NEWS RELEASE

18 February 2011

Anglo American announces EBITDA of $12.0 billion and doubles operating profit to $9.8 billion

Financial results driven by strong operational performance and higher prices

- Group operating profit[(1)] of $9.8 billion ($9.1 billion from core operations[(2)])
- Underlying earnings[(3)] of $5.0 billion and underlying earnings per share of $4.13, a 93% increase
- Profit attributable to equity shareholders of $6.5 billion
- Net debt[(4)] reduced to $7.4 billion at 31 December 2010

Operational excellence and strategic delivery

- $3.0 billion ($2.5 billion from core operations) benefit delivered from asset optimisation and procurement programmes, exceeding target of $2 billion[(5)] by the end of 2011:
  - Asset optimisation: $1.8 billion (from core operations), including one-off benefits
  - Procurement: $0.7 billion (from core operations)
- Strong productivity performances:
  - Kumba mining productivity up 11%
  - Metallurgical Coal export mine productivity up 48% since 2008
- Platinum business transformed – cash operating costs controlled below inflation, labour productivity increased by 23% since 2008 and production target exceeded at 2.6 million ounces
- $3.3 billion of announced proceeds[(6)] from divestments of non-core businesses, including:
  - $1.3 billion from sale of zinc business
  - $0.9 billion from sale of Moly-Cop and AltaSteel
- Tarmac and Lafarge to combine UK businesses to create a leading UK construction materials company

Near-term volume growth of 50%[(7)] by 2015 driven by several major projects

- Barro Alto 36 ktpa nickel project – first production in March 2011, on schedule
- Los Bronces 200 ktpa copper expansion on schedule for first production in Q4 2011
- Kolomela 9 Mtpa iron ore project 81% complete, on schedule for first production by end Q2 2012
- Minas-Rio 26.5 Mtpa iron ore project – significant progress made, with major licences awarded and long-term port tariff agreement secured

$70 billion project pipeline with potential to double production[(7)] over next decade

- Two major new projects to be approved: Quellaveco (225 ktpa copper) and Grosvenor (4.3 Mtpa metallurgical coal)
- Expect to approve $16 billion of projects over next 3 years

Safety performance

- Number of fatalities reduced by 68% since early 2007
- Lost time injury rates reduced by 51% since early 2007
- Drive for zero harm stepped up

Dividend

- Final dividend of $0.40 per share, bringing total dividends for the year to $0.65 per share

HIGHLIGHTS *US$ million, unless otherwise stated*	**Year ended 31 Dec 2010**	**Year ended 31 Dec 2009**	**Change**
Group revenue including associates[8]	**32,929**	24,637	34%
Operating profit including associates before special items and remeasurements – core operations[1][2]	**9,102**	4,451	104%
Operating profit including associates before special items and remeasurements[1]	**9,763**	4,957	97%
Underlying earnings[3]	**4,976**	2,569	94%
EBITDA[9]	**11,983**	6,930	73%
Net cash inflows from operating activities	**7,727**	4,087	89%
Profit before tax[10]	**10,928**	4,029	171%
Profit for the financial year attributable to equity shareholders[10]	**6,544**	2,425	170%
Earnings per share (US$):			
Basic earnings per share [10]	**5.43**	2.02	169%
Underlying earnings per share[3]	**4.13**	2.14	93%

(1) Operating profit includes attributable share of associates' operating profit (before attributable share of associates' interest, tax and non-controlling interests) and is before special items and remeasurements, unless otherwise stated, see notes 3 and 4 to the Condensed financial statements. For the definition of special items and remeasurements see note 5 to the Condensed financial statements.

(2) Operations considered core to the Group are Platinum, Diamonds, Copper, Nickel, Iron Ore and Manganese (Kumba Iron Ore, Iron Ore Brazil and Samancor), Metallurgical Coal, Thermal Coal, Exploration and Corporate Activities. See page 11 in the Financial review of Group results section for a reconciliation of operating profit from core operations to Group operating profit.

(3) See note 10 to the Condensed financial statements for basis of calculation of underlying earnings.

(4) Net debt includes related hedges and net debt in disposals groups. In 2010 net debt has been updated to include related hedges, being derivative instruments that provide an economic hedge of assets and liabilities included in net debt. The comparative has been adjusted accordingly. See note 13 to the Condensed financial statements.

(5) $1bn of sustainable AO benefits from core businesses and $1bn of procurement benefits from core businesses.

(6) Consideration on a debt and cash free basis, as announced.

(7) 2009 production base line for production growth information.

(8) Includes the Group's attributable share of associates' revenue of $4,969 million (2009: $3,779 million). See note 3 to the Condensed financial statements.

(9) Earnings before interest, tax, depreciation and amortisation (EBITDA) is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates. See note 6 to the Condensed financial statements.

(10) Stated after special items and remeasurements.

Cynthia Carroll, Chief Executive, said, "Anglo American performed strongly in 2010, both operationally and financially, and we have continued to deliver on our clear strategic objectives. In addition to benefiting from higher commodity prices, our focused commodity businesses are driving superior operating performances, through major productivity improvements, disciplined cost management and the benefits of our asset optimisation and global supply chain programmes. We completed a number of sales of non-core businesses during 2010 and into 2011 and our divestment programme is now well advanced. Anglo American's EBITDA of $12.0 billion, operating profit of $9.8 billion and underlying earnings of $5.0 billion, reflects delivery on all fronts.

We have exceeded all expectations by achieving asset optimisation and procurement benefits of $2.5 billion during 2010 from our core businesses alone, including one-off benefits, well ahead of our 2011 target of $2 billion for sustainable projects. The productivity benefits that we have achieved have also enabled us to leverage the benefits of higher commodity prices. I expect the value we unlock from asset optimisation in particular to increase further as we embed these best in class practices and continue to improve our operational performance.

We have transformed our Platinum business, moving it down the cost curve, with 23% productivity gains and cash operating costs controlled below inflation, and further safety improvements, while exceeding our refined platinum production target of 2.5 million ounces. Our Kumba Iron Ore, Metallurgical Coal and Nickel businesses also delivered productivity gains, while the benefits of the restructuring of De Beers are clear to see, with the business reaping the rewards of the much improved environment for diamonds.

Our near term production growth of 50% by 2015 is exceptionally strong, with four major projects making excellent progress, enabling us to start up a new mining operation every six to nine months over the next few years. The first such project, our 36,000 tonnes per year Barro Alto nickel project will begin production on schedule in March, more than doubling our Nickel business' production when it reaches full capacity. In the fourth quarter of this year, the 200,000 tonnes per year expansion of our Los Bronces copper operation will begin production on schedule and will have highly attractive cash operating costs. Looking to the end of the second quarter of next year, 2012, the 9 million tonnes per year Kolomela iron ore project in South Africa will begin production with a very competitive cost position.

We have made substantial progress with our 26.5 million tonnes per year Minas-Rio iron ore project in Brazil, securing a number of key approvals, including the mining permit and the second part of the installation licence for the mine, beneficiation plant and tailings dam. These approvals support a March 2011 start date for the civil works for the beneficiation plant and tailings dam construction and it should then take between 27 and 30 months to construct and commission the mine and plant, complete the project and deliver the first ore on ship. We have also now secured an extremely competitive cost position for the project by reaching agreement with our partner at the Açu port on a fixed 25-year iron ore port tariff that gives us a clear, first quartile FOB cost position for Minas-Rio. Our optionality for port expansion and the priority rights we have for our iron ore shipments, make this port facility a key strategic asset for Anglo American in Brazil.

Anglo American has a truly world class resource base beyond our near and medium term projects, with the potential to double production over the next decade through our $70 billion pipeline of more than 60 projects. In the next three years alone, we expect to approve $16 billion of projects.

We have completed divestments of our non-core businesses with announced proceeds of $3.3 billion to date, including our zinc portfolio, Moly-Cop and AltaSteel, five undeveloped coal assets in Australia and a number of Tarmac's European businesses. Today we have also announced the creation of a leading UK construction materials company by combining the highly complementary businesses of Tarmac and Lafarge in the UK. We have received strong interest in the remaining businesses and will sell those outstanding in a manner and on a timetable that maximises value.

We continue to focus on our safety performance across the board and recorded further improvement during the year, with fatalities and lost time injury rates both continuing to reduce. Regrettably, however, 14 people lost their lives while on company business during the year, a clear reminder that we have further work to do to achieve zero harm. We have, though, made substantial progress – our Nickel, Thermal Coal, Copper, Iron Ore Brazil and Exploration teams achieved a fatality-free year in 2010 and we have achieved a 68% reduction in the number of fatalities in safety since early 2007.

In terms of the outlook, while there remain a number of uncertainties in the immediate term, not least in the developed economies, our medium to long term view of demand growth for our commodities remains positive, driven by the resource intensive nature of economic growth in emerging markets."

Review of 2010

Financial results

Anglo American's underlying earnings were $5.0 billion, up from $2.6 billion in 2009, with operating profit of $9.8 billion, almost double the level of $5.0 billion in 2009. This increase in operating profit was mainly driven by the Kumba Iron Ore, Copper and Platinum business units, which benefited from strong market prices, partially offset by the strengthening South African rand and Australian dollar currencies. There was an increase in realised prices across all commodities with platinum and nickel prices increasing by 34% and 48% respectively from 2009.

Copper delivered an operating profit of $2,817 million, 40% higher than 2009 as a result of record copper prices and higher molybdenum revenues due to increased prices and sales.

Nickel reported an operating profit of $96 million, $94 million higher than 2009 as a result of higher nickel prices.

Platinum generated an operating profit of $837 million, a significant increase due to higher metal prices and successful cost control programmes; this was partly offset by a stronger rand and lower sales volumes.

Iron Ore and Manganese generated an operating profit of $3,681 million, 147% higher than 2009. Within this commodity group, Kumba Iron Ore had a strong performance with operating profit of $3,396 million, 128% higher.

Metallurgical Coal delivered an operating profit of $783 million, a 74% increase on 2009, primarily due to higher average benchmark coking coal prices and record increased production of high-margin export products. The business had record export sales, with metallurgical coal production increasing by 16%. This offset the impact of the strong Australian dollar and adverse weather conditions, which had a significant impact on production.

Thermal Coal's operating profit of $710 million was 2% lower than 2009, as a result of the stronger rand. This was partially mitigated by a strong recovery in thermal coal prices.

Diamonds recorded an operating profit of $495 million, 673% higher than 2009, due to a strong recovery in the demand for rough diamonds in 2010. Sales of rough diamonds by The Diamond Trading Company (DTC) were up 57% compared with sales in 2009.

Other Mining and Industrial generated an operating profit of $661 million, 31% higher than 2009, due to strong performances from the Zinc, Scaw Metals and Copebrás businesses. This was partially offset by lower profits from Tarmac and Catalão.

Production

Platinum recorded an increase of 5% to 2.57 million ounces of refined platinum, exceeding their target of 2.5 million ounces. Copper production decreased from the record high in 2009 due to, expected lower throughput and grades at Los Bronces, the impact of strikes and lower grades which was partly offset by improved concentrator throughput at Collahuasi, and the absence of third party purchases at Mantos Blancos. Nickel achieved a 2% increase in production due to a 13% increase from Loma de Níquel despite electricity rationing imposed by the Venezuelan government; nickel production at Codemin was impacted by planned furnace relining and lower grades. Iron ore production from Kumba Iron Ore's Sishen Mine increased by 5% to 41.3 Mt as the jig plant exceeded name plate production capacity through improved quality of plant feed material and more efficient shutdown intervals. Metallurgical Coal delivered record production, with a 16% increase of its high quality metallurgical coal to 14.7 million tonnes, driven by a strong supply response from the Capcoal and Moranbah North complexes, despite the negative impact of Cyclone Ului in the first quarter and record rainfall in the second half of the year in Queensland. Production in Diamonds increased in response to a strong recovery in demand for rough diamonds during 2010. Production at Thermal Coal was flat, driven mainly by higher output at Mafube, and the continuing ramp-up at Zibulo, offsetting the impact of challenging geological conditions predominantly at the Goedehoop complex.

Capital structure

Net debt, including related hedges, of $7,384 million was $3,896 million lower than at 31 December 2009, and $3,546 million lower than at 30 June 2010. Cash inflows from operating activities of $7,727 million and the proceeds from disposals of $2,795 million, funded capital investment (including related hedges) of $4,994 million, principally in the Group's core assets, including combined investment of $2,299 million in the Los Bronces, Barro Alto, Minas-Rio and Kolomela (previously Sishen South) projects. The Group also contributed $450 million towards De Beers' $1 billion rights issue in March 2010, paid a $302 million dividend to company shareholders and $617 million dividends to non-controlling interests.

Special items and remeasurements

The Group recognised a number of one off operating special charges, amounting to $253 million, including associates. These included impairment and related charges of $122 million, chiefly attributable to accelerated depreciation at Loma de Níquel, due to uncertainty over the renewal and restoration of certain concessions. In addition, restructuring costs of $131 million arose in 2010, principally in the Other Mining and Industrial segment given the ongoing divestments programme.

Dividends

Anglo American's dividend policy will provide a base dividend that will be maintained or increased through the cycle. A final dividend of 40 US cents per share has been declared, thereby establishing Anglo American's new base annual dividend per share at 65 US cents, subject to shareholder approval at the Annual General Meeting to be held on 21 April 2011. Taking into account the Group's substantial investment programme for future growth, future earnings potential and the continuing need for a robust balance sheet, any surplus cash will be returned to shareholders.

Delivering value through operational excellence

Anglo American has continued to deliver significant value from its global scale and organisational structure, striving for best in class operating efficiencies across all its operations. Two specific and Group-wide initiatives, namely the asset optimisation and global procurement programmes, are well advanced and continue to deliver ahead of expectations, in terms of both timing and quantum of value. These two programmes were targeted to deliver $2 billion in benefits by 2011, from Anglo American's core businesses alone.

