumer demand in 2015 resulted in retailers reducing their demand for polished diamonds from the midstream manufacturers. A build-up in polished stocks in the midstream put downward pressure on polished prices, and reduced the midstream's willingness to purchase additional rough diamonds. This was exacerbated by a more stringent financing environment.

Operating performance

Mining and manufacturing

Rough diamond production decreased by 12% to 28.7 million carats (2014: 32.6 million carats) as De Beers reduced production in response to prevailing trading conditions.

Debswana's production decreased by 16% to 20.4 million carats, driven by a reduction in tailings production at Jwaneng, combined with the bringing forward of planned maintenance at both Jwaneng and Orapa. Debswana is focusing on improving reliability and cash costs, while maintaining flexibility, with Damtshaa, a satellite of Orapa, being placed onto temporary care and maintenance from 1 January 2016, affording the option of efficiently resuming production when market conditions allow.

In South Africa, production was in line with 2014, though below planned 2015 production. A decline at Venetia, owing to lower throughput and a reduction in tailings processing – again, in response to softer trading conditions – was offset by increased production at Kimberley. The completion of the sale of Kimberley Mines to Ekapa Minerals was announced on 21 January 2016.

Production at Namdeb Holdings decreased by 6%, as a result of a focus on lower grade mining areas in response to prevailing trading conditions. This impact was partly compensated by increased availability of the *Mafuta* vessel at Debmarine Namibia. The terms of a new 10-year sales agreement between De Beers and the Government of the Republic of Namibia are currently being finalised.

In Canada, production was in line with the prior year as lower grades at both Snap Lake and Victor were offset by improved throughput. In December 2015, De Beers announced that Snap Lake would be placed onto long term care and maintenance with immediate effect.

Element Six experienced challenging trading conditions throughout the year, primarily as a result of the effect on sales of the contraction in global oil and gas drilling activity. The resulting impact on revenue and operating margins was partly offset by a cost-containment programme, affecting both direct and indirect costs. The plant in Sweden has been closed, while the plants in South Africa and Ireland have been upgraded and restructured to optimise production and reduce the cost base.

Brands

Forevermark™ continued to expand and is now available in 1,760 outlets – a 14% increase on 2014 – across 35 markets and, despite the challenging trading conditions, the brand achieved double-digit sales growth. In March 2015, a new grading and inscription facility was opened in Surat in India, with the potential to process up to $500 million worth of diamonds annually. In August, Forevermark™ announced the re-launch of the *A Diamond is Forever*™ marketing campaign, which began in the US and India in advance of the key selling season in the fourth quarter. De Beers also invested in additional holiday marketing campaigns to further stimulate diamond jewellery gift giving across the key US and China markets; these campaigns were received positively by the industry.

De Beers Diamond Jewellers maintained its focus on fast-growing markets, with 35 stores in 12 key consumer markets around the world, and continued to see strong sales in the higher-end market and with Chinese consumers worldwide.

Outlook

De Beers expects the US market to remain the main driver of growth in consumer demand in 2016. The extent of global growth will, however, be dependent upon a number of macro-economic factors, including the strength of the dollar and economic performance in China and its impact worldwide. Longer term, the sector is likely to continue to see benefit from a continuing rise in the world's middle classes in emerging markets, particularly in China and India.

Rough diamond demand in 2016 will be dependent upon consumer demand for diamond jewellery and the resultant levels of restocking required by retailers and, consequently, the midstream. Diamond production (on a 100% basis) for 2016 is forecast to be in the range of 26-28 million carats, subject to trading conditions. Consistent with this level of production, plans are in place to deliver $200 million of cash savings in production costs, overheads and capital expenditure.

BASE METALS & MINERALS

COPPER

Key performance indicators

	Production volume	Sales Volume	Realised price	C1 Unit Cost	Revenue	Underlying EBITDA	Underlying EBIT	Capex	ROCE
	kt	kt[1]	c/lb	c/lb	$m	$m	$m	$m	
Copper	**709**	**706**	**228**	**154**	**3,539**	**942**	**228**	**659**	**3%**
Prior year	*748*	*755*	*300*	*169*	*4,827*	*1,902*	*1,193*	*728*	*18%*
Los Bronces	**402**	**408**	**-**	**149**	**1,852**	**622**	**240**	**228**	**-**
Prior year	*405*	*404*	*-*	*154*	*2,497*	*1,173*	*822*	*199*	*-*
Collahuasi[2]	**200**	**198**	**-**	**142**	**971**	**381**	**167**	**109**	**-**
Prior year	*207*	*209*	*-*	*144*	*1,311*	*707*	*495*	*185*	*-*
Other Operations	**107**	**100**	**-**	**-**	**716**	**55**	**(63)**	**322**	**-**
Prior year	*137*	*142*	*-*	*-*	*1,019*	*138*	*(8)*	*344*	*-*
Projects and corporate	**-**	**-**	**-**	**-**	**-**	**(116)**	**(116)**	**-**	**-**
Prior year	*-*	*-*	*-*	*-*	*-*	*(116)*	*(116)*	*-*	*-*

[1] Excludes 41kt third party sales from Mantos Blancos.
[2] 44% share of Collahuasi production, sales and financials.

Financial and operating overview

Underlying EBIT decreased by 81% to $228 million. This was largely due to a 20% decline in the average LME copper price, as well as lower by-product prices and a 7% decline in sales volumes. The decrease in revenue was partly mitigated by the effects of the weaker Chilean peso and a $208 million reduction in on-mine cash costs of the retained operations. These were driven by cost-reduction initiatives and productivity improvements, including a 16% reduction in headcount at Los Bronces and an 18% reduction at Collahuasi. At 31 December 2015, 197,631 tonnes of copper were provisionally priced at 214 c/lb. Provisional pricing of copper sales resulted in a negative underlying EBIT adjustment of $366 million (2014: $196 million).

Markets

	2015	2014
Average market prices (c/lb)	**249**	311
Average realised prices (c/lb)	**228**	300

Growth in mine supply outweighed underlying demand growth in 2015, resulting in a market surplus for the metal. In particular, prices were adversely affected by weaker construction activity and manufacturing output in China, which accounts for almost half of global copper consumption. After a collapse at the start of the year, LME copper prices steadily gained ground, peaking close to $3/lb in May. Since then, bearish speculative funds have driven prices lower, culminating in a retreat towards $2/lb in the fourth quarter. Sell-offs by investors have been fuelled by volatile equity markets and concerns over China's economic outlook.

Operating performance

Production at Los Bronces was marginally lower at 401,700 tonnes, with the impact of the drought-related water restrictions on plant throughput offset by an increased cut-off grade and higher achieved recoveries. The water restrictions had a net negative impact on production of 18,000 tonnes. The operation is focused on its longer term water strategy, which aims to achieve greater resilience to extreme climatic conditions.

Anglo American's share of Collahuasi's production decreased by 3% to 200,300 tonnes owing to lower ore feed as a result of planned plant maintenance, as well as speed restrictions imposed on the two smaller processing lines in the second and third quarters following the detection of vibrations in the SAG mills. The vibration issue was successfully resolved, delivering a step-change in plant operating times in the fourth quarter, as part of the implementation of a wider plan to achieve stability in the operation of the plant. Higher-cost oxide production ramped down from 1 October, resulting in lost production of ~3,000 tonnes.

Production at El Soldado increased by 11% to 36,100 tonnes, attributable to higher grades and increased recovery arising from improved ore availability.

Operational outlook

Production in 2016 is expected to be in line with 2015, when adjusted for the disposal of Anglo American Norte and the curtailment of oxide production at Collahuasi, which have a combined impact of around 120,000 tonnes. A recovery in throughput at Los Bronces and Collahuasi is anticipated to be offset by expected lower grades, particularly at Los Bronces. Full year 2016 production guidance remains unchanged for the retained operations at 600,000-630,000 tonnes.

NICKEL

	Production volume	Sales volume	Price	Unit Cost	Revenue	Underlying EBITDA	Underlying EBIT	Capex	ROCE
	t	t	c/lb	c/lb	$m	$m	$m	$m	
Nickel segment	**30,300**	**32,000**	**498**	**431**	**146**	**(3)**	**(22)**	**26**	**(1)%**
Prior year	*37,200*	*36,100*	*731*	*491*	*142*	*28*	*21*	*14*	*1%*
Nickel	**30,300**	**32,000**	**498**	**431**	**146**	**9**	**(10)**	**26**	**(1)%**
Prior year	*37,200*	*36,100*	*731*	*491*	*142*	*40*	*33*	*14*	*1%*
Projects and corporate	**-**	**-**	**-**	**-**	**-**	**(12)**	**(12)**	**-**	**-**
Prior year	*-*	*-*	*-*	*-*	*-*	*(12)*	*(12)*	*-*	*-*

Financial and operating overview

Underlying EBIT loss of $22 million was $43 million lower (2014: $21 million profit), principally driven by the lower nickel price and inflation, partly offset by the benefit to costs of the weaker Brazilian real.

The Barro Alto project continued to be capitalised until October, when commercial production was achieved. Barro Alto's underlying capitalised operating loss was $(46) million, a $198 million decrease over the prior year (2014: $152 million profit), owing to the ongoing furnace rebuild and consequent lower production volumes, lower nickel prices and inflation, partially offset by a net exchange rate benefit.

Nickel C1 unit costs decreased 12%, driven by the weaker Brazilian real, partly offset by inflation and lower production volumes owing to the furnace rebuilds.

Following the successful furnace rebuilds and subsequent ramp-up, Barro Alto C1 unit costs averaged 350 c/lb in the last quarter of the year, a significant improvement compared with 2012 (pre rebuild). This was mainly the result of higher throughput, lower energy consumption (owing to higher efficiencies being achieved at the new coal pulverisation plant and efforts to reduce electricity consumption), lower overhead costs and favourable exchange rates.

Markets

	2015	2014
Average market price (c/lb)	**536**	765
Average realised price (c/lb)	**498**	731

The average LME nickel cash settlement price decreased by 30% to 536 c/lb as the impact of slower Chinese economic growth continued to exert downward pressure on commodity prices. World stainless steel production (the end-use for around 65% of all nickel) was flat year-on-year, matching 2014's record output. Nickel pig iron production in China declined by approximately 18%, or 85,000 tonnes, owing to the ongoing Indonesian nickel ore export ban; this led to a near-doubling of Chinese ferronickel imports in 2015, which reached a record high of 137,000 tonnes (Ni contained). This, in turn, resulted in an improvement in ferronickel market fundamentals, and a decrease in ferronickel discounts, through the year.

Operating performance

Nickel production decreased by 19% to 30,300 tonnes, reflecting the furnace rebuilds at Barro Alto. The rebuilds were concluded ahead of schedule, with the delivery of first metal from the second furnace occurring in September (more than one month ahead of plan), and production has now reached nameplate capacity of 2.4 million tonnes of ore feed per annum. At Codemin, production was in line with 2014 at 9,000 tonnes.

Operational outlook

Following the successful furnace rebuilds and faster than anticipated ramp-ups executed in 2015, nameplate capacity production should be achieved at Barro Alto through 2016, with total nickel output expected to be 45,000-47,000 tonnes.

NIOBIUM AND PHOSPHATES

	Production volume	Sales volume	Price	Unit Cost	Revenue	Underlying EBITDA	Underlying EBIT	Capex	ROCE
	Kt	Kt	$/t	$/t	$m	$m	$m	$m	
Niobium and Phosphates	**-**	**-**	**-**	**-**	**544**	**146**	**119**	**50**	**14%**
Prior year	*-*	*-*	*-*	*-*	*666*	*152*	*124*	*239*	*16%*
Niobium	**6.3**	**5.1**	**-**	**-**	**111**	**40**	**33**	**26**	**6%**
Prior year	*4.7*	*4.6*	*-*	*-*	*180*	*75*	*69*	*198*	*15%*
Phosphates	**1,111**	**1,060**	**479**	**-**	**433**	**111**	**91**	**24**	**30%**
Prior year	*1,113*	*1,097*	*487*	*-*	*486*	*88*	*66*	*41*	*16%*
Projects and corporate	**-**	**-**	**-**	**-**	**-**	**(5)**	**(5)**	**-**	**-**
Prior year	*-*	*-*	*-*	*-*	*-*	*(11)*	*(11)*	*-*	*-*

Financial and operating overview

Niobium

Underlying EBIT of $33 million was 52% lower (2014: $69 million), as a result of the capitalisation of sales associated with the ramp-up of Boa Vista Fresh Rock (BVFR), inflation and rehabilitation provision increases, partly compensated by the benefit of the weaker Brazilian real.

Underlying EBIT of $17 million from BVFR was capitalised in 2015, as the project had not reached commercial production.

Phosphates

Underlying EBIT of $91 million was 38% higher (2014: $66 million), mainly due to the positive impact of the weaker Brazilian currency on operating costs and lower study costs, partly offset by inflation, reduced sales volumes and lower realised pricing (including the impact of the weaker Brazilian real on prices).

Markets

Niobium

Despite a strong first six months, worldwide demand for ferroniobium has softened, while global production capacity increased slightly. This decline in demand was driven by the challenging conditions in the Chinese steel industry and lower investments in oil and gas pipeline steel. As a result, average niobium prices weakened across all regions.

Phosphates

The average MAP CFR Brazil price was marginally lower at $479/tonne (2014: $487/tonne), mainly as a result of softer demand in Brazil and lower than expected Indian imports in the second half.

Operating performance

Niobium

Production increased by 34% to 6,300 tonnes, mainly due to the ongoing ramp up of the BVFR plant (which achieved first production in late 2014). The plant reached 69% of nameplate capacity in December 2015.

