HALF YEAR FINANCIAL REPORT

for the six months ended 30 June 2017

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AngloAmerican

27 July 2017

Anglo American Interim Results 2017

Dividend resumed as net debt reduced to $6.2 billion, driven by $2.7 billion free cash flow

Mark Cutifani, Chief Executive of Anglo American, said: "The benefits of our relentless focus on driving efficiency through the operations and on upgrading the quality of our portfolio have resulted in a step-change in operational performance and profitability. In the first half, we have delivered a further 20% increase in productivity, a 68% increase in underlying EBITDA and $2.7 billion of attributable free cash flow – the outcome of extensive self-help work and tightly controlled capital expenditure, within a stronger price environment.

"We have nearly halved our net debt to $6.2 billion over the past year to take us well below our year-end target of $7 billion. Our materially improved balance sheet strength, with gearing[1] at 19% and net debt to annualised EBITDA of 0.8x, has supported the decision to resume dividend payments six months early, establishing a pay-out policy at a targeted level of 40% of underlying earnings. This equates to a dividend payment of 48 US cents per share for this half year.

"Looking forward, our focus will continue to be on improving operational performance and converting production and improving costs into consistent cash flow generation, while maintaining strict capital allocation discipline. We are now in a position to consider value accretive growth options and capital returns from within our substantial undeveloped mineral endowment."

Highlights – six months ended 30 June 2017

- Generated underlying EBITDA* of $4.1 billion, a 68% increase (H1 2016: $2.5 billion)
  - Underlying EBITDA margin increased by additional five percentage points vs. FY 2016
- Profit attributable to equity shareholders of $1.4 billion (H1 2016: $0.8 billion loss)
- Delivered cost and volume improvements of $0.6 billion – on track to meet $1 billion target for full year
  - Production volumes increased by 9% (Cu eq.)[2]
- Attributable free cash flow* of $2.7 billion (H1 2016: $1.1 billion)
- Reduced net debt* by 27% to $6.2 billion (FY 2016: $8.5 billion), ahead of $7 billion year-end target
- Resumed dividend at 48 US cents per share for the first half, equal to 40% of first half underlying earnings*
  - Dividend policy to target pay-out of 40% of underlying earnings*

Six months ended US$ million, unless otherwise stated	**30 June 2017**	30 June 2016	Change
Underlying EBITDA*	**4,116**	2,450	68%
Underlying earnings*	**1,536**	698	120%
Profit/(loss) for the financial period attributable to equity shareholders of the Company	**1,415**	(813)	–
Underlying earnings per share* ($)	**1.19**	0.54	–
Earnings per share ($)	**1.09**	(0.63)	–
Dividend per share ($)	**0.48**	–	–

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

(1) Gearing is defined in note 14 to the Condensed financial statements.
(2) Copper equivalent is normalised for the sale of Kimberley Mines (De Beers), our niobium and phosphates business, Foxleigh and Callide (Coal), to reflect Snap Lake (De Beers) being placed onto care and maintenance, and the closure of Drayton (Coal).

Words with this symbol * are defined as Alternative Performance Measures. For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

Safety and environmental performance

The first six months of 2017 saw a 50% reduction in fatalities compared to the first half of 2016. Anglo American's first priority is to keep its people safe at work and, while there are clear signs of progress, the critical controls across the business continue to be the focus for achieving zero harm. Recordable case frequency rates worsened during the first quarter, before improving strongly in the second quarter, emphasising the importance of the work to ensure consistent application of safe operating standards.

Ironing out the low occurrence of environmental incidents – reduced by almost 90% since 2013 – is the subject of detailed operational planning across Anglo American's operating interests. Good progress continues to be made towards greater water and energy efficiency, as part of the productivity and overall business improvements.

Financial review of Group results for the six months ended 30 June 2017

Summary

Anglo American has significantly restructured – and, as a result, upgraded the quality of – its portfolio of mining assets since 2013, moving from 68 assets to 37 at the end of June 2017. This transformation has been achieved through the extensive operational self-help and other efficiency work, together with the sale, placing onto care and maintenance and closure of assets, resulting in a step-change in Anglo American's operational performance and profitability.

For the six months ended 30 June 2017, Anglo American reported a 68% increase in underlying EBITDA to $4.1 billion, while operating profit of $2.6 billion increased by $2.6 billion (H1 2016: $34 million loss).

Anglo American reported a profit for the period attributable to equity shareholders of $1.4 billion (H1 2016: $0.8 billion loss), with underlying earnings of $1.5 billion (H1 2016: $0.7 billion). Net debt decreased by $2.3 billion to $6.2 billion (31 December 2016: $8.5 billion).

Average market prices increased by 30%, contributing favourably to underlying EBITDA by $1.5 billion. The realised prices for metallurgical coal and Kumba's iron ore increased by 151% and 29% respectively, partially offset by a 12% decrease in the average realised price for rough diamonds. Stronger producer country currencies had the effect of reducing underlying EBITDA ($(0.5) billion impact), principally driven by a 14% strengthening of the South African rand against the dollar.

The continuing ramp-up at Minas-Rio in Brazil, following the end of the capitalisation of operating cash flows in January 2017, materially benefited underlying EBITDA, as did higher sales volumes at De Beers, reflecting stronger demand for lower-value goods in Q1 2017. This was partially offset by lower sales volumes at Copper due to port closures arising from adverse weather conditions, and the temporary eight week suspension of mining operations at El Soldado.

Looking beyond the first six months of 2017, Anglo American will continue to focus on improving the performance of its operations in order to convert production volumes and further improved costs into consistent cash flow generation, while also ensuring that strict capital allocation discipline is maintained across the Group. Anglo American has materially strengthened its balance sheet and resumed dividend payments six months ahead of schedule. Anglo American is now in a position to consider value accretive growth options and capital returns from within its substantial undeveloped mineral endowment.

Operational performance

Overall, operational performance was strong across the business with copper equivalent production* 9% higher than for H1 2016. Rough diamond production increased by 21%, reflecting the sustained improvement in trading conditions since late 2015 and the ramp-up of Gahcho Kué in Canada. In South Africa, iron ore production at Sishen increased by 35% following improvements in mining productivity, gained from fleet efficiencies and higher plant yields. Total platinum production (metal in concentrate) was 3% higher, driven by a continued strong performance at Mogalakwena in South Africa and at Unki in Zimbabwe. Production from Coal South Africa's export mines was broadly in line with the corresponding period in 2016.

In Chile, copper production at Los Bronces was 4% lower, largely because of planned maintenance at both processing plants in H1 2017. At Collahuasi, production increased by 1% driven by higher ore grades, despite major planned maintenance at the processing plant. Output at El Soldado decreased by 12%, following the temporary suspension of mine operations (around 6,000 tonnes of lost production). Production from Metallurgical Coal's continuing operations was on par with 2016; the impact of Cyclone Debbie on the Queensland rail network resulted in operational delays in processing and railing stocks, resulting in a build-up, which will wind down during H2 2017. In Brazil, the ramp-up of operations at Minas-Rio continued, and at Nickel, production declined by 5% due to unplanned maintenance at Barro Alto in Q1 2017.

The Group achieved an encouraging cost performance in H1 2017. The Group's copper equivalent unit cost* has increased by 12% compared to H1 2016, largely driven by stronger producer currencies (9%), as well as inflation and cost escalation (4%) and geological issues affecting the Grosvenor ramp-up. These increases were partly offset by cost savings across the Group, higher volumes at De Beers, and the continued ramp up at Minas-Rio. Efficiencies at De Beers contributed to a 3% decrease in unit costs despite unfavourable exchange rates and an increasing proportion of waste mining costs being expensed at Venetia.

In South Africa, the stronger rand weighed on cash costs materially, affecting unit costs at Kumba, Platinum and Coal South Africa. In local currency terms, Kumba FOB cash unit costs increased by 3%, with the impact of cost inflation partly offset by productivity gains from fleet efficiencies and higher plant yields. At Platinum, rand unit costs rose by 3%, with the effects of inflation offset to some extent by higher volumes and cost improvements. Rand unit costs at Coal South Africa Trade Operations increased by 7%, largely driven by cost inflation.

At Copper, unit cost improvements from productivity and cost-reduction initiatives were more than offset by the impact of inflation and a stronger Chilean peso, combined with arsenic penalties at Collahuasi and lower by-product credits, resulting in a net increase in C1 unit costs of 9%. Unit costs at Minas-Rio were 9% lower, reflecting the continued ramp-up. Nickel unit costs increased by 12% as adverse exchange rates, cost inflation and lower sales volumes were partly compensated by lower input costs, including lower energy costs.

Income statement

Underlying EBITDA

Group underlying EBITDA increased by 68% to $4.1 billion (H1 2016: $2.5 billion).

$ million	**6 months ended 30 June 2017**	6 months ended 30 June 2016
De Beers	**786**	766
Copper	**586**	424
Platinum	**276**	290
Iron Ore and Manganese	**1,167**	512
Coal	**1,382**	389
Nickel	**15**	24
Corporate and other[1]	**(96)**	45
Total	**4,116**	2,450

[1] Comparative information for Corporate and other has been restated to include Niobium and Phosphates, which was sold in 2016.

Underlying EBITDA reconciliation H1 2016 to H1 2017

$ million		
2016 Underlying EBITDA*		**2,450**
Price		**1,460**
Foreign exchange		**(478)**
Inflation		**(180)**
Volume	379	
Cost	211	
Net volume and cost improvements		**590**
Other		**274**
2017 Underlying EBITDA*		**4,116**

Underlying earnings

Group underlying earnings increased by 120% to $1.5 billion (H1 2016: $0.7 billion).

					6 months ended 30 June 2017
$ million	**Underlying EBITDA***	**Depreciation and amortisation**	**Net finance costs and income tax expense**	**Non-controlling interests**	**Underlying earnings***
De Beers	786	(238)	(146)	(61)	341
Copper	586	(283)	(126)	(37)	140
Platinum	276	(164)	(60)	(15)	37
Iron Ore and Manganese	1,167	(191)	(261)	(217)	498
Coal	1,382	(262)	(331)	(11)	778
Nickel	15	(40)	17	–	(8)
Corporate and other	(96)	(7)	(150)	3	(250)
Total	**4,116**	**(1,185)**	**(1,057)**	**(338)**	**1,536**

Profit/(loss) for the financial period attributable to equity shareholders of the Company

Profit for the financial period attributable to the equity shareholders of the Company was $1.4 billion, compared with a loss of $0.8 billion in 2016.

Reconciliation to underlying earnings from profit/(loss) for the financial period attributable to equity shareholders of the Company.

$ million	**6 months ended 30 June 2017**	6 months ended 30 June 2016
Underlying earnings*	**1,536**	698
Operating special items	**152**	(1,360)
Operating remeasurements	**(45)**	12
Non-operating special items	**(145)**	(34)
Financing special items and remeasurements	**(49)**	(236)
Special items and remeasurements tax	**(11)**	72
Non-controlling interests on special items and remeasurements	**(22)**	24
Share of associates' and joint ventures' special items and remeasurements	**(1)**	11
Profit/(loss) for the financial period attributable to equity shareholders of the Company	**1,415**	(813)
Underlying earnings per share* ($)	**1.19**	0.54
Earnings per share ($)	**1.09**	(0.63)

Net finance costs

Net finance costs, before special items and remeasurements, excluding associates and joint ventures, were $217 million (H1 2016: $109 million). The increase was principally driven by a reduction in capitalised interest from $200 million to $15 million as borrowing costs are no longer being capitalised at Minas-Rio and Grosvenor. This was partially offset by lower interest expense as a result of the reduction in gross debt.

Tax

The underlying effective tax rate* was 30.2% in H1 2017 (H1 2016: 32.2%), this was lower due to the net impact of enhanced tax depreciation in the prior year.

Special items and remeasurements

The principal special items and remeasurements recorded in the period were an impairment reversal of $0.2 billion relating to El Soldado in Copper, and the write-down to fair value of Union mine in Platinum of $0.2 billion. Full details of the special items and remeasurements recorded in the year are included in note 7 to the Condensed financial statements.

Attributable ROCE*

Attributable ROCE* increased to 18% in H1 2017 (H1 2016: 8%), primarily because of improved attributable underlying EBIT*, driven by higher prices, higher sales volumes at De Beers, the ramp-up of production at Minas-Rio in Brazil and ongoing delivery of cost savings across the portfolio. This improvement was partially offset by inflation and stronger producer country currencies. Average attributable capital employed was lower at $27.1 billion (H1 2016: $27.4 billion), owing to ongoing asset depreciation and several asset divestments, though offset in part by capital expenditure*.

Balance sheet

Net assets of the Group increased by $2.2 billion to $26.5 billion (31 December 2016: $24.3 billion). This reflected the reduction in net debt and net foreign exchange gains relating to operations with rand-functional currencies. Capital expenditure of $0.7 billion was more than offset by depreciation of $1.1 billion.

Net debt

$ million		
Opening net debt* at 1 January 2017		**(8,487)**
Underlying EBITDA* from subsidiaries and joint operations	3,554	
Working capital movements	231	
Other cash flows from operations	(106)	
Cash flows from operations	**3,679**	
Capital expenditure*	(731)	
Cash tax paid	(298)	
Dividends from associates, joint ventures and financial asset investments	340	
Net interest(1)	(204)	
Dividends paid to non-controlling interests	(86)	
Attributable free cash flow*	**2,700**	
Disposals	(100)	
Other net debt movements	(334)	
Total movement in net debt*		**2,266**
Closing net debt* at 30 June 2017		**(6,221)**

(1) Includes cash inflows of $62 million, relating to interest payments on derivatives hedging net debt, which are included in cash flows from derivatives related to financing activities.

Net debt (including related derivatives) of $6.2 billion was $2.3 billion lower than at 31 December 2016, and $5.5 billion lower than at 30 June 2016, representing gearing of 19.0% (31 December 2016: 25.9%). Net debt at 30 June 2017 comprised cash and cash equivalents of $7.4 billion (31 December 2016: $6.0 billion) and gross debt, including related derivatives, of $13.6 billion (31 December 2016: $14.5 billion). The reduction in net debt was driven by strong operating cash inflows.

Cash flow

Cash flows from operations

Cash flows from operations increased by $0.9 billion compared with H1 2016 to $3.7 billion. This principally reflected the increase in underlying EBITDA from subsidiaries and joint operations. Cash inflows on operating working capital were $0.2 billion (H1 2016: inflows of $0.5 billion), including a reduction in inventories at De Beers of $0.2 billion and an increase in operating payables at Platinum of $0.3 billion, of which $0.2 billion relates to a key customer advancing pre-payment for future guaranteed delivery of metal. These inflows were offset by, amongst others, an increase in platinum inventories of $0.1 billion following a high-pressure water leak at the ACP and copper inventories of $0.1 billion following shipping delays driven by port closures.

Attributable free cash flow

Attributable free cash flow increased by $1.6 billion to an inflow of $2.7 billion compared with H1 2016. The improvement was driven by an increase in cash flows from operations of $0.9 billion and a $0.4 billion reduction in capital expenditure.

Capital expenditure

Capital expenditure (excluding capitalised operating cash flows) decreased to $0.8 billion (H1 2016: $1.2 billion). This was driven by a 75% ($0.4 billion) decrease in expansionary capital expenditure, mainly at Minas-Rio (Iron Ore Brazil), Grosvenor (Metallurgical Coal) and Gahcho Kué (De Beers), all previously projects in execution, at which capitalisation has ceased. Expansionary capital expenditure during the period was focused on the ongoing construction of De Beers' Venetia underground mine in South Africa. Stay-in-business capital expenditure increased by 13% to $0.4 billion, and stripping and development capital expenditure increased by 10% to $0.3 billion, both due to the inclusion of spend at newly-commissioned assets and stronger producer currencies.

Capital expenditure (excluding capitalised operating cash flows) for the 2017 full year is expected to be approximately $2.3 billion, $0.2 billion lower than the previous guidance of $2.5 billion.

Liquidity and funding

At 30 June 2017, the Group had undrawn committed bank facilities of $8.8 billion and cash of $7.4 billion. The Group's liquidity position increased by $0.4 billion in H1 2017 to $16.2 billion, while gross debt, including related derivatives, decreased by $0.9 billion to $13.6 billion (31 December 2016: $14.5 billion), primarily owing to $0.5 billion of bond maturities and a $0.3 billion facility repayment in respect of Kumba Iron Ore. In March 2017, the Group completed bond buyback transactions consisting of euro- and sterling-denominated bonds with maturities from April 2018 to June 2019. This was followed, in April 2017, with a dual tranche 5- and 10-year issuance in the US bond markets.