In 2010, $2.5 billion of benefits were delivered from the core businesses ($3.0 billion from the total Group) representing the additional operating profit and capital expenditure savings realised in the year over and above the performance expected had the programmes not been initiated. These benefits are valued employing 2010 commodity prices and exchange rates. Of the $2.5 billion, asset optimisation contributed $1.8 billion of value (including one-off benefits of $279 million), well in excess of the 2011 target for sustainable benefits of $1 billion. Global procurement contributed $713 million of benefits, of which $466 million related to operating profit benefits and $247 million for capital spend benefits.

This strong performance is driven by increased volumes realised from the portfolio of projects and increased cost savings, with benefits from prior period initiatives being enhanced by higher market prices in 2010, partially offset by regional currency strengths. The resulting year on year operating profit benefit for core businesses (at constant 2009 commodity prices and exchange rates) equates to a $170 million uplift in volumes and cash cost savings of $159 million.

Significant growth through project delivery

Anglo American has a clear strategy of deploying its capital in those commodities that deliver long term, through-the-cycle returns for its shareholders, and which have strong fundamentals and the most attractive risk-return profiles. Those commodities are copper, diamonds, iron ore, manganese, metallurgical coal, nickel, platinum and thermal coal.

Anglo American has developed a portfolio of world class operating assets and development projects focused on these commodities, with the benefits of scale, expansion potential and cost position. Anglo American's project management systems and processes have been further enhanced to ensure closer collaboration between the Group’s technical and project teams, thereby creating improved oversight of project execution and future capital allocation.

The Group’s pipeline of projects spans its core commodities and is expected to deliver organic production growth of 50% by 2015. Beyond the near term, Anglo American has a world class pipeline of projects across its selected commodities and is progressing towards approval decisions in relation to the development of two further high quality growth projects – the 225 ktpa Quellaveco copper project in Peru and the 4.3 Mtpa Grosvenor metallurgical coal project in Australia. Submission to the Board for approval is expected for the Quellaveco project during 2011 and for the Grosvenor project in the second quarter of 2012. Together with a number of other medium and longer term projects, Anglo American has the potential to double production over the next decade through its $70 billion pipeline of more than 60 projects.

Anglo American’s four largest near term strategic growth projects are all well placed on their respective industry cost curves, have long resource lives and are entering production from early 2011 onwards, in what is expected to be a period of sustained long term demand growth.

Barro Alto

The Barro Alto nickel project in Brazil was 99% complete at the year end and is on schedule to deliver first production in March 2011. This project makes use of a proven technology and will produce an average of 36 ktpa of nickel in full production (41 ktpa over the first five years), doubling production from Anglo American’s Nickel business, with a competitive cost position in the lower half of the cost curve.

Los Bronces

The Los Bronces copper expansion project in Chile is on schedule for first production in the fourth quarter of 2011. Production at Los Bronces is scheduled to increase by 278 ktpa to 490 ktpa over the first three years of full production following project completion and to average 400 ktpa over the first 10 years. At peak production levels, Los Bronces is expected to be the fifth largest producing copper mine in the world, with highly attractive cash operating costs, reserves and resources that support a mine life of over 30 years and with further expansion potential. Also within the Los Bronces district, work continues on the construction of the exploration tunnel to provide underground drilling access to explore and define the resources at the very significant and high quality new discovery at Los Sulfatos.

Kolomela

Kumba Iron Ore’s Kolomela project in South Africa is well advanced and overall project progress reached 81% by 31 December 2010. The project is on schedule to deliver initial production at the end of the first half of 2012, ramping up to full capacity in 2013. Kolomela is situated 80 km to the south of Kumba’s world class Sishen mine and, when full production is achieved in 2013, will produce 9 Mtpa of high quality seaborne iron ore, with further potential for expansion.

Minas-Rio

The Minas-Rio iron ore project in Brazil has made significant progress and is expected to produce 26.5 Mtpa of iron ore in its first phase. The award of the second part of the mine, beneficiation plant and tailings dam installation licence (LI part 2) in December 2010, being the final primary installation licence, supports the start of the civil works for the beneficiation plant and tailings dam construction in March 2011, after the rainy season. This licence followed the award of the mining permit in August 2010. As previously stated, it should take between 27 and 30 months from commencement of these works to construct and commission the mine and plant, complete the project and deliver the first ore on ship; however, there are still a number of other licences and permits to be obtained during this period.

Anglo American also reached agreement on a fixed 25-year iron ore port tariff with its port partner, LLX SA, in relation to the LLX Minas-Rio (LLX MR) iron ore port facility at Açu. The iron ore volumes associated with the first phase of the project will be subject to a net port tariff of approximately $5.15 per tonne (in 2013 terms) after taking into account Anglo American's shareholding in LLX MR ($7.10 per tonne gross). As part of the agreement to secure the long term tariff arrangements, Anglo American has agreed to fund a greater share of the development cost of the first phase of the port. This agreement is expected to result in additional capital expenditure attributable to Anglo American of approximately $525 million in relation to the port.

Studies for the expansion of the Minas-Rio project have continued during 2010 and the latest resource statement provides a total resource (measured, indicated and inferred) of 5.3 billion tonnes, supporting the expansion of the project. In addition, the port agreement noted above also covers a long-term tariff arrangement for all Anglo American's iron ore volumes beyond the first phase of the Minas-Rio project. The level of the expansion tariff will be dependent upon the capital cost to expand the port to accommodate those additional volumes and that capital cost will be determined in due course.

Divestment portfolio update

Anglo American's programme to divest of its non-core businesses is well advanced. During 2010, Anglo American announced the sale of a number of businesses for a total consideration of $3.3 billion on a debt and cash free basis.

During the first quarter of 2010, Anglo American agreed the sales of Tarmac's aggregates businesses in France, Germany, Poland and the Czech Republic and its Polish, and French and Belgian concrete products businesses, for a combined consideration of $483 million. These were all completed in 2010.

In May 2010, Anglo American announced the sale of its portfolio of zinc assets to Vedanta Resources plc (Vedanta) for $1,338 million on an attributable, debt and cash free basis. Of the total consideration[(1)], $698 million related to the Skorpion mine, $308 million related to the Lisheen mine and $332 million related to Anglo American's 74% interest in Black Mountain Mining (Proprietary) Limited (which holds 100% of the Black Mountain mine and the Gamsberg project). The sale of Skorpion completed on 3 December 2010, the sale of Black Mountain Mining (Proprietary) Limited completed on 4 February 2011, and the sale of Lisheen mine in Ireland completed on 15 February 2011.

In July 2010, Anglo American announced that it had entered into an agreement with a consortium to sell its interests in five undeveloped coal assets in Australia for a total consideration of approximately $577 million. The transaction completed in December 2010.

In November 2010, the sale of Moly-Cop and AltaSteel to OneSteel was announced for a total consideration of $932 million. The transaction completed on 31 December 2010.

The preparatory work to separate the remaining businesses for divestment from the Group is under way and the divestments will be carried out in a manner and to a timetable that maximises value for Anglo American's shareholders. It is envisaged that there will be a different divestment timetable for each of the businesses – Copebrás, Peace River Coal and Scaw Metals.

Anglo American has conducted a drilling programme at its Catalão ferroniobium business in Brazil which has delineated additional niobium resources. In conjunction with the application of improved processing technology, this may result in the significant extension of Catalão's life of mine and production capacity, which would enable Anglo American to take advantage of the attractive dynamics of, and long term demand outlook for, the niobium market. Anglo American has therefore decided to retain the business in its portfolio and is progressing a feasibility study for Catalão.

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

Outlook

The outlook for demand growth for Anglo American's commodities remains extremely positive. Such demand will be driven by the resource intensive nature of robust economic growth in the emerging markets, led by China and India and many countries across Asia, Latin America and Africa. While there remain a number of short term uncertainties, indicators suggest continued recovery in the developed economies and a continuation of the changing structure of the world's economy through urbanisation and the trending convergence of living standards.

[(1)] The agreed consideration was based on profits and cash flows for the zinc businesses being for the benefit of the purchaser from 1 January 2010, subject to completion.

Selected major projects

Completed in 2010

Sector	Project	Country	Completion date	Capex $m[1]	Production volume[2]
Platinum	MC Plant Capacity Expansion – phase 1	South Africa	Q2 2010	95	11 ktpa Waterval Converter matte (WCM)
	Mainstream inert grind projects	South Africa	Q3 2010	149	Improve process recoveries

Approved

Sector	Project	Country	First production date	Full production date	Capex $m[1]	Production volume[2]
Platinum	Thembelani No. 2 Shaft	South Africa	2008	2018	316	Replace 115 kozpa refined platinum[3]
	Mogalakwena North	South Africa	2007	2010	822	350-400 kozpa refined platinum
	Twickenham	South Africa	2015	2019	911	180 kozpa refined platinum
	Unki Mine	Zimbabwe	2010	2013	459	70 kozpa refined platinum
	Khuseleka Ore Replacement	South Africa	2007	2015	187	Replace 101 kozpa refined platinum
	Base metals refinery expansion	South Africa	2011	2013	360	11 ktpa Nickel
	Dishaba East Upper UG2	South Africa	2007	2012	219	100 kozpa refined platinum
Diamonds	Jwaneng – Cut 8	Botswana	2010	2024	3,000[4]	100 million carats
Copper[5]	Los Bronces[6] expansion	Chile	2011	2012	2,500	200 ktpa copper[7]
	Collahuasi Phase 1	Chile	2011	2011	92	19 ktpa copper
Nickel	Barro Alto	Brazil	2011	2012	1,900	36 ktpa nickel
Iron Ore and Manganese	Minas-Rio phase 1	Brazil	2013	2014	5,034	26.5 Mtpa iron ore pellet feed (wet basis)[8]
	Kolomela (previously Sishen South)	South Africa	2012	2013	1,062	9.0 Mtpa iron ore
Thermal Coal	Zibulo (previously Zondagsfontein)	South Africa	2009	2012	517	6.6 Mtpa thermal

See the following page for footnotes.

Future unapproved

Sector	Project	Country	First production date	Full production date	Production volume[2]
Platinum	Tumela No 4 Shaft	South Africa	2020	2026	271 kozpa refined platinum
Copper[5]	Quellaveco	Peru	2015	2016	225 ktpa copper
	Collahuasi expansion Phase 2	Chile	2012	2012	20 ktpa copper[9]
	Michiquillay	Peru	2018	2019	155 ktpa copper[10]
	Pebble	US	TBD	TBD	175 ktpa copper
Nickel	Jacaré phase 1	Brazil	TBD	TBD	34 ktpa nickel
	Morro Sem Boné	Brazil	TBD	TBD	32 ktpa nickel
Iron Ore and Manganese	Sishen Expansion Project phase 1B	South Africa	2011	2012	0.7 Mtpa iron ore
	Sishen Expansion Project 2	South Africa	2015	2019	10.0 Mtpa iron ore
	Sishen Concentrate	South Africa	2015	2016	2.0 Mtpa iron ore
	Minas-Rio expansion	Brazil	TBD	TBD	TBD
Metallurgical Coal	Grosvenor	Australia	2013	2016	4.3 Mtpa metallurgical
	Drayton South	Australia	2015	2017	4.2 Mtpa thermal
	Moranbah South	Australia	2016	2019	TBD
Thermal Coal	Elders Project	South Africa	2016	2020	12.8 Mtpa thermal
	New Largo	South Africa	2013	2016	15 Mtpa thermal
	Cerrejón P500 P1	Colombia	2013	2015	8 Mtpa thermal
	Cerrejón P500 P2	Colombia	TBD	TBD	10-20 Mtpa thermal

(1) Capital expenditure shown on 100% basis in nominal terms and reflects approved capital expenditure.
(2) Represents 100% of average incremental or replacement production, at full production, unless otherwise stated.
(3) Thembalani 2 Shaft is currently under review.
(4) Debswana will invest $500 million in capital expenditure. Project investment, including capital expenditure, is likely to total $3 billion over the next 15 years. Total carats exposed are over the life of the expansion.
(5) Pebble will produce molybdenum and gold by-products, Michiquillay will produce molybdenum, gold and silver by-products and other projects will produce molybdenum and silver by-products.
(6) The February 2010 earthquake in Chile impacted the rate of progress and ultimate capital cost of the Los Bronces expansion project. Remedial actions have ensured the project remains on schedule for first production in Q4 2011. The cost impact remains under review.
(7) Production represents average over first 10 years of the project. Production over the first three years of the project will average 278 ktpa.
(8) Capital expenditure, post acquisition of Anglo American's shareholding in Minas-Rio, includes 100% of the mine and pipeline, and an attributable share of the port, as modified by the agreement with LLX SA and LLX Minas-Rio.
(9) Further phased expansions have the potential to increase production to 1 Mtpa.
(10) Expansion potential to 300 ktpa.

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

Webcast of presentation:

A live webcast of the results presentation, starting at 9.00am UK time on 18 February, can be accessed through the Anglo American website at www.angloamerican.com.

Note: Throughout this results announcement, '$' denotes United States dollars and 'cents' refers to United States cents; operating profit includes attributable share of associates' operating profit and is before special items and remeasurements, unless otherwise stated; special items and remeasurements are defined in note 5 to the Condensed financial statements. Underlying earnings, unless otherwise stated, is calculated as set out in note 10 to the Condensed financial statements. Earnings before interest, tax, depreciation and amortisation (EBITDA) is operating profit before special items and remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates. EBITDA is reconciled to 'Total profit from operations and associates' in note 6 to the Condensed financial statements and to 'Cash flows from operations' in note 6. Tonnes are metric tons, 'Mt' denotes million tonnes and 'kt' denotes thousand tonnes, unless otherwise stated.