Phosphates

Production of 1.1 million tonnes of fertiliser was broadly in line with the prior year. Phosphoric acid production decreased by 10%, mainly due to repairs at the Cubatao processing plant. Phosphoric acid is a key component of dicalcium phosphate (DCP); consequently DCP production was 10% lower owing to the priority given to phosphoric acid sales in Cubatão.

Operational outlook

Niobium

Production from installed capacity is expected to increase to 6,800 tonnes once the BVFR plant reaches nameplate capacity in the third quarter of 2016. This, when combined with certain metallurgical debottlenecking activities currently being implemented, will take the total annual capacity to 9,000 tonnes.

Phosphates

Fertiliser and DCP production in 2016 is expected to be broadly similar to 2015. Phosphoric acid production is expected to increase to around 300,000 tonnes, driven by improved performance at Cubatão following the maintenance repairs in the second half of 2015.

IRON ORE AND MANGANESE

Key performance indicators

	Production volume	Sales volume	Price	Unit cost	Revenue	Underlying EBITDA	Underlying EBIT	Capex	ROCE
	Mt[1]	Mt	$/tonne[2]	$/t	$m	$m	$m	$m	
Segment	**-**	**-**	**-**	**-**	**3,390**	**1,026**	**671**	**1,422**	**5%**
Prior year	*-*	*-*	*-*	*-*	*5,176*	*2,286*	*1,957*	*2,685*	*12%*
Kumba Iron Ore	**44.9**	**47.8**	**54**	**31**	**2,876**	**1,011**	**739**	**523**	**26%**
Prior year	*48.2*	*45.3*	*91*	*34*	*4,388*	*2,162*	*1,911*	*763*	*60%*
Iron Ore Brazil	**9.2**	**8.5**	**41**	**60**	**-**	**(20)**	**(21)**	**899**	**(1)%**
Prior year	*0.7*	*0.2*	*57*	*-*	*-*	*(29)*	*(34)*	*1,922*	*(1)%*
Samancor[3]	**3.3**	**3.3**	**-**	**-**	**514**	**104**	**22**	**-**	**4%**
Prior year	*3.6*	*3.7*	*-*	*-*	*788*	*251*	*178*	*-*	*22%*
Projects and corporate	-	-	-	-	-	**(69)**	**(69)**	**-**	**-**
Prior year	-	-	-	-	-	*(98)*	*(98)*	-	-

(1) Iron Ore Brazil production is Mt (wet basis).
(2) Prices for Kumba Iron Ore (Kumba) are the average realised export basket price (FOB Saldanha). Prices for IOB are average realised export basket price (FOB Açu) (wet basis).
(3) Production, sales and financials include ore and alloy.

Financial and operating overview

Kumba

Underlying EBIT decreased by 61% to $739 million (2014: $1,911 million), mainly attributable to the 42% fall in the iron ore benchmark price to an average of $56/tonne. Realised FOB export prices averaged $54/tonne, 42% lower than in 2014. Total cash costs, however, declined by 18%, with costs associated with the 10% increase in waste mined more than offset by the weakening of the South African rand against the dollar. Kumba reduced controllable costs by $8/tonne to achieve an average cash break-even price of $49/tonne (CFR China) in 2015. In 2016, Kumba is targeting to be cash break-even at below an iron ore price of $40/tonne. These improvements include savings in capital expenditure, operating costs, and productivity gains in mining and processing operations.

Sales of 47.8 Mt (2014: 45.3 Mt) were achieved, an increase of 6%, following improved logistics performance and the shipment of 3.4 Mt through the multi-purpose terminal at the Saldanha port. As a result, Kumba reduced its Saldanha port stockpile to 1.2 Mt, while total finished-product stock decreased to 4.7 Mt by year end (2014: 6.5 Mt).

Iron Ore Brazil

Underlying EBIT loss was $21 million (2014: $(34) million), net of a $251 million loss that was capitalised as the Minas-Rio project continued to ramp up. The project is expected to reach commercial production during 2016, although it will remain in ramp-up throughout the year.

Samancor

Underlying EBIT decreased by $156 million to $22 million, driven primarily by lower manganese prices and a 9% decrease in ore sales.

Markets

Iron ore

	2015	2014
Average market prices (IODEX 62% Fe CFR China spot price – $/tonne)	**56**	97
Average realised prices (Kumba export – $/tonne) (FOB Saldanha)	**54**	91
Average market prices Iron ore (MB 66% Fe Concentrate CFR - $/tonne)	**67**	112
Average realised prices (Minas-Rio - $/tonne) (FOB wet basis)	**41**	57

Seaborne iron ore prices continued their downward trend in 2015, with the Platts IODEX 62% Fe CFR China spot price falling by 42% to average $56 per dry metric tonne. Overcapacity in the Chinese steel sector has resulted in steel prices touching record lows. A shift in the focus of Chinese mills to cost rather than productivity has led to reduced price differentials across iron ore grades. In addition, the seaborne iron market remained oversupplied throughout the year, further depressing the iron ore price, although there was a noticeable slowdown in supply growth as projects reached execution and high-cost marginal suppliers withdrew from the market.

Kumba and ArcelorMittal SA have amended the pricing terms of their supply agreement from a cost-based to an export-parity price. In the current market environment, which presents significant challenges for the mining and steel industries in South Africa, this amendment will align prices charged to domestic and export customers.

Manganese

2015 saw significant weakness in both manganese ore and alloy prices, with the decline in steel output in China and all other major steel producing regions exacerbating manganese ore market volatility. Supply cuts started to materialise as prices continued to slide through the year, leaving 70% of the industry in a loss-making position. The index ore price (44% Mn CIF China) declined by 57%, ending the year at $1.86/dmtu.

Operating performance

Kumba

Production was down by 7% to 44.9 Mt owing to mining constraints at Sishen, experienced largely in the second half.

Production at Sishen declined by 12% to 31.4 Mt, mainly arising from difficulties in providing the DMS plant with the correct quality feedstock because of a shortage of sufficient exposed high grade ore required for blending. In order to improve exposed ore levels and increase operational flexibility, it was necessary to mine more waste material, which increased by 19% to 222.2 Mt.

During the year the deteriorating price environment necessitated a further optimisation of the Sishen mine plan. It was decided to reconfigure the Sishen pit to a lower cost shell to safeguard the mine's viability at lower prices.

In the medium term, the mine will also be exploring further opportunities to utilise spare plant capacity, including the use of low grade stockpiles. It is expected that the Reserve Life will remain stable at ~15 years due to the lower production rates and will be reviewed and finalised during 2016.

At Sishen, implementation of the Operating Model has already seen a 24% improvement in efficiency in internal waste mining activity at the North Mine, where work management aspects of the model were introduced in August 2014. The Operating Model was implemented across pre-strip mining and heavy equipment activities in July 2015 and is working well.

At Kolomela, a revised mining plan was implemented, including cessation of mining at one of the pits to conserve cash. Efficiencies and throughput at the plant continued to improve, resulting in a 4% increase in production to 12.1 Mt for the year. To feed the plants at this rate, waste mining increased to 45.7 Mt from the previously guided 44-45 Mt.

Thabazimbi mine produced 1.4 Mt. During the year, Kumba announced closure plans, with mining ceasing at the end of September 2015. Material mined previously was processed during the final quarter of 2015 and is expected to continue into the second quarter of 2016. Closure procedures have been implemented and all activity at the mine is expected to cease at the end of the first half of 2016.

Iron Ore Brazil

Minas-Rio continued to ramp up in 2015, with increases in quarter-on-quarter production throughout the year. Ramp up will continue in 2016. Full year production in 2015, at 9.2 Mt (wet basis), was lower than the original market guidance of 11-14 Mt (wet basis), mostly due to filtration plant adjustments being required, together with water availability and ore quality issues. Following recent rainfall, water conditions are now closer to normal, while the iron ore variability is expected to improve as the mining footprint expands over time. Export sales amounted to 8.5 Mt (wet basis).

Samancor

Production of manganese ore declined by 6% to 3.1 Mt (attributable basis). Production volumes were negatively affected by the temporary suspension of operations at both Mamatwan and Wessels following a fatality at Mamatwan mine in November. The suspension of the operations remained in effect until the completion of the strategic review, with mining activity restarted in February 2016. The decrease in production in South Africa was slightly offset by increased output from Australia, with the GEMCO operations delivering record production in the second half of the year.

Production of manganese alloys decreased by 25% to 213,600 tonnes (attributable basis) following the suspension of operations at Metalloys in South Africa.

Operational outlook

Kumba

Kumba will target a cash break-even price of below $40/t CFR for 2016. Waste movement is expected to be materially below previous guidance of ~230 Mt, at 135 -150 Mt for 2016-2020, while production guidance for 2016 is reduced from 36 Mt to ~27 Mt.

In the medium term, the mine will continue to explore opportunities to fill any spare plant capacity through the use of low grade stock piles.

At Kolomela the mine’s annual production has been revised upwards to 13 million tonnes per annum (Mtpa) from 2017, with 12 Mt expected in 2016.

Iron Ore Brazil

Operational challenges experienced in 2015, together with the confinement of the mining area owing to licensing constraints, have resulted in production guidance for 2016 being revised downwards to around 15-18 Mt (wet basis).

Iron Ore Brazil’s FOB cash cost is expected to be $26-$28 per tonne[1].

Samancor

A strategic review of the South African Manganese operations has now been completed with mining activity to restart at South African Manganese operations in February 2016, although at a substantially reduced rate and with greater flexibility. Subject to market conditions, the Hotazel mines will ramp up to a saleable production rate of 2.9 Mtpa (100% basis), taking approximately 900 ktpa (23%) of saleable production out of the market for the foreseeable future. Optimised mine plans, redundancies and other restructuring initiatives are expected to reduce costs, with stay-in-business capital expenditure also expected to decline by approximately 80% in 2016.

(1) Average over first 22 years when friable itabirite is mined

Legal

In December 2013, the Constitutional Court ruled that Sishen Iron Ore Company (Pty) Ltd (SIOC) held a 78.6% undivided share of the Sishen mining right and that, based on the provisions of the Mineral and Petroleum Resources Development Act (MPRDA), only SIOC can apply for, and be granted, the residual 21.4% share of the mining right at the Sishen mine. The grant of the mining right may be made subject to such conditions considered by the Minister of Mineral Resources ('the Minister') to be appropriate. SIOC applied for the residual right in early 2014.

SIOC received notice from the Department of Mineral Resources (DMR) that the Director General of the DMR had consented to the amendment of SIOC's mining right in respect of the Sishen mine to include the residual 21.4% undivided share of the mining right for the Sishen mine. The consent letter is subject to certain conditions (which are described by the DMR as "proposals"). The conditions contained in the Letter of Grant relate substantively to domestic supply, support for skills development, research and development, and procurement.

Until the legal and practical implications of the proposed conditions have been clarified with the DMR, SIOC is unable to accept the conditions.

Section 96 of the MPRDA allows for an internal appeal to the Minister. SIOC therefore submitted an internal appeal to the Minister, as required by the MPRDA. SIOC has not yet received a response to its appeal.

In the interim, SIOC continues to engage with the DMR in relation to the proposed conditions in order to achieve a mutually acceptable solution.

COAL

Key performance indicators

	Production volume	Sales volume	Price	Unit cost	Revenue	Underlying EBITDA	Underlying EBIT	Capex	ROCE
	Mt[1]	Mt[2]	$/t[3]	($/t)[4]	$m	$m	$m	$m	
Segment	**94.9**	**96.8**	**-**	**-**	**4,888**	**1,046**	**457**	**941**	**9%**
Prior year	*100.2*	*100.2*	*-*	*-*	*5,808*	*1,207*	*458*	*1,045*	*8%*
Australia/ Canada	**33.5**	**34.0**	**90**	**55**	**2,374**	**586**	**190**	**837**	**6%**
Prior year	*33.2*	*33.8*	*111*	*71*	*2,970*	*543*	*(1)*	*952*	*(1)%*
South Africa	**50.3**	**51.6**	**55**	**39**	**1,893**	**345**	**230**	**104**	**19%**
Prior year	*55.8*	*54.8*	*70*	*45*	*2,083*	*463*	*350*	*93*	*30%*
Colombia	**11.1**	**11.2**	**55**	**31**	**621**	**168**	**90**	**-**	**11%**
Prior year	*11.2*	*11.3*	*67*	*37*	*755*	*255*	*163*	*-*	*15%*
Projects and corporate	**-**	**-**	**-**	**-**	**-**	**(53)**	**(53)**	**-**	**-**
Prior year	*-*	*-*	*-*	*-*	*-*	*(54)*	*(54)*	*-*	*-*

(1) Production volumes are saleable tonnes.
(2) South African sales volumes exclude non-equity traded sales volumes of 3.4 Mt (2014: 1.3 Mt).
(3) Australia and Canada is the weighted average metallurgical coal sales price achieved. South Africa is the weighted average export thermal coal price achieved.
(4) FOB cost per saleable tonne, excluding royalties. Australia/Canada excludes study costs/Callide. South Africa unit cost is for the export operations.

Financial and operating overview

Australia and Canada

Australia and Canada underlying EBIT increased by $191 million to $190 million. This was the result of a 6% rise in production in Australia, substantial cost reductions and a weaker Australian dollar also benefiting the cost base. These positives were offset by a 19% reduction in the average quarterly hard coking coal (HCC) benchmark coal price. Placing Peace River Coal onto long term care and maintenance resulted in an underlying EBIT benefit of $81 million.

Underground productivity improvements, including an Australian longwall production record at Capcoal's Grasstree operation, and focused cost-reduction initiatives across labour, material inputs and equipment hire, resulted in the lowest unit costs since 2007. Export FOB cash unit costs ($55/tonne) were 23% lower in US dollar terms, and 7% lower in local currency terms.