Dividends

In February 2017, Anglo American announced that it was maintaining the dividend suspension and that it was expecting that dividend payments would resume at the end of 2017, payable in early 2018. Given continued operational improvement and strong cash flow generation during the first half of 2017, the Group has reached its net debt and gearing targets earlier than expected and is thus in a position to resume dividend payments.

The Board has recommended adopting a pay-out ratio driven dividend policy, which is in accordance with Anglo American's capital allocation framework and in line with the Group's commitment to sustainably return cash to shareholders through the cycle, whilst retaining a high level of balance sheet flexibility. Going forward, the Board's target is to distribute 40% of underlying earnings* and, in line with this pay-out ratio, proposes an interim dividend of 48 US cents per share. This dividend policy will result in variability of dividend payments in respect of each six month period, given that the industry faces volatility in commodity prices and exchange rates, among other factors. The interim dividend is applicable to shareholders on the registers on Friday 11 August 2017 and payable on Friday 22 September 2017.

Portfolio upgrade

Anglo American continues to review, and seek opportunities to upgrade, the portfolio as an integral part of its disciplined capital-allocation framework.

In the first six months of 2017, Anglo American's disposal of its 83.3% interest in the Dartbrook coal mine (Metallurgical Coal) to Australian Pacific Coal Limited was completed. Anglo American, through various subsidiaries, entered into several sale and purchase agreements, the completion of which is subject to, inter alia, regulatory approvals:

- to sell its 88.2% interest in the Drayton thermal coal mine and Drayton South project in Australia to Malabar Coal Limited;
- to sell its Eskom-tied domestic thermal coal operations in South Africa to a wholly-owned subsidiary of Seriti Resources Holdings Proprietary Limited; and
- to sell Anglo American Platinum's 85% interest in Union Mine and 50.1% interest in Masa Chrome Company Proprietary Limited in South Africa to a subsidiary of Siyanda Resources Proprietary Limited.

Anglo American will continue to refine its asset portfolio, ensuring that capital is deployed to generate enhanced returns through the cycle.

South African regulatory environment

On 15 June 2017, the South African Department of Mineral Resources (DMR) published its Reviewed Mining Charter 2017 (MCIII). Anglo American has expressed its concern that, unlike the collaborative process for agreeing the 2004 and 2010 Mining Charters, the MCIII was not concluded through agreement between the DMR and all relevant stakeholders, including the mining industry, despite the best efforts of those stakeholders over the preceding year. Unfortunately, the practical experience of the mining industry in implementing the previous Mining Charters – which themselves have contributed to the achievement of the significant transformation that exists across the South African mining industry today – was not taken into account in the development of MCIII.

Anglo American is supportive of the legal course of action being followed by the Chamber of Mines, with the ultimate objective of arriving at a solution that is practically implementable and that preserves and enhances investment in what is a critically important industry for South Africa.

In the absence of new investment, South Africa will fail to deliver the economic growth required to create greater levels of employment and socio-economic upliftment for the benefit of all South Africans. Anglo American is committed to meeting South Africa's transformation objectives and has been a longstanding and major contributor to the country's transformation, pre-dating such regulatory targets.

Anglo American welcomes the decision by the ANC at its recent policy conference that further discussion on MCIII is required with the mining industry in order to ensure that investment and employment levels are not negatively affected. Anglo American awaits clarity on how this discussion process will unfold and will also continue to engage through the Chamber of Mines.

The Board

The following changes to the Board of Anglo American plc have been announced since February 2017:

With effect from the conclusion of the Annual General Meeting held on 24 April 2017, Nolitha Fakude joined the Board as a non-executive director and Stephen Pearce succeeded René Médori as finance director. Mr Médori left the Board with effect from that date. Ian Ashby was appointed to the Board as a non-executive director on 25 July 2017.

Following a formal search process led by Sir Philip Hampton, senior independent director, Anglo American announced in June that Stuart Chambers will succeed Sir John Parker as chairman on 1 November 2017. Mr Chambers joins the Board as a non-executive director and chairman designate on 1 September 2017. Sir John Parker will step down from the Board on 31 October 2017.

Principal risks and uncertainties

Anglo American plc 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 2016 year-end are set out in detail in the strategic report section of the Annual Report 2016. The principal risks relate to the following:

- Commodity prices
- Political and regulatory
- Future demand for diamonds
- Future demand for platinum group metals
- Minas-Rio
- Delivery of financial improvement targets
- Safety
- Cyber security
- Corruption
- Operational performance
- Strategy execution
- Renewal of key sales agreements
- Tailings dam failure
- Slope wall failure
- Mineshaft failure
- Fire and/or explosion.

These risks are reflective of an updated assessment of the Group's risk profile conducted during H1 2017. Some risks are no longer considered principal risks due to changing circumstances or risk mitigation, but others are now considered principal risks because of external developments or other factors associated with those particular risks.

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 2016 is available on the Group's website **www.angloamerican.com**.

Operations review for the six months ended 30 June 2017

DE BEERS

Key performance indicators[1]

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	ROCE*[9]
	'000 carats	'000 carats[2]	$/ct[3]	$/ct[4]	$m[5]	$m		$m	$m[7]	
De Beers	**16,142**	**18,434**	**156**	**63**	**3,131**	**786**	**25%**	**548**	**74**	**11%**
Prior period	*13,314*	*17,210*	*177*	*65*	*3,270*	*766*	*23%*	*585*	*240*	*7%*
Debswana	**11,124**	**–**	**165**	**26**	**–**	**272**	**–**	**256**	**36**	**–**
Prior period	*10,512*	*–*	*146*	*24*	*–*	*283*	*–*	*270*	*43*	*–*
Namdeb Holdings	**863**	**–**	**568**	**237**	**–**	**105**	**–**	**92**	**8**	**–**
Prior period	*740*	*–*	*519*	*240*	*–*	*131*	*–*	*121*	*19*	*–*
South Africa	**2,511**	**–**	**133**	**64**	**–**	**127**	**–**	**54**	**48**	**–**
Prior period	*1,753*	*–*	*114*	*50*	*–*	*150*	*–*	*111*	*83*	*–*
Canada[8]	**1,644**	**–**	**435**	**67**	**–**	**69**	**–**	**25**	**(28)**	**–**
Prior period	*309*	*–*	*370*	*207*	*–*	*50*	*–*	*18*	*89*	*–*
Trading	**–**	**–**	**–**	**–**	**–**	**281**	**–**	**278**	**2**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*186*	*–*	*182*	*1*	*–*
Other[6]	**–**	**–**	**–**	**–**	**–**	**(68)**	**–**	**(157)**	**8**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(34)*	*–*	*(117)*	*5*	*–*

(1) Prepared on a consolidated accounting basis, except for production, which is stated on a 100% basis except for the Gahcho Kué joint venture in Canada, which is on an attributable 51% basis.
(2) Sales volumes on a comparable basis to production were 20.0 million carats (H1 2016: 18.3 million carats). Consolidated sales volumes including Gahcho Kué pre-commercial production volumes were 19.1 million carats (H1 2016: 17.2 million carats).
(3) Pricing for the mining business units is based on 100% selling value post-aggregation of goods. The group realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to group unit costs, which relate to equity production only.
(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(5) Includes rough diamond sales of $2.9 billion (H1 2016: $3.1 billion).
(6) Other includes Element Six, downstream, acquisition accounting adjustments, projects and corporate.
(7) Includes pre-commercial production capitalised operating cash inflows from Gahcho Kué.
(8) For Canada, price excludes Gahcho Kué contribution, as all profits arising from Gahcho Kué related to pre-commercial production were capitalised. Unit costs include Gahcho Kué contribution following achievement of commercial production on 2 March 2017.
(9) Underlying EBIT used in the calculation of De Beers' attributable return on capital employed is based on the last 12 months rather than the first six months of performance annualised. This is due to the seasonal sales and underlying EBIT profile of De Beers.

Financial and operational overview

Underlying EBITDA increased by 3% to $786 million (H1 2016: $766 million), primarily attributable to savings resulting from the closure of Snap Lake and a continued efficiency drive across the group. Efficiencies contributed to a 3% decrease in unit costs despite unfavourable exchange rates and an increasing proportion of waste mining costs being expensed rather than capitalised (due to declining strip ratio) at Venetia in South Africa. In addition, underlying EBITDA benefited from a stronger contribution from Element Six.

Total revenue decreased by 4% to $3.1 billion (H1 2016: $3.3 billion), driven by lower rough diamond revenue – as expected, given the benefit of strong midstream restocking in H1 2016. The average realised rough diamond price decreased by 12% to $156/carat (H1 2016: $177/carat), partially offset by a 7% increase in consolidated sales volumes to 18.4 million carats (H1 2016: 17.2 million carats). This reflected stronger demand for lower-value goods in Q1 2017 following a recovery from the initial impact of India's demonetisation programme in late 2016. The lower-value mix was compensated in part by a higher average rough price index, which was 4% higher when compared with H1 2016.

Markets

Preliminary consumer demand data for diamond jewellery for the start of 2017 showed continued growth in the US and slight improvements in China in local currency. In India, retailer sentiment improved due to a return to more normal trading conditions following the government's demonetisation programme. Underlying US results reflected the broader changes in consumer behaviour affecting the overall US retail environment, with growth in the independent jewellers' sector contrasting with some weakness from large chains.

Sentiment in the midstream remains positive following a reasonable Q4 2016 retail season, with evidence of Chinese retailers restocking and demonetisation in India having less impact than anticipated. This has supported good demand for De Beers' rough diamonds. Spot polished prices remained broadly flat in H1 2017.

Operating performance

Mining and manufacturing

Rough diamond production increased by 21% to 16.1 million carats (H1 2016: 13.3 million carats), in line with the higher production forecast for 2017, reflecting stable trading conditions as well as the contribution from the ramp-up of Gahcho Kué in Canada.

Debswana increased production by 6% to 11.1 million carats (H1 2016: 10.5 million carats). Production at Orapa increased by 22%, driven by the ramp-up of Plant 1, following its having been on partial care and maintenance in response to trading conditions in late 2015, together with higher grades. This was marginally offset by Jwaneng, where production decreased 6% owing to lower grades. First ore from Jwaneng Cut-8 was extracted and processed in June 2017. Cut-8 will become Jwaneng's main source of ore from 2018.

At Namdeb Holdings, production increased by 17% to 0.9 million carats (H1 2016: 0.7 million carats), mainly due to production recovering following Debmarine Namibia's Mafuta vessel having been on extended planned in-port maintenance in Q2 2016. Debmarine Namibia's new exploration and sampling vessel, the SS Nujoma, was officially inaugurated in June 2017 and is now fully operational.

In South Africa, production increased by 43% to 2.5 million carats (H1 2016: 1.8 million carats) as a consequence of higher grades at Venetia. Construction of the Venetia Underground mine continues to progress, with the underground operation expected to become the mine's principal source of ore from 2023. In June 2017, the annual section 74 export levy exemption for DBCM was renewed until March 2018.

In Canada, production increased to 1.6 million carats (H1 2016: 0.3 million carats) due to the ramping up of Gahcho Kué, which entered commercial production on 2 March 2017. Production at Victor increased by 21% to 0.4 million carats as a result of higher grades. At Snap Lake, flooding of the mine, which commenced in January 2017, is now complete, thereby minimising holding costs while preserving the long-term viability of the orebody.

At Element Six, revenue and earnings improved following a modest upturn in oil and gas industry demand relative to the first half of 2016. This was offset partially by weaker demand for abrasive materials for road and mining applications.

Brands

In March 2017, De Beers acquired LVMH Moët Hennessy Louis Vuitton's 50% shareholding in De Beers Diamond Jewellers (DBDJ). With full ownership of the business, De Beers has begun to fully integrate the DBDJ brand and network of 29 stores in 16 key consumer markets around the world. DBDJ is a trusted and industry-leading diamond jeweller, with strong brand awareness and diamond expertise, as well as a commitment to acting responsibly.

Forevermark continued to expand its retailer network during the first half of 2017 and is now available in more than 2,080 outlets in 25 markets, an increase of 11% compared with the first half of 2016. In May 2017, Forevermark inscribed its two-millionth diamond, the second million having taken only half the time it took to inscribe the first million.

De Beers unveiled its next-generation automated melée screening instrument (AMS2™) in February 2017. The AMS2™ is significantly cheaper, and screens 10 times faster, than its predecessor. In addition, an industry-first synthetic-screening device for stones in set jewellery (SYNTHdetect™) was launched in June 2017.

During 2017, De Beers expects to invest a total of around $140 million in marketing (approximately 20% more than in 2016) through a combination of proprietary and partnership activity across the US, China and India. De Beers has substantially increased its investment in the Diamond Producers Association (DPA) in 2017. The DPA works to maintain and enhance consumer demand for diamonds by promoting the integrity and reputation of diamond jewellery.

Outlook

Macro-economic conditions underpinning consumer demand for polished diamonds globally remain supportive of marginal demand growth in 2017. The extent of global growth, however, will be dependent upon a number of macro-economic factors, including the effect of US and China government policies on exchange-rate movements. Correspondingly, midstream demand for rough diamonds is expected to depend on the strength of different markets' restocking requirements.

Forecast diamond production (on a 100% basis) for 2017 remains unchanged and is expected to be in the range of 31-33 million carats, subject to trading conditions.

COPPER

Key performance indicators

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	ROCE*
	kt	kt[1]	c/lb	c/lb[2]	$m	$m		$m	$m	
Copper	**283**	**259**	**264**	**148**	**1,609**	**586**	**36%**	**303**	**225**	**10%**
Prior period	*291*	*281*	*215*	*136*	*1,351*	*424*	*31%*	*113*	*238*	*6%*
Los Bronces	**155**	**144**	**–**	**164**	**767**	**317**	**41%**	**150**	**95**	**–**
Prior period	*161*	*156*	*–*	*152*	*678*	*181*	*27%*	*(5)*	*90*	*–*
Collahuasi[3]	**109**	**98**	**–**	**122**	**493**	**285**	**58%**	**184**	**87**	**–**
Prior period	*107*	*102*	*–*	*118*	*512*	*231*	*45%*	*127*	*59*	*–*
Other operations	**20**	**17**	**–**	**–**	**349**	**36**	**10%**	**21**	**43**	**–**
Prior period	*23*	*23*	*–*	*–*	*161*	*46*	*29%*	*25*	*89*	*–*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**(52)**	**–**	**(52)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(34)*	*–*	*(34)*	*–*	*–*

[1] Excludes 37 kt third-party sales.
[2] C1 unit cost including by-product credits.
[3] 44% share of Collahuasi production, sales and financials.

Financial and operating overview

Underlying EBITDA increased by 38% to $586 million, driven by a 23% increase in the average LME copper price and a continued focus on cost-reduction initiatives at Los Bronces and Collahuasi. This was partly offset by around 6,000 tonnes of lost production at El Soldado from the temporary suspension of mining operations, from 18 February 2017 to 28 April 2017, due to initial rejection of the mine plan permit application by the authorities, which contributed to an 8% decline in total sales volumes. In addition, sales volumes were affected by temporary port closures in Chile, owing to adverse weather conditions and heavy swells, as well as by higher arsenic content in copper concentrate from Collahuasi restricting sales to China. Sales are largely expected to recover during H2 2017. At 30 June 2017, 104,700 tonnes of copper were provisionally priced at 269 c/lb.

Markets

	H1 2017	H1 2016
Average market price (c/lb)	**261**	213
Average realised price (c/lb)	**264**	215

The average LME copper price increased by 23%, to 261c/lb, compared to the first half of 2016. This price increase was driven by a number factors, including a sense that China's economy had stabilised during 2016, which led to more favourable sentiment towards industrial commodities in the latter half of the year. The copper price also benefited from increased investment-fund flows, in part as a counter to uncertainties in financial markets and as a hedge against Chinese renminbi depreciation. Key copper-consuming sectors in China performed well in H1 2017, resulting in a closer balance between physical supply and demand of refined metal following several years of surpluses. A series of major mine-supply disruptions, including labour stoppages in Chile and a moratorium on copper concentrate exports from Indonesia, have also constrained mine-supply growth this year.