Forward-looking statements

This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Anglo American's financial position, business and acquisition strategy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and reserve and resource positions), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this announcement. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the "Takeover Code"), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Services Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SWX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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

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

Financial review of Group results

Group operating profit was $9,763 million, with operating profit from core operations of $9,102 million, 104% higher than 2009. This increase in operating profit was driven by the Kumba Iron Ore, Copper and Platinum business units, which benefited from strong market prices, partially offset by the strengthening South African rand and Australian dollar currencies. There was an increase in realised prices across all export commodities, with a 34% increase in platinum, a 92% increase in export iron ore, a 32% increase in copper, a 25% increase in export metallurgical coal, a 48% increase in nickel and a 28% increase in export thermal coal.

Operations considered core to the Group are Platinum, Diamonds, Copper, Nickel, Iron Ore and Manganese (Kumba Iron Ore, Iron Ore Brazil and Samancor), Metallurgical Coal, Thermal Coal, Exploration and Corporate Activities. The table below reconciles operating profit from core operations to total Group operating profit.

Operating profit **$ million**	**Year ended 31 Dec 2010**	Year ended 31 Dec 2009
Platinum	**837**	32
Diamonds	**495**	64
Copper	**2,817**	2,010
Nickel	**96**	2
Iron Ore and Manganese	**3,681**	1,489
Metallurgical Coal	**783**	451
Thermal Coal	**710**	721
Exploration	**(136)**	(172)
Corporate Activities and Unallocated costs	**(181)**	(146)
Operating profit including associates before special items and remeasurements – core operations	**9,102**	4,451
Other Mining and Industrial	**661**	506
Operating profit including associates before special items and remeasurements	**9,763**	4,957
Underlying earnings – core operations[1]	**4,454**	2,166

[1] See note 4 to the Condensed financial statements

Copper operating profit was 40% higher than 2009, with a 32% increase in the realised price of copper, partially offset by an 8% decrease in sales volumes owing to lower production and shipping constraints as a result of the failure of a shiploader in Patache port in December. Nickel recorded a significant increase in its operating profit driven by improved nickel prices. Platinum operating profit was driven by higher metal prices and cost control programmes, partly offset by a stronger rand and lower sales volumes. Kumba Iron Ore's operating profit was 128% higher than 2009, driven by a 6% increase in export sales volumes and a 92% increase in realised prices. Samancor's strong performance was driven by higher manganese ore and alloy prices resulting from increases in world steel production and demand. Despite weather impacts in 2010 and a stronger Australian dollar, Metallurgical Coal increased its operating profit by 74% from 2009 due to higher average realised coking coal prices and record production of high-margin export products. Thermal Coal operating profit decreased by 2% due to the stronger rand, partly offset by a strong recovery in export thermal coal prices. De Beers Diamond Trading Company (DTC) revenue increased by 57% compared with 2009 in response to increased demand for rough diamonds during 2010, primarily driven by increased consumer demand in India and China.

Other Mining and Industrial's operating profit increased in the Zinc, Scaw Metals and Copebrás businesses, owing to higher metal and soft commodity prices and tightly controlled costs. This was partially offset by lower profits from Tarmac due to difficult trading conditions in the UK and the sale of the majority of Tarmac's European businesses during 2010. Lower operating profits at Catalão were due to lower niobium grades and overall recoveries.

Group underlying earnings were $4,976 million, 94% higher than 2009, which reflects the operational results above. Net finance costs, before remeasurements, of $244 million were $29 million lower than 2009. The effective tax rate, before special items and remeasurements and including attributable share of associates' tax, reduced in the year from 33.1% to 31.9%.

Group underlying earnings per share were $4.13 compared with $2.14 in 2009, a 93% increase.

Underlying earnings **$ million**	**Year ended** **31 Dec 2010**	Year ended 31 Dec 2009
Profit for the financial year attributable to equity shareholders of the Company	**6,544**	2,425
Operating special items including associates	**253**	2,574
Operating remeasurements including associates	**(382)**	(734)
Net profit on disposals including associates	**(1,598)**	(1,632)
Financing special items including associates	**13**	7
Financing remeasurements including associates	**(106)**	128
Special items and remeasurements tax including associates	**112**	(137)
Non-controlling interests on special items and remeasurements including associates	**140**	(62)
Underlying earnings	**4,976**	2,569
Underlying earnings per share ($)	**4.13**	2.14

The Group's results are influenced by a variety of currencies owing to its geographic diversity. In 2010, there was a negative exchange variance in underlying earnings of $687 million. The Group results suffered from the stronger Australian dollar and South African rand. The Australian dollar and the South African rand strengthened by 16% and 15% respectively in 2010 compared with 2009. There was a positive impact on underlying earnings from a significant increase in prices amounting to $3,260 million, reflecting higher prices across all commodities.

Summary income statement **$ million**	**Year ended** **31 Dec 2010**	Year ended 31 Dec 2009
Operating profit before special items and remeasurements	**8,508**	4,377
Operating special items	**(228)**	(2,275)
Operating remeasurements	**386**	638
Operating profit from subsidiaries and joint ventures	**8,666**	2,740
Net profit on disposals	**1,579**	1,612
Share of net income from associates *(see reconciliation below)*	**822**	84
Total profit from operations and associates	**11,067**	4,436
Net finance costs before remeasurements	**(244)**	(273)
Financing remeasurements	**105**	(134)
Profit before tax	**10,928**	4,029
Income tax expense	**(2,809)**	(1,117)
Profit for the financial year	**8,119**	2,912
Non-controlling interests	**(1,575)**	(487)
Profit for the financial year attributable to equity shareholders	**6,544**	2,425
Basic earnings per share ($)	**5.43**	2.02
Group operating profit including associates before special items and remeasurements[1]	**9,763**	4,957
Operating profit from associates before special items and remeasurements	**1,255**	580
Operating special items and remeasurements	**(29)**	(203)
Net profit on disposals	**19**	20
Net finance costs (before special items and remeasurements)	**(88)**	(28)
Financing special items	**(13)**	(7)
Financing remeasurements	**1**	6
Income tax expense (after special items and remeasurements)	**(315)**	(286)
Non-controlling interests (after special items and remeasurements)	**(8)**	2
Share of net income from associates	**822**	84

[1] Operating profit before special items and remeasurements from subsidiaries and joint ventures was $8,508 million (2009: $4,377 million) and attributable share from associates was $1,255 million (2009: $580 million). For special items and remeasurements see note 5 to the Condensed financial statements.

Special items and remeasurements

$ million	Subsidiaries and joint ventures	Associates	Total	Subsidiaries and joint ventures	Associates	Total
	Year ended 31 Dec 2010			Year ended 31 Dec 2009		
Operating special items	**(228)**	**(25)**	**(253)**	(2,275)	(299)	(2,574)
Operating remeasurements	**386**	**(4)**	**382**	638	96	734
Operating special items and remeasurements	**158**	**(29)**	**129**	(1,637)	(203)	(1,840)
Net profit on disposals	**1,579**	**19**	**1,598**	1,612	20	1,632

Total operating special items, including associates, amounted to a charge of $253 million in the year ended 31 December 2010. This included impairment and related charges of $122 million principally relating to accelerated depreciation of $97 million and assets written off within the Platinum segment of $20 million, partially offset by an impairment reversal at Dawson Seamgas (Metallurgical Coal segment) of $22 million. Accelerated depreciation of $73 million has been recorded at Loma de Níquel due to uncertainty over the renewal of three concessions that expire in 2012 and over the restoration of 13 concessions that have been cancelled.

Operating special items also include restructuring costs, principally retrenchment and consultancy costs, relating to amounts incurred in the Other Mining and Industrial segment of $71 million and the Platinum segment of $38 million.

Operating remeasurements, including associates, reflect a net gain of $382 million principally in respect of non-hedge derivatives of capital expenditure in Iron Ore Brazil. The net gain includes net unrealised gains of $148 million, net realised gains of $255 million and other remeasurement losses of $17 million.

Net profit on disposals of $1,598 million, including associates, was recognised, chiefly as a result of the Group's ongoing divestment programme. The Group completed the disposal of its 100% interest in Moly-Cop and AltaSteel (Other Mining and Industrial segment), generating a profit on disposal of $555 million, its undeveloped coal assets in Australia (Metallurgical Coal segment), generating a profit on disposal of $505 million, and its 100% interest in the Skorpion zinc mine (Other Mining and Industrial segment), generating a profit on disposal of $244 million.

The Group completed the disposal of Tarmac's Polish concrete products business in March 2010, its French and Belgian concrete products business in May 2010, and its aggregates business in France, Germany, Poland and the Czech Republic in September 2010, resulting in combined net cash inflows of $472 million. Tarmac is included in the Other Mining and Industrial segment.

In addition, net gains were recognised on transactions in Platinum and Thermal Coal. In April 2010 the Group sold its 37% interest in the Western Bushveld joint venture (Platinum segment) for consideration of $107 million. In November 2010 the Group realised a gain of $546 million as a result of the Bafokeng-Rasimone Platinum mine transaction (Platinum segment). In June 2010 the previously announced black economic empowerment (BEE) transaction to dispose of a 27% interest in Anglo American Inyosi Coal (Proprietary) Limited (Thermal Coal segment) was completed. The amount recognised on disposal principally relates to an IFRS 2 *Share-based payment* charge of $78 million.

Financing remeasurements, including associates, reflect a net gain of $106 million principally due to preference share investments, and an associated embedded interest rate derivative. In addition, financing remeasurements also include net gains on non-hedge derivatives of debt of $17 million.

Special items and remeasurements tax, including associates, amounted to a charge of $112 million. This relates to a tax remeasurement credit of $122 million and a tax charge on special items and remeasurements of $234 million.

Net finance costs

Net finance costs, excluding a net remeasurement gain of $105 million (2009: loss of $134 million), decreased to $244 million (2009: $273 million). This was primarily the result of a reduction in interest and other finance expense of $92 million driven by lower gross debt across the Group, partially offset by the full year effect of interest expense on bonds issued during 2009.

Tax

$ million (unless otherwise stated)	**Year ended 31 Dec 2010** Before special items and remeasurements	Associates' tax and non-controlling interests	Including associates	Year ended 31 Dec 2009 Before special items and remeasurements	Associates' tax and non-controlling interests	Including associates
Profit before tax	**9,109**	**322**	**9,431**	4,422	234	4,656
Tax	**(2,699)**	**(313)**	**(3,012)**	(1,305)	(235)	(1,540)
Profit for the financial year	**6,410**	**9**	**6,419**	3,117	(1)	3,116
Effective tax rate including associates (%)			**31.9%**			33.1%

IAS 1 (Revised) *Presentation of Financial Statements* requires income from associates to be presented net of tax on the face of the income statement. Associates' tax is therefore not included within the Group's income tax expense. Associates' tax included within 'Share of net income from associates' for the year ended 31 December 2010 was $315 million (2009: $286 million). Excluding special items and remeasurements this becomes $313 million (2009: $235 million).

The effective rate of tax before special items and remeasurements including attributable share of associates' tax for the year ended 31 December 2010 was 31.9%. This was broadly in line with the equivalent effective rate of 33.1% for the year ended 31 December 2009. In future periods it is expected that the effective tax rate, including associates' tax, will remain above the United Kingdom statutory tax rate.

Balance sheet

Equity attributable to equity shareholders of the Company was $34,239 million compared with $26,121 million at 31 December 2009. This increase is primarily the result of profit for the year of $6,544 million and the balance sheet impact of strengthening exchange rates relative to the US dollar (in particular the rand).

The increase in property plant and equipment of $4,612 million is primarily the result of additions and foreign exchange gains, partly offset by depreciation, assets transferred to disposal groups and assets disposed as part of the Group's divestment programme.

Investments in associates on the balance sheet increased by $1,588 million, mainly due to the Group's $450 million contribution towards De Beers' $1 billion rights issue in March 2010, improved earnings in both De Beers and Samancor, and the recognition of an associate following the Bafokeng-Rasimone Platinum mine transaction.

Assets classified as held for sale, net of associated liabilities, were $188 million at 31 December 2010 and represent Zinc assets.

Cash flow

Net cash inflows from operating activities were $7,727 million compared with $4,087 million in 2009. EBITDA was $11,983 million, an increase of 73% from $6,930 million in 2009.

Proceeds from the sale of subsidiaries and joint ventures were $2,795 million and primarily include proceeds from the sale of Other Mining and Industrial assets, the sale of undeveloped assets in Metallurgical Coal and proceeds from the Bafokeng-Rasimone Platinum mine transaction.

Purchases of tangible assets, net of associated derivatives, amounted to $4,994 million, an increase of $236 million. This spend was focused on the four key near term strategic growth projects (Los Bronces, Barro Alto, Minas-Rio and Kolomela).

Net cash used in financing activities was $2,400 million, compared to $1,680 million in 2009. During the year, the Group used cash to repay $2,338 million of short term borrowings, partially offset by the issuance of senior notes during the year.

Liquidity and funding

Net debt, including related hedges, was $7,384 million, a decrease of $3,896 million from 31 December 2009. Cash and cash equivalents, excluding the impact of exchange, increased by $2,857 million, reflecting operating cash flows and disposal proceeds, offset by investments in associates, purchase of property, plant and equipment and a net repayment of borrowings.

Net debt at 31 December 2010 comprised $13,439 million of debt and the closing liability position on related derivatives of $405 million, partly offset by $6,460 million of cash and cash equivalents (including amounts in disposal groups). The debt ageing profile has remained consistent with the prior year, with 89% of the total debt being due after more than one year (2009: 90%). Net debt to total capital[1] at 31 December 2010 was 16.3%, compared with 28.7% at 31 December 2009.

In July 2010, the Group replaced a $2.5 billion facility maturing in March 2012 with a $3.5 billion facility maturing in July 2015.

In September 2010 the Group raised $1.25 billion through the issuance of senior notes (US bonds). The senior note offering comprised $750 million 2.15% senior notes due 2013 and $500 million 4.45% senior notes due 2020.