South Africa

South Africa's underlying EBIT of $230 million decreased by 34%. This was the result of a 21% reduction in the export thermal coal price and the effect of industrial action in October, partly offset by a 13% increase in export sales volumes, with a record railing and shipping performance, as well as cost reductions and the benefit of the weaker rand. The export sales performance generated an additional $73 million of cash.

Export mine US dollar unit costs were 13% lower, with local currency costs flat year-on-year despite inflationary pressures and a 4% decline in production, supported by a 7% improvement in underground operations equipment performance and a 12% improvement in open cut operations.

Colombia

Underlying EBIT decreased by 45% to $90 million (2014: $163 million), mainly owing to weaker prices reducing underlying EBIT by $90 million and a weather-related decline in production. This was compensated in part by lower costs as a result of a comprehensive cost-control programme and favourable exchange rates.

Markets

Metallurgical coal

	2015	2014
Average market prices ($/tonne)[(1)]	**102**	125
Average realised prices ($/tonne)[(2)]	**90**	111

(1) Represents the quarterly average benchmark for premium low-volume hard coking coal.
(2) Average realised price of various grades of metallurgical coal including hard and semi-soft coking coal and PCI coal.

Metallurgical coal prices showed a steady decline across 2015, driven by a decline in imports into China and weaker producer currencies. Strong steel exports from China had a negative effect on global steel prices and margins, putting further pressure on raw material prices. Metallurgical coal spot prices averaged $90/tonne[(1)], down 19%. High-cost metallurgical coal supply continues to exit the market, in particular from the US, while Australian supply was relatively stable in 2015.

Thermal coal

	2015	2014
Average market price ($/t, FOB Australia)	**59**	71
Average realised prices – Export Australia ($/t, FOB)	**55**	72
Average realised prices – Export South Africa ($/t, FOB)	**55**	70
Average realised prices – Domestic South Africa ($/t)	**20**	19
Average realised prices – Colombia ($/t, FOB)	**55**	67

Thermal coal prices declined by 17% as overall demand contracted. Chinese import demand in particular has continued to soften, while other growth markets, notably India, have not been able to offset this decrease in demand. In response, on the supply side, Indonesian volumes are being withdrawn from the market.

Operating performance

Australia and Canada

Total export metallurgical coal production increased by 1%, despite Peace River Coal (which produced 1.5 Mt in 2014) being placed onto long term care and maintenance since December 2014.

In Australia, production increased by 6%, benefiting from a strong performance at the underground longwall operations, with a record performance from Capcoal's Grasstree underground operation.

Australian export metallurgical coal production was 9% higher, with increases from the underground operations compensating for lower open cut volumes as capacity at the shared Capcoal Complex plant was given to the higher margin Grasstree underground mine.

Production from underground operations was 33% higher, largely as a result of a step-change in productivity at Capcoal's Grasstree underground operation following the implementation of bi-directional cutting. Production from Moranbah increased by 17%, despite equipment design issues, which were successfully rectified in the extended longwall move in the third quarter, with a stepped improvement in production in November and December.

Production at the Australian open cut operations decreased by 4%, with a robust performance from Callide and Jellinbah being offset by lower volumes at Capcoal, where plant and rail capacity was prioritised for Capcoal's Grasstree underground operation's higher-margin coal.

(1) TSI Premium HCC FOB Australia East Coast Port $/tonne.

South Africa

Export production totalled 17.4 Mt, a 4% decrease, owing to the planned closure of a section at Goedehoop and lower production at Mafube as it transitions to a new mining area. Productivity improvements resulted in record production at Goedehoop and Zibulo following the implementation of elements of the Anglo American Operating Model. Productivity improvement plans at Landau were offset by coal sector wage-related industrial action in October, which resulted in the loss of 0.6 Mt (3%) of full year production.

Export sales rose by 13% to 19.9 Mt as a result of a planned drawdown of stocks, facilitated by a record railing and shipping performance.

Production from the domestic mines decreased by 15% to 27.7 Mt, owing to reduced offtake by Eskom at New Vaal and New Denmark, exacerbated by unplanned maintenance on the dragline at Isibonelo.

Colombia

Anglo American's share of Cerrejón's output of 11.1 Mt decreased by 1% as the operation was affected by adverse weather conditions, impacting production.

Operational outlook

Australia and Canada

Metallurgical coal production in 2016 is expected to increase to 21-22 Mt, with the first longwall coal from Grosvenor due in July and subsequent ramp-up through the second half of the year.

Export Thermal Coal

In 2016, export production from South Africa and Colombia is expected to be 28-30 Mt.

CORPORATE AND OTHER

Key performance indicators

	Revenue	Underlying EBITDA	Underlying EBIT	Capex
	$m	$m	$m	$m
Segment	**925**	**(11)**	**(64)**	**16**
Prior year	*1,859*	*(88)*	*(215)*	*42*
Other Mining and Industrial	**921**	**110**	**64**	**3**
Prior year	*1,854*	*162*	*62*	*2*
Exploration	**-**	**(152)**	**(154)**	**-**
Prior year	*-*	*(180)*	*(181)*	*-*
Corporate activities and unallocated costs	**4**	**31**	**26**	**13**
Prior year	*5*	*(70)*	*(96)*	*40*

Financial and operating overview

Other Mining and Industrial

Underlying EBIT of $64 million was $2 million higher (2014: $62 million), mainly attributable to lower corporate and other costs, largely offset by the lower contribution from Anglo American's interest in the Lafarge Tarmac joint venture, which was disposed of on 17 July 2015.

Lafarge Tarmac joint venture

Anglo American's share in the underlying EBIT of the joint venture was $60 million for the six months prior to transfer to Held For Sale at 30 June 2015, an $18 million decrease compared to the full year share in 2014.

On 17 July 2015, Anglo American announced that it had completed the sale of its 50% ownership interest in Lafarge Tarmac Holdings Limited (Lafarge Tarmac) to Lafarge SA (Lafarge). Anglo American received provisional cash proceeds of approximately £992 million ($1,559 million), constituting the agreed minimum consideration of £885 million set out in the July 2014 binding agreement, and approximately £107 million of working capital and other adjustments. The final price has since been agreed at the same level as the provisional price after finalisation of the post-closing review process.

Tarmac Middle East

The divestment of Anglo American's interests in the majority of the Tarmac Middle East operations had completed by January 2016. Disposal of one remaining interest is well advanced.

Exploration

Anglo American exploration expenditure of $154 million decreased by 15%, following reductions in iron ore, thermal coal, diamonds and polymetallics exploration costs. The decreases were mainly attributable to an overall reduction in drilling activities.

Corporate activities and unallocated costs

Underlying EBIT was $26 million, an increase of $122 million (2014: $96 million loss).

Corporate costs decreased by 8% ($46 million), of which $61 million represented a foreign exchange gain compared to 2014, partially offset by inflationary cost increases of $17 million. This reduction in corporate costs was mitigated by a 10% fall in the recharge and allocation of corporate costs to business units of $46 million, reflecting the lower corporate cost base.

A year-on-year gain of $122 million was recognised in the Group's self-insurance entity, reflecting lower net claims and settlements during 2015.

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Notes to editors:
Anglo American is a globally diversified mining business. Our portfolio of world-class competitive mining operations and undeveloped resources provides the raw materials to meet the growing consumer-driven demands of the world's developed and maturing economies. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products – from diamonds (through De Beers) to platinum and other precious metals and copper – to our customers around the world.

As a responsible miner, we are the custodians of those precious resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders, but also for the communities and countries in which we operate – creating sustainable value and making a real difference.
www.angloamerican.com

Webcast of presentation:
A live webcast of the results presentation, starting at 9.00am UK time on 16 February 2016, can be accessed through the Anglo American website at www.angloamerican.com

Note: Throughout this results announcement, '$' denotes United States dollars and 'cents' refers to United States cents; underlying EBIT is operating profit presented before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' underlying EBIT; special items and remeasurements are defined in note 7 to the Condensed financial statements. Underlying earnings, is calculated as set out in note 6 and note 10 to the Condensed financial statements. Underlying EBITDA is underlying EBIT before depreciation and amortisation in subsidiaries and joint operations and includes the Group's attributable share of underlying EBITDA of associates and joint ventures before depreciation and amortisation. Tonnes are metric tons, 'Mt' denotes million tonnes and 'kt' denotes thousand tonnes, unless otherwise stated.

CONDENSED FINANCIAL STATEMENTS

for the year ended 31 December 2015

CONTENTS

Consolidated income statement
for the year ended 31 December 2015

US$ million	Note	2015 Before special items and remeasure-ments	2015 Special items and remeasure-ments (note 7)	2015 Total	2014 Before special items and remeasure-ments	2014 Special items and remeasure-ments (note 7)	2014 Total
Group revenue	4	**20,455**	**–**	**20,455**	27,073	–	27,073
Operating costs		**(18,417)**	**(6,150)**	**(24,567)**	(22,560)	(4,375)	(26,935)
Operating (loss)/profit	4	**2,038**	**(6,150)**	**(4,112)**	4,513	(4,375)	138
Non-operating special items	7	**–**	**(1,278)**	**(1,278)**	–	(385)	(385)
Share of net (loss)/income from associates and joint ventures	4	**48**	**(269)**	**(221)**	254	(46)	208
Loss before net finance income/(costs) and tax		**2,086**	**(7,697)**	**(5,611)**	4,767	(4,806)	(39)
Investment income		**172**	**–**	**172**	242	–	242
Interest expense		**(489)**	**(54)**	**(543)**	(497)	(65)	(562)
Other financing gains		**(141)**	**669**	**528**	(1)	101	100
Net finance income/(costs)	8	**(458)**	**615**	**157**	(256)	36	(220)
Loss before tax		**1,628**	**(7,082)**	**(5,454)**	4,511	(4,770)	(259)
Income tax expense	9	**(435)**	**47**	**(388)**	(1,267)	2	(1,265)
Loss for the financial year		**1,193**	**(7,035)**	**(5,842)**	3,244	(4,768)	(1,524)
Attributable to:							
Non-controlling interests		**366**	**(584)**	**(218)**	1,027	(38)	989
Equity shareholders of the Company		**827**	**(6,451)**	**(5,624)**	2,217	(4,730)	(2,513)
Loss per share (US$)							
Basic	10	**0.64**	**(5.00)**	**(4.36)**	1.73	(3.69)	(1.96)
Diluted	10	**0.64**	**(5.00)**	**(4.36)**	1.72	(3.68)	(1.96)

Consolidated statement of comprehensive income
for the year ended 31 December 2015

US$ million	2015	2014
Loss for the financial year	**(5,842)**	(1,524)
Items that will not be reclassified to the income statement (net of tax)		
Remeasurement of net retirement benefit obligation	**260**	(6)
Share of associates' and joint ventures' other comprehensive income	**–**	1
Net items that will not be reclassified to the income statement	**260**	(5)
Items that have been or may subsequently be reclassified to the income statement (net of tax)		
Net exchange differences:		
Net loss (including associates and joint ventures)	**(4,185)**	(1,943)
Cumulative loss transferred to the income statement on disposal of foreign operations	**101**	5
Revaluation of available for sale investments:		
Net revaluation loss	**(203)**	(124)
Impairment losses transferred to the income statement	**52**	3
Revaluation of cash flow hedges:		
Net gain/(loss)	**9**	(7)
Net items that have been or may subsequently be reclassified to the income statement	**(4,226)**	(2,066)
Total comprehensive expense for the financial year	**(9,808)**	(3,595)
Attributable to:		
Non-controlling interests	**(877)**	736
Equity shareholders of the Company	**(8,931)**	(4,331)

Consolidated balance sheet
as at 31 December 2015

US$ million	Note	2015	2014
ASSETS			
Non-current assets			
Intangible assets		**3,394**	3,912
Property, plant and equipment		**29,621**	38,475
Environmental rehabilitation trusts		**290**	358
Investments in associates and joint ventures		**1,817**	4,376
Financial asset investments		**846**	1,266
Trade and other receivables		**539**	745
Deferred tax assets		**914**	1,351
Derivative financial assets		**460**	986
Other non-current assets		**335**	233
Total non-current assets		**38,216**	51,702
Current assets			
Inventories		**4,051**	4,720
Trade and other receivables		**1,983**	2,568
Current tax assets		**152**	125
Derivative financial assets		**689**	147
Cash and cash equivalents	12a	**6,895**	6,748
Total current assets		**13,770**	14,308
Assets classified as held for sale	14	**27**	–
Total assets		**52,013**	66,010
LIABILITIES			
Current liabilities			
Trade and other payables		**(2,753)**	(3,515)
Short term borrowings	12a, 13	**(1,649)**	(1,618)
Provisions for liabilities and charges		**(620)**	(680)
Current tax liabilities		**(340)**	(375)
Derivative financial liabilities		**(477)**	(539)
Total current liabilities		**(5,839)**	(6,727)
Non-current liabilities			
Trade and other payables		**(26)**	(25)
Medium and long term borrowings	12a, 13	**(16,318)**	(16,917)
Retirement benefit obligations		**(667)**	(1,073)
Deferred tax liabilities		**(3,253)**	(4,498)
Derivative financial liabilities		**(1,986)**	(1,785)
Provisions for liabilities and charges		**(2,565)**	(2,808)
Total non-current liabilities		**(24,815)**	(27,106)
Liabilities directly associated with assets classified as held for sale	14	**(17)**	–
Total liabilities		**(30,671)**	(33,833)
Net assets		**21,342**	32,177
EQUITY			
Called-up share capital		**772**	772
Share premium account		**4,358**	4,358
Own shares		**(6,051)**	(6,359)
Other reserves		**(10,811)**	(7,205)
Retained earnings		**28,301**	34,851
Equity attributable to equity shareholders of the Company		**16,569**	26,417
Non-controlling interests		**4,773**	5,760
Total equity		**21,342**	32,177

The financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 15 February 2016 and signed on its behalf by:

Mark Cutifani
Chief Executive

René Médori
Finance Director

Consolidated cash flow statement
for the year ended 31 December 2015

US$ million	Note	2015	2014
Cash flows from operating activities			
Loss before tax		**(5,454)**	(259)
Net finance (income)/costs including financing special items and remeasurements		**(157)**	220
Share of net loss/(income) from associates and joint ventures		**221**	(208)
Non-operating special items	7	**1,278**	385
Operating (loss)/profit		**(4,112)**	138
Operating special items and remeasurements	7	**6,150**	4,375
Cash element of operating and non-operating special items		**(118)**	(100)
Depreciation and amortisation	4	**2,381**	2,591
Share-based payment charges		**151**	170
Decrease in provisions		**(239)**	(200)
Increase in inventories		**(84)**	(129)
Decrease in operating receivables		**187**	576
Decrease in operating payables		**(78)**	(438)
Other adjustments		**2**	(34)
Cash flows from operations		**4,240**	6,949
Dividends from associates and joint ventures		**324**	435
Dividends from financial asset investments		**9**	25
Income tax paid		**(596)**	(1,298)
Net cash inflows from operating activities		**3,977**	6,111
Cash flows from investing activities			
Expenditure on property, plant and equipment	11	**(4,053)**	(5,974)
Cash flows from derivatives related to capital expenditure	11	**(200)**	(157)
Proceeds from disposal of property, plant and equipment	11	**30**	71
Investments in associates and joint ventures		**(80)**	(81)
Purchase of financial asset investments		**(1)**	(12)
Net loans advanced		**(216)**	(80)
Interest received and other investment income		**101**	157
Net proceeds from disposal of subsidiaries and joint ventures	15	**1,745**	44
Repayments of capitalised loans by associates		**67**	–
Other investing activities		**(7)**	(93)
Net cash used in investing activities		**(2,614)**	(6,125)
Cash flows from financing activities			
Interest paid		**(810)**	(833)
Cash flows from derivatives related to financing activities	12b	**(170)**	203
Dividends paid to Company shareholders		**(1,078)**	(1,099)
Dividends paid to non-controlling interests		**(242)**	(823)
Proceeds from issuance of bonds	13	**2,159**	3,165
Proceeds from other borrowings		**1,160**	1,419
Repayment of borrowings		**(1,987)**	(2,801)
Issue of shares to non-controlling interests	11	**46**	42
Proceeds from sale of shares under employee share schemes		**11**	14
Purchase of shares by subsidiaries for employee share schemes[1]		**(42)**	(111)
Other financing activities		**6**	(3)
Net cash used in financing activities		**(947)**	(827)
Net increase/(decrease) in cash and cash equivalents		**416**	(841)
Cash and cash equivalents at start of year	12b	**6,747**	7,702
Cash movements in the year		**416**	(841)
Effects of changes in foreign exchange rates		**(274)**	(114)
Cash and cash equivalents at end of year	12b	**6,889**	6,747

(1) Includes purchase of Anglo American Platinum Limited shares (2014: Kumba Iron Ore Limited and Anglo American Platinum Limited) for their respective employee share schemes.

Consolidated statement of changes in equity
for the year ended 31 December 2015

US$ million	Total share capital[(1)]	Own shares[(2)]	Retained earnings	Cumulative translation adjustment reserve	Fair value and other reserves[(3)]	Total equity attributable to equity shareholders of the Company	Non-controlling interests	Total equity
At 1 January 2014	5,130	(6,463)	38,376	(6,640)	1,268	31,671	5,693	37,364
Total comprehensive expense	–	–	(2,506)	(1,703)	(122)	(4,331)	736	(3,595)
Dividends payable	–	–	(1,099)	–	–	(1,099)	(749)	(1,848)
Issue of shares to non-controlling interests	–	–	–	–	–	–	42	42
Equity settled share-based payment schemes	–	104	31	–	(8)	127	29	156
Other	–	–	49	–	–	49	9	58
At 31 December 2014	**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**

(1) Includes share capital and share premium.
(2) Own shares comprise shares of Anglo American plc held by the Company (treasury shares), its subsidiaries and employee benefit trusts.
(3) Includes the share-based payment reserve, available for sale reserve, cash flow hedge reserve, capital redemption reserve, revaluation reserve and legal reserve.

Dividends

	2015	2014
Proposed ordinary dividend per share (US cents)	**–**	53
Proposed ordinary dividend (US$ million)	**–**	678
Ordinary dividends payable during the year per share (US cents)	**85**	85
Ordinary dividends payable during the year (US$ million)	**1,078**	1,099

Notes to the Condensed financial statements

1. BASIS OF PREPARATION

The financial information for the year ended 31 December 2015 does not constitute statutory accounts as defined in section 435 (1) and (2) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the Company's Annual General Meeting convened for 21 April 2016. The auditors have reported on these accounts; their reports were unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Whilst the preliminary announcement (the Condensed financial statements) has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) interpretations adopted for use by the European Union, with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and with the requirements of the United Kingdom Listing Authority (UKLA) Listing Rules, these Condensed financial statements do not contain sufficient information to comply with IFRS. The Group will publish full financial statements that comply with IFRS in March 2016.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Financial review of Group results for the year ended 31 December 2015 on pages 3 to 8. The Group's net debt (including related hedges) at 31 December 2015 was $12.9 billion (31 December 2014: $12.9 billion) representing a gearing level of 37.7% (31 December 2014: 28.6%). Further analysis of net debt is set out in note 12 and details of borrowings and facilities are set out in note 13.

The directors have considered the Group's cash flow forecasts for the period to the end of 31 March 2017. The Board is satisfied that the Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the period assessed. For this reason the Group continues to adopt the going concern basis in preparing its Condensed financial statements.

Non-GAAP measures

Investors should consider non-GAAP financial measures in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with IFRS. The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures. Reconciliations of certain non-GAAP data to directly comparable IFRS financial measures are presented in notes 4, 10, 11 and 12 to the Condensed financial statements.

2. 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 of assets, taxation, retirement benefits, contingent liabilities, joint arrangements, estimation of Ore Reserves, assessment of fair value, restoration, rehabilitation and environmental costs 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. The critical accounting judgements and key sources of estimation uncertainty are substantially the same as those disclosed in the Group's Consolidated financial statements for the year ended 31 December 2014.

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 2015). 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 2015, the change in estimate following the annual physical count has had the effect of increasing the value of inventory by $181 million (2014: decrease of $11 million), resulting in the recognition of a post tax gain of $130 million (2014: loss of $8 million).

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

The accounting policies applied are consistent with those adopted and disclosed in the Group financial statements for the year ended 31 December 2014, except for changes arising from the adoption of the following new accounting pronouncements which became effective in the current reporting period:

- Amendments to IAS 19 *Employee Benefits: Defined Benefit Plans – Employee Contributions*.
- *Annual Improvements to IFRSs 2010-2012 cycle*.
- *Annual Improvements to IFRSs 2011-2013 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.

4. SEGMENTAL INFORMATION

The Group's segments are aligned to the structure of the existing business units based around commodities, as at 31 December 2015. Each business unit has a management team that is accountable to the Chief Executive, and in the instance of Copper, Nickel, Niobium and Phosphates, the same management team is responsible for the management of all four business units, collectively referred to as Base Metals and Minerals. Niobium and Phosphates are not considered to be individually significant to the Group and are therefore aggregated, having previously been presented separately. To align with the management structure of the Group's coal businesses and the way their results are internally reported, Coal South Africa, Coal Colombia and Coal Australia and Canada are reported together as the Coal segment.

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 comprises the Other Mining and Industrial business unit, which is not considered to be individually significant to the Group, together with unallocated corporate costs and exploration costs. Exploration costs represent the cost of the Group's exploration activities across all segments.

The Group Management Committee evaluates the financial performance of the Group and its segments principally with reference to underlying earnings before interest and tax (underlying EBIT). Underlying EBIT is operating profit presented before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' underlying EBIT. Underlying EBIT of associates and joint ventures is the Group's attributable share of revenue less operating costs before special items and remeasurements of associates and joint ventures.

Underlying EBITDA is underlying EBIT before depreciation and amortisation in subsidiaries and joint operations and includes the Group's attributable share of associates' and joint ventures' underlying EBIT before depreciation and amortisation.

4. SEGMENTAL INFORMATION (continued)

Segment revenue includes the Group's attributable share of associates' and joint ventures' revenue. Segments predominantly derive revenue as follows – Platinum: platinum group metals; De Beers: rough and polished diamonds; 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.

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

Segment results

	Revenue		Underlying EBIT	
US$ million	**2015**	2014	**2015**	2014
Platinum	**4,900**	5,396	**263**	32
De Beers	**4,671**	7,114	**571**	1,363
Copper	**3,539**	4,827	**228**	1,193
Nickel	**146**	142	**(22)**	21
Niobium and Phosphates	**544**	666	**119**	124
Iron Ore and Manganese	**3,390**	5,176	**671**	1,957
Coal	**4,888**	5,808	**457**	458
Corporate and other	**925**	1,859	**(64)**	(215)
Segment measure	**23,003**	30,988	**2,223**	4,933
Reconciliation:				
Less: associates and joint ventures	**(2,548)**	(3,915)	**(185)**	(420)
Include: operating special items and remeasurements	**–**	–	**(6,150)**	(4,375)
Statutory measure	**20,455**	27,073	**(4,112)**	138

	Depreciation and amortisation[1]		Underlying EBITDA	
US$ million	**2015**	2014	**2015**	2014
Platinum	**455**	495	**718**	527
De Beers	**419**	455	**990**	1,818
Copper	**714**	709	**942**	1,902
Nickel	**19**	7	**(3)**	28
Niobium and Phosphates	**27**	28	**146**	152
Iron Ore and Manganese	**355**	329	**1,026**	2,286
Coal	**589**	749	**1,046**	1,207
Corporate and other	**53**	127	**(11)**	(88)
	2,631	2,899	**4,854**	7,832
Less: associates and joint ventures	**(250)**	(308)	**(435)**	(728)
	2,381	2,591	**4,419**	7,104

[1] In addition $99 million (2014: $129 million) of depreciation and amortisation charges arising due to the fair value uplift of the Group's pre-existing 45% shareholding in De Beers has been included within operating remeasurements (see note 7), and $73 million (2014: $105 million) of pre-commercial production depreciation and $3 million (2014: nil) of pre-commercial production amortisation have been capitalised.

4. **SEGMENTAL INFORMATION** (continued)

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

US$ million	2015	2014
Underlying EBITDA	**4,854**	7,832
Depreciation and amortisation: subsidiaries and joint operations	**(2,381)**	(2,591)
Depreciation and amortisation: associates and joint ventures	**(250)**	(308)
Underlying EBIT	**2,223**	4,933
Operating special items and remeasurements	**(6,150)**	(4,375)
Non-operating special items	**(1,278)**	(385)
Associates' and joint ventures' net special items and remeasurements	**(269)**	(46)
Share of associates' and joint ventures' net finance costs, tax and non-controlling interests	**(137)**	(166)
Loss before net finance income/(costs) and tax	**(5,611)**	(39)

Associates' and joint ventures' results by segment

	Revenue		Underlying EBIT		Share of net (loss)/income	
US$ million	2015	2014	2015	2014	2015	2014
Platinum	**187**	263	**(33)**	(19)	**(42)**	(26)
De Beers	**89**	79	**(9)**	(9)	**(6)**	(6)
Iron Ore and Manganese	**514**	788	**22**	178	**(264)**	104
Coal	**877**	1,050	**142**	189	**40**	73
Corporate and other	**881**	1,735	**63**	81	**51**	63
	2,548	3,915	**185**	420	**(221)**	208

	Depreciation and amortisation		Underlying EBITDA	
US$ million	2015	2014	2015	2014
Platinum	**28**	28	**(5)**	9
De Beers	**3**	3	**(6)**	(6)
Iron Ore and Manganese	**82**	73	**104**	251
Coal	**91**	106	**233**	295
Corporate and other	**46**	98	**109**	179
	250	308	**435**	728

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

US$ million	2015	2014
Associates' and joint ventures' underlying EBIT	**185**	420
Net finance costs	**(40)**	(46)
Income tax expense	**(100)**	(113)
Non-controlling interests	**3**	(7)
Share of net income from associates and joint ventures (before special items and remeasurements)	**48**	254
Special items	**(226)**	–
Special items and remeasurements tax	**(43)**	(46)
Share of net (loss)/income from associates and joint ventures	**(221)**	208

4. SEGMENTAL INFORMATION (continued)

Capital employed by segment

Segment assets and liabilities have been replaced by closing capital employed by segment, now being the principal measure of assets and liabilities reported to the Group Management Committee. Capital employed is defined as net assets excluding net debt (including related hedges and net debt in disposal groups) and financial asset investments.

	Capital employed		Attributable capital employed[1]	
US$ million	**2015**	2014	**2015**	2014
Platinum	**4,392**	7,010	**3,726**	5,943
De Beers	**8,642**	10,058	**7,402**	8,654
Copper	**6,332**	7,062	**4,176**	4,739
Nickel	**1,968**	1,931	**1,968**	1,934
Niobium and Phosphates	**834**	896	**834**	896
Iron Ore and Manganese	**6,666**	9,837	**5,756**	8,361
Coal	**4,079**	5,575	**3,978**	5,455
Corporate and other	**(71)**	1,413	**(71)**	1,413
Capital employed	**32,842**	43,782	**27,769**	37,395
Include:				
Net debt	**(12,901)**	(12,871)		
Debit valuation adjustment attributable to derivatives hedging net debt[2]	**555**	–		
Financial asset investments	**846**	1,266		
Net assets	**21,342**	32,177		

(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 12 for details of the debit valuation adjustment.