Operating performance

At Los Bronces, production declined by 4% to 154,800 tonnes (H1 2016: 160,800 tonnes). The planned move to production from new phases in the mine has led to a change in ore characteristics, resulting in higher-grade, but harder ore, with reduced recoveries, contributing to the reduction in output. In addition, there were two instances of planned maintenance at the processing plants in H1 2017 (versus one in H1 2016). C1 unit cost improvements from productivity and cost-reduction initiatives across the operation were more than offset by the impact of the lower production volumes, inflation and a stronger Chilean peso. This resulted in a net increase in C1 unit costs of 8% to 164 c/lb (H1 2016: 152 c/lb).

At Collahuasi, Anglo American's attributable production increased by 1% to 108,700 tonnes (H1 2016: 107,300 tonnes). Following record concentrate production in 2016, production has continued to benefit from higher ore grades (H1 2017: 1.25% Cu against H1 2016: 1.18% Cu), and by higher overall plant performance, driven by the successful implementation of an improved maintenance strategy over the past three years. This was partially offset by a two-month major planned maintenance at the processing plant. Adverse weather negatively impacted mine operations in Q1 2017, however, the effect on production was mitigated by feeding the plant with higher grade, though higher arsenic, ore from stockpiles. C1 unit cost improvements from productivity and cost-reduction initiatives were more than offset by inflation and the stronger currency combined with arsenic penalties and lower by-product credits. This resulted in a net increase in C1 unit costs of 3% to 122 c/lb (H1 2016: 118 c/lb).

Production at El Soldado decreased by 12% to 19,900 tonnes (H1 2016: 22,600 tonnes), following the temporary suspension of mine operations, which were suspended on 18 February 2017, and restarted on 28 April 2017 following approval of the updated mine plan by the authorities. Production during the mine stoppage was sustained by feeding low-grade stockpile material to the plant; however, the delay in receiving the mine plan permit resulted in around 6,000 tonnes of lost production for the period. As a result, C1 unit costs increased by 16% to 223 c/lb (H1 2016: 192 c/lb).

Operational outlook

Production guidance for 2017 remains unchanged at 570,000-600,000 tonnes.

PLATINUM

Key performance indicators

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	ROCE*
	koz[1]	koz	$/Pt oz[2]	$/Pt oz[3]	$m	$m		$m	$m	
Platinum	**1,189**	**1,119**	**1,843**	**1,511**	**2,144**	**276**	**13%**	**112**	**126**	**4%**
Prior period	*1,153*	*1,221*	*1,632*	*1,262*	*2,041*	*290*	*14%*	*134*	*125*	*6%*
Mogalakwena	**226**	**204**	**2,391**	**1,436**	**488**	**179**	**37%**	**115**	**58**	**–**
Prior period	*208*	*214*	*2,168*	*1,145*	*462*	*190*	*41%*	*134*	*73*	*–*
Amandelbult	**208**	**206**	**1,776**	**1,631**	**367**	**15**	**4%**	**(12)**	**15**	**–**
Prior period	*217*	*238*	*1,417*	*1,195*	*336*	*45*	*13%*	*19*	*7*	*–*
Other operations	**755**	**709**	**–**	**–**	**1,289**	**101**	**8%**	**28**	**53**	**–**
Prior period	*728*	*769*	*–*	*–*	*1,243*	*76*	*6%*	*2*	*45*	*–*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**(19)**	**–**	**(19)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(21)*	*–*	*(21)*	*–*	*–*

(1) Production disclosure reflects own-mine production and purchases of metal in concentrate.
(2) Average US$ basket price.
(3) Total cash operating costs – includes on-mine, smelting and refining costs only.

Financial and operating overview

Underlying EBITDA decreased by 5% to $276 million (H1 2016: $290 million). Lower sales volumes of platinum, palladium, rhodium and minor metals and the stronger rand were partially offset by stronger prices for palladium and rhodium. US dollar unit costs increased by 20% to $1,511/ounce, owing primarily to the stronger rand (3% increase to unit costs in local currency terms), and the effects of cost inflation, offset by higher volumes and ongoing cost-improvement projects.

Markets

	H1 2017	H1 2016
Average platinum market price ($/oz)	**960**	959
Average palladium market price ($/oz)	**793**	546
Average rhodium market price ($/oz)	**929**	672
Average gold market price ($/oz)	**1,238**	1,221
US$ realised basket price ($/Pt oz)	**1,843**	1,632
Rand realised basket price (ZAR/Pt oz)	**24,400**	25,100

The average platinum price was almost unchanged, at $960/ounce, compared to the first half of 2016. The platinum price continued to be suppressed by the slowdown in the Chinese jewellery sector, and negative sentiment relating to the outlook for light-duty Western European diesel automotive demand, driving a fall in absolute levels of demand. By the end of June 2017, the spot price had fallen to $922/ounce as these factors, as well as the strengthening US dollar, continued to weigh on prices.

In sharp contrast, the average palladium price rallied by 45% to $793/ounce. Palladium demand from the automotive industry continues to grow, with strong year to date sales in most markets, furthering the market deficit for palladium. At the end of June 2017, the spot price for palladium had reached $841/ounce. The rhodium spot price also strengthened year on year, increasing by 63% to $1,035/ounce, based on investor interest and industrial consumer demand.

Operating performance

During the period under review, total platinum production (metal in concentrate) including both own-mined production and purchase of concentrate, increased by 3% to 1,189,100 ounces (H1 2016: 1,152,700 ounces).

Production from managed mines

Production from managed mines decreased by 27% to 549,400 ounces, primarily due to the sale of Rustenburg in November 2016, which has been reported subsequently as purchase of concentrate from third parties. Excluding Rustenburg, own-mined production increased by 2%.

At Mogalakwena, mine production increased by 9% to a record 225,800 ounces (H1 2016: 207,800 ounces), including 16,200 ounces (H1 2016: 15,400 ounces) processed at the Baobab concentrator. Production benefited from an increase in recoveries and a 1% improvement in grade to 3.07 grams/tonne (H1 2016: 3.04 grams/tonne), as well as additional tonnes milled in all three plants.

Amandelbult mine output decreased by 4% to 207,700 ounces (H1 2016: 217,100 ounces). The decline happened in Q1 2017, when excessive rainfall affected production from the open-pit operations. In addition, the rainfall had a bearing on the material flow of the UG2 feed in the chutes, which led to backlogs in the concentrators. Minor industrial action also negatively impacted production, resulting in three days' lost production. The mine recovered in Q2 2017 and production was 4% higher than in Q2 2016 (and 14% higher than in Q1 2017).

Production from Unki mine in Zimbabwe increased by 5% to a new record of 38,400 ounces (H1 2016: 36,400 ounces). This was driven by a 3% increase in tonnes milled and a 2% increase in grade to 3.48 grams/tonne through better mining height control, which reduced the amount of waste mined resulting in more higher-grade ore being delivered to the concentrator.

Union mine increased platinum production by 3% to 77,500 ounces (H1 2016: 75,500 ounces) due to improved crew efficiencies, in line with the optimised mine plan, despite a reduction in grade in Q2 2017 through mining less material from the Merensky reef. The sale of Union to Siyanda Resources Proprietary Limited was announced on 15 February 2017 and is expected to be completed during H2 2017, subject to regulatory approval, following which production from Union will be reported as purchase of concentrate from third parties.

Joint venture production

Platinum output from the Mototolo, Modikwa and Kroondal joint ventures, inclusive of both Anglo American share and purchased production, decreased by 3% to 246,600 ounces (H1 2016: 255,300 ounces). At Modikwa, production increased by 3% to 57,800 ounces (H1 2016: 56,000 ounces) following an improvement in labour productivity. Mototolo's production decreased by 7% to 57,800 ounces (H1 2016: 62,000 ounces) due to mining of lower grades, while output from Kroondal declined by 5% to 131,000 ounces (H1 2016: 137,300 ounces) as lower grades were encountered, exacerbated by a two-day illegal strike at two of its shafts.

Purchase of concentrate from associates

BRPM's production increased by 8% to 99,300 ounces (H1 2016: 91,600 ounces), in line with expectations, due to the ramping up of certain projects. At Bokoni, output declined to 37,900 ounces (H1 2016: 41,300 ounces) as a result of poor ground conditions and from time lost from a Section 54 stoppage related to a fatal incident.

Anglo American Platinum has notified Atlatsa Resources (Atlatsa) that it will cease to fund its own, and Atlatsa's share of Bokoni mine's operating losses from 31 July 2017. On 21 July 2017 Atlatsa announced that it has commenced the process to place Bokoni mine on care and maintenance.

Purchase of concentrate from third parties

Third-party purchase of concentrate increased significantly to 255,900 ounces (H1 2016: 9,500 ounces) with production from Rustenburg being purchased since November 2016 when the operation was sold to Sibanye. For H1 2017 purchase of concentrate from Rustenburg amounted to 242,600 ounces.

Refined production

Refined platinum production increased by 10% to 1,105,600 ounces (H1 2016: 1,008,400 ounces), output in H1 2016 having been affected materially by a Section 54 safety stoppage at the Precious Metals Refinery.

Following the Waterval smelter run-out in Q3 2016, the Number 1 furnace was successfully rebuilt in Q4 and is now running at steady state. The Number 2 furnace underwent planned maintenance and has successfully ramped up to steady state. The backlog in processing pipeline material of 65,000 platinum ounces following the run-out is expected to be made up during H2 2017.

A high-pressure water leak at the Converter Plant (ACP) impacted one converter plant (Phase A) of the operation on 4 June 2017. The second converter plant (Phase B) which was on planned maintenance, was heated up and returned to steady state production ten days later. The time required to reheat Phase B created a backlog of material, deferring circa 90,000 ounces of refined production.

Platinum sales volumes decreased by 8% to 1,119,300 platinum ounces (H1 2016: 1,221,200 ounces), with H1 2016 having benefited from a drawdown in refined stock.

Operational outlook

Platinum production guidance (metal in concentrate) remains unchanged at 2.35 – 2.4 million ounces for 2017.

IRON ORE AND MANGANESE

Key performance indicators

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	ROCE*
	Mt[1]	Mt	$/t[2]	$/t[3]	$m	$m		$m	$m	
Iron Ore and Manganese	**–**	**–**	**–**	**–**	**2,814**	**1,167**	**41%**	**976**	**73**	**22%**
Prior period	*–*	*–*	*–*	*–*	*1,433*	*512*	*36%*	*390*	*221*	*7%*
Kumba Iron Ore	**21.9**	**21.2**	**71**	**32**	**1,627**	**700**	**43%**	**586**	**81**	**49%**
Prior period	*17.8*	*20.2*	*55*	*27*	*1,185*	*484*	*41%*	*387*	*84*	*37%*
Iron Ore Brazil	**8.7**	**8.6**	**66**	**29**	**738**	**253**	**34%**	**201**	**(8)[5]**	**8%**
Prior period	*6.8*	*6.9*	*44*	*32*	*–*	*(9)*	*–*	*(10)*	*137*	*(1)%*
Samancor[4]	**1.7**	**1.7**	**–**	**–**	**449**	**242**	**54%**	**217**	**–**	**116%**
Prior period	*1.6*	*1.8*	*–*	*–*	*248*	*62*	*25%*	*38*	*–*	*25%*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**(28)**	**–**	**(28)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(25)*	*–*	*(25)*	*–*	*–*

(1) Iron Ore Brazil production is Mt (wet basis).
(2) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha). Prices for Iron Ore Brazil are the average realised export basket price (FOB Açu) (wet basis).
(3) Unit costs for Kumba Iron Ore are on an FOB dry basis. Unit costs for Iron Ore Brazil are on an FOB wet basis.
(4) Production, sales and financials include ore and alloy.
(5) $47 million of capital expenditure offset by capitalised cash inflows of $31 million relating to working capital in place at December 2016, in addition to a $25 million inflow relating to capex hedges.

Financial and operating overview

Kumba

Underlying EBITDA improved by 45% to $700 million (H1 2016: $484 million), mainly due to a 29% increase in the average realised FOB export iron ore price from $55/tonne to $71/tonne. FOB unit costs increased by 19% to $32/tonne (H1 2016: $27/tonne), primarily because of a $3/tonne impact from a stronger South African rand (rand FOB unit costs increased by 3%) and cost inflation. This was partially offset by productivity gains in mining and processing operations, which resulted in a 23% rise in production volumes. The average CFR break-even price achieved was $9/tonne higher at $43/tonne (H1 2016: $34/tonne), on the back of higher freight rates, the stronger rand and a lower premium for lump product.

Reflecting the higher production volumes, export sales volumes increased by 8% to 19.5 Mt (H1 2016: 18.1 Mt). Total finished product stock rose to 4.4 Mt (2016: 3.5 Mt) owing to higher production as well as to sales volumes being deferred to H2 2017 following unfavourable weather conditions at Saldanha port in June 2017.

Iron Ore Brazil

Underlying EBITDA totalled $253 million, a significant increase from H1 2016 ($9 million loss), which reflects the operation's continued ramp-up to its current operating capacity and the end of the capitalisation of operating results in January 2017. The average FOB realised price was $66/wet metric tonne (equivalent to $72/dry metric tonne), $22/tonne, or 50% higher, than that achieved in H1 2016. FOB unit costs of $29/tonne were $3/tonne lower than the prior year as a result of higher production volumes, together with cost-reduction initiatives, partly offset by the strengthening of the real.

The average CFR break-even price achieved was $8/tonne lower at $43/tonne (H1 2016: $51/tonne) due to lower unit costs and higher quality premiums offset by higher freight costs.

Samancor

Underlying EBITDA increased by $180 million to $242 million (H1 2016: $62 million), driven mainly by significantly higher realised manganese ore and alloy prices, a 4% increase in ore sales, and lower costs, which were partly attributable to the restructuring of the South African manganese operations during Q1 2016.

Markets

Iron ore

	H1 2017	H1 2016
Average market price (IODEX 62% Fe CFR China – $/tonne)	**74**	52
Average market price (MB 66% Fe Concentrate CFR – $/tonne)	**88**	58
Average realised price (Kumba export – $/tonne) (FOB Saldanha)[1]	**71**	55
Average realised price (Minas-Rio – $/tonne) (FOB wet basis)[2]	**66**	44

[1] Kumba's outperformance over the IODEX (Platts) 62% Fe CFR China index is primarily representative of the superior iron (Fe) content and the relatively high proportion (approximately 64%) of lump in the overall product portfolio.

[2] Iron Ore Brazil produces higher-grade products than the reference product used for the IODEX 62% Fe index. The pricing of Iron Ore Brazil's products reflects the higher Fe content and lower gangue of those products compared to the IODEX 62% reference. IODEX 62% is referred to for comparison purposes only.

The IODEX iron ore price averaged $74/tonne in H1 2017, 42% higher than in H1 2016. Despite a contraction in China's monetary policy, economic activity remained buoyant, with year-on-year industrial production and fixed-asset investment increasing by an estimated 6.7% and 8.5%, respectively, over H1 2016. This, together with capacity closures in the country, resulted in a 60% year-on-year increase in China's domestic steel prices. Improved margins led to Chinese mills ramping up capacity-utilisation levels; steel production rose by 4.5% compared with the corresponding period in 2016, supporting demand for high-grade ores, with the MB66 index gaining 52% year on year. Rising supply, however, is a key headwind for iron ore markets. By the end of H1 2017, iron ore stocks at key Chinese ports had reached a record high of 140 Mt, and price-sensitive iron ore suppliers in both domestic and seaborne markets are operating at seasonally stronger rates.

Manganese

During H1 the average manganese ore price (BM 44% CIF China) increased by 79% to $5.52/dmtu from H1 2016. The price increase was mainly driven by a lift in Chinese steel production and limited supply in the market as a result of production cuts in late 2015 and early 2016.

Operating performance

Kumba

Sishen's production increased by 35% to 15.6 Mt (H1 2016: 11.5 Mt) following improvements in mining productivity gained from fleet efficiencies, and higher plant yields. Waste mined increased as planned to 77 Mt (H1 2016: 65 Mt).

Kolomela's output was 7% higher, at 6.3 Mt, (H1 2016: 5.9 Mt), reflecting productivity improvements. Waste mining increased by 26% from 20 Mt to 25 Mt, supporting higher production levels.

The roll-out of the Operating Model is continuing as scheduled at both Sishen and Kolomela mines, with the Sishen truck maintenance and Kolomela heavy moving vehicle sections achieving a 'go-live' phase in June 2017. Kolomela continues to achieve increased throughput levels attained after the process plant go-live phase in 2016.

The Dingleton project is substantially complete, with a few households still to be relocated. Negotiations with the remaining households are continuing.

Iron Ore Brazil

Iron ore production from Minas-Rio increased to 8.7 Mt (wet basis) during H1 2017, a 27% increase compared to H1 2016, as the operation continued to ramp up to its current operating capacity.