At 31 December 2010 Anglo American had undrawn committed borrowing facilities of $11.1 billion. In January 2011 the Group repaid $1.1 billion drawn on its $2.25 billion revolving credit facility maturing in June 2011. The Group subsequently cancelled this facility.

The Group's forecasts and projections, taking account of 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.

Group corporate cost allocation

Corporate costs which are considered to be value adding to the business units are allocated to each business unit and costs reported externally as Group corporate costs only comprise costs associated with parental or direct shareholder related activities.

Corporate costs (after costs allocations) of $181 million (2009: $146 million) were incurred in 2010, an increase of $35 million. The increase was mainly due to insurance cost increases resulting from increases in new claims, the impact of the stronger rand and inflation.

Dividends

Anglo American's dividend policy will provide a base dividend that will be maintained or increased through the cycle. A final dividend of 40 US cents per share has been declared, thereby establishing Anglo American's new base annual dividend per share at 65 US cents, subject to shareholder approval at the Annual General Meeting to be held on 21 April 2011. Taking into account the Group's substantial investment programme for future growth, future earnings potential and the continuing need for a robust balance sheet, any surplus cash will be returned to shareholders.

Analysis of dividends **US cents per share**	**2010**	2009
Interim dividend	**25**	–
Recommended final dividend	**40**	–
Total dividends	**65**	–

[1] Net debt to total capital is calculated as net debt (including related hedges) divided by total capital. Total capital is net assets excluding net debt.

Operations review 2010

In the operations review on the following pages, operating profit includes attributable share of associates' operating profit and is before special items and remeasurements unless otherwise stated. Capital expenditure relates to cash expenditure on property, plant and equipment including cash flows on related derivatives.

COPPER

$ million (unless otherwise stated)	**Year ended 31 Dec 2010**	Year ended 31 Dec 2009
Operating profit	**2,817**	2,010
EBITDA	**3,086**	2,254
Net operating assets	**6,291**	4,763
Capital expenditure	**1,530**	1,123
Share of Group operating profit	**29%**	41%
Share of Group net operating assets	**14%**	12%

Copper generated an operating profit of $2,817 million, an increase of 40%, mainly due to record copper prices, coupled with higher molybdenum revenues related to both higher prices and sales. This was partly offset by higher unit costs driven by increased power costs and a strengthening in the peso, lower sales volumes reflecting lower production and shipping constraints, following the failure of a ship loader at Patache port in December, and an increase in project evaluation expenditure in both Chile and Peru.

Markets

Average prices	**2010**	2009
Average prices (LME cash, c/lb)	**342**	234
Average realised prices (c/lb)	**355**	269

Copper prices increased significantly during 2010, particularly during the second half of the year, as demand picked up in the OECD countries and remained relatively robust in China, while supply continued to be constrained, visible inventories fell and the US dollar weakened. The emergence of physically backed copper Exchange Traded Funds (ETFs) further fuelled the bullish consensus views.

The LME copper cash price ended 2010 at a (nominal) record of 442 c/lb, a 33% increase over the prior year closing price. The 2010 average price of 342 c/lb represented a 46% increase compared with the previous year. The average realised price for the year was 355 c/lb, 32% higher than for 2009. The lower percentage increase in the realised price versus the average price reflects the lower level of provisional price adjustments in 2010 compared with 2009.

Operating performance

	2010	2009
Attributable copper production (tonnes)	**623,300**	669,800

Total copper production of 623,300 tonnes was 7% lower than the prior year which, with the exception of Collahuasi, was in line with expectations.

Los Bronces production of 221,400 tonnes was 7% lower than the record production level achieved in 2009, principally due to, as forecast, lower throughput as a result of harder ore and lower grades. The earthquake in February 2010 also had a small negative impact on production levels due to power outages and the need to realign a SAG mill. Recoveries were marginally higher than prior year.

Collahuasi attributable production at 221,800 tonnes was 6% lower than the record level achieved in 2009. In addition to lower grades, production was also impacted by an illegal contractor strike in May, which had a negative impact of 5,000 tonnes, a 33-day strike in November during wage negotiations with employees reducing production by a further 5,000 tonnes and a number of smaller negative impacts on production relating to unscheduled outages in the concentrator plant. These were partly offset by targeted improvements and debottlenecking, which significantly improved throughput at the concentrator plant. In

December 2010 a catastrophic failure occurred in the shiploader at Collahuasi's Patache port. Collahuasi is currently implementing a contingency plan to ship copper out of alternative ports in Arica, Iquique and Antofogasta during the first quarter of 2011 whilst repairs are being carried out. The incident reduced Anglo American's share of December sales by approximately 8,800 tonnes of copper but did not impact production.

Mantos Blancos production of 78,600 tonnes was 13% lower, principally due to there being no purchases of third party solutions (from which the prior year had benefited), expected lower grades and the impact of a conveyor failure in the first quarter. At El Soldado, production of 40,400 tonnes was 2% lower. The impact of mining lower grade ore and recovering low grade stockpiles was mostly offset by additional copper recovered from processing slag from the Chagres smelter. Production at both Mantoverde and the Chagres smelter were in line with 2009.

Higher power, labour, contractor, spares and fuel costs, coupled with a stronger peso and lower production levels, adversely impacted unit operating costs, although their impact was partly offset by higher by-product revenues, lower sulphuric acid prices and lower TC/RCs, in addition to benefits generated by asset optimisation and procurement initiatives.

Projects

The Los Bronces expansion project is on schedule for first production in the fourth quarter of 2011. Production at Los Bronces is scheduled to increase to 490 ktpa over the first three years of full production following project completion and to average 400 ktpa over the first 10 years. At peak production levels, Los Bronces is expected to be the fifth largest producing copper mine in the world, with highly attractive cash operating costs, and reserves and resources that support a mine life of over 30 years, with further expansion potential. Also within the Los Bronces district, work continues on the exploration tunnel being constructed. The tunnel will provide underground drilling access to explore and define the resources at the Los Sulfatos discovery.

At Collahuasi, the expansion project to increase sulphide processing capacity to 150,000 tonnes of ore per day is scheduled to be commissioned in the second half of 2011. In July 2010, Collahuasi announced the increase of its copper reserves and resources by 40%, or by more than 2 billion tonnes, to 7.1 billion tonnes at 0.82% copper. A concept study to evaluate the next phases of expansion at Collahuasi, to ultimately increase production to at least 1 Mt of copper per annum, is expected to be completed in the first quarter of 2011.

Studies continue at both Mantos Blancos and Mantoverde to evaluate further extensions to the lives of the operations. During 2010, the life of Mantos Blancos was extended by five years to 2020, and Mantoverde by two years to 2016.

In Peru, the feasibility study for the Quellaveco project is complete. It is the intention to submit the project for Board approval during 2011 once the necessary water permits have been awarded. Some early works activity is under way in order to maintain the project completion date of late 2014. Also in Peru, early-stage work continues at the Michiquillay project. The drilling relating to the geological exploration programme will restart once certain social agreement issues under discussion with the local communities have been resolved. It is currently envisaged that the project will move to the pre-feasibility stage once drilling analysis and ore body modelling have been satisfactorily completed.

Activity at the Pebble project in Alaska continued during 2010, with the focus on engineering work to advance towards a pre-feasibility study, further environmental study work towards completion of an environmental baseline document, and additional geological exploration drilling. The project's pre-feasibility study is expected to be completed in 2012.

Outlook

Copper production is expected to increase during 2011, with the start-up of production from the expansion project at Los Bronces in September 2011, together with improvements in plant throughput, and at El Soldado due to a significant grade improvement as the development phase of the open pit mine nears completion. A further step change in production will be seen in 2012, when the Los Bronces expansion project reaches full capacity, delivering the targeted economies of scale, driving unit costs down the industry cost curve and offsetting upward cost pressures expected to continue in 2011.

The short to medium term outlook for the copper price is robust, underpinned by healthy demand growth, in particular from China and other industrialising countries, and insufficient copper supply from existing mines and planned projects. Such conditions are expected to lead to a period of metal market deficits and dwindling inventories, exacerbated by the emergence of physically backed ETFs. Copper is also expected to benefit from continued investor interest in commodities as a new asset class. While some further price-induced substitution is expected to occur, this is not expected to be significant enough to undermine the other positives, certainly over the medium term.

NICKEL

$ million (unless otherwise stated)	Year ended 31 Dec 2010	Year ended 31 Dec 2009
Operating profit	**96**	2
EBITDA	**122**	28
Net operating assets	**2,334**	1,787
Capital expenditure	**525**	554
Share of Group operating profit	**1%**	0.04%
Share of Group net operating assets	**5%**	5%

Nickel generated an operating profit of $96 million, following a year of much improved nickel prices. Nickel's operating profit was net of $11 million of costs relating to development of the unapproved project pipeline, a $10 million increase compared with 2009.

Markets

Average price (c/lb)	2010	2009
Average market price (LME, cash)	**989**	667
Average realised price	**986**	668

The average nickel price was 48% higher than in 2009, underpinned by strong stainless steel demand. Global nickel consumption increased by 12% to 1.48 Mt in 2010, while supply remained constrained owing to strike action and delays to new projects experienced by a number of producers.

From a low of $7.73/lb during February, prices rose sharply to a high for the year of $12.52/lb in April as a result of improved underlying fundamentals and stainless steel restocking. Prices retreated to $8.14/lb in June, amid concerns over the impact of the European debt crises, but rebounded during the fourth quarter, ending the year at $11.32/lb.

LME stocks decreased by 18% from a high of 166,000 tonnes at the beginning of February to 136,000 tonnes at the end of December, indicative of underlying physical demand for nickel.

Operating performance

	2010	2009
Attributable nickel production (tonnes)	**20,200**	19,900

Nickel production increased by 2% to 20,200 tonnes in 2010 primarily owing to improved production levels at Loma de Níquel. Overall unit costs were 7% above 2009.

Loma de Níquel produced 11,700 tonnes of nickel, an increase of 13% compared with 2009, when production was impacted by the non-renewal of the environmental permit to dispose of smelter slag during January and by a metal run-out in May from the operation's No. 2 electric furnace, which halted production for the rest of that year. Despite resuming operations at the rebuilt furnace in March 2010, production was severely impacted until August by electricity rationing imposed by the Venezuelan government, resulting in approximately 2,400 tonnes of lost output.

Loma's unit operating costs at $5.83/lb were 12% lower than in 2009. The principal factors in the reduction were the higher volume of output and the 50% devaluation of the Venezuelan Bolivar, partly offset by high local inflation.

Due to uncertainty over the renewal of three mining concessions, which have not been cancelled but which will expire in 2012, and over the renewal of thirteen concessions that were cancelled in 2008, an accelerated depreciation charge of $73 million has been recorded against Loma de Níquel mining properties. This has been recognised as an operating special item. Refer to note 5 in the Condensed financial statements.

Year on year production at Codemin decreased by 11% or 1,000 tonnes, primarily due to the planned relining of a furnace in the last quarter of the year. Production was also negatively affected by lower grade.

Unit operating costs were higher than 2009 principally due to a stronger Brazilian real and the impact of planned maintenance.

Projects

The Barro Alto project ended the year at 99% complete, remaining on schedule to deliver first production in the first quarter of 2011. This project makes use of a proven technology and will produce an average of 36 ktpa of nickel in ferronickel at full production, averaging 41 ktpa over the first five years, with a competitive cost position.

The Nickel business' unapproved project pipeline has the potential to increase production by an additional 66 ktpa, with further upside potential, leveraging the Group's considerable nickel laterite technical expertise. Jacaré, with mineral resources of 3.7 Mt contained nickel, was the largest nickel discovery in the last decade and has the potential to significantly strengthen Anglo American's position in the worldwide nickel market.

Outlook

Nickel production is forecast to more than double in 2011 as the Barro Alto project ramps up. Codemin production is expected to normalise, with no significant maintenance planned, and production at Loma de Níquel should benefit from a more stable power supply and a full year with both furnaces.

The long term outlook for nickel is positive, underpinned by stainless steel demand driven by growth and urbanisation rates in emerging economies. In the short to mid-term, nickel prices will be heavily influenced by the successful delivery of new projects, some of which use an unproven processing technology, as well as the introduction to the market of physically backed ETFs.

PLATINUM

$ million (unless otherwise stated)	Year ended 31 Dec 2010	Year ended 31 Dec 2009
Operating profit	**837**	32
EBITDA	**1,624**	677
Net operating assets	**13,478**	12,141
Capital expenditure	**1,011**	1,150
Share of Group operating profit	**9%**	1%
Share of Group net operating assets	**31%**	31%

Platinum recorded an operating profit of $837 million, a significant increase, due to higher metal prices and successful cost control programmes, partly offset by a stronger rand and lower sales volumes. Lower sales volumes were the result of a shipment delay caused by the weather in Europe in late December 2010. Refined metal also became available after the last shipping date of the year, whereas 2009 sales volumes benefited from higher than usual stock levels at the beginning of the year.

Markets

The average dollar price achieved for platinum was $1,611 per ounce for the year, a 34% increase compared with $1,199 in 2009. The average prices achieved for palladium and rhodium sales for the year were $507 per ounce (2009: $257) and $2,424 per ounce (2009: $1,509) respectively. The average price achieved on nickel sales was $9.70 per pound (2009: $6.54). The overall basket price achieved for the year of $2,491 per platinum ounce sold compared with $1,715 achieved in 2009.

The PGM markets had a strong year in 2010, with significant recovery in demand from the autocatalyst and industrial markets, healthy demand from the jewellery sector and increasing investor interest in the platinum and palladium markets, primarily via ETFs. Supply increases from the industry were largely delivered and, as a result, the platinum and palladium markets remained essentially in balance. The rhodium market saw a reduced surplus due to improved autocatalyst demand.

Platinum continued its commitment to the development of the PGM markets, working with industry partners and stakeholders in the maintenance of existing, and the development of new, industrial applications for the metals, while also maintaining the health of the jewellery markets.