Product analysis

Revenue by product

US$ million	**2015**	2014
Platinum	**2,720**	3,097
Palladium	**1,159**	1,058
Rhodium	**309**	280
Diamonds	**4,660**	7,104
Copper	**3,495**	4,688
Nickel	**450**	638
Niobium	**111**	180
Phosphates	**433**	486
Iron ore	**2,610**	4,029
Manganese ore and alloys	**514**	788
Metallurgical coal	**1,832**	2,290
Thermal coal	**3,068**	3,529
Heavy building materials	**921**	1,854
Other	**721**	967
	23,003	30,988

4. SEGMENTAL INFORMATION (continued)

Geographical analysis

Revenue by destination

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

US$ million	2015	2014
South Africa	**1,764**	2,464
Other Africa	**982**	1,663
Brazil	**745**	939
Chile	**500**	1,033
Other South America	**12**	23
North America	**855**	1,218
Australia	**214**	275
China	**4,662**	5,109
India	**2,421**	3,079
Japan	**2,325**	3,496
Other Asia	**3,199**	3,580
United Kingdom (Anglo American plc's country of domicile)	**2,220**	3,090
Other Europe	**3,104**	5,019
	23,003	30,988

Non-current assets by location

	Intangible assets and property, plant and equipment		Total non-current assets[1]	
US$ million	2015	2014	2015	2014
South Africa	**8,714**	12,998	**9,449**	14,450
Botswana	**4,247**	5,138	**4,247**	5,138
Other Africa	**938**	1,138	**943**	1,145
Brazil	**6,361**	8,001	**6,455**	8,097
Chile	**6,481**	7,347	**6,481**	7,347
Other South America	**955**	740	**1,846**	1,750
North America	**688**	1,483	**690**	1,488
Australia and Asia	**3,237**	4,136	**3,568**	4,764
United Kingdom (Anglo American plc's country of domicile)	**1,278**	1,277	**1,320**	2,838
Other Europe	**116**	129	**137**	131
Non-current assets by location	**33,015**	42,387	**35,136**	47,148
Unallocated assets			**3,080**	4,554
Total non-current assets			**38,216**	51,702

(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.

5. EXPLORATION AND EVALUATION EXPENDITURE

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

	Exploration expenditure[1]		Evaluation expenditure[2]	
US$ million	**2015**	2014	**2015**	2014
By commodity/product				
Platinum group metals	**7**	8	**6**	9
Diamonds	**34**	37	**29**	26
Copper	**41**	37	**69**	84
Nickel	**9**	16	**4**	4
Niobium	**–**	–	**1**	1
Phosphates	**4**	4	**1**	8
Iron ore	**13**	25	**11**	56
Metallurgical coal	**7**	8	**14**	19
Thermal coal	**4**	9	**10**	11
Central exploration activities	**35**	37	**–**	–
	154	181	**145**	218

[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.

6. UNDERLYING EBIT AND UNDERLYING EARNINGS BY SEGMENT

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. Refer to note 4 for the definition of underlying EBIT.

Underlying earnings is an alternative earnings measure, which the directors consider to be a useful additional measure of the Group's performance. Underlying earnings is profit for the financial year attributable to equity shareholders of the Company before special items and remeasurements and is therefore presented after net finance costs, income tax expense and non-controlling interests. For a reconciliation from 'Loss for the financial year attributable to equity shareholders of the Company' to 'Underlying earnings for the financial year', see note 10.

						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**
Platinum	**263**	**788**	**(525)**	**(56)**	**(39)**	**168**
De Beers	**571**	**709**	**(138)**	**(274)**	**(39)**	**258**
Copper	**228**	**282**	**(54)**	**(120)**	**(41)**	**67**
Nickel	**(22)**	**2**	**(24)**	**3**	**–**	**(19)**
Niobium and Phosphates[1]	**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**

						2014
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
Platinum	32	52	(20)	(14)	7	25
De Beers	1,363	155	1,208	(264)	(176)	923
Copper	1,193	–	1,193	(482)	(218)	493
Nickel	21	21	–	(15)	–	6
Niobium and Phosphates[1]	124	13	111	(59)	–	65
Iron Ore and Manganese	1,957	3,670	(1,713)	(583)	(657)	717
Coal	458	372	86	(154)	(8)	296
Corporate and other	(215)	92	(307)	(111)	18	(308)
	4,933	4,375	558	(1,682)	(1,034)	2,217

[1] Niobium and Phosphates are now aggregated, having previously been presented separately (see note 4).

7. SPECIAL ITEMS AND REMEASUREMENTS

Special items and remeasurements 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 to assist in the understanding of the underlying financial performance achieved by the Group.

Special items that relate to the operating performance of the Group are classified as operating special items and principally include impairment charges and restructuring costs. Non-operating special items include costs in relation to closure of operations, profits and losses on disposal of investments and businesses as well as certain adjustments relating to business combinations.

Remeasurements include:

- Unrealised gains and losses on financial assets and liabilities that represent economic hedges, including accounting hedges related to financing arrangements. Where the underlying transaction is recorded in the income statement, the realised gains or losses are reversed from remeasurements and are recorded in underlying earnings in the same year as the underlying transaction for which the instruments provide the economic hedge. If the underlying transaction is recorded in the balance sheet, for example capital expenditure, the realised amount remains in remeasurements on settlement of the derivative. Such amounts are classified in the income statement as operating when the underlying exposure is in respect of the operating performance of the Group and otherwise as financing.
- The remeasurement and subsequent depreciation and amortisation of a previously held equity interest as a result of a business combination.
- Foreign exchange impacts arising in US dollar functional currency entities where tax calculations are generated based on local currency financial information and hence deferred tax is susceptible to currency fluctuations. Such amounts are reported as tax remeasurements within income tax expense.

US$ million	**2015**	2014
Subsidiaries and joint operations		
Minas-Rio impairment	**(2,503)**	(3,800)
Coal impairments	**(1,218)**	(363)
Platinum impairments	**(720)**	(44)
De Beers Snap Lake care and maintenance	**(595)**	–
Sishen impairment	**(514)**	–
El Soldado impairment	**(274)**	–
Other impairments and related charges	**–**	(39)
Restructuring costs	**(148)**	(128)
Operating special items	**(5,972)**	(4,374)
Operating remeasurements	**(178)**	(1)
Operating special items and remeasurements	**(6,150)**	(4,375)
Write-down to fair value of Rustenburg mine	**(728)**	–
Disposal of Anglo American Norte	**(287)**	–
Disposal of Tarmac businesses	**(172)**	–
Disposal of Amapá	**(35)**	(46)
Closure of Drayton	**–**	(222)
Ponahalo refinancing	**–**	(58)
Atlatsa refinancing	**–**	22
Kumba Envision Trust	**(40)**	(44)
Other	**(16)**	(37)
Non-operating special items	**(1,278)**	(385)
Financing special items and remeasurements	**615**	36
Special items and remeasurements before tax and non-controlling interests	**(6,813)**	(4,724)
Special items and remeasurements tax	**47**	2
Non-controlling interests on special items and remeasurements	**584**	38
Share of associates' and joint ventures' special items and remeasurements[1]	**(269)**	(46)
Total special items and remeasurements	**(6,451)**	(4,730)

[1] Relates to the Iron Ore and Manganese, Coal and Platinum segments (2014: Coal segment).

7. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Operating special items

Impairments: Iron ore and coal operations

During 2015 a number of factors, including slowing of the expected rate of economic growth in China, together with a rebalancing of the Chinese economy, have driven a fundamental shift in the commodity demand outlook. At the same time, excess supply of a number of commodities, notably steel-making materials including iron ore and hard coking coal, is likely to persist in the short to medium term, further weighing on the prices of these commodities.

Consequently, the valuations of the Group's iron ore and hard coking coal operations have been reviewed based on the latest operating assumptions and management's current estimates of future commodity prices and foreign exchange rates. This has resulted in a number of asset impairments which are detailed below.

The valuations prepared as at 31 December 2015 assume that prices and foreign exchange rates will remain close to those that prevailed in the final quarter of 2015 for a three- to five-year period with a gradual recovery thereafter as supply tightens and producer country economies recover. The long- and short-term price assumptions used in the valuations are within the range of published analyst forecasts.

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. Production commenced in 2014 and First Ore On Ship (FOOS) was delivered in October 2014.

In 2012, an impairment charge of $4,960 million (before tax) was recorded against the carrying value of Minas-Rio. This was based on the value in use of the CGU and reflected an increase in estimate of attributable project capital expenditure to $8.8 billion, including a $0.6 billion contingency, as well as the impact of high inflation on operational costs. In 2014, a further impairment charge of $3,800 million (before tax) was recorded due to a continued decline in the pricing environment for iron ore based on a value in use of $5.6 billion. At the time it was highlighted that the valuation remained sensitive to price and further deterioration in prices might result in additional impairment.

In June 2015 the Group recorded an additional impairment charge of $2,503 million (before tax) against the carrying value of the CGU, driven by a further deterioration in iron ore pricing. The valuation of Minas-Rio, based on the value in use of the CGU, determined on a pre-tax discounted cash flow basis (see note 2) (real pre-tax discount rate of 8.5% (2014: 8.5%)) was $3.6 billion as at 30 June 2015. This charge was recorded against capital works in progress. A related deferred tax asset of $404 million was also written down to reflect a reduced likelihood of recovering the associated tax deductions.

The valuation of Minas-Rio was re-assessed as at 31 December 2015 in light of the continued decline in iron ore prices. No further impairment has been recorded as the impact of lower pricing in the short term has been offset by a number of factors, notably a significant weakening of the Brazilian real. However, the valuation remains sensitive to price, and to assumptions regarding the permit and licence issuance schedule. Adverse changes to these assumptions could result in further impairments.

Sishen

The Sishen iron ore mine (Iron Ore and Manganese) is located in the Northern Cape Province in South Africa. As a result of the deterioration in the iron ore market, management has undertaken a strategic review to reconfigure the Sishen pit in order to optimise margins. The new pit shell configuration will enable a more flexible mining approach and lower unit costs and capital expenditure over the Life of Mine.

Whilst these measures have been undertaken to respond to the impact of the weaker iron ore price environment, a pre-tax impairment charge of $514 million ($372 million after tax) has been recorded against the carrying value of the CGU, based on a valuation of $1.3 billion. The valuation has been assessed based on the asset's fair value less costs of disposal and measured using discounted cash flow projections (see note 2). Of the impairment charge, $184 million has been recorded against mining properties and leases, $55 million against land and buildings, $61 million against capital works in progress and $214 million against plant and equipment, with an associated tax credit of $142 million. The valuation remains sensitive to price and execution of the new pit design, and adverse changes to these assumptions could result in further impairments.

7. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Coal

In June 2015, a pre-tax impairment of $624 million ($437 million after tax) was recorded in relation to the Coal Australia assets, principally comprising an impairment of $539 million at Capcoal. At the time it was highlighted that the valuation remained sensitive to price and further deterioration in prices might result in additional impairment.

In the second half of the year, further pre-tax impairments totalling $429 million have been recorded against the Group's metallurgical coal operations in central Queensland, driven by the impact of weak coal prices on margins, particularly for the open cut operations. The post-tax impairment charge is also $429 million. This comprises an additional impairment of $100 million at Capcoal, based on a valuation of $0.2 billion, $234 million at Dawson, based on a valuation of $0.2 billion, and $95 million at Foxleigh, which has been fully impaired. Of this charge, $201 million has been recorded against plant and equipment, $155 million against mining properties and leases, $41 million against land and buildings and $32 million against capital works in progress.

The remaining impairment charge of $165 million relates to Peace River Coal in Canada which was fully impaired at 30 June 2015. The post-tax impairment charge is also $165 million.

The valuations have been assessed based on the respective operations' fair value less costs of disposal and measured using discounted cash flow projections (see note 2). The valuation of the Group's Coal Australia assets remains sensitive to price and further deterioration in pricing could result in additional impairments.

Other impairments

Platinum

During 2015 there has been a significant deterioration in platinum group metals (PGM) market conditions. Although, in the near term, the growth outlook for PGMs is unclear due to potentially reduced platinum jewellery demand in China and uncertainty surrounding the auto-catalyst market, longer term demand is forecast to be robust given the expected demand for new and cleaner vehicles in maturing economies, coupled with increasingly stringent global emissions legislation.

The Group has taken a number of steps to respond to these conditions. These include restructuring the business to reduce overheads, cutting cash negative production, and suspending capital expenditure on growth projects other than those that are already near completion.

In the second half of 2015, development of the Twickenham project has been suspended. Existing operations at Twickenham will be placed on care and maintenance during 2016 and the project is being reconfigured for the longer term as a largely mechanised underground operation. As a result, some of the previously capitalised costs associated with the development of Twickenham as a conventional mine, along with related assets and infrastructure, are no longer expected to provide future economic benefits, resulting in an impairment charge of $236 million. In addition, as a result of the review of capital projects across the Platinum business, further capitalised development costs and assets of $42 million have been written off.

The Group, along with Atlatsa Resources Corporation (Atlatsa), the controlling shareholder of Bokoni, has conducted a technical review of the Bokoni operation to optimise the mine plan and allow it to operate on a cash-positive basis. The revised plan is currently being implemented but Bokoni is likely to remain cash negative for some time. Consequently, the Group has fully impaired its equity interests in Bokoni, which comprise a 49% interest in the underlying operation, and a 23% interest in Atlatsa. In addition, the Group has fully impaired the loans it has extended to Atlatsa and Atlatsa Holdings (the controlling Black Economic Empowerment shareholder of Atlatsa). The total impairment charge relating to Bokoni is $212 million, of which $93 million has been recorded against Investments in associates and $119 million against Financial asset investments.