Samancor

Manganese ore output of 1.7 Mt (attributable basis) represented a 6% increase (H1 2016: 1.6 Mt). Production from the Australian operations was marginally ahead of prior year despite ore-feed constraints arising from heavy rainfall. The South African operations increased production by 16%, taking advantage of stronger demand and pricing.

Production of manganese alloys increased by 15% to 70,800 tonnes (attributable basis). This was due mainly to improved power availability at the Australian operations. In South Africa, manganese alloy production continues to utilise only one of the operation's four furnaces.

Operational outlook

Kumba

Sishen is expected to produce between 28-29 Mt of product (previous guidance: 27-28 Mt) and mine 155-165 Mt of waste (previous guidance: 150-160 Mt) in 2017.

Kolomela's production guidance remains unchanged at 13-14 Mt for 2017. Waste removal is expected to be around 50-55 Mt in support of the increased annual output.

Full year production guidance for 2017 is between 41-43 Mt (previous guidance: 40-42 Mt).

Iron Ore Brazil

The focus remains on maintaining operational stability and obtaining, in H2 2018, the Step 3 licences required for the operation to access the full range of run-of-mine grades and achieve its nameplate capacity of 26.5 Mt (wet basis). Production guidance for full year 2017 is unchanged at 16-18 Mt.

Samancor

Australian manganese ore production guidance of 2.1 Mwmt for 2017 remains unchanged, albeit with an increased proportion of lower-quality ore in the product mix. This fines product has a manganese content of approximately 40%, which leads to both grade and product type discounts when referenced to the high-grade 44% manganese lump ore index. South African manganese ore production will remain configured for an optimised annualised production rate of 2.9 Mwmt (100% basis), although the business will continue to act opportunistically when market fundamentals are supportive.

Legal

Sishen consolidated mining right granted

An application, in terms of Section 102 of the Mineral and Petroleum Resources Development Act No 28 of 2002, to extend Sishen mine's mining right by the inclusion of the adjacent Sishen Iron Ore Company Proprietary Limited (SIOC) Prospecting Rights (including Dingleton) and other properties, was lodged on 1 July 2016. This application is required by Sishen to expand its current mining operations within the adjacent Dingleton area. The official grant letter was received from the DMR on 6 July 2017 and the process to amend the Sishen mining right, will now proceed. Mining operations will only commence once the required environmental authorisation, in terms of the National Environmental Management Act 1998 (Act 107 of 1998), has been approved, which is expected soon.

COAL

Key performance indicators

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	ROCE*
	Mt(1)	Mt(2)	$/t(3)	$/t(4)	$m	$m		$m	$m	
Coal	**40.5**	**40.3**	**–**	**–**	**3,403**	**1,382**	**41%**	**1,120**	**221**	**63%**
Prior period	*45.7*	*46.0*	*–*	*–*	*2,029*	*389*	*19%*	*160*	*274*	*9%*
Metallurgical Coal	**10.0**	**10.0**	**193**	**64**	**1,775**	**943**	**53%**	**781**	**154**	**81%**
Prior period	*15.4*	*15.7*	*77*	*50*	*920*	*200*	*22%*	*60*	*252*	*6%*
South Africa	**25.3**	**24.9**	**72**	**41**	**1,242**	**281**	**23%**	**225**	**67**	**51%**
Prior period	*25.4*	*25.1*	*50*	*33*	*867*	*162*	*19%*	*116*	*22*	*25%*
Cerrejón	**5.2**	**5.4**	**71**	**31**	**386**	**183**	**47%**	**139**	**–**	**34%**
Prior period	*4.9*	*5.2*	*47*	*30*	*242*	*51*	*21%*	*8*	*–*	*3%*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**(25)**	**–**	**(25)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(24)*	*–*	*(24)*	*–*	*–*

(1) Production volumes are saleable tonnes. South African production volume includes Eskom Tied Operations volumes of 12.0 Mt (H1 2016: 11.4 Mt). Metallurgical Coal production volumes includes thermal coal production volumes of 0.8 Mt (H1 2016: 5.4 Mt)
(2) South African sales volume includes Eskom Tied Operations volumes of 12.0 Mt (H1 2016: 11.4 Mt), but excludes non-equity traded sales volumes of 3.4 Mt (H1 2016: 3.2 Mt).
(3) Metallurgical Coal 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. Metallurgical Coal excludes study costs and Callide. South Africa unit cost is for the export operations.

Financial and operating overview

Metallurgical Coal

Underlying EBITDA increased to $943 million, due to a circa 150% increase in the metallurgical coal realised price, the ramp up of Grosvenor and increased production from Moranbah, partly offset by lower production, due to the sale of Foxleigh in H2 2016, and sales, primarily at Capcoal, being delayed into H2 2017 as a result of rail outages following Cyclone Debbie. Following the divestments of Foxleigh (a PCI producer) and Callide (a domestic and export thermal coal producer) and the cessation of mining activities at Drayton (an export thermal producer), the business now produces a greater proportion of higher value hard coking coal (80% of total production, compared to 48% in H1 2016).

The divestment of Dartbrook was announced on 30 May 2017, and the divestment of Drayton is expected to complete during H2 2017.

South Africa

Underlying EBITDA increased by 73% to $281 million. This was mainly attributable to a 46% increase in the export thermal coal price. US dollar unit costs at Trade Operations increased by 24% ($8/tonne) to $41/tonne, of which $5/tonne related to a stronger rand, and $3/tonne to cost-inflation pressures in South Africa and lower production associated with the planned ramp-down of the Eskom pit at Khwezela.

Total export saleable volumes were in line with H1 2016. Total trade mine production of 11.4 Mt, however, was 3% lower as a result of the planned closure of the Eskom pit at Khwezela.

The sale of the Eskom-tied operating mines (New Vaal, New Denmark and Kriel) to Seriti Resources was announced on 10 April 2017 and is expected to complete during H2 2017.

Cerrejón

Underlying EBITDA increased to $183 million (H1 2016: $51 million), due mainly to stronger thermal prices, increased volumes and lower costs following planned removal of the highest-cost capacity, and to the sustained benefits of significant cost-reduction programmes implemented in the prior two years.

Markets

Metallurgical coal

	H1 2017	H1 2016
Average market price for premium low-volatility hard coking coal ($/tonne)	**179**	84
Average market price for premium low-volatility PCI ($/tonne)	**117**	70
Average realised price for premium low-volatility hard coking coal ($/tonne)	**195**	79
Average realised price for PCI ($/tonne)	**124**	68

Metallurgical coal prices were significantly higher compared to H1 2016 owing to major supply constraints in China following domestic production restrictions in mid-2016, and the impact of Cyclone Debbie in Australia in March 2017 on rail availability. In addition, prices were helped by strong demand from Chinese and other global pig iron producers.

The Q1 2017 quarterly settlement price was $285/tonne for premium hard coking coal, compared to $81/tonne for Q1 2016. High price volatility has delayed settlement for Q2 pricing, with subsequent agreement to use an average of spot indices from that quarter for premium hard coking coal. Semi-soft coking and PCI are still being settled on a quarterly negotiated basis.

Thermal coal

	H1 2017	H1 2016
Average market price ($/t, FOB Australia)[(1)]	**81**	51
Average market price ($/t, FOB South Africa)[(1)]	**79**	54
Average market price ($/t, FOB Colombia)[(1)]	**74**	44
Average realised price – Export Australia ($/tonne, FOB)	**87**	47
Average realised price – Export South Africa ($/tonne, FOB)	**72**	50
Average realised price – Domestic South Africa ($/tonne)	**20**	16
Average realised price – Colombia ($/tonne, FOB)	**71**	47

[(1)] Thermal coal price and realised price will differ due to timing and quality differences.

The average FOB Australia price (6,000kcal/kg FOB) increased by 59% to $81/tonne compared to H1 2016. This price increase was driven mainly by higher import demand from China following domestic production restrictions. On the supply side, most of the major producing regions have been consistent in their volumes compared with H1 2016.

Operating performance

Metallurgical Coal

Production from continuing operations of 10.0 Mt is on par with H1 2016. The estimated impact of Cyclone Debbie on rail availability is the deferral of 0.6 Mt of saleable production into H2 2017. This has been offset by an increase in saleable production of 0.3 Mt at Moranbah North and 0.4 Mt at Grosvenor.

Grosvenor production ramp up continues to be impacted by geological issues which remain a key business focus in order to improve operational performance in the future.

South Africa

Export primary production of 8.1 Mt was broadly in line with H1 2016, with continued productivity improvements at underground operations and on-going plant innovations at Khwezela and Goedehoop, offset by temporary operational challenges at Khwezela associated with the integration of the Kleinkopje and Landau mines. Total production from trade mines decreased by 0.3 Mt to 11.4 Mt, being affected by the planned ramp-down of the Eskom pit at Khwezela as it reaches its end of life.

Production from Eskom-tied operations increased 6% by 0.6 Mt, with higher production at New Denmark due to the longwall move in Q2 2016. The sale of the Eskom-tied operating mines to Seriti Resources was announced on 10 April 2017, and is expected to complete by the end of 2017.

Isibonelo production was 0.3 Mt lower than in H1 2016, with production hampered following a dragline fire in November 2016.

Cerrejón

Anglo American's attributable output from its 33.3% shareholding in Cerrejón increased by 6% to 5.2 Mt due to higher coal recovery.

Operational outlook

Metallurgical Coal

Full year production guidance for export metallurgical coal remains unchanged at 19-21 Mt, but is expected to be at the lower end of this range owing to the geological issues at Grosvenor.

Export thermal coal

Full year production guidance for export thermal coal from South Africa and Cerrejón is unchanged at 29-31 Mt, but at the low end of the range primarily due to the operational challenges at Khwezela.

NICKEL

Key performance indicators

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	ROCE*
	t	t	c/lb	c/lb[1]	$m	$m[2]		$m[2]	$m	
Nickel	**21,200**	**20,800**	**442**	**363**	**203**	**15**	**7%**	**(25)**	**7**	**(3)%**
Prior period	*22,300*	*21,900*	*387*	*323*	*187*	*24*	*13%*	*(12)*	*14*	*(1)%*

(1) C1 cash costs (c/lb).
(2) Nickel segment includes $4 million projects and corporate costs (H1 2016: $4 million).

Financial and operating overview

Underlying EBITDA decreased by $9 million to $15 million (H1 2016: $24 million), reflecting an unfavourable exchange rate and cost inflation, partly offset by a higher nickel price.

US dollar unit costs increased by 12% to 363 c/lb (H1 2016: 323 c/lb) as adverse exchange rates, cost inflation, and lower sales volumes were only partially offset by other items, including lower energy costs.

Markets

	H1 2017	H1 2016
Average market price[1] (c/lb)	**443**	393
Average realised price[2] (c/lb)	**442**	387

(1) The average market price is the LME nickel price, from which ferronickel pricing is derived. Ferronickel is traded based on discounts or premiums to the LME price, depending on market conditions, supplier products and consumer preferences.
(2) Differences between market prices and realised prices are largely due to variances between the LME and ferronickel price.

The average LME nickel price increased by 13% to 443 c/lb compared to the first half of 2016.

Nickel demand improved strongly during 2016 and the market moved into deficit, with this momentum continuing into H1 2017. This led to a reduction in global nickel inventories, which decreased by 14% during the 12 months ended 30 June 2017. Owing to a shortage of nickel-iron units (ferronickel, nickel pig iron and stainless steel scrap), ferronickel traded at a premium to the LME nickel price.

Operating performance

Nickel output decreased by 5% to 21,200 tonnes (H1 2016: 22,300 tonnes) as instabilities at both smelting operations negatively affected Barro Alto's production performance in February. The root causes were addressed and the operations returned to stable performance in the second quarter. Codemin's production of metal was lower than the previous year's by approximately 200 tonnes.

Operational outlook

Production guidance for 2017 is unchanged at 43,000-45,000 tonnes.

CORPORATE AND OTHER

Key performance indicators

	Revenue	Underlying EBITDA*	Underlying EBIT*	Capex*
	$m	$m	$m	$m
Segment	**2**	**(96)**	**(103)**	**5**
Prior period	*306*	*45*	*12*	*1*
Niobium and Phosphates	**–**	**–**	**–**	**–**
Prior period	*304*	*85*	*60*	*(1)*
Exploration	**–**	**(43)**	**(43)**	**–**
Prior period	*–*	*(53)*	*(53)*	*–*
Corporate activities and unallocated costs	**2**	**(53)**	**(60)**	**5**
Prior period	*2*	*13*	*5*	*2*

Financial and operating overview

Corporate and other reported an underlying EBITDA loss of $96 million (H1 2016: $45 million gain).

Exploration

Exploration expenditure decreased to $43 million (H1 2016: $53 million), reflecting a general reduction across all commodities. The decreases were mainly attributable to an overall reduction in drilling activities.

Niobium and Phosphates

The sale of the niobium and phosphates business to China Molybdenum Co Ltd. was completed on 30 September 2016.

Corporate activities and unallocated costs

Underlying EBITDA amounted to a $53 million loss (H1 2016: $13 million gain), largely arising in the Group’s self-insurance entity, with lower premium income and higher net claims and settlements compared to H1 2016.

For further information, please contact:

Media
UK
James Wyatt-Tilby
james.wyatt-tilby@angloamerican.com
Tel: +44 (0)20 7968 8759

Marcelo Esquivel
marcelo.esquivel@angloamerican.com
Tel: +44 (0)20 7968 8891

South Africa
Pranill Ramchander
pranill.ramchander@angloamerican.com
Tel: +27 (0)11 638 2592

Ann Farndell
ann.farndell@angloamerican.com
Tel: +27 (0)11 638 2786

Investors
UK
Paul Galloway
paul.galloway@angloamerican.com
Tel: +44 (0)20 7968 8718

Trevor Dyer
trevor.dyer@angloamerican.com
Tel: +44 (0)20 7968 8992

Sheena Jethwa
sheena.jethwa@angloamerican.com
Tel: +44 (0)20 7968 8680

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 to our customers around the world.

As a responsible miner – of diamonds (through De Beers), copper, platinum and other precious metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders and 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 27 July 2017, 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. Tonnes are metric tons, 'Mt' denotes million tonnes and 'kt' denotes thousand tonnes, unless otherwise stated.

Forward-looking statements:
This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserves and Mineral Resources), are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this announcement. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the "Takeover Code"), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SWX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Nothing in this announcement should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share.

Certain statistical and other information about Anglo American included in this announcement is sourced from publicly available third party sources. As such, it presents the views of those third parties, though these may not necessarily correspond to the views held by Anglo American.