Autocatalysts
Demand for platinum in autocatalysts had another year of solid recovery in 2010, as global production and sales of vehicles increased from lows of 59 million and 66 million vehicles in 2009 to reach 73 million and 71 million respectively. In particular, vehicle sales in the BRIC countries saw strong growth year on year, with Chinese production of light duty vehicles surpassing that of the traditionally largest market, the US, at close to 16 million. In Europe, the diesel proportion of sales rebounded to 50% in 2010 after declining to 47% in 2009, driven mainly by increased fleet sales. US vehicle inventories have returned to historical averages in 2010 and reached 67 days in December 2010, compared with an average of 62 days in 2009 and a high of 118 days in February 2008.

Industrial
Demand from the industrial sector continued to recover from 2009 lows, with capacity utilisation rates in the chemical and petroleum sectors having improved and all major indices seeing significant recovery. New capacity build in the glass sector contributed strongly to this recovery.

Jewellery
Despite the increase in the platinum price over the year, the jewellery market remained resilient and achieved approximately 1.5 million ounces of new metal demand in 2010. This represents a 40% decline compared with the record demand seen in 2009, when inventory rebuilding took place.

Investment
2010 started with strong investor inflows into the platinum and palladium ETFs, particularly into the new ETFs launched in the US. By the end of the year, the aggregate holdings in the platinum ETFs were a record 1.23 million ounces, with a record 2.21 million ounces being held across the palladium ETFs. The investment sector is now firmly established as a key source of demand for PGMs, making up 10% and 15% of platinum and palladium 2010 demand respectively.

Operating performance

Platinum performed strongly in 2010, achieving its goals of further improving its safety record, producing more than 2.5 million ounces of refined platinum, controlling cash operating costs growth below inflation, increasing employee productivity to more than 7m^2 per month per operating employee, strengthening its balance sheet via a successful R12.5 billion ($1.6 billion) rights issue and spending capital of $1 billion. The focus on and delivery of targets across all of these areas resulted in the resumption of dividend payments and contributed to Platinum's ultimate operating strategy of delivering 'Safe, Profitable Platinum'.

Safety
Platinum's Lost Time Injury Frequency Rate of 1.17 for 2010 improved by 14.6% and was a record for the business. Consistent improvement is being seen in many parts of the business – many of Platinum's mines operated for over 3.5 million shifts without a fatality and the number of injury free operations continues to increase. Sadly, eight employees lost their lives at Anglo Platinum's managed operations during the year.

Production
Refined platinum production increased by 5% to 2.57 million ounces, exceeding the company's target of 2.5 million ounces. Equivalent refined platinum production (equivalent ounces are mined ounces expressed as refined ounces) from the mines managed by Platinum and its joint venture partners was 2.48 million ounces, an increase of 0.8% compared with 2009. Sales of refined platinum for the year were 2.52 million ounces, compared with 2.57 million ounces in 2009.

Costs
Costs continued to be managed tightly, with cash operating costs per equivalent refined platinum ounce of R11,730 ($1,603), an increase of 4.4%, or flat in real terms. Cost increases were curbed primarily through a 12% increase in productivity to 7.06m^2 per month per operating employee, exceeding the target of 7m^2. This was offset by a decline in grades of 3% to a 4E built-up head grade of 3.23 g/t, an average rise in wages of 8.7% and an increase in electricity tariffs of 26.4%.

Overall headcount was reduced to 54,022 at the end of the year, from 58,320 at the end of 2009.

Projects

Capital expenditure amounted to $1,011 million, a 12% decrease, with $511 million spent on projects and $500 million on stay-in-business capital.

The concentrator at the Unki project in Zimbabwe was formally commissioned during the fourth quarter of 2010. First production of refined metal from the mine is expected during the first quarter of 2011. At full capacity, Unki will supply 70 koz of refined platinum, a run rate expected to be reached in 2013.

The Mogalakwena North Project reached steady state during the third quarter of 2010 (annual steady state 2011) and through optimisation projects will continuously produce 600 ktpm of ore.

Dishaba East Upper project implementation commenced in 2007 and is on schedule to reach steady-state platinum production of 100,000 platinum ounces per annum by 2012.

Outlook

2011 is expected to be a strong year for Platinum, building on the momentum established in improving the safety of all employees, increasing production to 2.6 million ounces of refined and equivalent refined platinum to meet expected solid demand. Costs will continue to be closely managed in order to keep them around 2010 levels, delivering further productivity improvements and investing $1.16 billion of capital to ensure the company's future production growth profile.

The platinum market is expected to remain in balance in 2011 due to continued strength from autocatalyst and industrial demand, resilient jewellery markets and continued investor interest. An increase in supply levels is also expected. In such an environment, the platinum price is expected to average at least $1,800 per ounce. Palladium's price strength is expected to continue as that market moves further into deficit due to the strength of autocatalyst and investor demand and reduction in supplies to the market.

Light vehicle sales in 2011 are expected to increase to 75 million, underpinning further demand for PGMs for autocatalysts, particularly in China and India.

At expected higher platinum prices, demand for jewellery is expected to plateau in 2011, but new sources of demand, such as the Indian market, are being pursued and should start to add to demand in the medium term. Industrial demand for PGMs should increase further in the year due to strong consumer demand for end products.

IRON ORE AND MANGANESE

$ million (unless otherwise stated)	Year ended 31 Dec 2010	Year ended 31 Dec 2009
Operating profit	**3,681**	1,489
Kumba Iron Ore	**3,396**	1,487
Iron Ore Brazil	**(97)**	(141)
Samancor	**382**	143
EBITDA	**3,856**	1,593
Net operating assets	**11,701**	10,370
Capital expenditure	**1,195**	1,140
Share of Group operating profit	**38%**	30%
Share of Group net operating assets	**27%**	27%

Iron Ore and Manganese generated an operating profit of $3,681 million, 147% higher than 2009. This was as a result of higher iron ore export prices and sales volumes, as well as higher manganese ore and alloy volumes and prices.

Markets

World crude steel production continued to increase during 2010 and returned to above pre-2008 levels at 1.4 billion tonnes. China's continued robust economic growth contributed to growth in crude steel production, despite power restrictions and destocking through the supply chain. Crude steel production in China increased by 9% to 626 Mt and continued to exceed demand. The European, Japanese and South Korean markets saw a 24% increase in crude steel output, bringing total production to 341 Mt, only slightly below levels achieved in 2008. Despite the continued strength in iron ore demand in China, a surge in Chinese domestic iron ore supply during 2010 resulted in a decrease of 2% to 603 Mt in seaborne imports. Global seaborne iron ore demand increased by 5% to 979 Mt, driven by a 19% increase in demand from the steel industry in the rest of the world.

Index prices rose strongly during the year, with the 62% Fe Platts index averaging approximately $147/t (CFR), up from $80/t in 2009.

The manganese ore and alloy market reflected the increase in world crude steel production and demand, resulting in significantly increased prices for alloy and ore during the year. Production increased to meet demand, with furnaces reaching full capacity for the first time since 2008.

Operating performance

Kumba Iron Ore

Kumba generated an operating profit of $3.4 billion, more than double the $1.5 billion for 2009, largely attributable to a 92% weighted average increase of realised iron ore export prices and a 6% increase in export sales volumes. This was partly offset by the 15% strengthening of the rand against the US dollar and the implementation of the South African mining royalty, effective from 1 March 2010.

Total sales volumes increased by 8% to 43.1 Mt. Export sales volumes from Sishen Mine for the year increased by 1.9 Mt or 6% to 36.1 Mt. Export sales volumes to China of 19.8 Mt represented 61% of total export volumes for the year, compared with 75% during 2009. Export sales volumes to Europe, Japan and South Korea increased by 54% to 13.9 Mt. Total domestic sales volumes for the year increased by 21% to 7.0 Mt due to higher demand from ArcelorMittal South Africa.

Volumes railed on the Sishen-Saldanha export channel increased by 5% to 36.5 Mt. This performance was adversely impacted by industrial action at Transnet and significant derailments during the second and third quarters of 2010, before returning to a more solid performance in the fourth quarter.

Total tonnes mined at Sishen Mine increased by 19% to 153.2 Mt, of which waste material mined comprised 67% or 102.0 Mt, an increase of 24%. Total production at Sishen Mine increased by 5% to 41.3 Mt. The jig plant achieved 13.3 Mt of production for the year, 0.3 Mt above the name plate capacity of the plant through improved quality of plant feed material and more efficient shutdown intervals. Production from the Dense

Media Separation (DMS) plant decreased by 3% to 28.1 Mt due to the failure of single-line equipment and the availability of feedstock from the pit.

Sishen Mine's unit cash cost of R113.69 ($15.83) per tonne increased by 15% compared with R98.83 ($11.78) per tonne in 2009. This expected increase was driven by a 24% increase in waste mining volume and above inflation increases in the key input costs of labour, diesel and electricity.

Iron Ore Brazil
Iron Ore Brazil generated an operating loss of $97 million, reflecting the pre-operational stage of the Minas-Rio project, partially offset by operating profit at Amapá following a substantial production improvement, a focus on cost containment and the price environment, partially offset by an adverse change in product mix and plant availability issues experienced in the early part of the year. Amapá produced 4.0 million tonnes of iron ore, a 52% increase. The production and cost profile at Amapá remains in line with the study conducted at the end of 2009 and production is forecast to increase further in 2011 and 2012.

Samancor
Samancor generated an operating profit of $382 million, a 167% increase, due to higher sales volumes and prices following the improvement in global steel demand.

Projects

The development of the 9 Mtpa Kolomela Mine is well advanced and overall project progress reached 81% as at 31 December 2010. The project remains on budget and on schedule to deliver initial production at the end of the first half of 2012, ramping up to full capacity in 2013. To date, 22.6 Mt of waste material has been moved, 18.6 Mt of it during 2010. $679[(1)] million of capital expenditure has been incurred to date, with $307[(1)] million incurred during 2010.

Significant progress has been made at the Minas-Rio project in Brazil, expected to produce 26.5 Mtpa in its first phase. The award of the second part of the mine, beneficiation plant and tailings dam installation licence (LI part 2) in December 2010, being the final primary installation licence, supports the start of the civil works for the beneficiation plant and tailings dam construction in March 2011, after the rainy season. This licence followed the award of the mining permit in August 2010. As previously stated, it should take between 27 and 30 months from commencement of these works to construct and commission the mine and plant, complete the project and deliver the first ore on ship; however, there are still a number of other licences and permits to be obtained during this period.

Anglo American also reached agreement on a fixed 25-year iron ore port tariff with its port partner, LLX SA, in relation to the LLX Minas-Rio (LLX MR) iron ore port facility at Açu. The iron ore volumes associated with the first phase of the project will be subject to a net port tariff of approximately $5.15 per tonne (in 2013 terms) after taking into account Anglo American's shareholding in LLX MR ($7.10 per tonne gross). As part of the agreement to secure the long term tariff arrangements, Anglo American has agreed to fund a greater share of the development cost of the first phase of the port. This agreement is expected to result in additional capital expenditure attributable to Anglo American of approximately $525 million in relation to the port.

Project development at the plant has been focused on progressing earthworks in preparation for the commencement of civil works. The pipeline element of the project is well progressed, with pipe laying, welding and burying beginning in June, and ended the year ahead of schedule, including the completion of two underground river crossings (one of which is the longest of its type in Brazil). The civil works for the filtration plant are under way and, at the port, offshore works have continued with the commencement of the construction of the iron ore pier and breakwater, following completion of the 2.9 km main trestle.

Studies for the expansion of the Minas-Rio project have continued during 2010 and the latest resource statement provides a total resource volume (measured, indicated and inferred) of 5.3 billion tonnes, supporting the expansion of the project. In addition, the port agreement noted above also covers a long term tariff arrangement for all of Anglo American's iron ore volumes beyond the first phase of the Minas-Rio project. The level of the expansion tariff will be dependent upon the capital cost to expand the port to accommodate those additional volumes and that capital cost will be determined in due course.

[(1)] Excludes capitalised costs for pre-strip waste removal.

Outlook

Analyst forecasts indicate that global crude steel production is expected to grow by 5-10% in 2011. The rate of growth in crude steel production in China is anticipated to decrease as the Chinese government seeks further improvements in overall energy efficiency for the next five-year plan. However, with anticipated shortfalls in seaborne iron ore supply, in particular from India, the overall global seaborne iron ore market is expected to remain structurally tight.

Kumba's export sales volumes are anticipated to be in line with volumes achieved during 2010. Domestic sales volumes remain dependent on the off-take requirements from ArcelorMittal. Waste mining at all the operational sites is anticipated to increase, which will put upward pressure on unit cash costs of production. Annual production volumes during 2011 are expected to remain at levels achieved during 2010 as the jig plant has reached its name plate capacity.

Kumba's operating profit remains highly sensitive to the rand/US dollar exchange rate.

The market for manganese ore and alloys is dependent upon the carbon steel industry. Increased demand and prices will be underpinned by strengthening steel production trends and the level of Chinese exports.

Kumba Iron Ore update

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

As a result, a dispute arose between SIOC and ArcelorMittal, which SIOC has referred to arbitration. Following mediation by the Department of Trade and Industry, SIOC and ArcelorMittal reached an interim pricing arrangement in respect of the supply of iron ore to ArcelorMittal from the Sishen Mine. This arrangement will endure until 31 July 2011. Both parties have exchanged their respective pleadings, and the arbitration panel has been appointed.

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

SIOC initiated an application on 14 December 2010 to interdict ICT from applying for a mining right in respect of the Sishen Mine and the DMR from accepting an application from ICT, nor granting such 21.4% mining right to ICT pending the final determination of the review application. This application is currently pending.