The Group holds a 33% interest in the Bafokeng-Rasimone Platinum Mine (BRPM) and a 12% shareholding in Royal Bafokeng Platinum Limited (RBPlat), the Johannesburg Stock Exchange listed controlling shareholder of the operation. Given the reduction in the market capitalisation of RBPlat, the carrying value of the investment in BRPM has been assessed for impairment. This has resulted in an impairment of $178 million which has been recorded against Investments in associates.

In addition, cumulative fair value losses of $52 million on the Group's 12% investment in RBPlat, which have previously been recorded in the statement of comprehensive income, have been recycled to the income statement as an impairment loss, as the decline in RBPlat's market value is considered to have been significant and prolonged. The aggregate pre-tax impairment charge is $720 million and the aggregate post-tax impairment charge is $642 million.

7. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Snap Lake (De Beers)

Following a review of the operation, and in light of current market conditions, management has decided to place the Snap Lake operation, located in the North West Territory in Canada, on long term care and maintenance. A pre-tax impairment of $595 million has been recorded. The carrying value associated with the operation, comprising $502 million of mining properties and leases, is considered unlikely to provide future economic benefit and has been reduced to nil. The remainder of the impairment charge relates to the write-off of associated goodwill, redundant consumables and provisions for severance costs and similar items. The aggregate post-tax charge is also $595 million.

El Soldado (Copper)

The Group holds a 50.1% interest in the El Soldado copper mine, which is part of Anglo American Sur. To mitigate the impact of the recent deterioration in copper prices, management has made changes to the mine sequencing, in order to optimise cash flows in the near term. Despite these modifications, an impairment of $274 million (before tax) has been recorded against the carrying value of the asset. The valuation of the asset, based on the operation's fair value less costs of disposal and measured using discounted cash flow projections (see note 2), is $0.2 billion. Of this charge, $202 million has been recorded against mining properties and leases and $72 million against plant and equipment with an associated tax credit of $82 million. The post-tax impairment charge is $192 million. The valuation is sensitive to price and further deterioration might result in additional impairment.

Restructuring costs

Restructuring costs of $148 million (2014: $128 million) relate to organisational changes as part of the *Driving Value* programme. The post-tax charge is $119 million (2014: $107 million).

2014

Operating special items in 2014 principally comprise impairments and related charges in respect of Minas-Rio and Peace River Coal.

Operating remeasurements

Operating remeasurements reflect a net loss of $178 million (2014: $1 million) which principally comprises losses of $78 million (2014: gains of $136 million) in respect of derivatives related to capital expenditure in Iron Ore Brazil and a $99 million depreciation and amortisation charge (2014: $129 million) 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. The post-tax loss is $123 million (2014: $27 million).

Derivatives in relation to Iron Ore Brazil which have been realised during the period had a cumulative net operating remeasurement loss of $162 million (2014: $140 million).

Non-operating special items

Rustenburg

On 9 September, Anglo American Platinum announced that it had entered into a binding agreement to sell the Rustenburg mine to Sibanye Gold Limited, subject to certain conditions.

The value of the Rustenburg mine and its associated mineral rights is expected to be recovered principally through sale. A pre-tax impairment charge of $728 million ($537 million after tax) has been recorded against the carrying value of the Rustenburg assets in order to bring their carrying value into line with fair value less costs of disposal, based upon the estimated value of the agreed sale consideration, of $0.2 billion. This excludes any economic value generated from the future purchase of concentrate and toll treatment arrangements which will be recognised for accounting purposes at the time when the benefit is received. The impairment charge has been recorded principally against property, plant and equipment, of which $452 million is against mining properties and leases, and includes an allocation of goodwill of $41 million.

Anglo American Norte

On 11 September 2015, the Group completed the sale of its interest in Anglo American Norte S.A. (AA Norte) (Copper). The company consists of the Mantoverde and Mantos Blancos copper mines located in northern Chile. The consideration comprises $300 million in cash plus deferred consideration up to a maximum of $200 million, contingent upon certain conditions (see note 15). At 31 December 2015 the remaining deferred contingent consideration, of up to $150 million, has been valued at nil. A pre-tax loss on disposal of $287 million (post-tax $350 million) has been recorded.

7. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Tarmac

On 17 July 2015, the Group completed the sale of its 50% ownership interest in Lafarge Tarmac (Corporate and other) to Lafarge for cash proceeds of approximately £992 million ($1,559 million), constituting the agreed minimum consideration of £885 million and approximately £107 million of working capital and other adjustments. In addition, during the year the Group has disposed of the majority of its interests in Tarmac Middle East (TME) (Corporate and other) which supplies aggregates, asphalt and road base contracting services to the Middle East construction industry. The sale of a further interest in TME was completed in January 2016. Disposal of the one remaining TME interest is well advanced. A loss of $172 million (also $172 million after tax) has been recognised on disposal of the Tarmac businesses.

2014

Non-operating special items in 2014 principally relate to closure provisions and asset write downs in relation to Drayton and Drayton South (Coal), charges arising on the revaluation of deferred contingent consideration for the disposal of Amapá (Corporate and other), the refinancing of Ponahalo Investments (RF) Proprietary Limited, a Black Economic Empowerment partner (De Beers), and a net gain on the refinancing transaction for Atlatsa (Platinum).

Financing special items and remeasurements

Financing special items and remeasurements reflect a net gain of $615 million (2014: $36 million). The associated tax is a credit of $54 million (2014: charge of $36 million). This principally relates to a debit valuation adjustment on derivative liabilities hedging net debt of $555 million. 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 net gain reflects an increase in observed credit spreads for Anglo American.

Tax associated with special items and remeasurements

Total tax relating to subsidiaries and joint operations amounts to a credit of $47 million (2014: $2 million).

This includes one-off tax charges of $829 million (2014: $105 million), tax credits on special items and remeasurements of $769 million (2014: $412 million) and tax remeasurement credits of $107 million (2014: charges of $305 million).

One-off tax charges of $829 million primarily comprise the write down of deferred tax assets at Minas-Rio of $404 million, Kumba Iron Ore of $65 million, Coal of $175 million, De Beers Canada of $61 million and Corporate of $83 million, where it is no longer considered probable that these assets can be recovered against future taxable profits.

Of the total tax credit of $47 million, $55 million relates to a current tax charge (2014: credit of $31 million) and $102 million relates to a deferred tax credit (2014: charge of $29 million).

8. NET FINANCE INCOME/(COSTS)

Net finance income/(costs) are presented net of hedges for respective interest bearing and foreign currency borrowings. The weighted average capitalisation rate applied to qualifying capital expenditure was 2.90% (2014: 3.83%).

US$ million	2015	2014
Investment income		
Interest income from cash and cash equivalents	**92**	128
Other interest income	**69**	88
Net interest income on defined benefit arrangements	**12**	14
Dividend income from financial asset investments	**9**	25
	182	255
Less: interest income capitalised	**(10)**	(13)
Total investment income[1]	**172**	242
Interest expense		
Interest and other finance expense	**(706)**	(709)
Net interest cost on defined benefit arrangements	**(54)**	(69)
Unwinding of discount relating to provisions	**(96)**	(101)
	(856)	(879)
Less: interest expense capitalised	**367**	382
Total interest expense[1]	**(489)**	(497)
Other net financing losses		
Net foreign exchange losses	**(180)**	(37)
Other net fair value gains	**39**	36
Total other net financing losses	**(141)**	(1)
Net finance costs before special items and remeasurements	**(458)**	(256)
Special items and remeasurements (note 7)	**615**	36
Net finance income/(costs) after special items and remeasurements	**157**	(220)

[1] Interest income recognised at amortised cost is $115 million (2014: $152 million) and interest expense recognised at amortised cost is $307 million (2014: $286 million).

9. INCOME TAX EXPENSE

a) Analysis of charge for the year

US$ million	2015	2014
United Kingdom corporation tax	**(11)**	(14)
South Africa tax	**214**	479
Other overseas tax	**338**	712
Prior year adjustments	**(58)**	(68)
Current tax[1]	**483**	1,109
Deferred tax	**(48)**	158
Income tax expense before special items and remeasurements	**435**	1,267
Special items and remeasurements tax (note 7)	**(47)**	(2)
Income tax expense	**388**	1,265

[1] Includes royalties which meet the definition of income tax and are in addition to royalties recorded in operating costs.

9. INCOME TAX EXPENSE (continued)

b) Factors affecting tax charge for the year

The effective tax rate for the year of (7.1)% (2014: (488.4)%) is lower (2014: lower) than the applicable weighted average statutory rate of corporation tax in the United Kingdom of 20.25% (2014: 21.5%). The reconciling items, excluding the impact of associates and joint ventures, are:

US$ million	2015	2014
Loss before tax	**(5,454)**	(259)
Less: share of net loss/(income) from associates and joint ventures	**221**	(208)
Loss before tax (excluding associates and joint ventures)	**(5,233)**	(467)
Tax on loss (excluding associates and joint ventures) calculated at United Kingdom corporation tax rate of 20.25% (2014: 21.5%)	**(1,060)**	(100)
Tax effects of:		
Items non-taxable/deductible for tax purposes		
Exploration expenditure	**15**	18
Non-deductible/(taxable) net foreign exchange losses/(gains)	**15**	(12)
Non-taxable net interest income	**(29)**	(8)
Other non-deductible expenses	**144**	72
Other non-taxable income	**(92)**	(138)
Temporary difference adjustments		
Current year losses not recognised	**12**	79
Recognition of losses not previously recognised	**(18)**	(143)
Utilisation of losses not previously recognised	**(13)**	(13)
Write-off of losses previously recognised	**29**	65
Adjustment in deferred tax due to change in tax rate	**(2)**	106
Other temporary differences	**13**	95
Special items and remeasurements(1)	**1,333**	1,014
Other adjustments		
Secondary tax on companies and dividend withholding taxes	**52**	193
Effect of differences between local and United Kingdom tax rates	**46**	106
Prior year adjustments to current tax	**(58)**	(68)
Other adjustments	**1**	(1)
Income tax expense	**388**	1,265

(1) The special items and remeasurements reconciling item of $1,333 million (2014: $1,014 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 7 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 (loss)/income from associates and joint ventures' for the year ended 31 December 2015 is $143 million (2014: $159 million). Excluding special items and remeasurements this becomes $100 million (2014: $113 million).

The effective tax rate before special items and remeasurements including attributable share of associates' and joint ventures' tax for the year ended 31 December 2015 was 31.0%. This is higher than the equivalent effective tax rate of 29.8% for the year ended 31 December 2014 due to the net impact of certain prior year adjustments, the remeasurement of withholding tax provisions across the Group, and the relative levels of profits arising in the Group's operating jurisdictions. In future periods it is expected that the effective tax rate will remain above the United Kingdom statutory tax rate.

10. LOSS PER SHARE

US$	2015	2014
Loss per share		
Basic	**(4.36)**	(1.96)
Diluted	**(4.36)**	(1.96)
Headline earnings per share		
Basic	**0.29**	1.20
Diluted	**0.29**	1.19
Underlying earnings per share		
Basic	**0.64**	1.73
Diluted	**0.64**	1.72

Basic and diluted earnings per share are shown based on headline earnings, a Johannesburg Stock Exchange (JSE) defined performance measure, and underlying earnings (explained in note 6), which the directors consider to be a useful additional measure of the Group's performance.

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.

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

	Loss attributable to equity shareholders of the Company		Headline earnings		Underlying earnings	
	2015	2014	**2015**	2014	**2015**	2014
(Loss)/earnings (US$ million)						
Basic and diluted (loss)/earnings	**(5,624)**	(2,513)	**369**	1,535	**827**	2,217
Number of shares (million)						
Basic number of ordinary shares outstanding	**1,289**	1,284	**1,289**	1,284	**1,289**	1,284
Effect of dilutive potential ordinary shares:						
Share options and awards	**–**	–	**3**	5	**3**	5
Diluted number of ordinary shares outstanding	**1,289**	1,284	**1,292**	1,289	**1,292**	1,289

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

Basic loss per share is equal to diluted loss per share as all 12,855,264 (2014: 18,431,061) potential ordinary shares are anti-dilutive. 8,996,586 (2014: 178,808) shares have been excluded from the calculation of diluted headline earnings per share and diluted underlying earnings per share as they are anti-dilutive.

10. EARNINGS PER SHARE (continued)

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

US$ million	2015	2014
Loss for the financial year attributable to equity shareholders of the Company	**(5,624)**	(2,513)
Operating special items	**5,899**	4,268
Operating special items – tax	**(489)**	(362)
Operating special items – non-controlling interests	**(413)**	(16)
Non-operating special items	**1,181**	218
Non-operating special items – tax	**(127)**	(51)
Non-operating special items – non-controlling interests	**(58)**	(9)
Headline earnings for the financial year	**369**	1,535
Operating special items[(1)]	**299**	106
Operating remeasurements	**178**	1
Non-operating special items[(2)]	**97**	167
Financing special items and remeasurements	**(615)**	(36)
Tax special items	**829**	105
Special items and remeasurements tax	**(217)**	352
Non-controlling interests on special items and remeasurements	**(113)**	(13)
Underlying earnings for the financial year	**827**	2,217

(1) Includes restructuring costs (2014: restructuring costs).
(2) Principally relates to the Kumba Envision Trust (2014: Kumba Envision Trust and Ponahalo refinancing).

11. CAPITAL EXPENDITURE

Capital expenditure is defined as cash expenditure on property, plant and equipment including related derivatives, proceeds from disposal of property, plant and equipment and direct funding for capital expenditure from non-controlling interests.