Anglo American plc
20 Carlton House Terrace London SW1Y 5AN United Kingdom
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AngloAmerican

CONDENSED FINANCIAL STATEMENTS

for the six months ended 30 June 2017

CONTENTS

Primary statements

Consolidated income statement 29
Consolidated statement of comprehensive income 29
Consolidated balance sheet 30
Consolidated cash flow statement 31
Consolidated statement of changes in equity 32

Notes to the Condensed financial statements

1. Basis of preparation 33
2. Critical accounting judgements and key sources of estimation uncertainty 33
3. Changes in accounting policies and disclosures 34
4. Segmental information 34
5. Exploration and evaluation expenditure 36
6. Underlying EBITDA and underlying earnings by segment 37
7. Special items and remeasurements 38
8. Interest expense 40
9. Income tax expense 41
10. Earnings per share 42
11. Financial instruments 44
12. Capital expenditure 46
13. Net debt 47
14. Borrowings 48
15. Disposals 49
16. Contingent liabilities 49
17. Related party transactions 50
18. Events occurring after the period end 50

Responsibility statement 51

Independent review report to Anglo American plc 52

Summary by business operation 53

Exchange rates and commodity prices 54

Consolidated income statement
for the six months ended 30 June 2017

US$ million	Note	6 months ended 30.06.17 unaudited Before special items and remeasurements	Special items and remeasurements (note 7)	Total	6 months ended 30.06.16 unaudited Before special items and remeasurements	Special items and remeasurements (note 7)	Total	Year ended 31.12.16 audited Before special items and remeasurements	Special items and remeasurements (note 7)	Total
Revenue	4	**12,122**	**–**	**12,122**	9,936	–	9,936	21,378	–	21,378
Operating costs		**(9,665)**	**107**	**(9,558)**	(8,622)	(1,348)	(9,970)	(18,047)	(1,665)	(19,712)
Operating profit/(loss)	4	**2,457**	**107**	**2,564**	1,314	(1,348)	(34)	3,331	(1,665)	1,666
Non-operating special items	7	**–**	**(145)**	**(145)**	–	(34)	(34)	–	1,203	1,203
Share of net income from associates and joint ventures	4	**267**	**(1)**	**266**	38	11	49	271	7	278
Profit/(loss) before net finance costs and tax		**2,724**	**(39)**	**2,685**	1,352	(1,371)	(19)	3,602	(455)	3,147
Investment income		**128**	**–**	**128**	87	–	87	186	120	306
Interest expense	8	**(340)**	**(29)**	**(369)**	(236)	(27)	(263)	(490)	(45)	(535)
Other net financing losses		**(5)**	**(20)**	**(25)**	40	(209)	(169)	95	(389)	(294)
Net finance costs		**(217)**	**(49)**	**(266)**	(109)	(236)	(345)	(209)	(314)	(523)
Profit/(loss) before tax		**2,507**	**(88)**	**2,419**	1,243	(1,607)	(364)	3,393	(769)	2,624
Income tax expense	9	**(634)**	**(11)**	**(645)**	(390)	72	(318)	(742)	44	(698)
Profit/(loss) for the financial period		**1,873**	**(99)**	**1,774**	853	(1,535)	(682)	2,651	(725)	1,926
Attributable to:										
Non-controlling interests		**337**	**22**	**359**	155	(24)	131	441	(109)	332
Equity shareholders of the Company		**1,536**	**(121)**	**1,415**	698	(1,511)	(813)	2,210	(616)	1,594
Earnings per share (US$)										
Basic	10	**1.19**	**(0.10)**	**1.09**	0.54	(1.17)	(0.63)	1.72	(0.48)	1.24
Diluted	10	**1.18**	**(0.09)**	**1.09**	0.54	(1.17)	(0.63)	1.70	(0.47)	1.23

Consolidated statement of comprehensive income
for the six months ended 30 June 2017

US$ million	**6 months ended 30.06.17 unaudited**	6 months ended 30.06.16 unaudited	Year ended 31.12.16 audited
Profit/(loss) for the financial period	**1,774**	(682)	1,926
Other comprehensive income			
Items that will not be reclassified to the income statement (net of tax)			
Remeasurement of net retirement benefit obligation	**(30)**	25	(179)
Net items that will not be reclassified to the income statement	**(30)**	25	(179)
Items that have been or may subsequently be reclassified to the income statement (net of tax)			
Net exchange differences:			
Net gain (including associates and joint ventures)	**861**	593	1,150
Cumulative gain transferred to the income statement on disposal of foreign operations	**(81)**	–	(50)
Revaluation of available for sale investments:			
Net revaluation (loss)/gain	**(9)**	77	122
Cumulative revaluation gain transferred to the income statement on disposal	**–**	–	(151)
Revaluation of cash flow hedges:			
Net gain	**–**	6	–
Transferred to the income statement	**–**	–	(11)
Net items that have been or may subsequently be reclassified to the income statement	**771**	676	1,060
Other comprehensive income for the financial period (net of tax)	**741**	701	881
Total comprehensive income for the financial period (net of tax)	**2,515**	19	2,807
Attributable to:			
Non-controlling interests	**487**	227	514
Equity shareholders of the Company	**2,028**	(208)	2,293

Consolidated balance sheet
as at 30 June 2017

US$ million	Note	**30.06.17 unaudited**	31.12.16 audited	30.06.16 unaudited
ASSETS				
Non-current assets				
Intangible assets		**3,316**	3,217	3,403
Property, plant and equipment		**29,246**	28,719	29,327
Environmental rehabilitation trusts		**385**	353	321
Investments in associates and joint ventures		**1,863**	1,974	1,893
Financial asset investments	11	**787**	835	1,065
Trade and other receivables		**883**	812	582
Deferred tax assets		**1,040**	1,013	969
Derivative financial assets	11	**361**	484	661
Other non-current assets		**299**	293	426
Total non-current assets		**38,180**	37,700	38,647
Current assets				
Inventories		**4,124**	3,727	3,571
Trade and other receivables		**2,078**	2,232	1,898
Current tax assets		**97**	330	337
Derivative financial assets	11	**85**	109	128
Cash and cash equivalents	13	**7,408**	6,051	5,761
Total current assets		**13,792**	12,449	11,695
Total assets		**51,972**	50,149	50,342
LIABILITIES				
Current liabilities				
Trade and other payables		**(3,685)**	(3,384)	(2,690)
Short term borrowings	13,14	**(1,879)**	(1,806)	(1,395)
Provisions for liabilities and charges		**(567)**	(621)	(640)
Current tax liabilities		**(520)**	(442)	(323)
Derivative financial liabilities	11	**(325)**	(272)	(357)
Total current liabilities		**(6,976)**	(6,525)	(5,405)
Non-current liabilities				
Trade and other payables		**(86)**	(116)	(30)
Medium and long term borrowings	13,14	**(11,056)**	(11,363)	(14,546)
Retirement benefit obligations		**(801)**	(778)	(720)
Deferred tax liabilities		**(3,709)**	(3,520)	(3,678)
Derivative financial liabilities	11	**(788)**	(1,603)	(1,762)
Provisions for liabilities and charges		**(2,079)**	(1,919)	(2,773)
Total non-current liabilities		**(18,519)**	(19,299)	(23,509)
Total liabilities		**(25,495)**	(25,824)	(28,914)
Net assets		**26,477**	24,325	21,428
EQUITY				
Called-up share capital		**772**	772	772
Share premium account		**4,358**	4,358	4,358
Own shares		**(6,125)**	(6,090)	(6,034)
Other reserves		**(9,444)**	(10,000)	(10,260)
Retained earnings		**31,423**	29,976	27,577
Equity attributable to equity shareholders of the Company		**20,984**	19,016	16,413
Non-controlling interests		**5,493**	5,309	5,015
Total equity		**26,477**	24,325	21,428

The Condensed financial statements, which include the accompanying notes found on pages 33 to 50, of Anglo American plc, registered number 03564138, were approved by the Board of directors on 26 July 2017 and signed on its behalf by:

Mark Cutifani
Chief Executive

Stephen Pearce
Finance Director

Consolidated cash flow statement
for the six months ended 30 June 2017

US$ million	Note	**6 months ended 30.06.17 unaudited**	6 months ended 30.06.16 unaudited	Year ended 31.12.16 audited
Cash flows from operating activities				
Profit/(loss) before tax		**2,419**	(364)	2,624
Net finance costs including financing special items and remeasurements		**266**	345	523
Share of net income from associates and joint ventures		**(266)**	(49)	(278)
Non-operating special items	7	**145**	34	(1,203)
Operating profit/(loss)		**2,564**	(34)	1,666
Operating special items and remeasurements	7	**(107)**	1,348	1,665
Cash element of special items		**(6)**	(137)	(144)
Depreciation and amortisation	4	**1,097**	989	2,138
Share-based payment charges		**84**	81	174
Decrease in provisions		**(161)**	(34)	(139)
(Increase)/decrease in inventories		**(107)**	551	301
Decrease/(increase) in operating receivables		**124**	78	(365)
Increase/(decrease) in operating payables		**214**	(131)	455
Other adjustments		**(23)**	39	87
Cash flows from operations		**3,679**	2,750	5,838
Dividends from associates and joint ventures		**332**	19	167
Dividends from financial asset investments		**8**	3	5
Income tax paid		**(298)**	(211)	(611)
Net cash inflows from operating activities		**3,721**	2,561	5,399
Cash flows from investing activities				
Expenditure on property, plant and equipment	12	**(800)**	(1,100)	(2,418)
Cash flows from derivatives related to capital expenditure	12	**25**	(35)	(22)
Proceeds from disposal of property, plant and equipment	12	**36**	9	23
Investments in associates and joint ventures		**(32)**	(6)	(51)
Purchase of financial asset investments		**(1)**	–	(3)
Net redemption of financial asset loans and receivables		**45**	4	61
Interest received and other investment income		**61**	36	77
Net cash (outflow)/inflow on disposal of subsidiaries and joint operations	15	**(116)**	35	1,535
Sale of interests in associates and joint ventures		**11**	–	–
Proceeds from disposal of interests in available for sale investments		**5**	–	230
Return of capital and repayments of capitalised loans by associates and joint ventures		**–**	–	62
Other investing activities		**(40)**	–	(19)
Net cash used in investing activities		**(806)**	(1,057)	(525)
Cash flows from financing activities				
Interest paid		**(327)**	(440)	(747)
Cash flows from derivatives related to financing activities	13	**(251)**	326	(414)
Dividends paid to non-controlling interests		**(86)**	(7)	(15)
Proceeds from issuance of bonds	13	**996**	–	–
Proceeds from other borrowings	13	**32**	534	694
Repayment of bonds and borrowings	13	**(1,879)**	(3,013)	(5,213)
Proceeds from issue of shares to non-controlling interests		**8**	13	38
Purchase of shares by Group companies for employee share schemes		**(138)**	(53)	(117)
Other financing activities		**(10)**	(11)	(6)
Net cash used in financing activities		**(1,655)**	(2,651)	(5,780)
Net increase/(decrease) in cash and cash equivalents		**1,260**	(1,147)	(906)
Cash and cash equivalents at start of period		**6,044**	6,889	6,889
Cash movements in the period		**1,260**	(1,147)	(906)
Effects of changes in foreign exchange rates		**101**	19	61
Cash and cash equivalents at end of period	13	**7,405**	5,761	6,044

Consolidated statement of changes in equity
for the six months ended 30 June 2017

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 2016 (audited)	5,130	(6,051)	28,301	(11,747)	936	16,569	4,773	21,342
Total comprehensive income/(expense)	–	–	(777)	492	77	(208)	227	19
Dividends payable	–	–	–	–	–	–	(7)	(7)
Issue of shares to non-controlling interests	–	–	–	–	–	–	13	13
Equity settled share-based payment schemes	–	17	53	–	(18)	52	9	61
At 30 June 2016 (unaudited)	5,130	(6,034)	27,577	(11,255)	995	16,413	5,015	21,428
Total comprehensive income/(expense)	–	–	2,196	404	(99)	2,501	287	2,788
Dividends payable	–	–	–	–	–	–	(33)	(33)
Issue of shares to non-controlling interests	–	–	–	–	–	–	25	25
Equity settled share-based payment schemes	–	(56)	93	–	(45)	(8)	15	7
Tax recognised directly in equity	–	–	110	–	–	110	–	110
At 31 December 2016 (audited)	5,130	(6,090)	29,976	(10,851)	851	19,016	5,309	24,325
Total comprehensive income/(expense)	**–**	**–**	**1,385**	**651**	**(8)**	**2,028**	**487**	**2,515**
Dividends payable	**–**	**–**	**–**	**–**	**–**	**–**	**(311)**	**(311)**
Issue of shares to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**8**	**8**
Equity settled share-based payment schemes	**–**	**(35)**	**62**	**–**	**(87)**	**(60)**	**–**	**(60)**
At 30 June 2017 (unaudited)	**5,130**	**(6,125)**	**31,423**	**(10,200)**	**756**	**20,984**	**5,493**	**26,477**

[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, legal reserve and capital redemption reserve.

Dividends

	6 months ended 30.06.17 unaudited	6 months ended 30.06.16 unaudited	Year ended 31.12.16 audited
Proposed ordinary dividend per share (US cents)	**48**	–	–
Proposed ordinary dividend (US$ million)	**621**	–	–
Ordinary dividends payable during the period per share (US cents)	**–**	–	–
Ordinary dividends payable during the period (US$ million)	**–**	–	–

Notes to the Condensed financial statements

1. BASIS OF PREPARATION

The Condensed financial statements for the six month period ended 30 June 2017 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and the requirements of the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority (FCA) in the United Kingdom as applicable to interim financial reporting.

The Condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR issued by the FCA. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Group's Consolidated financial statements for the year ended 31 December 2016, which were prepared in accordance with International Financial Reporting Standards adopted for use by the European Union (IFRS). The Condensed financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. This information was derived from the statutory accounts for the year ended 31 December 2016, a copy of which has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

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 six months ended 30 June 2017 on pages 2 to 8. The Group's net debt (including related hedges) at 30 June 2017 was $6.2 billion (30 June 2016: $11.7 billion; 31 December 2016: $8.5 billion) representing a gearing level of 19.0% (30 June 2016: 35.4%; 31 December 2016: 25.9%). Further analysis of net debt is set out in note 13 and details of borrowings and facilities are set out in note 14.

The directors have considered the Group's cash flow forecasts for the period to the end of 31 December 2018. The Board is satisfied that the Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing its Condensed financial statements.

Alternative Performance Measures

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under International Financial Reporting Standards (IFRS). Further information on these APMs, including definitions, is included in the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016. Reconciliations of certain APMs to directly comparable IFRS financial measures are presented in notes 4, 9, 10, 12 and 13 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 accounting judgements relate to impairment and impairment reversals of assets, taxation, contingent liabilities and classification of joint arrangements. Key sources of estimation uncertainty relate to estimation of Ore Reserves, the assessment of fair value, restoration, rehabilitation and environmental costs, retirement benefits and deferred stripping. The use of inaccurate assumptions in assessments made for any of these judgements and estimates could result in a significant impact on financial results. The critical accounting judgements and key sources of estimation uncertainty are the same as those disclosed in the Group's Consolidated financial statements for the year ended 31 December 2016.

Notes to the Condensed financial statements

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies applied are consistent with those adopted and disclosed in the Group's Consolidated financial statements for the year ended 31 December 2016. A number of new accounting pronouncements, principally minor amendments to existing standards, became effective on 1 January 2017 and have been adopted by the Group. 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 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 segment results are stated after elimination of inter-segment transactions and include an allocation of corporate costs.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

Segment results

			Revenue			Underlying EBIT
US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
De Beers	**3,131**	3,270	6,068	**548**	585	1,019
Copper	**1,609**	1,351	3,066	**303**	113	261
Platinum[1]	**2,144**	2,041	4,394	**112**	134	185
Iron Ore and Manganese	**2,814**	1,433	3,426	**976**	390	1,275
Coal	**3,403**	2,029	5,263	**1,120**	160	1,112
Nickel	**203**	187	426	**(25)**	(12)	(15)
Corporate and other[2]	**2**	306	499	**(103)**	12	(71)
	13,306	10,617	23,142	**2,931**	1,382	3,766
Reconciliation to Consolidated income statement:						
Less: associates and joint ventures	**(1,184)**	(681)	(1,764)	**(474)**	(68)	(435)
Include: operating special items and remeasurements	**–**	–	–	**107**	(1,348)	(1,665)
Revenue/Operating profit/(loss)	**12,122**	9,936	21,378	**2,564**	(34)	1,666

			Depreciation and amortisation			Underlying EBITDA
US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
De Beers	**238**	181	387	**786**	766	1,406
Copper	**283**	311	642	**586**	424	903
Platinum[1]	**164**	156	347	**276**	290	532
Iron Ore and Manganese	**191**	122	261	**1,167**	512	1,536
Coal	**262**	229	534	**1,382**	389	1,646
Nickel	**40**	36	72	**15**	24	57
Corporate and other[2]	**7**	33	66	**(96)**	45	(5)
	1,185	1,068	2,309	**4,116**	2,450	6,075
Less: associates and joint ventures	**(88)**	(79)	(171)	**(562)**	(147)	(606)
Depreciation and amortisation/underlying EBITDA from subsidiaries and joint operations	**1,097**	989	2,138	**3,554**	2,303	5,469

[1] During the year ended 31 December 2016, Anglo American Platinum Limited identified certain computational errors affecting its results reported in prior periods, the impact of which was considered material to Anglo American Platinum Limited but was not material to the Group. Consequently, the affected results for the years ended 31 December 2015 and earlier and for the six months ended 30 June 2016 have been restated in the individual financial statements of Anglo American Platinum Limited, but have been corrected in the year ended 31 December 2016 in the Group financial statements. Had the Group results been restated, underlying EBIT for the six months ended 30 June 2016 would be higher by $62 million and underlying EBITDA for the six months ended 30 June 2016 would be higher by $69 million. For the year ended 31 December 2016 underlying EBIT and EBITDA would be higher by $77 million.

[2] Comparative information for Corporate and other has been restated to include Niobium and Phosphates, which was sold in 2016.