The DMR informed SIOC on 12 January 2011 that ICT had applied for a 21.4% mining right over Sishen Mine on 9 December 2010 and that the DMR had accepted this application on 23 December 2010. The DMR's acceptance of the application means that the mining right application will now be evaluated according to the detailed process stipulated in the Mineral Resources & Petroleum Development Act 2004 before a decision is made as to whether or not to grant the mining right.

SIOC does not believe that it was lawful for the DMR to have accepted ICT's application, pending the High Court Review initiated in May 2010, and has formally objected to, and appealed against, the DMR's acceptance of ICT's mining right application. SIOC has also requested that its interdict application be determined on an expedited basis, in order to prevent the DMR from considering ICT's mining right application until the finalisation of the review proceedings. In addition, SIOC is in the process of preparing a challenge against the DMR's decision of 25 January 2011 to reject SIOC's May 2009 application to be granted the residual 21.4% mining right. Finally, on 26 January 2011, SIOC lodged a new application for the residual 21.4% mining right.

On 4 February 2011 SIOC made an application to join ArcelorMittal as a respondent in the review proceedings.

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

METALLURGICAL COAL

$ million (unless otherwise stated)	**Year ended 31 Dec 2010**	Year ended 31 Dec 2009
Operating profit	**783**	451
EBITDA	**1,116**	706
Net operating assets	**3,918**	3,407
Capital expenditure	**217**	96
Share of Group operating profit	**8%**	9%
Share of Group net operating assets	**9%**	9%

Metallurgical Coal generated an operating profit of $783 million, a 74% increase, primarily due to higher average benchmark coking coal prices and record production of high-margin export products. The business delivered record export sales growth of 30% for metallurgical coal, with production increases of 16% compared with the prior year, 12% higher than the previous record in 2008. This offset the impact of the strong Australian dollar, which had the effect of increasing unit costs by 17% in US dollar terms. Adverse weather and flooding had a significant impact on production, initially with Cyclone Ului in the first quarter and subsequently record spring and summer rainfall from the third quarter onwards in the regions where the business operates.

Markets

Anglo American weighted average achieved FOB prices ($/tonne)	**2010**	2009
Export metallurgical coal	**176**	141
Export thermal coal	**87**	74
Domestic thermal coal	**30**	27

Attributable sales volumes ('000 tonnes)	**2010**	2009
Export metallurgical coal	**14,948**	11,542
Export thermal coal	**6,384**	6,239
Domestic thermal coal	**8,342**	8,604

2010 saw a significant increase in demand for metallurgical coal from the global steel industry with a return to levels last seen in 2008 in the traditional Asian markets and sustained growth in China and India. Demand increased in the first quarter as steelmakers started to restock, which resulted in a temporary oversupply of steel mid-year as steel producers drew down stock again. In the third quarter, this trend reversed and the industry has subsequently seen a strengthening in coal demand and prices. European demand continues to recover, albeit at a slower pace than in Asia. Unseasonal record rainfall in Australia has limited supply from Queensland mines since September, a trend which has continued throughout the fourth quarter and will continue to impede production into early 2011. Industry stock levels reached record low levels and this is expected to result in a further increase in metallurgical coal prices in 2011.

The market for metallurgical coal has traditionally priced coal through annual price negotiations, providing for fixed pricing for a 12 month period. Since the second quarter of 2010, a move to quarterly pricing has occurred. In parallel with this shift, multiple coking coal indices have been developed with the aim of creating a liquid spot market with transparent pricing, though no reliable index has yet been determined. Metallurgical Coal is well placed to continue to supply its customers under the new pricing mechanisms as they evolve.

Operating performance

Attributable production ('000 tonnes)	**2010**	2009
Export metallurgical coal	**14,702**	12,623
Thermal coal	**14,461**	14,052

Metallurgical Coal delivered record production and sales of metallurgical coal. The business increased the sales of its high quality metallurgical coal by 30% to 14.9 million tonnes, driven by a strong supply response from the Capcoal and Moranbah North complexes. The production increases were achieved despite the negative impact of Cyclone Ului in the first quarter and record rainfall in the second half of the year in Queensland. The rainfall experienced in 2010 was more than double the historic average for the areas in which the business operates. Successful stock management, dewatering capacity, relocation of assets and the quick mobilisation of additional production capacity were key to ensuring that the open cut production recovered as quickly as possible. Combined with improved coal logistics chain management, this enabled the business to deliver record sales volumes in response to stronger demand.

Productivity improvements at the underground operations were a major focus during the year, particularly in response to the rain disruption at the open cut operations. Unit costs were negatively affected by the adverse weather conditions, mitigated by the benefits from the increased production volumes, with export cost per tonne in local currency 1% lower than the previous year. A comprehensive rain loss mitigation initiative aimed at reducing the impact of rain at the open cut operations has been initiated.

Port and track expansions for the Dalrymple Bay Coal chain were completed in 2010 to address immediate seaborne market growth. The business has flexible arrangements in place to assist in logistics planning and weather mitigation. To meet the continuing industry growth, rail and port throughput will be addressed through the 25 Mtpa Abbot Point expansion and the 30 Mtpa Wiggins Island project, scheduled for 2012 and 2014 respectively, and a number of conceptual projects currently under way.

Projects

Metallurgical Coal took further steps to focus its business on high-margin export products by progressing the Grosvenor and Drayton South feasibility studies and by divesting non-core assets including the sale of five undeveloped exploration assets and the Dawson Seamgas assets. The proposed divestment of the Callide mine was announced. The Callide mine primarily supplies domestic power stations in Queensland and produced 8.5 million tonnes of thermal coal in 2010 and has expansion potential from its resource base of more than one billion tonnes.

At the Greenfield projects of Grosvenor, Moranbah South, Dartbrook and Drayton South, studies continue in order to meet expectations of growing demand for both metallurgical and export thermal coal. Approval of the 4.3 Mtpa Grosvenor metallurgical coal project is targeted for the second quarter of 2012.

Outlook

A continued focus on longwall productivity and other asset optimisation programmes to improve operational effectiveness are expected to further increase sales of high margin export products in 2011.

The positive industry trends seen in 2010 are expected to continue as the European market recovers and new steel plants come on stream in India and Asia. The demand outlook for both metallurgical and export thermal coal is stimulating expansion of supply from new and existing mines to meet demand over the medium term. Prices are forecast to remain strong as Australia, which provides two-thirds of the world seaborne metallurgical coal market, has experienced severe weather-related supply constraints in the first quarter of 2011, while Europe and China experience another cold winter.

THERMAL COAL

$ million (unless otherwise stated)	**Year ended 31 Dec 2010**	Year ended 31 Dec 2009
Operating profit	**710**	721
South Africa	**426**	442
Colombia	**309**	305
Projects and corporate	**(25)**	(26)
EBITDA	**872**	875
Net operating assets	**2,111**	1,707
Capital expenditure	**274**	400
Share of Group operating profit	**7%**	15%
Share of Group net operating assets	**5%**	4%

Thermal Coal delivered an operating profit of $710 million, a 2% decrease compared with 2009, predominantly as a result of the stronger rand partly offset by a strong recovery in thermal coal prices. Export sales volumes, including capitalised export sales volumes from Zibulo, increased by 3% compared with 2009.

Markets

Anglo American weighted average achieved FOB prices ($/tonne)	**2010**	2009
RSA export thermal coal	**82.49**	64.46
RSA domestic thermal coal	**19.64**	18.48
Colombian export thermal coal	**72.69**	73.47

Attributable sales volumes (‘000 tonnes)	**2010**	2009
RSA export thermal coal	**16,347**	15,857
RSA domestic thermal coal	**5,178**	6,251
Colombian export thermal coal	**10,461**	10,103

2010 was a robust year for the global seaborne thermal coal market. Despite a challenging environment for thermal coal imports into Europe, surging energy demand growth in Asia, provided predominantly by coal fired power generation, helped drive global demand and support prices.

Thermal coal markets in Europe and the US saw softer demand as weakened power markets and cheaper gas reduced coal consumption. At the beginning of the year, Colombian producers were compelled to price competitively to move thermal coal into their traditional US and European markets. This resulted in delivered thermal coal prices in the European market regularly trading at a discount to the South Africa FOB export price, which excludes the cost of freight. As demand in the Asia Pacific market progressively improved, South African thermal coal sales into this market increased and Colombian producers began exporting significant volumes to this region for the first time.

China and India imported significantly more thermal coal during 2010, compared with 2009, increasing by some 40% and 15% respectively, which boosted demand for South African coal. The Richards Bay Coal Terminal in South Africa exported 63 million tonnes during 2010, a 2 million tonne increase over 2009, with some 65% exported to Asian markets and around 30% going to the European and Mediterranean region.

Operating performance

Attributable production (‘000 tonnes)	**2010**	2009
RSA thermal coal	**21,612**	22,186
RSA Eskom coal	**36,403**	36,225
Colombian export thermal coal	**10,060**	10,190

South Africa
Operating profit from South African sourced coal was 4% lower than 2009 at $426 million. This was mainly due to the stronger South African rand which was partly offset by a 28% increase in average export thermal coal prices. Export sales volumes, including capitalised export sales volumes from Zibulo, increased by 3% compared with 2009. As in previous years, Thermal Coal utilised the full rail capacity entitlement that was made available, and rail remains the key constraint.

Annual production stayed steady at 58.5 Mt, driven mainly by higher output at Mafube, which has ramped up to full production, with the Zibulo operation also ramping up to its commercial production levels. New Denmark improved production with the new longwall equipment being commissioned during the first quarter of 2010. This was, however, partly offset by lower production from the remaining underground operations which were adversely impacted by geological conditions and pit room constraints. Isibonelo's production was also affected by pit room constraints, coupled with reduced demand from Sasol.

Colombia
Severe wet weather conditions in the second half of 2010 had a significant impact on production, logistics and sales at the majority of coal mining operations in Colombia, where the total annual rainfall for the region was almost double the previous average recorded figure.

Operating profit from Cerrejón of $309 million was marginally higher than that achieved in 2009, despite the extreme wet weather conditions and the strong Colombian peso. Overall saleable production was in line with 2009 performance, primarily as a result of a very good start to the year when dry conditions prevailed at the mine. Improvements in coal recovery rates continued to contribute positively to all aspects of the operation. Cerrejón's in-pit mining initiatives have enabled the mine to cope with the unprecedented rainfall. The 4% increase in total tonnage sold was partly due to the utilisation of the stockpile which had been built up over the previous dry periods.

Projects

In South Africa, the $517 million Zibulo project is approaching completion, the opencast operation is at full production and the underground operation has four of eight production sections deployed. The washing plant, which is a 50:50 joint venture with BHP Billiton Energy Coal South Africa, is fully commissioned and is operating at 80% of planned monthly production. Completion of the man and materials shaft is expected to be in the second quarter of 2011. The mining rights of Zibulo colliery and the environmental management plan were approved during 2010.

The feasibility study for the New Largo project started in 2010 and is expected to be completed in the first quarter of 2012. Significant progress has been made to complete a provisional coal supply agreement with Eskom by end of March 2011.

At Cerrejón, a two phase growth strategy has been adopted and is currently being implemented. The first phase, referred to as P500 Phase 1, requires an increase in the port and logistics chain capacity, whilst maintaining the current operational footprint, in order to reach a target of 40 Mtpa. The second phase, referred to as P500 Phase 2, will require a river diversion and pit expansions to access the additional reserve required to reach a potential 50-60 Mtpa. The feasibility study for Phase 1 was reviewed by the shareholder review teams towards the end of 2010. A process is under way to address the findings of the review process. The aim is to have the Phase 1 ready for approval by the shareholder boards towards the end of the second quarter of 2011.

Outlook

Extreme wet weather, predominantly in Australia, Indonesia and Colombia, have significantly affected short term thermal coal availability and 2011 export prices are expected to trade in a range considerably above that prevailing during 2010.

DIAMONDS

$ million (unless otherwise stated)	**Year ended 31 Dec 2010**	Year ended 31 Dec 2009
Share of associate's operating profit	**495**	64
EBITDA	**666**	215
Group's associate investment in De Beers(1)	**1,936**	1,353
Share of Group operating profit	**5%**	1%

(1) Excludes shareholder loans of $358 million and preference shares of nil (2009: $367 million and $88 million respectively).

Anglo American's share of operating profit from De Beers increased significantly to $495 million. DTC sales of rough diamonds totalled $5.08 billion, a 57% increase (2009: $3.23 billion), due to improved consumer demand and better prices during 2010.

Markets

The first half of 2010 saw a strong recovery in demand for rough diamonds from DTC Sightholders against the low levels seen in early 2009. This recovery trend continued through the second half of the year following improved demand from retail markets, particularly in the Eastern markets of India and China. By the end of 2010, DTC rough diamond prices had returned to pre-recession levels.

Since launching two years ago, De Beers' proprietary diamond brand, Forevermark, has continued to establish itself in China, Hong Kong and Japan. Forevermark jewellery is now available in 348 stores globally, a 40% increase on the beginning of 2009. Expansion, particularly across China, is progressing rapidly with five new cities added in 2010 and further locations planned for 2011.

Operating performance

Revenue from sales of rough diamonds by the DTC, including those through joint ventures, increased by 57% compared with 2009, in response to increased consumer demand. Approximately 33.0 million carats were recovered from wholly-owned and joint venture operations in 2010, compared with around 24.6 million carats in 2009, an increase of 34%.

The business has remained focused on prudent cash management and has continued to tackle costs aggressively. While costs necessarily rose due to increased production levels, exacerbated by a weaker US dollar, De Beers was able to maintain savings from the restructuring of the cost base in 2009, contributing to improved margins. In Botswana, Debswana commenced a comprehensive operations and cost review that identified many efficiency improvement opportunities which will be delivered over the next three years.

De Beers has an uncompromising focus on the safety of its employees and the security of its product. Regrettably, Debswana experienced a fatality late in the year, and De Beers' 2010 LTIFR was 0.24 versus 0.21 for 2009. This deteriorating trend is being addressed through the continued rollout of the Safety Risk Management Programme (SRMP).