Capital expenditure by segment

US$ million	2015	2014
Platinum	**366**	576
De Beers	**697**	689
Copper	**659**	728
Nickel	**26**	14
Niobium and Phosphates[(1)]	**50**	239
Iron Ore and Manganese	**1,422**	2,685
Coal	**941**	1,045
Corporate and other	**16**	42
Capital expenditure[(2)]	**4,177**	6,018
Exclude:		
Cash outflows from derivatives related to capital expenditure	**(200)**	(157)
Proceeds from disposal of property, plant and equipment	**30**	71
Direct funding for capital expenditure received from non-controlling interests	**46**	42
Expenditure on property, plant and equipment	**4,053**	5,974

(1) Niobium and Phosphates are now aggregated, having previously been presented separately (see note 4).
(2) Cash capital expenditure includes capitalised operating cash outflows of $147 million (2014: $9 million cash inflows) generated by operations that have not yet reached commercial production, principally in relation to Minas-Rio (Iron Ore and Manganese) and Barro Alto (Nickel).

11. CAPITAL EXPENDITURE (continued)

Capital expenditure by category

US$ million	2015	2014
Expansionary[(1)]	**2,083**	3,248
Stay-in-business	**1,384**	1,973
Stripping and development	**740**	868
Proceeds from disposal of property, plant and equipment	**(30)**	(71)
	4,177	6,018

[(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.

12. NET DEBT

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

a) Reconciliation to the balance sheet

	Cash and cash equivalents		Short term borrowings		Medium and long term borrowings	
US$ million	2015	2014	2015	2014	2015	2014
Balance sheet	**6,895**	6,748	**(1,649)**	(1,618)	**(16,318)**	(16,917)
Balance sheet – disposal groups	**9**	–	**–**	–	**–**	–
Bank overdrafts	**(15)**	(1)	**15**	1	**–**	–
Net cash/(debt) classifications	**6,889**	6,747	**(1,634)**	(1,617)	**(16,318)**	(16,917)

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 2014	7,702	(2,106)	(15,740)	(10,144)	(508)	(10,652)
Cash flow	(841)	1,785	(3,568)	(2,624)	(203)	(2,827)
Reclassifications	–	(1,487)	1,487	–	–	–
Movement in fair value	–	(7)	(434)	(441)	(373)	(814)
Other non-cash movements	–	(2)	(72)	(74)	–	(74)
Currency movements	(114)	200	1,410	1,496	–	1,496
At 31 December 2014	**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)**

[(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 $555 million (2014: nil). 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. The impact of this adjustment at 31 December 2014 was insignificant and consequently no adjustment has been made to the prior year presentation.

12. NET DEBT (continued)

c) Net debt by segment

The Group's policy is to hold the majority of its cash and borrowings at the corporate centre. Business units may from time to time raise borrowings in connection with specific capital projects, and subsidiaries with non-controlling interests have borrowings which are without recourse to the Group. Other than the impact of South African exchange controls (see 12d below), there are no significant restrictions over the Group's ability to access these cash balances or repay these borrowings. Net cash/(debt) by segment is stated after elimination of inter-segment balances.

US$ million	2015	2014
Platinum	**(176)**	24
De Beers	**(109)**	(126)
Copper	**820**	738
Nickel	**(138)**	(262)
Niobium and Phosphates[1]	**123**	76
Iron Ore and Manganese	**(2,370)**	(2,294)
Coal	**260**	201
Corporate and other	**(11,311)**	(11,228)
	(12,901)	(12,871)

[1] Niobium and Phosphates are now aggregated, having previously been presented separately (see note 4).

d) South Africa net debt

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

US$ million	2015	2014
Cash and cash equivalents	**1,419**	1,298
Short term borrowings	**(49)**	(118)
Medium and long term borrowings	**(1,471)**	(1,252)
Net debt excluding derivatives	**(101)**	(72)
Derivatives hedging net debt	**(4)**	1
Net debt including derivatives	**(105)**	(71)

13. 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 United States (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.

During 2015, the Group issued corporate bonds with a US dollar equivalent value of $2.2 billion. These included the following bonds:

- €600 million 1.5% guaranteed loan notes due 2020 issued under the EMTN programme.
- $850 million 3.625% senior notes due 2020 and $650 million 4.875% senior notes due 2025 through accessing the US bond markets.

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

				2015				2014
US$ million	**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]	**9**	**10**	**19**	**19**	9	21	30	30
Obligations under finance leases	**7**	**53**	**60**	**60**	25	52	77	77
	16	**63**	**79**	**79**	34	73	107	107
Unsecured								
Bank loans and overdrafts	**270**	**1,961**	**2,231**	**2,979**	211	2,198	2,409	2,805
Bonds issued under EMTN programme	**839**	**8,210**	**9,049**	**10,624**	1,228	9,384	10,612	11,542
US bonds	**500**	**5,245**	**5,745**	**5,700**	–	4,249	4,249	4,200
Bonds issued under AMTN programme	**–**	**379**	**379**	**470**	–	423	423	470
Bonds issued under DMTN programme	**13**	**192**	**205**	**211**	86	281	367	367
Other loans	**11**	**268**	**279**	**279**	59	309	368	368
	1,633	**16,255**	**17,888**	**20,263**	1,584	16,844	18,428	19,752
Total borrowings	**1,649**	**16,318**	**17,967**	**20,342**	1,618	16,917	18,535	19,859

(1) Assets with a book value of $91 million (2014: $73 million) have been pledged as security, of which $40 million (2014: $47 million) are property, plant and equipment, $49 million (2014: $24 million) are financial assets and $2 million (2014: $2 million) are inventories. Related to these assets are borrowings of $19 million (2014: $30 million).

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

US$ million	**2015**	2014
Expiry date		
Within one year[1]	**683**	1,073
Greater than one year, less than two years	**32**	525
Greater than two years, less than three years	**1,110**	1,172
Greater than three years, less than four years	**192**	597
Greater than four years, less than five years	**5,862**	5,000
	7,879	8,367

(1) Includes undrawn South African rand facilities equivalent to $0.5 billion (2014: $0.9 billion) in respect of facilities with a 364 day maturity which roll automatically on a daily basis, unless notice is served.

14. 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 completion was subsequently announced on 21 January 2016.

The Group's investment in the Lafarge Tarmac joint venture (Corporate and other) was classified as held for sale at 30 June 2015, and the disposal subsequently completed on 17 July 2015, see note 15.

15. DISPOSALS OF SUBSIDIARIES AND JOINT VENTURES

US$ million			2015
	Tarmac businesses	Anglo American Norte	Total
Property, plant and equipment	–	412	412
Investments in joint ventures	1,539	–	1,539
Other non-current assets	–	73	73
Current assets	–	316	316
Current liabilities	–	(119)	(119)
Non-current liabilities	–	(114)	(114)
Net assets disposed	**1,539**	**568**	**2,107**
Consideration net of transaction costs	**1,543**	**281**	**1,824**
Cash and cash equivalents disposed	–	(82)	(82)
Cash inflow from hedging of proceeds	13	–	13
Net cash inflow	1,556	199	1,755
Loss on transfer to held for sale	(100)	–	(100)
Cumulative translation loss recycled from reserves	(101)	–	(101)
Other credits	12	–	12
Net loss on disposal	**(172)**	**(287)**	**(459)**

2015

Tarmac businesses

On 17 July 2015, the Group completed the sale of its 50% ownership interest in Lafarge Tarmac (Corporate and other) to Lafarge for cash proceeds of approximately £992 million ($1,559 million, which includes $13 million of proceeds on a related hedge).

In addition, during the year the Group disposed of the majority of its interests in Tarmac Middle East (Corporate and other), which supplies aggregates, asphalt and road base contracting services to the Middle East construction industry.

The net loss on disposal of Tarmac businesses of $172 million comprises a net cash inflow of $1,556 million less net assets disposed of $1,539 million, a loss on transfer to held for sale of $100 million (recognised in the six months ended 30 June 2015), a cumulative translation loss recycled from reserves of $101 million, and other credits of $12 million. The net loss is recorded in non-operating special items (see note 7). The post-tax loss is also $172 million.

Anglo American Norte

On 11 September 2015, the Group completed the sale of its interest in Anglo American Norte S.A. (AA Norte) (Copper). The company consists of the Mantoverde and Mantos Blancos copper mines located in northern Chile.

The consideration comprised $300 million in cash plus deferred consideration up to a maximum of $200 million, contingent upon factors including the average London Metals Exchange copper price and any future decision to pursue the sulphide life extension of the Mantoverde mine. At 31 December 2015 the remaining deferred contingent consideration, of up to $150 million, has been valued at nil. A pre-tax loss of $287 million (post-tax $350 million) on disposal has been recorded in non-operating special items (see note 7) which comprises net consideration of $281 million less net assets disposed of $568 million.

Other

In addition to the above, the Group incurred a net cash outflow of $10 million relating, *inter alia,* to payments in respect of provisions recognised on completion of disposals in prior years.

2014

There were no significant disposals in 2014.

Disposal proceeds of $44 million received in 2014 primarily related to deferred consideration from the sale of certain Tarmac Quarry Materials' operations prior to the formation of the Lafarge Tarmac joint venture in 2013.

16. 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 2015 or 31 December 2014.

Anglo American South Africa Limited (AASA)

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

The law suits in South Africa against AASA are: (i) Approximately 4,400 separate lawsuits filed in the North Gauteng High Court (Pretoria) which have been referred to arbitration; and (ii) A consolidated class certification application filed in the South Gauteng High Court (Johannesburg) in which AASA is named as one of 32 defendants.

AASA is defending the separate lawsuits and is opposing the application for consolidated class certification.

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.

Kumba Iron Ore

21.4% undivided share of the Sishen mine mineral rights

In December 2013 the Constitutional Court ruled that Sishen Iron Ore Company (SIOC) held a 78.6% undivided share of the Sishen mining right and that, based on the provisions of the Mineral and Petroleum Resources Development Act (MPRDA), only SIOC can apply for, and be granted, the residual 21.4% share of the mining right at the Sishen mine. The grant of the mining right may be made subject to such conditions considered by the Minister of Mineral Resources ('the Minister') to be appropriate. SIOC applied for the residual right in early 2014.

SIOC received notice from the Department of Mineral Resources (DMR) that the Director General of the DMR had consented to the amendment of SIOC's mining right in respect of the Sishen mine to include the residual 21.4% undivided share of the mining right for the Sishen mine. The consent letter is subject to certain conditions (which are described by the DMR as 'proposals'). The conditions contained in the Letter of Grant relate substantively to domestic supply, support for skills development, research and development, and procurement.

Until the legal and practical implications of the proposed conditions have been clarified with the DMR, SIOC is unable to accept the conditions.

Section 96 of the MPRDA allows for an internal appeal to the Minister. SIOC therefore submitted an internal appeal to the Minister, as required by the MPRDA. SIOC has not yet received a response to its appeal.

In the interim, SIOC continues to engage with the DMR in relation to the proposed conditions in order to achieve a mutually beneficial solution.

Kumba Iron Ore tax

At 31 December 2015, Kumba Iron Ore has certain unresolved tax matters that are currently under review with the South African Revenue Service (SARS). Kumba Iron Ore management has consulted with external tax and legal advisers, who support the positions taken. Nonetheless, Kumba Iron Ore management is actively discussing the issue with SARS with a view to seeking resolution and believes that the accounting for these matters is appropriate in the results for the year ended 31 December 2015.

17. EVENTS OCCURRING AFTER END OF YEAR

There have been no reportable events since 31 December 2015.

Summary by business operation

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

US$ million	Revenue[1]		Underlying EBITDA[2]		Underlying EBIT[3]		Underlying earnings	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
Platinum	**4,900**	5,396	**718**	527	**263**	32	**168**	25
Mogalakwena	**1,092**	1,271	**496**	504	**368**	371	**n/a**	n/a
Amandelbult	**712**	593	**97**	(37)	**36**	(96)	**n/a**	n/a
Other operations	**3,096**	3,532	**177**	118	**(89)**	(185)	**n/a**	n/a
Projects and corporate	**–**	–	**(52)**	(58)	**(52)**	(58)	**n/a**	n/a
De Beers	**4,671**	7,114	**990**	1,818	**571**	1,363	**258**	923
Mining								
Debswana	**n/a**	n/a	**379**	604	**352**	579	**n/a**	n/a
Namdeb Holdings	**n/a**	n/a	**147**	207	**120**	177	**n/a**	n/a
South Africa	**n/a**	n/a	**282**	344	**174**	243	**n/a**	n/a
Canada	**n/a**	n/a	**154**	178	**65**	77	**n/a**	n/a
Trading	**n/a**	n/a	**107**	579	**100**	572	**n/a**	n/a
Other[4]	**n/a**	n/a	**(30)**	(50)	**(191)**	(241)	**n/a**	n/a
Projects and corporate	**–**	–	**(49)**	(44)	**(49)**	(44)	**n/a**	n/a
Copper	**3,539**	4,827	**942**	1,902	**228**	1,193	**67**	493
Los Bronces	**1,852**	2,497	**622**	1,173	**240**	822	**n/a**	n/a
Collahuasi	**971**	1,311	**381**	707	**167**	495	**77**	207
Other operations	**716**	1,019	**55**	138	**(63)**	(8)	**n/a**	n/a
Projects and corporate	**–**	–	**(116)**	(116)	**(116)**	(116)	**(89)**	(84)
Nickel	**146**	142	**(3)**	28	**(22)**	21	**(19)**	6
Codemin	**100**	142	**20**	43	**12**	37	**10**	23
Loma de Níquel	**–**	–	**3**	22	**3**	22	**3**	22
Barro Alto	**46**	–	**(14)**	(25)	**(25)**	(26)	**(21)**	(25)
Projects and corporate	**–**	–	**(12)**	(12)	**(12)**	(12)	**(11)**	(14)
Niobium and Phosphates[5]	**544**	666	**146**	152	**119**	124	**48**	65
Niobium	**111**	180	**40**	75	**33**	69	**7**	31
Phosphates	**433**	486	**111**	88	**91**	66	**45**	39
Projects and corporate	**–**	–	**(5)**	(11)	**(5)**	(11)	**(4)**	(5)
Iron Ore and Manganese	**3,390**	5,176	**1,026**	2,286	**671**	1,957	**98**	717
Kumba Iron Ore	**2,876**	4,388	**1,011**	2,162	**739**	1,911	**280**[6]	747[6]
Iron Ore Brazil	**–**	–	**(20)**	(29)	**(21)**	(34)	**(61)**	(32)
Samancor	**514**	788	**104**	251	**22**	178	**(54)**	78
Projects and corporate	**–**	–	**(69)**	(98)	**(69)**	(98)	**(67)**[6]	(76)[6]
Coal	**4,888**	5,808	**1,046**	1,207	**457**	458	**292**	296
Australia and Canada	**2,374**	2,970	**586**	543	**190**	(1)	**123**	(30)
South Africa	**1,893**	2,083	**345**	463	**230**	350	**174**	271
Colombia	**621**	755	**168**	255	**90**	163	**44**	105
Projects and corporate	**–**	–	**(53)**	(54)	**(53)**	(54)	**(49)**	(50)
Corporate and other	**925**	1,859	**(11)**	(88)	**(64)**	(215)	**(85)**	(308)
Other Mining and Industrial	**921**	1,854	**110**	162	**64**	62	**52**	44
Exploration	**–**	–	**(152)**	(180)	**(154)**	(181)	**(142)**	(163)
Corporate activities and unallocated costs	**4**	5	**31**	(70)	**26**	(96)	**5**	(189)
	23,003	30,988	**4,854**	7,832	**2,223**	4,933	**827**	2,217