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

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Underlying EBITDA	**4,116**	2,450	6,075
Depreciation and amortisation: subsidiaries and joint operations	**(1,097)**	(989)	(2,138)
Depreciation and amortisation: associates and joint ventures	**(88)**	(79)	(171)
Underlying EBIT	**2,931**	1,382	3,766
Operating special items and remeasurements	**107**	(1,348)	(1,665)
Non-operating special items	**(145)**	(34)	1,203
Associates' and joint ventures' special items and remeasurements	**(1)**	11	7
Share of associates' and joint ventures' net finance costs, tax and non-controlling interests	**(207)**	(30)	(164)
Profit/(loss) before net finance costs and tax	**2,685**	(19)	3,147

Notes to the Condensed financial statements

4. SEGMENTAL INFORMATION (continued)

Associates' and joint ventures' results by segment

US$ million	Share of net income		
	6 months ended 30.06.17	6 months ended 30.06.16	Year ended 31.12.16
De Beers	**2**	2	2
Platinum	**(14)**	2	(9)
Iron Ore and Manganese	**124**	17	133
Coal	**154**	28	157
Corporate and other	**–**	–	(5)
Share of net income from associates and joint ventures	**266**	49	278

US$ million	Revenue			Underlying EBIT			Underlying EBITDA		
	6 months ended 30.06.17	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
De Beers	**16**	36	73	**2**	3	3	**2**	4	6
Platinum	**77**	42	156	**(15)**	1	(8)	**(6)**	5	8
Iron Ore and Manganese	**490**	248	625	**245**	38	209	**273**	62	258
Coal	**601**	355	910	**242**	26	236	**293**	76	339
Corporate and other	**–**	–	–	**–**	–	(5)	**–**	–	(5)
	1,184	681	1,764	**474**	68	435	**562**	147	606

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

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Associates' and joint ventures' underlying EBIT	**474**	68	435
Net finance costs	**(29)**	(12)	(44)
Income tax expense	**(177)**	(16)	(123)
Non-controlling interests	**(1)**	(2)	3
Share of net income from associates and joint ventures (before special items and remeasurements)	**267**	38	271
Special items and remeasurements	**–**	–	1
Special items and remeasurements tax	**(1)**	11	6
Share of net income from associates and joint ventures	**266**	49	278

Capital employed by segment

Capital employed is the principal measure of segment assets and liabilities reported to the Group Management Committee.

Capital employed is defined as net assets excluding net debt and financial asset investments.

US$ million	Capital employed		Attributable capital employed[1]	
	30.06.17	31.12.16	**30.06.17**	31.12.16
De Beers	**8,786**	8,725	**7,539**	7,481
Copper	**5,941**	6,073	**4,213**	4,189
Platinum	**4,373**	4,457	**3,724**	3,796
Iron Ore and Manganese	**7,368**	7,472	**6,320**	6,435
Coal	**3,679**	3,509	**3,588**	3,420
Nickel	**1,974**	2,003	**1,974**	2,003
Corporate and other	**(238)**	(335)	**(238)**	(335)
Capital employed	**31,883**	31,904	**27,120**	26,989
Include:				
Net debt	**(6,221)**	(8,487)		
Debit valuation adjustment attributable to derivatives hedging net debt[2]	**28**	73		
Financial asset investments	**787**	835		
Net assets	**26,477**	24,325		

(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 11 for details of the debit valuation adjustment.

Notes to the Condensed financial statements

4. SEGMENTAL INFORMATION (continued)

Product analysis

Group revenue by product

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Diamonds	**3,131**	3,266	6,064
Copper	**1,569**	1,293	2,946
Platinum	**1,117**	1,220	2,498
Palladium	**517**	430	967
Rhodium	**120**	99	215
Iron ore	**2,243**	1,117	2,611
Manganese ore and alloys	**449**	248	625
Metallurgical coal	**1,698**	729	2,243
Thermal coal	**1,704**	1,305	3,024
Nickel	**320**	305	694
Niobium	**–**	86	137
Phosphates	**–**	218	358
Other	**438**	301	760
	13,306	10,617	23,142

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	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
South Africa	**918**	789	1,630
Other Africa	**871**	853	1,604
Brazil	**171**	316	679
Chile	**226**	252	481
Other South America	**6**	6	12
North America	**389**	243	572
Australia	**20**	85	164
China	**2,737**	1,928	4,784
India	**1,782**	1,240	2,756
Japan	**1,231**	988	2,131
Other Asia	**2,621**	1,659	3,813
United Kingdom (Anglo American plc's country of domicile)	**654**	722	1,341
Other Europe	**1,680**	1,536	3,175
	13,306	10,617	23,142

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	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
By commodity/product						
Diamonds	**9**	13	29	**7**	10	19
Copper	**13**	19	32	**38**	19	45
Platinum group metals	**2**	3	6	**1**	1	2
Iron ore	**5**	4	10	**2**	1	13
Metallurgical coal	**1**	1	1	**5**	1	11
Thermal coal	**1**	1	1	**5**	5	11
Nickel	**1**	2	7	**1**	1	3
Phosphates	**–**	–	–	**–**	1	1
Central exploration activities	**11**	10	21	**–**	–	–
	43	53	107	**59**	39	105

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

Notes to the Condensed financial statements

6. UNDERLYING EBITDA AND UNDERLYING EARNINGS BY SEGMENT

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

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

	6 months ended 30.06.17				
US$ million	**Underlying EBITDA**	**Depreciation and amortisation**	**Net finance costs and income tax expense**	**Non-controlling interests**	**Underlying earnings**
De Beers	**786**	**(238)**	**(146)**	**(61)**	**341**
Copper	**586**	**(283)**	**(126)**	**(37)**	**140**
Platinum	**276**	**(164)**	**(60)**	**(15)**	**37**
Iron Ore and Manganese	**1,167**	**(191)**	**(261)**	**(217)**	**498**
Coal	**1,382**	**(262)**	**(331)**	**(11)**	**778**
Nickel	**15**	**(40)**	**17**	**–**	**(8)**
Corporate and other	**(96)**	**(7)**	**(150)**	**3**	**(250)**
	4,116	**(1,185)**	**(1,057)**	**(338)**	**1,536**

	6 months ended 30.06.16				
US$ million	Underlying EBITDA	Depreciation and amortisation	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	766	(181)	(144)	(62)	379
Copper	424	(311)	(88)	57	82
Platinum[(1)]	290	(156)	(51)	(15)	68
Iron Ore and Manganese	512	(122)	(97)	(138)	155
Coal	389	(229)	(37)	(3)	120
Nickel	24	(36)	(4)	–	(16)
Corporate and other[(2)]	45	(33)	(106)	4	(90)
	2,450	(1,068)	(527)	(157)	698

	Year ended 31.12.16				
US$ million	Underlying EBITDA	Depreciation and amortisation	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	1,406	(387)	(242)	(110)	667
Copper	903	(642)	(9)	102	354
Platinum[(1)]	532	(347)	(101)	(19)	65
Iron Ore and Manganese	1,536	(261)	(304)	(405)	566
Coal	1,646	(534)	(183)	(16)	913
Nickel	57	(72)	(42)	–	(57)
Corporate and other[(2)]	(5)	(66)	(237)	10	(298)
	6,075	(2,309)	(1,118)	(438)	2,210

(1) Anglo American Platinum Limited restated its results to correct certain computational errors affecting results reported in prior periods. These errors were not considered material to the Group and consequently they were corrected in 2016 in the Group financial statements. See note 4 for further details.
(2) Comparative information for Corporate and other has been restated to include Niobium and Phosphates, which was sold in 2016.

Notes to the Condensed financial statements

7. SPECIAL ITEMS AND REMEASUREMENTS

Special items

Special items are those items of financial performance that, due to their size and nature, the Group believes should be separately disclosed on the face of the income statement. These items, along with related tax and non-controlling interests, are excluded from underlying earnings, which is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

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

Remeasurements

Remeasurements are items that are excluded from underlying earnings in order to reverse timing differences in the recognition of gains and losses in the income statement in relation to transactions that, whilst economically linked, are subject to different accounting measurement or recognition criteria. Remeasurements include mark-to-market movements on derivatives that are economic hedges of transactions not yet recorded in the financial statements, in order to ensure that the overall economic impact of such transactions is reflected within the Group's underlying earnings in the period in which they occur. When the underlying transaction is recorded in the income statement, the realised gains or losses are reversed from remeasurements and are recorded in underlying earnings within either revenue, operating costs or net finance costs as appropriate. If the underlying transaction is recorded in the balance sheet, for example capital expenditure, the realised amount remains in remeasurements on settlement of the derivative.

- Operating remeasurements include unrealised gains and losses on derivatives relating to revenue, operating costs or capital expenditure transactions. They also include the reversal through depreciation and amortisation of a fair value gain or loss, arising on revaluation of a previously held equity interest in a business combination.
- Financing remeasurements include unrealised gains and losses on financial assets and liabilities that represent economic hedges, including accounting hedges, related to financing arrangements.
- Tax remeasurements include foreign exchange impacts arising in US dollar functional currency entities where tax calculations are generated based on local currency financial information and hence deferred tax is susceptible to currency fluctuations.

	6 months ended 30.06.17				6 months ended 30.06.16	Year ended 31.12.16
US$ million	**Before tax**	**Tax**	**Non-controlling interests**	**Net**	Net	Net
Impairments and impairment reversals	**121**	**(64)**	**(50)**	**7**	(1,248)	(1,354)
Restructuring costs	**31**	**–**	**–**	**31**	(87)	(90)
Operating special items	**152**	**(64)**	**(50)**	**38**	(1,335)	(1,444)
Operating remeasurements	**(45)**	**8**	**–**	**(37)**	15	(25)
Operating special items and remeasurements	**107**	**(56)**	**(50)**	**1**	(1,320)	(1,469)
Disposals of businesses and investments	**(109)**	**43**	**32**	**(34)**	–	1,082
Adjustments relating to business combinations	**59**	**–**	**(6)**	**53**	–	82
Adjustments relating to former operations	**(95)**	**(1)**	**(1)**	**(97)**	(13)	3
Charges relating to BEE transactions	**–**	**–**	**–**	**–**	(8)	(36)
Non-operating special items	**(145)**	**42**	**25**	**(78)**	(21)	1,131
Financing special items and remeasurements	**(49)**	**(1)**	**–**	**(50)**	(242)	(318)
Special items and remeasurements before tax and non-controlling interests	**(87)**	**(15)**	**(25)**	**(127)**	(1,583)	(656)
One-off tax charges	**–**	**20**	**(3)**	**17**	(5)	(41)
Tax remeasurements	**–**	**(16)**	**6**	**(10)**	66	74
Total special items and remeasurements excluding associates and joint ventures	**(87)**	**(11)**	**(22)**	**(120)**	(1,522)	(623)
Share of associates' and joint ventures' special items and remeasurements[1]				**(1)**	11	7
Total special items and remeasurements				**(121)**	(1,511)	(616)

[1] Relates to the Coal segment (six months ended 30 June 2016: Coal segment; year ended 31 December 2016: Coal and Iron Ore and Manganese segments).

7. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Operating special items

El Soldado impairment reversal

In 2016, an impairment of $200 million was recorded to fully impair El Soldado (Copper), following the suspension of mining operations in February 2017 due to licensing uncertainty. In March 2017, the Group was notified that El Soldado's mine permit application had been rejected by the Chilean mining authorities. Following an appeal, the mining permit was approved and mining operations were resumed in April 2017. As a result of the receipt of the permit, an impairment reversal of $194 million ($65 million after tax and non-controlling interests) has been recorded.

Bafokeng-Rasimone Platinum Mine (BRPM) impairment

The Group holds a 33% interest in BRPM (Platinum) and an 11.44% 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 $73 million ($58 million after tax and non-controlling interests) which has been recorded against Investments in associates to bring the carrying amount into line with its recoverable amount of $0.2 billion.

Restructuring costs

Following the finalisation of the *Driving Value* programme and the decision to continue metallurgical coal operations in Australia, restructuring provisions recognised in 2016 relating to the closure of the Brisbane Corporate Office have been derecognised, resulting in a credit of $31 million ($31 million after tax). Restructuring costs in the six months ended 30 June 2016 were $112 million ($87 million after tax and non-controlling interests) and for the year ended 31 December 2016 were $120 million ($90 million after tax and non-controlling interests).

2016

Operating special items for the six months ended 30 June 2016 and the year ended 31 December 2016 principally comprise the impairment of Moranbah North and Grosvenor (Coal).

Operating remeasurements

Operating remeasurements reflect a net loss of $45 million ($37 million after tax and non-controlling interests) which principally relates to a $54 million depreciation and amortisation charge arising due to the fair value uplift on the Group's pre-existing 45% shareholding in De Beers, which was required on acquisition of a controlling stake, and net gains on derivatives of $9 million, principally related to economic hedges of capital expenditure.

Operating remeasurements reflected a net gain of $12 million ($15 million after tax and non-controlling interests) for the six months ended 30 June 2016 and a net loss before tax of $33 million ($25 million after tax and non-controlling interests) for the year ended 31 December 2016.

Non-operating special items

Disposals of businesses and investments

On 15 February 2017, the Group announced that it had agreed the sale of its interests in the Union platinum mine and Masa Chrome Company Proprietary Limited to a subsidiary of Siyanda Resources Proprietary Limited for consideration comprising upfront cash of R400 million ($31 million) and deferred consideration based on the operation's free cash flow generation over a ten year period.

The fair value of the Union mine and its associated Mineral Resources is expected to be recovered principally through the sale. An impairment of $185 million ($110 million after tax and non-controlling interests) has been recorded to bring the operation's carrying value into line with its fair value less costs of disposal. The impairment charge has been recorded principally against property, plant and equipment.

In addition, a net gain of $76 million ($76 million after tax) was recorded on the disposal of the Group's 83.3% interest in the Dartbrook coal mine (Coal). Further details are provided in note 15.

Notes to the Condensed financial statements

7. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Non-operating special items (continued)

Adjustments relating to business combinations

The gain of $59 million principally relates to the acquisition of the remaining 50% share in De Beers Diamond Jewellers which resulted in a net gain of $39 million ($33 million after non-controlling interests). The remaining gain of $20 million ($20 million after tax) relates to adjustments in respect of business combinations in prior periods.

Adjustments relating to former operations

The loss of $95 million principally includes the charge of $101 million ($101 million after tax) relating to the estimated cost of the Group contributing to a resolution of historical issues relating to occupational lung disease in the gold mining industry in South Africa. Further details are provided in note 16.

2016

Non-operating special items in the six months ended 30 June 2016 were a net loss of $21 million which included a loss relating to the Kumba Envision Trust. The year ended 31 December 2016 principally included net gains on the disposals of Callide (Coal), Niobium and Phosphates and the Group's investment in Exxaro Resources Limited and a net loss on the disposal of the Rustenburg mine (Platinum).

Financing special items and remeasurements

Financing special items and remeasurements reflect a net loss of $49 million (six months ended 30 June 2016: net loss of $236 million; year ended 31 December 2016: net loss of $314 million) and $50 million after tax (six months ended 30 June 2016: net loss of $242 million after tax and non-controlling interests; year ended 31 December 2016: net loss of $318 million after tax).

Financing special items and remeasurements principally comprise a loss of $26 million arising on the bond buybacks completed in the period and a net fair value loss of $21 million on derivatives hedging net debt. Included in the fair value losses on derivatives is a loss of $45 million relating to the reduction in the debit valuation adjustment on derivatives hedging net debt. This adjustment is incorporated into the valuation of these derivatives to reflect the impact on the fair value of the Group's own credit quality. The loss principally reflects the reduction in the Group's observed credit spreads since 31 December 2016.

Tax associated with special items and remeasurements

Total tax relating to subsidiaries and joint operations amounts to a net charge of $11 million (six months ended 30 June 2016: credit of $72 million; year ended 31 December 2016: credit of $44 million).

This includes a one-off tax credit of $20 million (six months ended 30 June 2016: charges of $14 million; year ended 31 December 2016: charges of $76 million), tax charge on special items and remeasurements of $15 million (six months ended 30 June 2016: credit of $20 million; year ended 31 December 2016: credit of $46 million) and tax remeasurement charge of $16 million (six months ended 30 June 2016: credit of $66 million; year ended 31 December 2016: credit of $74 million).

Of the net tax charge of $11 million, there is net current tax of nil (six months ended 30 June 2016: charge of $2 million; year ended 31 December 2016: charge of $129 million) and a net deferred tax charge of $11 million (six months ended 30 June 2016: credit of $74 million; year ended 31 December 2016: credit of $173 million).

8. INTEREST EXPENSE

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Interest expense			
Interest and other finance expense	**283**	362	711
Net interest expense on defined benefit arrangements	**28**	23	44
Unwinding of discount relating to provisions and other liabilities	**44**	51	111
	355	436	866
Less: interest expense capitalised	**(15)**	(200)	(376)
Total interest expense before financing special items	**340**	236	490
Financing special items	**29**	27	45
Total interest expense after financing special items	**369**	263	535

Notes to the Condensed financial statements

9. INCOME TAX EXPENSE

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

a) Analysis of charge for the period

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
United Kingdom corporation tax	**10**	6	26
South Africa tax	**243**	124	433
Other overseas tax	**347**	129	101
Prior period adjustments	**–**	(259)	(176)
Current tax[1]	**600**	–	384
Deferred tax	**34**	390	358
Income tax expense before special items and remeasurements	**634**	390	742
Special items and remeasurements tax (note 7)	**11**	(72)	(44)
Income tax expense	**645**	318	698

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

b) Factors affecting tax charge for the period

The effective tax rate for the period of 26.7% (six months ended 30 June 2016: (87.4)%; year ended 31 December 2016: 26.6%) is higher (six months ended 30 June 2016: lower; year ended 31 December 2016: higher) than the applicable weighted average statutory rate of corporation tax in the United Kingdom of 19.25% (2016: 20%). The reconciling items, excluding the impact of associates and joint ventures, are:

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Profit/(loss) before tax	**2,419**	(364)	2,624
Less: Share of net income from associates and joint ventures	**(266)**	(49)	(278)
Profit/(loss) before tax (excluding associates and joint ventures)	**2,153**	(413)	2,346
Tax on profit/(loss) (excluding associates and joint ventures) calculated at United Kingdom corporation tax rate of 19.25% (2016: 20%)	**414**	(83)	469
Tax effects of:			
Expenses not deductible for tax purposes	**35**	29	17
Non-taxable income	**(20)**	(36)	(11)
Temporary difference adjustments[1]	**(6)**	402	343
Special items and remeasurements[2]	**28**	252	111
Other adjustments			
Withholding taxes	**82**	(26)	(118)
Effect of differences between local and United Kingdom tax rates	**117**	34	56
Prior year adjustments to current tax	**–**	(259)[1]	(176)[1]
Other adjustments	**(5)**	5	7
Income tax expense	**645**	318	698

[1] Included within temporary difference adjustments for the six months ended 30 June 2016 is an amount of $352 million and for the year ended 31 December 2016 an amount of $306 million in respect of enhanced tax depreciation in Chile. This is partially offset by an amount included within prior year adjustments of $261 million for the six months ended 30 June 2016 and $200 million for the year ended 31 December 2016.
[2] 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 income from associates and joint ventures' for the period ended 30 June 2017 is a charge of $178 million (six months ended 30 June 2016: charge of $5 million; year ended 31 December 2016: charge of $117 million). Excluding special items and remeasurements this becomes a charge of $177 million (six months ended 30 June 2016: charge of $16 million; year ended 31 December 2016: charge of $123 million).

The underlying effective tax rate was 30.2% for the period ended 30 June 2017. This is lower than the equivalent underlying effective tax rate of 32.2% for the six months ended 30 June 2016 due to the net impact of enhanced tax depreciation in the prior year, and is higher than the equivalent underlying effective tax rate of 24.6% for the year ended 31 December 2016 due to a number of significant items. In the year ended 31 December 2016 these included a benefit received in relation to the reassessment of withholding tax provisions, and the utilisation of losses and other tax attributes not previously recognised, partially offset by the net impact of enhanced tax depreciation and other prior year adjustments. There were no significant items in the period ended 30 June 2017. In future periods it is expected that the underlying effective tax rate will remain above the United Kingdom statutory tax rate.

Notes to the Condensed financial statements

9. INCOME TAX EXPENSE (continued)

	6 months ended 30.06.17		
	Profit before tax US$ million	**Tax (charge)/credit US$ million**	**Effective tax rate**
Calculation of effective tax rate (statutory basis)	**2,419**	**(645)**	**26.7%**
Adjusted for:			
Operating special items	**(152)**	**64**	
Operating remeasurements	**45**	**(8)**	
Non-operating special items	**145**	**(42)**	
Financing special items and remeasurements	**49**	**1**	
One-off tax charges	**–**	**(20)**	
Tax remeasurements	**–**	**16**	
Share of associates' and joint ventures' special items and remeasurements	**1**	**–**	
Associates' and joint ventures' tax and non-controlling interests	**178**	**(177)**	
Calculation of underlying effective tax rate	**2,685**	**(811)**	**30.2%**

10. EARNINGS PER SHARE

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

US$	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Earnings per share			
Basic	**1.09**	(0.63)	1.24
Diluted	**1.09**	(0.63)	1.23
Headline earnings per share			
Basic	**1.07**	0.34	1.47
Diluted	**1.06**	0.34	1.46
Underlying earnings per share			
Basic	**1.19**	0.54	1.72
Diluted	**1.18**	0.54	1.70

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

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

	Profit/(loss) attributable to equity shareholders of the Company			Headline earnings			Underlying earnings		
	6 months ended 30.06.17	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Earnings/(loss) (US$ million)									
Basic and diluted earnings/(loss)	**1,415**	(813)	1,594	**1,386**	443	1,896	**1,536**	698	2,210
Number of shares (million)									
Basic number of ordinary shares outstanding	**1,293**	1,290	1,288	**1,293**	1,290	1,288	**1,293**	1,290	1,288
Effect of dilutive potential ordinary shares:									
Share options and awards	**9**	–	12	**9**	2	12	**9**	2	12
Diluted number of ordinary shares outstanding	**1,302**	1,290	1,300	**1,302**	1,292	1,300	**1,302**	1,292	1,300

Notes to the Condensed financial statements

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, which are shown net of tax and non-controlling interests:

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Profit/(loss) for the financial period attributable to equity shareholders of the Company	**1,415**	(813)	1,594
Operating special items – impairments and impairment reversals	**(7)**	1,248	1,354
Non-operating special items – disposals of businesses and investments	**34**	–	(1,082)
Non-operating special items – adjustments relating to business combinations	**(53)**	–	(82)
Non-operating special items – adjustments relating to former operations	**97**	13	(3)
Other reconciling items[1]	**(100)**	(5)	115
Headline earnings for the financial period	**1,386**	443	1,896
Operating special items – restructuring	**(31)**	87	90
Operating remeasurements	**37**	(15)	25
Non-operating special items – charges relating to BEE transactions	**–**	8	36
Financing special items and remeasurements	**50**	242	318
One-off tax charges	**(17)**	5	41
Tax remeasurements	**10**	(66)	(74)
Share of associates' and joint ventures' special items and remeasurements	**1**	(11)	(7)
Other reconciling items[1]	**100**	5	(115)
Underlying earnings for the financial period	**1,536**	698	2,210

[1] Other reconciling items result from a difference in definition between underlying earnings and headline earnings and principally includes legal provisions and net gains on disposal of plant and equipment and other assets (six months ended 30 June 2016: principally relates to adjustments relating to former operations; year ended 31 December 2016: principally relates to derecognition of contingent liabilities and losses on disposal of plant and equipment and other assets).

Notes to the Condensed financial statements

11. FINANCIAL INSTRUMENTS

a) Financial assets and liabilities by category

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

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

						30.06.17
US$ million	**At fair value through profit and loss**	**Loans and receivables**	**Available for sale**	**Designated into hedges**	**Financial liabilities at amortised cost**	**Total**
Financial assets						
Trade and other receivables[1]	**1,025**	**1,128**	**–**	**–**	**–**	**2,153**
Derivative financial assets	**86**	**–**	**–**	**360**	**–**	**446**
Cash and cash equivalents	**–**	**7,408**	**–**	**–**	**–**	**7,408**
Financial asset investments	**–**	**655**	**132**	**–**	**–**	**787**
	1,111	**9,191**	**132**	**360**	**–**	**10,794**
Financial liabilities						
Trade and other payables[1]	**(705)**	**–**	**–**	**–**	**(2,635)**	**(3,340)**
Derivative financial liabilities	**(1,111)**	**–**	**–**	**(2)**	**–**	**(1,113)**
Borrowings[2]	**–**	**–**	**–**	**(12,456)**	**(479)**	**(12,935)**
	(1,816)	**–**	**–**	**(12,458)**	**(3,114)**	**(17,388)**
Net financial (liabilities)/assets	**(705)**	**9,191**	**132**	**(12,098)**	**(3,114)**	**(6,594)**

						31.12.16
US$ million	At fair value through profit and loss	Loans and receivables	Available for sale	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables[1]	1,090	1,199	–	–	–	2,289
Derivative financial assets	110	–	–	483	–	593
Cash and cash equivalents	–	6,051	–	–	–	6,051
Financial asset investments	–	701	134	–	–	835
	1,200	7,951	134	483	–	9,768
Financial liabilities						
Trade and other payables[1]	(591)	–	–	–	(2,689)	(3,280)
Derivative financial liabilities	(1,865)	–	–	(10)	–	(1,875)
Borrowings[2]	–	–	–	(12,337)	(832)	(13,169)
	(2,456)	–	–	(12,347)	(3,521)	(18,324)
Net financial (liabilities)/assets	(1,256)	7,951	134	(11,864)	(3,521)	(8,556)

(1) Trade and other receivables exclude prepayments and tax receivables. Trade and other payables exclude tax payables, social security payables and deferred income.
(2) Borrowings designated in fair value hedges represent listed debt which is held at amortised cost, adjusted for the fair value of the hedged interest rate risk. The fair value of these borrowings is $12,587 million (31 December 2016: $12,405 million), which is measured using quoted indicative broker prices and consequently categorised as level 2 in the fair value hierarchy. The carrying value of the remaining borrowings at amortised cost of $479 million (31 December 2016: $832 million), principally comprising bank borrowings, is considered to approximate the fair value.

Notes to the Condensed financial statements

11. FINANCIAL INSTRUMENTS (continued)

b) Fair value hierarchy

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

				30.06.17				31.12.16
US$ million	**Level 1[(1)]**	**Level 2[(2)]**	**Level 3[(3)]**	**Total**	Level 1[(1)]	Level 2[(2)]	Level 3[(3)]	Total
Financial assets								
At fair value through profit and loss								
Provisionally priced trade receivables	**–**	**800**	**–**	**800**	–	877	–	877
Other receivables	**–**	**–**	**225**	**225**	–	–	213	213
Derivatives hedging net debt	**–**	**32**	**–**	**32**	–	10	–	10
Other derivatives	**4**	**50**	**–**	**54**	6	94	–	100
Designated into hedges								
Derivatives hedging net debt	**–**	**360**	**–**	**360**	–	483	–	483
Available for sale investments								
Financial asset investments	**76**	**–**	**56**	**132**	77	–	57	134
	80	**1,242**	**281**	**1,603**	83	1,464	270	1,817
Financial liabilities								
At fair value through profit and loss								
Provisionally priced trade payables	**–**	**(597)**	**–**	**(597)**	–	(466)	–	(466)
Other payables	**–**	**–**	**(108)**	**(108)**	–	–	(125)	(125)
Derivatives hedging net debt	**–**	**(1,084)**	**–**	**(1,084)**	–	(1,852)	–	(1,852)
Other derivatives	**(11)**	**(44)**	**–**	**(55)**	(21)	(65)	–	(86)
Designated into hedges								
Derivatives hedging net debt	**–**	**(2)**	**–**	**(2)**	–	(10)	–	(10)
Debit valuation adjustment to derivative liabilities[(4)]	**–**	**28**	**–**	**28**	–	73	–	73
	(11)	**(1,699)**	**(108)**	**(1,818)**	(21)	(2,320)	(125)	(2,466)
Net financial assets/(liabilities) carried at fair value	**69**	**(457)**	**173**	**(215)**	62	(856)	145	(649)

(1) Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes listed equity shares and quoted futures.
(2) Instruments in this category are valued using valuation techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. This category includes provisionally priced trade receivables and payables and over-the-counter derivatives.
(3) Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input. This category includes contingent consideration, receivables relating to disposals and unlisted equity investments.
(4) The debit valuation adjustment is recorded to reflect in the fair value of financial liabilities the effect of the Group's own credit quality based on observed credit spreads. This adjustment is calculated in total for each counterparty based on the net expected exposure. In many cases this includes exposures on a number of different types of derivative instruments. Consequently the impact of this adjustment has been presented as a separate item within the analysis of derivatives above. Based on an allocation weighted by exposure to each category of instrument, $28 million (31 December 2016: $73 million) is attributable to derivatives hedging net debt.

The movements in the fair value of the level 3 financial assets and liabilities were primarily recorded as non-operating special items in the Consolidated income statement.

12. CAPITAL EXPENDITURE

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

Capital expenditure by segment

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
De Beers	**74**	240	526
Copper	**225**	238	563
Platinum	**126**	125	314
Iron Ore and Manganese	**73**	221	269
Coal	**221**	274	613
Nickel	**7**	14	62
Corporate and other[1]	**5**	1	40
Capital expenditure[2]	**731**	1,113	2,387
Reconciliation to the Consolidated cash flow statement:			
Cash flows from derivatives related to capital expenditure	**25**	(35)	(22)
Proceeds from disposal of property, plant and equipment	**36**	9	23
Direct funding for capital expenditure received from non-controlling interests	**8**	13	30
Expenditure on property, plant and equipment	**800**	1,100	2,418

(1) Comparative information for Corporate and other has been restated to include Niobium and Phosphates, which was sold in 2016.
(2) Capital expenditure includes capitalised operating cash flows generated by operations that have not yet reached commercial production for accounting purposes. Total net capitalised operating cash flows for the six months ended 30 June 2017: net inflows of $68 million (six months ended 30 June 2016: net inflows of $48 million; year ended 31 December 2016: net inflows of $140 million).

Capital expenditure by category

US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
Expansionary[1]	**67**	495	817
Stay-in-business	**404**	358	1,042
Stripping and development	**296**	269	551
Proceeds from disposal of property, plant and equipment	**(36)**	(9)	(23)
	731	1,113	2,387

(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.

Notes to the Condensed financial statements

13. NET DEBT

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

a) Reconciliation to the Consolidated balance sheet

	Cash and cash equivalents			Short term borrowings			Medium and long term borrowings		
US$ million	**30.06.17**	30.06.16	31.12.16	**30.06.17**	30.06.16	31.12.16	**30.06.17**	30.06.16	31.12.16
Balance sheet	**7,408**	5,761	6,051	**(1,879)**	(1,395)	(1,806)	**(11,056)**	(14,546)	(11,363)
Bank overdrafts	**(3)**	–	(7)	**3**	–	7	**–**	–	–
Net cash/(debt) classifications	**7,405**	5,761	6,044	**(1,876)**	(1,395)	(1,799)	**(11,056)**	(14,546)	(11,363)

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 2016	6,889	(1,634)	(16,318)	(11,063)	(1,838)	(12,901)
Cash flow	(1,147)	921	1,558	1,332	(326)	1,006
Reclassifications	–	(635)	635	–	–	–
Movements in fair value	–	9	(238)	(229)	627	398
Other non-cash movements	–	(2)	99	97	–	97
Currency movements	19	(54)	(282)	(317)	–	(317)
At 30 June 2016	5,761	(1,395)	(14,546)	(10,180)	(1,537)	(11,717)
Cash flow	241	913	1,127	2,281	740	3,021
Reclassifications	–	(1,342)	1,342	–	–	–
Movements in fair value	–	10	317	327	(572)	(245)
Other non-cash movements	–	(10)	(40)	(50)	–	(50)
Currency movements	42	25	437	504	–	504
At 31 December 2016	6,044	(1,799)	(11,363)	(7,118)	(1,369)	(8,487)
Cash flow	**1,260**	**505**	**346**	**2,111**	**251**	**2,362**
Reclassifications	**–**	**(403)**	**403**	**–**	**–**	**–**
Movements in fair value	**–**	**(5)**	**65**	**60**	**424**	**484**
Other non-cash movements	**–**	**(106)**	**(57)**	**(163)**	**–**	**(163)**
Currency movements	**101**	**(68)**	**(450)**	**(417)**	**–**	**(417)**
At 30 June 2017	**7,405**	**(1,876)**	**(11,056)**	**(5,527)**	**(694)**	**(6,221)**

[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 $28 million (31 December 2016: $73 million). Further details on this adjustment are provided in note 11.

c) South Africa net cash

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

US$ million	**30.06.17**	31.12.16
Cash and cash equivalents	**3,680**	2,749
Short term borrowings	**(16)**	(61)
Medium and long term borrowings	**(840)**	(1,130)
Net cash excluding derivatives	**2,824**	1,558
Derivatives hedging net debt	**1**	–
Net cash including derivatives	**2,825**	1,558

14. BORROWINGS

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

In March 2017 the Group completed a bond buyback transaction consisting of Euro and Sterling denominated bonds with maturities from April 2018 to June 2019. The Group used $1.3 billion of cash to retire $1.3 billion of contractual repayment obligations (including derivatives hedging the bonds).