(1) Revenue includes the Group's attributable share of associates' and joint ventures' revenue. Revenue for copper is shown after deduction of treatment and refining charges (TC/RCs).
(2) Underlying EBITDA is underlying EBIT before depreciation and amortisation in subsidiaries and joint operations and includes the Group's attributable share of associates' and joint ventures' underlying EBITDA.
(3) Underlying EBIT is operating profit before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' underlying EBIT.
(4) Other includes Element Six, downstream activities and the purchase price allocation (PPA) adjustment.
(5) Niobium and Phosphates are now aggregated, having previously been presented separately. Refer to note 4 of the Condensed financial statements.
(6) Of the projects and corporate expense, which includes a corporate cost allocation, $42 million (2014: $54 million) relates to Kumba Iron Ore. The total contribution from Kumba Iron Ore to the Group's underlying earnings is $238 million (2014: $693 million).

Key financial data

US$ million (unless otherwise stated)	**2015**	2014	2013	2012 restated[(1)]	2011	2010	2009	2008	2007	2006[(2)]
Income statement measures										
Group revenue including associates and joint ventures	**23,003**	30,988	33,063	32,785	36,548	32,929	24,637	32,964	30,559	29,404
Underlying EBIT[(3)]	**2,223**	4,933	6,620	6,253	11,095	9,763	4,957	10,085	9,590	8,888
Underlying EBITDA[(4)]	**4,854**	7,832	9,520	8,860	13,348	11,983	6,930	11,847	12,132	12,197
Group revenue (statutory measure)	**20,455**	27,073	29,342	28,680	30,580	27,960	20,858	26,311	25,470	24,991
Net finance costs (before special items and remeasurements)	**(458)**	(256)	(276)	(299)	(20)	(244)	(273)	(452)	(137)	(110)
(Loss)/profit before tax	**(5,454)**	(259)	1,700	(171)	10,782	10,928	4,029	8,571	8,821	8,443
(Loss)/profit for the financial year	**(5,842)**	(1,524)	426	(564)	7,922	8,119	2,912	6,120	8,172	6,922
Non-controlling interests	**218**	(989)	(1,387)	(906)	(1,753)	(1,575)	(487)	(905)	(868)	(736)
(Loss)/profit attributable to equity shareholders of the Company	**(5,624)**	(2,513)	(961)	(1,470)	6,169	6,544	2,425	5,215	7,304	6,186
Underlying earnings[(5)]	**827**	2,217	2,673	2,860	6,120	4,976	2,569	5,237	5,761	5,471
Balance sheet measures										
Total capital employed[(6)]	**32,842**	43,782	46,551	49,757	41,667	42,135	36,623	29,808	24,401	28,285
Net assets	**21,342**	32,177	37,364	43,738	43,189	37,971	28,069	21,756	24,330	27,127
Non-controlling interests	**(4,773)**	(5,760)	(5,693)	(6,127)	(4,097)	(3,732)	(1,948)	(1,535)	(1,869)	(2,856)
Equity attributable to equity shareholders of the Company	**16,569**	26,417	31,671	37,611	39,092	34,239	26,121	20,221	22,461	24,271
Cash flow measures										
Cash flow from operations	**4,240**	6,949	7,729	7,370	11,498	9,924	4,904	9,579	9,845	10,057
Capital expenditure[(7)]	**(4,177)**	(6,018)	(6,075)	(5,947)	(5,672)	(4,902)	(4,707)	(5,282)	(4,002)	(3,575)
Net debt[(8)]	**(12,901)**	(12,871)	(10,652)	(8,510)	(1,374)	(7,384)	(11,280)	(11,340)	(4,851)	(3,131)
Metrics and ratios										
Underlying earnings per share (US$)	**0.64**	1.73	2.09	2.28	5.06	4.13	2.14	4.36	4.40	3.73
(Loss)/earnings per share (statutory basis) (US$)	**(4.36)**	(1.96)	(0.75)	(1.17)	5.10	5.43	2.02	4.34	5.58	4.21
Ordinary dividend per share (US cents)	**32**	85	85	85	74	65	–	44	124	108
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	3.5
Underlying EBIT margin	**9.7%**	15.9%	20.0%	19.1%	30.4%	29.6%	20.1%	30.6%	28.4%	25.4%
Underlying EBIT interest cover[(9)]	**10.1**	30.1	35.8	36.8	n/a	34.2	19.6	24.1	33.2	33.2
Effective tax rate[(10)]	**31.0%**	29.8%	32.0%	29.0%	28.3%	31.9%	33.1%	33.4%	31.8%	33.0%
Gearing (net debt to total capital)[(11)]	**37.7%**	28.6%	22.2%	16.3%	3.1%	16.3%	28.7%	34.3%	16.6%	10.3%

(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) Comparatives for 2006 were adjusted in the 2007 Annual Report to reclassify amounts relating to discontinued operations where applicable.
(3) Underlying EBIT is operating profit presented before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' underlying EBIT. Underlying EBIT of associates and joint ventures is the Group's attributable share of revenue less operating costs before special items and remeasurements of associates and joint ventures.
(4) Underlying EBITDA is underlying EBIT before depreciation and amortisation in subsidiaries and joint operations and includes the Group's attributable share of associates' and joint ventures' underlying EBIT before depreciation and amortisation.
(5) Underlying earnings is profit attributable to equity shareholders of the Company before special items and remeasurements, and is therefore presented after net finance costs, income tax and non-controlling interests.
(6) Total capital employed is net assets excluding net debt (including related hedges and net debt in disposal groups) and financial asset investments.
(7) Capital expenditure is defined as cash expenditure on property, plant and equipment including related derivatives, proceeds from disposal of property, plant and equipment and direct funding for capital expenditure from non-controlling interests.
(8) Net debt is calculated as total borrowings less cash and cash equivalents (including related hedges and net debt in disposal groups).
(9) 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.
(10) The effective tax rate is presented before special items and remeasurements and includes the Group's attributable share of associates' and joint ventures' tax.
(11) Net debt to total capital is calculated as net debt (including related hedges and net debt in disposal groups) divided by total capital.

Return on capital employed (ROCE)

ROCE is a ratio that measures the efficiency and profitability of a company's capital investments. It displays how effectively assets are generating profit for the size of invested capital and is calculated as underlying EBIT divided by average capital employed.

Attributable ROCE

Attributable ROCE is the primary return measure used in the Group. It is defined as the return on the capital employed attributable to equity shareholders of Anglo American plc, and therefore excludes the portion of underlying EBIT and capital employed attributable to non-controlling interests in operations where Anglo American plc 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. It is calculated based on achieved prices and foreign exchange.

The previous ROCE measure, used to track the *Driving Value* programme, incorporated a number of adjustments, principally to reverse the impact of certain impairments and acquisition fair value adjustments. The new attributable ROCE measure has been developed to allow a clearer link to the published financial statements. Comparatives have been restated to align with the current year presentation, and capital employed by segment is disclosed in note 4 to the Condensed financial statements.

US$ billion	2015	2014	2013	2012
Attributable EBIT[(1)]	**1.6**	3.4	4.4	4.1
Average attributable capital employed	**32.6**	38.7	41.5	40.0
Attributable ROCE	**5%**	9%	10%	10%

[(1)] For periods of less than one year EBIT for the period is annualised, with the exception of De Beers which is based on the last 12 months of performance due to seasonal sales and EBIT profile.

Driving Value ROCE

Driving Value ROCE is an adjusted measure of Attributable ROCE for the measurement of 2014 LTIP only. It is calculated using Attributable ROCE based on realised prices and foreign exchange rates and includes the following adjustments:

- Impairments announced after 10 December 2013 are added back to total capital employed (unless the impairment resulted from the asset being taken out of service).
- Earnings and return impacts from impairments (due to reduced depreciation or amortisation expense) are excluded from underlying EBIT.
- The De Beers fair value uplift which resulted from the revaluing upward of Anglo American plc's pre-existing 45% share in De Beers is removed from opening 2012 capital employed onwards.
- Structural adjustments for the De Beers acquisition assuming ownership of 85% of De Beers from 1 January 2012 (actual acquisition date: 16 August 2012) and disposals from Anglo American Sur assuming ownership of 50.1% from the start of 2012 (actual disposal date: 23 August 2012) have been included.

ROCE used for LTIP metrics

50% of the Executives' annual LTIP award is predicated upon the achievement of ROCE targets over a three year performance period. The target range for the 2014 LTIP award, 12-16%, was based on '*Driving Value* ROCE at achieved prices', set at a level designed to support the aspiration of achieving a ROCE of 15% by the end of 2016. Although the subsequent steep decline in prices since that award has made the target range very stretching, it is not intended that the LTIP outcomes will be adjusted for the impact of prices. In 2015 *Driving Value* ROCE at achieved prices was 4%.

The target range for the 2015 LTIP award was set at 10–14%[(1)], consistent with the lower commodity price expectations at the time. In order to provide a clearer link to the financial statements for investors and participants, the simplified Attributable ROCE, as set out above, will be used for the 2015 LTIP award onwards. The original range of 10–14% will be adjusted for impairments taken after 31 December 2014 until 31 December 2017 and will be restated at the point of vesting to assess performance. 2015 Attributable ROCE was 5%.

The range for 2016 LTIP has been increased to reflect the volatility Anglo American experiences due to commodity price and foreign exchange movements. It has been set at 5–15%. Given the announced portfolio review, the ranges for all LTIP awards will be restated in the year of vesting, for changes to the portfolio that take place between setting the target and assessing performance.

[(1)] Initial target set at 9-13% for *Driving Value* ROCE, subsequently updated to 10-14% for Attributable ROCE. The two targets are identical on a like-for-like basis.

Exchange rates and commodity prices

US$ exchange rates	2015	2014
Year end spot rates		
South African rand	**15.47**	11.57
Brazilian real	**3.96**	2.66
Sterling	**0.68**	0.64
Australian dollar	**1.37**	1.22
Euro	**0.92**	0.82
Chilean peso	**709**	607
Botswana pula	**11.25**	9.51
Average rates for the year		
South African rand	**12.78**	10.85
Brazilian real	**3.34**	2.35
Sterling	**0.65**	0.61
Australian dollar	**1.33**	1.11
Euro	**0.90**	0.75
Chilean peso	**655**	571
Botswana pula	**10.12**	8.97

Commodity prices		2015	2014
Year end spot prices			
Platinum[1]	US$/oz	**868**	1,206
Palladium[1]	US$/oz	**555**	811
Rhodium[2]	US$/oz	**644**	1,230
Copper[3]	US cents/lb	**213**	288
Nickel[3]	US cents/lb	**393**	677
Iron ore (62% Fe CFR)[4]	US$/tonne	**43**	72
Iron ore (66% Fe Concentrate CFR)[5]	US$/tonne	**46**	82
Thermal coal (FOB South Africa)[6]	US$/tonne	**49**	66
Thermal coal (FOB Australia)[7]	US$/tonne	**50**	65
Hard coking coal (FOB Australia)[8]	US$/tonne	**89**	119
Average market prices for the year			
Platinum[1]	US$/oz	**1,051**	1,385
Palladium[1]	US$/oz	**691**	803
Rhodium[2]	US$/oz	**932**	1,173
Copper[3]	US cents/lb	**249**	311
Nickel[3]	US cents/lb	**536**	765
Iron ore (62% Fe CFR)[4]	US$/tonne	**56**	97
Iron ore (66% Fe Concentrate CFR)[5]	US$/tonne	**67**	112
Thermal coal (FOB South Africa)[6]	US$/tonne	**57**	72
Thermal coal (FOB Australia)[7]	US$/tonne	**59**	71
Hard coking coal (FOB Australia)[9]	US$/tonne	**102**	125

(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.