In April 2017 the Group issued $300 million 3.75% senior notes due 2022 and $700 million 4.75% senior notes due 2027 through accessing the US bond markets.

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

		30.06.17			31.12.16	
US$ million	**Short term borrowings**	**Medium and long term borrowings**	**Total borrowings**	Short term borrowings	Medium and long term borrowings	Total borrowings
Secured						
Bank loans and overdrafts	**14**	**45**	**59**	13	48	61
Obligations under finance leases	**7**	**54**	**61**	8	53	61
	21	**99**	**120**	21	101	122
Unsecured						
Bank loans and overdrafts	**6**	**133**	**139**	12	457	469
Bonds issued under EMTN programme	**1,150**	**5,197**	**6,347**	633	6,230	6,863
US bonds	**689**	**4,870**	**5,559**	1,086	3,867	4,953
Bonds issued under AMTN programme	**–**	**393**	**393**	–	371	371
Bonds issued under DMTN programme	**–**	**189**	**189**	44	179	223
Other loans	**13**	**175**	**188**	10	158	168
	1,858	**10,957**	**12,815**	1,785	11,262	13,047
Total borrowings	**1,879**	**11,056**	**12,935**	1,806	11,363	13,169

The Group had the following undrawn committed borrowing facilities at the period end:

US$ million	**30.06.17**	31.12.16
Expiry date		
Within one year[(1)]	**690**	660
Greater than one year, less than two years	**605**	1,446
Greater than two years, less than three years	**7,267**	1,175
Greater than three years, less than four years	**–**	6,203
Greater than four years, less than five years	**230**	223
	8,792	9,707

(1) Includes undrawn South African rand facilities equivalent to $0.6 billion (31 December 2016: $0.5 billion) in respect of facilities with a 364 day maturity which roll automatically on a daily basis, unless notice is served.

Gearing

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

US$ million	**30.06.17**	31.12.16
Net assets	**26,477**	24,325
Net debt including related derivatives (see note 13)	**6,221**	8,487
Total capital	**32,698**	32,812
Gearing	**19.0%**	25.9%

Gearing has decreased from 25.9% at 31 December 2016 to 19.0% at 30 June 2017 as net debt has decreased whilst total capital has remained broadly flat. Net debt decreased from $8.5 billion at 31 December 2016 to $6.2 billion at 30 June 2017, driven by operating cash inflows.

15. DISPOSALS

Disposals of subsidiaries

During the period, the Group completed the disposal of the Group's 83.3% interest in the Dartbrook coal mine (Coal), realising net cash proceeds of $13 million and resulting in a net gain on disposal of $76 million, including recycling of a cumulative translation gain of $81 million from reserves.

In addition, the Group made net cash payments of $129 million principally in respect of disposals completed in prior periods, which included payments for in-process inventories from the Rustenburg mine (Platinum) held at the date of disposal following the disposal of the operation in 2016. This resulted in a net cash outflow on disposal of subsidiaries and joint operations of $116 million.

2016

Disposals in 2016 principally comprised the sale of Callide thermal coal mine in Queensland, Australia (Coal), the sale of the Niobium and Phosphates businesses, the sale of the Rustenburg mine (Platinum), and the sale of the Group's 70% interest in the Foxleigh metallurgical coal mine in Queensland, Australia (Coal).

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 30 June 2017 or 31 December 2016.

Anglo American South Africa Limited

Anglo American South Africa Limited (AASA) is named as one of 32 respondents in a consolidated class certification application filed in the South Gauteng High Court (Johannesburg) on behalf of former mineworkers (or their dependants or survivors) who allegedly contracted silicosis or tuberculosis as a result of having worked for various gold mining companies including some in which AASA was a shareholder and to which AASA provided various technical and administrative services (the 'class action claims'). The High Court has certified two classes of claimants: those with silicosis or who died from silicosis and those with tuberculosis or who died from tuberculosis. AASA and other respondents are appealing the ruling which has been set down for hearing from 19 to 23 March 2018.

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 working group was subsequently extended in 2015 to include African Rainbow Minerals. At the same time, the industry working group has been 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 engagements have sought 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. The companies in the working group continue to defend the legal proceedings filed against them.

As a consequence of the status of negotiations between the working group and affected stakeholders, a charge of $101 million has been recognised in the results for the period ending 30 June 2017 within non-operating special items, representing management's best estimate of the cost to the Group of a settlement of the class action claims and related costs. The ultimate outcome of these matters remains uncertain, with a possible failure to reach a settlement or to obtain the requisite court approval of the settlement, and the provisions recorded in the financial statements are consequently subject to adjustment or reversal in the future, depending on the progress of the working group discussions and stakeholder consultations, and the ongoing legal proceedings.

Notes to the Condensed financial statements

17. RELATED PARTY TRANSACTIONS

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

The Company and its subsidiaries, in the ordinary course of business, enter into various sale, purchase and service transactions with joint operations, associates, joint ventures and others in which the Group has a material interest. These transactions are under terms that are no less favourable to the Group than those arranged with third parties.

	Associates			Joint ventures			Joint operations[1]		
US$ million	**30.06.17**	30.06.16	31.12.16	**30.06.17**	30.06.16	31.12.16	**30.06.17**	30.06.16	31.12.16
Transactions with related parties									
Sale of goods and services	**11**	8	19	**–**	–	1	**103**	81	171
Purchase of goods and services	**(217)**	(186)	(399)	**(81)**	(68)	(137)	**(1,524)**	(1,538)	(3,390)
Balances with related parties									
Trade and other receivables from related parties	**5**	5	5	**1**	–	1	**12**	22	17
Trade and other payables to related parties	**(143)**	(117)	(126)	**(15)**	(31)	(30)	**(96)**	(84)	(79)
Loans receivable from related parties[2]	**–**	–	–	**360**	476	401	**–**	14	–

[1] Represents the portion of balances and transactions with joint operations or joint operation partners that the Group does not have the right to offset against the corresponding amount recorded by the respective joint operations. These amounts primarily relate to purchases by De Beers and Platinum from their joint operations in excess of the Group's attributable share of their production.
[2] Included in 'Financial asset investments' on the Consolidated balance sheet.

18. EVENTS OCCURRING AFTER THE PERIOD END

With the exception of the declaration of the 2017 interim dividend, there have been no reportable events since 30 June 2017.

Responsibility statement

We confirm that to the best of our knowledge:

(a) the Condensed financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*;

(b) the Half year financial report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the Half year financial report, and a description of the principal risks and uncertainties for the remaining six months of the financial year); and

(c) the Half year financial report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board

Mark Cutifani
Chief Executive

Stephen Pearce
Finance Director

INDEPENDENT REVIEW REPORT TO ANGLO AMERICAN PLC

We have been engaged by the Company to review the Condensed financial statements in the Half year financial report for the six months ended 30 June 2017 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated cash flow statement, the Consolidated statement of changes in equity and related notes 1 to 18. We have read the other information contained in the Half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The Half year financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Half year financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The Condensed financial statements included in this Half year financial report have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* (IAS 34), as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the Condensed financial statements in the Half year financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed financial statements in the Half year financial report for the six months ended 30 June 2017 are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Statutory Auditor
London, United Kingdom

26 July 2017

Summary by business operation

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2016.

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

	Group revenue[1]			Underlying EBITDA			Underlying EBIT			Underlying earnings		
US$ million	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16	**6 months ended 30.06.17**	6 months ended 30.06.16	Year ended 31.12.16
De Beers	**3,131**	3,270	6,068	**786**	766	1,406	**548**	585	1,019	**341**	379	667
Mining												
Debswana	**n/a**	n/a	n/a	**272**	283	571	**256**	270	543	**n/a**	n/a	n/a
Namdeb Holdings	**n/a**	n/a	n/a	**105**	131	184	**92**	121	163	**n/a**	n/a	n/a
South Africa	**n/a**	n/a	n/a	**127**	150	268	**54**	111	172	**n/a**	n/a	n/a
Canada	**n/a**	n/a	n/a	**69**	50	79	**25**	18	13	**n/a**	n/a	n/a
Trading	**n/a**	n/a	n/a	**281**	186	378	**278**	182	371	**n/a**	n/a	n/a
Other[2]	**n/a**	n/a	n/a	**(51)**	(14)	(35)	**(140)**	(97)	(204)	**n/a**	n/a	n/a
Projects and corporate	**n/a**	n/a	–	**(17)**	(20)	(39)	**(17)**	(20)	(39)	**n/a**	n/a	n/a
Copper	**1,609**	1,351	3,066	**586**	424	903	**303**	113	261	**140**	82	354
Los Bronces	**767**	678	1,386	**317**	181	326	**150**	(5)	(49)	**n/a**	n/a	n/a
Collahuasi	**493**	512	1,068	**285**	231	569	**184**	127	342	**116**	64	221
Other operations	**349**	161	612	**36**	46	83	**21**	25	43	**n/a**	n/a	n/a
Projects and corporate	**–**	–	–	**(52)**	(34)	(75)	**(52)**	(34)	(75)	**(32)**	(25)	(75)
Platinum[3]	**2,144**	2,041	4,394	**276**	290	532	**112**	134	185	**37**	68	65
Mogalakwena	**488**	462	968	**179**	190	393	**115**	134	269	**n/a**	n/a	n/a
Amandelbult	**367**	336	739	**15**	45	102	**(12)**	19	46	**n/a**	n/a	n/a
Other operations	**1,289**	1,243	2,687	**101**	76	77	**28**	2	(90)	**n/a**	n/a	n/a
Projects and corporate	**–**	–	–	**(19)**	(21)	(40)	**(19)**	(21)	(40)	**n/a**	n/a	n/a
Iron Ore and Manganese	**2,814**	1,433	3,426	**1,167**	512	1,536	**976**	390	1,275	**498**	155	566
Kumba Iron Ore	**1,627**	1,185	2,801	**700**	484	1,347	**586**	387	1,135	**226**[4]	157[4]	475[4]
Iron Ore Brazil	**738**	–	–	**253**	(9)	(6)	**201**	(10)	(6)	**187**	(5)	4
Samancor	**449**	248	625	**242**	62	258	**217**	38	209	**112**	27	146
Projects and corporate	**–**	–	–	**(28)**	(25)	(63)	**(28)**	(25)	(63)	**(27)**[4]	(24)[4]	(59)[4]
Coal	**3,403**	2,029	5,263	**1,382**	389	1,646	**1,120**	160	1,112	**778**	120	913
Metallurgical coal	**1,775**	920	2,547	**943**	200	996	**781**	60	661	**553**	46	625
South Africa	**1,242**	867	2,109	**281**	162	473	**225**	116	366	**167**	90	258
Cerrejón	**386**	242	607	**183**	51	235	**139**	8	143	**82**	4	85
Projects and corporate	**–**	–	–	**(25)**	(24)	(58)	**(25)**	(24)	(58)	**(24)**	(20)	(55)
Nickel	**203**	187	426	**15**	24	57	**(25)**	(12)	(15)	**(8)**	(16)	(57)
Barro Alto	**164**	147	344	**20**	19	54	**(17)**	(14)	(11)	**(1)**	(21)	(48)
Codemin	**39**	40	82	**–**	6	9	**(3)**	3	3	**(2)**	7	(1)
Loma de Níquel	**–**	–	–	**(1)**	3	4	**(1)**	3	3	**(1)**	2	2
Projects and corporate	**–**	–	–	**(4)**	(4)	(10)	**(4)**	(4)	(10)	**(4)**	(4)	(10)
Corporate and other[5]	**2**	306	499	**(96)**	45	(5)	**(103)**	12	(71)	**(250)**	(90)	(298)
Niobium and Phosphates	**–**	304	495	**–**	85	118	**–**	60	79	**–**	66	78
Exploration	**–**	–	–	**(43)**	(53)	(107)	**(43)**	(53)	(107)	**(39)**	(49)	(99)
Corporate activities and unallocated costs[6]	**2**	2	4	**(53)**	13	(16)	**(60)**	5	(43)	**(211)**	(107)	(277)
	13,306	10,617	23,142	**4,116**	2,450	6,075	**2,931**	1,382	3,766	**1,536**	698	2,210

(1) Group revenue for copper is shown after deduction of treatment and refining charges (TC/RCs).
(2) Other includes Element Six, downstream activities and the purchase price allocation adjustment.
(3) Anglo American Platinum Limited restated its results to correct certain computational errors affecting results reported in prior periods. These errors were not considered material to the Group and consequently they were corrected in 2016 in the Group financial statements. See note 4 for further details.
(4) Of the projects and corporate expense, which includes a corporate cost allocation, $16 million (six months ended 30 June 2016: $14 million; year ended 31 December 2016: $37 million) relates to Kumba Iron Ore. The total contribution from Kumba Iron Ore to the Group's underlying earnings is $210 million (six months ended 30 June 2016: $143 million; year ended 31 December 2016: $438 million).
(5) Comparative information for Corporate and other has been restated to include Niobium and Phosphates, which was sold in 2016.
(6) Comparative information for Corporate activities and unallocated costs has been restated to include Other Mining and Industrial.

Exchange rates and commodity prices

US$ exchange rates	30.06.17	30.06.16	31.12.16
Period end spot rates			
South African rand	**13.08**	14.68	13.73
Brazilian real	**3.30**	3.21	3.25
Sterling	**0.77**	0.75	0.81
Australian dollar	**1.30**	1.35	1.38
Euro	**0.88**	0.90	0.95
Chilean peso	**665**	662	667
Botswana pula	**10.25**	10.87	10.69
Average rates for the period			
South African rand	**13.21**	15.41	14.70
Brazilian real	**3.18**	3.70	3.48
Sterling	**0.79**	0.70	0.74
Australian dollar	**1.33**	1.36	1.34
Euro	**0.92**	0.90	0.90
Chilean peso	**665**	689	676
Botswana pula	**10.41**	11.12	10.89

Commodity prices		30.06.17	30.06.16	31.12.16
Period end spot prices				
Copper(1)	US cents/lb	**268**	219	250
Platinum(2)	US$/oz	**922**	999	898
Palladium(2)	US$/oz	**841**	589	670
Rhodium(3)	US$/oz	**1,035**	635	758
Iron ore (62% Fe CFR)(4)	US$/tonne	**63**	55	80
Iron ore (66% Fe Concentrate CFR)(5)	US$/tonne	**74**	59	101
Hard coking coal index (FOB Australia)(4)	US$/tonne	**149**	92	230
PCI index (FOB Australia)(4)	US$/tonne	**103**	66	112
Thermal coal (FOB South Africa)(6)	US$/tonne	**77**	58	86
Thermal coal (FOB Australia)(7)	US$/tonne	**82**	54	94
Thermal coal (FOB Colombia)(6)	US$/tonne	**76**	50	94
Nickel(1)	US cents/lb	**421**	427	454
Average market prices for the period				
Copper(1)	US cents/lb	**261**	213	221
Platinum(2)	US$/oz	**960**	959	989
Palladium(2)	US$/oz	**793**	546	615
Rhodium(3)	US$/oz	**929**	672	681
Iron ore (62% Fe CFR)(4)	US$/tonne	**74**	52	58
Iron ore (66% Fe Concentrate CFR)(5)	US$/tonne	**88**	58	69
Hard coking coal index (FOB Australia)(4)	US$/tonne	**179**	84	143
PCI index (FOB Australia)(4)	US$/tonne	**117**	70	97
Thermal coal (FOB South Africa)(6)	US$/tonne	**79**	54	64
Thermal coal (FOB Australia)(7)	US$/tonne	**81**	51	66
Thermal coal (FOB Colombia)(6)	US$/tonne	**74**	44	58
Nickel(1)	US cents/lb	**443**	393	436

(1) Source: London Metal Exchange (LME).
(2) Source: London Platinum and Palladium Market (LPPM).
(3) Source: Comdaq.
(4) Source: Platts.
(5) Source: Metal Bulletin.
(6) Source: Argus/McCloskey.
(7) Source: globalCOAL.