In 2010, a review of the impact of the illicit diamond trade on De Beers demonstrated that there were a number of criminal syndicates behind the systematic theft of product from the operations. This resulted in the development of a new Global Security Strategy, which called for an organisational restructuring, with security specialists being recruited to both the centre and operations. A baseline of security control effectiveness for each operation was also established, forming the basis for improvement targets. Going forward, De Beers' will be driving a Loss Prevention programme as a key pillar to improve product security.

Projects

Debswana commenced the Cut-8 expansion project at Jwaneng mine during 2010. Cut-8 represents the largest ever investment in Botswana and is expected to extend the life of mine to at least 2025.

De Beers continued to take an active leadership role in protecting consumers' confidence in diamonds. As it has done since its inception, De Beers continued to support the Kimberley Process, offering guidance to DTC Sightholders on the identification of potentially illegal and unethical exports from Zimbabwe's Marange region. De Beers continued to support increased producer country participation in the diamond pipeline, a key element of further empowerment. The 2010 De Beers' Shining Light Awards, focused on promoting young, undiscovered designers in southern Africa, was the largest to date, comprising 30 pieces of diamond jewellery from Botswana, Namibia and South Africa.

Outlook

The near term market outlook has been improved by the strengthening demand for rough diamonds throughout 2010 and the robust retail performance during the year end gifting season, which extended from the traditional Thanksgiving and Christmas period, to cover Diwali and the Chinese New Year, reflecting increasing growth in Eastern markets. It is likely that some of the price and volume increases were driven by retailer restocking and the business therefore expects 2011 to produce positive growth, albeit at a slower rate than 2010. While starting from a low level, growth is expected to continue to be strong in the emerging markets of China, India and other Far East markets. Production of approximately 38 million carats is expected in 2011, reflecting increasing demand from Sightholders and growing consumer demand.

OTHER MINING AND INDUSTRIAL

$ million (unless otherwise stated)	**Year ended 31 Dec 2010**	Year ended 31 Dec 2009
Operating profit	**661**	506
Tarmac	**48**	101
Zinc	**321**	175
Scaw Metals	**170**	131
Copebrás	**81**	(40)
Catalão	**67**	106
Coal Americas	**(3)**	(8)
Other	**(23)**	41
EBITDA	**912**	878
Net operating assets	**3,807**	5,029
Capital expenditure	**224**	268
Share of Group operating profit	**7%**	10%
Share of Group net operating assets	**9%**	13%

Tarmac

Tarmac generated an operating profit of $48 million, a 52% decrease, reflecting difficult trading conditions in the UK and the sale of the majority of Tarmac's European businesses during 2010. On a like-for-like basis, operating profit decreased by 17%. There was strong downward price pressure during the year and Tarmac continued to deliver cost savings to mitigate the impacts of these difficult trading conditions.

In the UK Quarry Materials businesses, volumes remained at similar levels to 2009, but unusual weather patterns resulted in a greater degree of seasonal variation over the year. Tarmac's work to maximise operational efficiency continues and a newly revised management structure continues the good progress made in recent years.

Weak demand in the housing and commercial sectors put considerable pressure on the Tarmac Building Products business, which continued its cost reduction and business rationalisation initiatives.

The 2011 outlook remains relatively weak for the construction sector as a whole, but underlying fundamental demand remains and will turn to orders when economic conditions are more conducive to construction activity.

Zinc

	2010	2009
Attributable zinc production (tonnes)	**349,700**(1)	350,400
Attributable lead production (tonnes)	**71,200**	68,300
Average market price – zinc (c/lb)	**98**	75
Average market price – lead (c/lb)	**97**	78

(1) Allowing for Skorpion's full year production, total attributable zinc production was 362,900 tonnes, a 4% increase over the previous period.

Zinc generated an 83% increase in operating profit to $321 million, mainly as a result of higher metal prices, improved efficiencies and tightly controlled costs.

Production at Skorpion increased by 1% to 151,700 tonnes on a full year basis, although only 138,500 tonnes is reported due to the disposal of the operation on 3 December 2010. While electricity constraints, mill motor failures and cell repairs affected production, the combined impact was more than offset by a number of asset optimisation initiatives.

At Lisheen, ore processed increased by 4% and zinc metal production increased by 2% to 175,100 tonnes. Lead metal production increased by 7% to 20,600 tonnes.

At Black Mountain, good progress was made with the improvements to the underground infrastructure, which resulted in an increase of 13% in total ore hoisted. Tonnes milled increased by 7%, with improved feed grades on all metals other than silver. This resulted in strong metal in concentrate production increases of 28% for zinc to 36,100 tonnes, 3% for lead to 50,600 tonnes, 14% for copper to 2,500 tonnes and 4% for silver to 56,600 kg.

Anglo American announced the sale of its zinc portfolio to Vedanta on 10 May 2010 for total consideration[1] of $1,338 million. The sale of Skorpion was completed on 3 December 2010 resulting in a net cash inflow of $570 million.

Scaw Metals

Scaw Metals increased its operating profit by 30% to $170 million.

Moly-Cop and AltaSteel performed well, assisted by strong demand for grinding media and increased vertical integration with the Canadian rolling mills. Production of steel products at 794,200 tonnes exceeded the prior year, notwithstanding the earthquake in Chile in February 2010 impacting production in Talcahuano. In November, Anglo American announced the sale of Moly-Cop and AltaSteel to OneSteel. The transaction was completed on 31 December 2010 resulting in a net cash inflow of $993 million.

In the South African managed businesses, certain key steel markets remained under pressure, resulting in a lower operating profit. The reduction is attributed to selling price pressure, rising input costs and the effect of a strong rand. Despite this, the integrated nature of the business allowed the rolling mills to maintain reasonable levels of output to supply the downstream businesses. Grinding media demand remained strong, albeit with some pricing pressure. Production of steel products at Scaw South Africa was 710,000 tonnes, a 2% increase over the prior year.

Copebrás

Copebrás recorded an operating profit of $81 million, a $121 million improvement over 2009, as a result of improved market conditions and operational improvement initiatives. Strong prices for soft commodities during the second half of 2010 served as a sound foundation for increased demand for fertilisers in Brazil. Sales volumes of 998,100 tonnes of fertilisers were virtually in line with those achieved in 2009, but higher operating margins were achieved, with record sales for certain products.

Catalão

Catalão generated an operating profit of $67 million for the year, 37% lower than 2009 as a result of lower niobium grades and overall recoveries, partially offset by improved realised prices. Sales in 2010 reached 4,100 tonnes. Following a landslide in the pit in late 2009, operations at Catalão started to improve by mid-year when access was re-established in richer parts of the pit. The subsequent discovery of water in certain parts of the pit in the third quarter required a revision of the mining plan. Normal levels of production were reached towards the end of the year.

Coal Americas

Peace River Coal (PRC) in Canada had a much improved operating performance in 2010, delivering a 44% increase in run of mine coal and a 35% increase in clean metallurgical coal production. This was due to improved mining and plant operations and improved coal recovery, coupled with the successful implementation of Phase 1 of the Trend Mine Plant Upgrade project in May 2010, which improved and stabilised plant performance. Phases 2 and 3 of the Trend Mine Plant Upgrade Project are progressing on schedule and will be commissioned in the first quarter of 2011, delivering a further 30% capacity improvement in Trend plant throughput.

(1) The agreed consideration was based on profits and cash flows for the zinc businesses being for the benefit of the purchaser from 1 January 2010, subject to completion.

The business was impacted by temporary port constraints during December 2010, which led to the delay of two cargoes into the first week of 2011, with the result that metallurgical coal sales volume for 2010 ended 18% lower than coal production. As a result of the impact on revenue of these delayed cargoes, PRC reported an operating loss of $3 million for the year. However, given the current market strength and the strong trading conditions anticipated for 2011, coupled with increasing production from PRC, a substantial uplift in profitability is forecast for 2011.

The Environmental Assessment Application for the Roman Mountain Brownfield project was submitted in 2010. This project will consist of an integrated plant and mining operation of up to 5 Mtpa capacity with the Trend mine.

The business continues to develop strong relationships with the community and the key First Nations in the area, which was reflected in the successful launch of mining fundamentals and a truck driver training programme in 2010. The programme is delivering promising results and has had a positive impact on the workforce in the area.

CONDENSED FINANCIAL STATEMENTS

for the year ended 31 December 2010

Consolidated income statement
for the year ended 31 December 2010

US$ million	Note	2010 Before special items and remeasure-ments	2010 Special items and remeasure-ments (note 5)	2010 Total	2009 Before special items and remeasure-ments	2009 Special items and remeasure-ments (note 5)	2009 Total
Group revenue	3	**27,960**	**–**	**27,960**	20,858	–	20,858
Total operating costs		**(19,452)**	**158**	**(19,294)**	(16,481)	(1,637)	(18,118)
Operating profit from subsidiaries and joint ventures	3	**8,508**	**158**	**8,666**	4,377	(1,637)	2,740
Net profit on disposals	5	**–**	**1,579**	**1,579**	–	1,612	1,612
Share of net income from associates	3	**845**	**(23)**	**822**	318	(234)	84
Total profit from operations and associates		**9,353**	**1,714**	**11,067**	4,695	(259)	4,436
Investment income		**568**	**–**	**568**	514	–	514
Interest expense		**(801)**	**–**	**(801)**	(780)	–	(780)
Other financing gains/(losses)		**(11)**	**105**	**94**	(7)	(134)	(141)
Net finance costs	8	**(244)**	**105**	**(139)**	(273)	(134)	(407)
Profit before tax		**9,109**	**1,819**	**10,928**	4,422	(393)	4,029
Income tax expense	9a	**(2,699)**	**(110)**	**(2,809)**	(1,305)	188	(1,117)
Profit for the financial year		**6,410**	**1,709**	**8,119**	3,117	(205)	2,912
Attributable to:							
Non-controlling interests		**1,434**	**141**	**1,575**	548	(61)	487
Equity shareholders of the Company		**4,976**	**1,568**	**6,544**	2,569	(144)	2,425
Earnings per share (US$)							
Basic	10	**4.13**	**1.30**	**5.43**	2.14	(0.12)	2.02
Diluted	10	**3.96**	**1.22**	**5.18**	2.10	(0.12)	1.98

Consolidated statement of comprehensive income
for the year ended 31 December 2010

US$ million	Note	2010	2009
Profit for the financial year		**8,119**	2,912
Net gain on revaluation of available for sale investments		**316**	741
Net (loss)/gain on cash flow hedges		**(14)**	122
Net exchange gain on translation of foreign operations (including associates)		**2,431**	3,973
Actuarial net gain/(loss) on post employment benefit schemes		**131**	(217)
Share of associates' net expense recognised directly in equity		**(50)**	(7)
Tax on net income recognised directly in equity	9c	**(149)**	(228)
Net income recognised directly in equity		**2,665**	4,384
Transferred to income statement: sale of available for sale investments		**–**	(1,554)
Transferred to income statement: cash flow hedges		**4**	162
Transferred to initial carrying amount of hedged items: cash flow hedges		**20**	30
Transferred to income statement: exchange differences on disposal of foreign operations		**(40)**	(2)
Share of associates' net expense transferred from equity		**(8)**	–
Tax on items transferred from equity	9c	**1**	77
Total transferred from equity		**(23)**	(1,287)
Total comprehensive income for the financial year		**10,761**	6,009
Attributable to:			
Non-controlling interests		**1,885**	783
Equity shareholders of the Company		**8,876**	5,226

Consolidated balance sheet
as at 31 December 2010

US$ million	Note	2010	2009
Intangible assets		**2,316**	2,776
Property, plant and equipment		**39,810**	35,198
Environmental rehabilitation trusts		**379**	342
Investments in associates		**4,900**	3,312
Financial asset investments		**3,220**	2,726
Trade and other receivables		**321**	206
Deferred tax assets		**389**	288
Other financial assets (derivatives)		**465**	238
Other non-current assets		**178**	191
Total non-current assets		**51,978**	45,277
Inventories		**3,604**	3,212
Trade and other receivables		**3,731**	3,351
Current tax assets		**235**	214
Other financial assets (derivatives)		**377**	365
Cash and cash equivalents	13b	**6,401**	3,269
Total current assets		**14,348**	10,411
Assets classified as held for sale	15	**330**	620
Total assets		**66,656**	56,308
Trade and other payables		**(4,950)**	(4,395)
Short term borrowings	11,13b	**(1,535)**	(1,499)
Provisions for liabilities and charges		**(446)**	(209)
Current tax liabilities		**(871)**	(566)
Other financial liabilities (derivatives)		**(80)**	(76)
Total current liabilities		**(7,882)**	(6,745)
Medium and long term borrowings	11,13b	**(11,904)**	(12,816)
Retirement benefit obligations		**(591)**	(706)
Deferred tax liabilities		**(5,641)**	(5,192)
Other financial liabilities (derivatives)		**(755)**	(583)
Provisions for liabilities and charges		**(1,666)**	(1,583)
Other non-current liabilities		**(104)**	(423)
Total non-current liabilities		**(20,661)**	(21,303)
Liabilities directly associated with assets classified as held for sale	15	**(142)**	(191)
Total liabilities		**(28,685)**	(28,239)
Net assets		**37,971**	28,069
Equity			
Called-up share capital		**738**	738
Share premium account		**2,713**	2,713
Other reserves		**3,642**	1,379
Retained earnings		**27,146**	21,291
Equity attributable to equity shareholders of the Company		**34,239**	26,121
Non-controlling interests		**3,732**	1,948
Total equity		**37,971**	28,069

The financial statements of Anglo American plc, registered number 3564138, were approved by the Board of directors on 18 February 2011 and signed on its behalf by:

Cynthia Carroll
Chief executive

René Médori
Finance director

Consolidated cash flow statement
for the year ended 31 December 2010

US$ million	Note	2010	2009[(1)]
Cash flows from operations	13a	**9,924**	4,904
Dividends from associates		**255**	616
Dividends from financial asset investments		**30**	23
Income tax paid		**(2,482)**	(1,456)
Net cash inflows from operating activities		**7,727**	4,087
Cash flows from investing activities			
Purchase of property, plant and equipment	3	**(5,280)**	(4,607)
Cash flows from derivatives related to capital expenditure	3	**286**	(151)
Investment in associates[(2)]		**(519)**	(31)
Purchase of financial asset investments		**(134)**	(269)
Net repayment/(advance) of loans granted		**18**	(134)
Interest received and other investment income		**235**	244
Disposal of subsidiaries, net of cash and cash equivalents disposed	14	**2,539**	69
Sale of interests in joint ventures	14	**256**	–
Sale of interests in associates		**3**	662
Proceeds from sale of financial asset investments		**7**	2,041
Repayment of capitalised loans by associates		**33**	–
Proceeds from disposal of property, plant and equipment		**64**	46
Other investing activities		**22**	(18)
Net cash used in investing activities		**(2,470)**	(2,148)
Cash flows from financing activities			
Interest paid		**(837)**	(741)
Cash flows from derivatives related to financing activities		**217**	(85)
Dividends paid to Company shareholders		**(302)**	–
Dividends paid to non-controlling interests		**(617)**	(472)
Repayment of short term borrowings		**(2,338)**	(6,624)
Net receipt of medium and long term borrowings		**1,194**	6,253
Movements in non-controlling interests		**356**	21
Sale of shares under employee share schemes		**42**	29
Purchase of shares by subsidiaries for employee share schemes[(3)]		**(106)**	(75)
Other financing activities		**(9)**	14
Net cash used in financing activities		**(2,400)**	(1,680)
Net increase in cash and cash equivalents		**2,857**	259
Cash and cash equivalents at start of year	13c	**3,319**	2,744
Cash movements in the year		**2,857**	259
Effects of changes in foreign exchange rates		**284**	316
Cash and cash equivalents at end of year	13c	**6,460**	3,319

(1) Comparatives have been reclassified following the adoption of IFRS 3 (Revised) *Business Combinations* to reflect consequential changes to IAS 7 *Statement of Cash Flows*.
(2) Includes $450 million cash paid, in the year ended 31 December 2010, to subscribe to the Group's share of De Beers' rights issue. Refer to note 17.
(3) Includes purchase of Kumba Iron Ore Limited and Anglo Platinum Limited shares for their respective employee share schemes.

Consolidated statement of changes in equity
for the year ended 31 December 2010

US$ million	Total share capital[1]	Retained earnings	Share-based payment reserve	Cumulative translation adjustment reserve	Fair value and other reserves (note 12)	Total equity attributable to equity share-holders of the Company	Non-controlling interests	Total equity
Balance at 1 January 2009	3,451	18,827	288	(4,077)	1,732	20,221	1,535	21,756
Total comprehensive income	–	2,257	–	3,526	(557)	5,226	783	6,009
Dividends paid to non-controlling interests	–	–	–	–	–	–	(472)	(472)
Issue of shares to non-controlling interests	–	–	–	–	–	–	107	107
Changes in ownership interest in subsidiaries	–	–	–	–	–	–	(50)	(50)
Equity settled share-based payment schemes	–	64	127	–	–	191	37	228
Issue of convertible bond	–	–	–	–	355	355	–	355
Other	–	143	(14)	–	(1)	128	8	136
Balance at 1 January 2010	3,451	21,291	401	(551)	1,529	26,121	1,948	28,069
Total comprehensive income	–	6,595	–	2,004	277	8,876	1,885	10,761
Dividends paid	–	(302)	–	–	–	(302)	–	(302)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(617)	(617)
Issue of shares to non-controlling interests	–	90	–	–	–	90	572	662
Consolidation by De Beers of non-controlling interest	–	(128)	–	–	–	(128)	–	(128)
Changes in ownership interest in subsidiaries	–	(471)	–	21	(107)	(557)	(112)	(669)
Equity settled share-based payment schemes	–	64	86	–	–	150	13	163
Other	–	7	(11)	–	(7)	(11)	43	32
Balance at 31 December 2010	**3,451**	**27,146**	**476**	**1,474**	**1,692**	**34,239**	**3,732**	**37,971**

[1] Total share capital comprises called-up share capital of $738 million (2009: $738 million) and the share premium account of $2,713 million (2009: $2,713 million).

Dividends

	2010	2009
Proposed ordinary dividend per share (US cents)	**40**	–
Proposed ordinary dividend (US$ million)	**483**	–
Ordinary dividends paid during the year per share (US cents)	**25**	–
Ordinary dividends paid during the year (US$ million)	**302**	–

Notes to the Condensed financial statements

1. General information

Investors should consider non-GAAP financial measures in addition to, and not as a substitute for or as superior to, measures of financial performance reported in accordance with International Financial Reporting Standards (IFRS). The IFRS results reflect all items that affect reported performance and therefore it is important to consider the IFRS measures alongside the non-GAAP measures. Reconciliations of key non-GAAP data to directly comparable IFRS financial measures are presented in notes 3, 6 and 10 to these consolidated financial statements (the Condensed financial statements).

The financial information for the year ended 31 December 2010 does not constitute statutory accounts as defined in sections 435 (1) and (2) of the Companies Act 2006. Statutory accounts for the year ended 31 December 2009 have been delivered to the Registrar of Companies and those for 2010 will be delivered following the Company's annual general meeting convened for 21 April 2011. The auditor has reported on these accounts; their reports were unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis of matter and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

2. Basis of preparation

Condensed financial statements and accounting policies

Whilst the preliminary announcement (the Condensed financial statements) has been prepared in accordance with IFRS and International Financial Reporting Interpretation Committee (IFRIC) interpretations adopted for use by the European Union, with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and with the requirements of the United Kingdom Listing Authority (UKLA) Listing Rules, these Condensed financial statements do not contain sufficient information to comply with IFRS. The Group will publish full financial statements that comply with IFRS in March 2011.

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

The accounting policies applied are consistent with those adopted and disclosed in the Group's financial statements for the year ended 31 December 2009, with the exception of the adoption of IFRS 3 (Revised) *Business Combinations* and consequential amendments to IAS 27 (Revised) *Consolidated and Separate Financial Statements*, IAS 28 (Revised) *Investments in Associates* and IAS 31 (Revised) *Interests in Joint Ventures* which applied prospectively from 1 January 2010.

The adoption of the revised IFRS 3 continues to apply the acquisition method to business combinations but with some significant amendments to the measurement of goodwill and non-controlling interests and the treatment of transaction costs. There have been no material acquisitions in the year ended 31 December 2010 or the year ended 31 December 2009.

The revisions to IAS 27 consequent upon the issuance of IFRS 3 (Revised) result in transactions with non-controlling interests now being accounted for as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity (previously goodwill). Gains or losses on disposals to non-controlling interests are now also recorded in equity (previously recorded through the income statement).

The revisions to IAS 27, IAS 28 and IAS 31 consequent upon the issuance of IFRS 3 (Revised), require that when the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in the income statement. Previously, the carrying amount of our retained interest represented the attributable historic carrying value. The fair value is the initial carrying amount for the purpose of subsequent accounting for the retained interest as an associate, joint venture or financial asset.

The adoption of the revised standards has resulted in references to minority interests being amended to non-controlling interests.

A number of other amendments to accounting standards and new interpretations issued by the International Accounting Standards Board were applicable from 1 January 2010. They have not had a material impact on the accounting policies, methods of computation or presentation applied by the Group.

3. Segmental information

The Group's segments are aligned to the structure of business units based around core commodities. Each business unit has a management team that is accountable to the Chief executive. The Kumba Iron Ore, Iron Ore Brazil and Samancor business units have been aggregated as the Iron Ore and Manganese segment on the basis of the ultimate product produced (ferrous metals).

In addition assets identified for divestment are managed as a separate business unit, Other Mining and Industrial, and accordingly presented as a separate segment. Catalão, the Group's ferroniobium business based in Brazil, was managed within this business unit throughout 2010. However, subsequent to the year end, and following the successful delineation of substantial additional niobium resources, the Group decided to retain this business. As Catalão continues to be managed within the Other Mining and Industrial business unit, it is presented within Other Mining and Industrial in the segmental analysis.

The Group's Executive Committee evaluates the financial performance of the Group and its segments principally with reference to operating profit before special items and remeasurements which includes the Group's attributable share of associates' operating profit before special items and remeasurements.

Segments predominantly derive revenue as follows – Platinum: platinum group metals; Diamonds: rough and polished diamonds and diamond jewellery; Copper and Nickel: base metals; Iron Ore and Manganese: iron ore, manganese ore and alloys; Metallurgical Coal: metallurgical coal; Thermal Coal: thermal coal; and Other Mining and Industrial: heavy building materials, zinc and steel products.

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

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

Analysis by segment

Revenue and operating profit by segment

	Revenue[1]		Operating profit/(loss)[2]	
US$ million	**2010**	2009	**2010**	2009
Platinum	**6,602**	4,535	**837**	32
Diamonds	**2,644**	1,728	**495**	64
Copper	**4,877**	3,967	**2,817**	2,010
Nickel	**426**	348	**96**	2
Iron Ore and Manganese	**6,612**	3,419	**3,681**	1,489
Metallurgical Coal	**3,377**	2,239	**783**	451
Thermal Coal	**2,866**	2,490	**710**	721
Other Mining and Industrial	**5,520**	5,908	**661**	506
Exploration	**–**	–	**(136)**	(172)
Corporate Activities and Unallocated Costs	**5**	3	**(181)**	(146)
Segment measure	**32,929**	24,637	**9,763**	4,957
Reconciliation:				
Less: Associates	**(4,969)**	(3,779)	**(1,255)**	(580)
Operating special items and remeasurements	**–**	–	**158**	(1,637)
Statutory measure	**27,960**	20,858	**8,666**	2,740

(1) Segment revenue includes the Group's attributable share of associates' revenue. This is reconciled to Group revenue from subsidiaries and joint ventures as presented in the Consolidated income statement.
(2) Segment operating profit is revenue less operating costs before special items and remeasurements, and includes the Group's attributable share of associates' operating profit. This is reconciled to operating profit from subsidiaries and joint ventures after special items and remeasurements as presented in the Consolidated income statement.

3. Segmental information (continued)

Associates' revenue and operating profit

US$ million	Associates' revenue 2010	Associates' revenue 2009	Associates' operating profit/(loss)[1] 2010	Associates' operating profit/(loss)[1] 2009
Platinum	**237**	47	**(59)**	(26)
Diamonds	**2,644**	1,728	**495**	64
Iron Ore and Manganese	**983**	603	**382**	143
Metallurgical Coal	**258**	164	**122**	48
Thermal Coal	**761**	742	**308**	303
Other Mining and Industrial	**86**	495	**7**	48
	4,969	3,779	**1,255**	580
Reconciliation:				
Associates' net finance costs (before special items and remeasurements)			**(88)**	(28)
Associates' income tax expense (before special items and remeasurements)			**(313)**	(235)
Associates' non-controlling interests (before special items and remeasurements)			**(9)**	1
Share of net income from associates (before special items and remeasurements)			**845**	318
Associates' special items and remeasurements			**(22)**	(184)
Associates' special items and remeasurements tax			**(2)**	(51)
Associates' non-controlling interests on special items and remeasurements			**1**	1
Share of net income from associates			**822**	84

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

Non-cash items

Significant non-cash items included within operating profit are as follows:

US$ million	Depreciation and amortisation[1] 2010	Depreciation and amortisation[1] 2009	Other non-cash expenses[2] 2010	Other non-cash expenses[2] 2009
Platinum	**750**	636	**57**	92
Copper	**269**	244	**97**	71
Nickel	**26**	26	**23**	9
Iron Ore and Manganese	**142**	81	**90**	4
Metallurgical Coal	**322**	249	**75**	26
Thermal Coal	**113**	107	**40**	13
Other Mining and Industrial	**251**	360	**16**	34
Exploration	**–**	–	**4**	4
Corporate Activities and Unallocated Costs	**46**	22	**61**	64
	1,919[3]	1,725	**463**	317

[1] The Group's attributable share of depreciation and amortisation in associates is $301 million (2009: $248 million) and is split by segment as follows: Platinum $37 million (2009: $9 million), Diamonds $171 million (2009: $151 million), Iron Ore and Manganese $33 million (2009: $23 million), Metallurgical Coal $11 million (2009: $6 million), Thermal Coal $49 million (2009: $47 million) and Other Mining and Industrial nil (2009: $12 million).

[2] Other non-cash expenses include equity settled share-based payment charges and amounts included in operating costs in respect of provisions, excluding amounts recorded within special items. Comparatives have been reclassified to align with current year presentation.

[3] In addition $97 million (2009: nil) of accelerated depreciation has been recorded within operating special items (refer to note 5).

3. Segmental information (continued)

Capital expenditure and net debt

US$ million	Capital expenditure[1]		Net debt[2]	
	2010	2009	**2010**	2009
Platinum	**1,011**	1,150	**(65)**	196
Copper	**1,530**	1,123	**(243)**	(187)
Nickel	**525**	554	**561**	380
Iron Ore and Manganese	**1,195**	1,140	**89**	874
Metallurgical Coal	**217**	96	**(615)**	(9)
Thermal Coal	**274**	400	**(50)**	23
Other Mining and Industrial	**224**	268	**365**	341
Exploration	**–**	–	**(2)**	–
Corporate Activities and Unallocated Costs	**18**	27	**7,403**	9,710
	4,994	4,758	**7,443**	11,328
Reconciliation:				
Remove: Cash flows from derivatives relating to capital expenditure	**286**	(151)		
Purchase of property, plant and equipment	**5,280**	4,607		
Interest capitalised	**247**	246		
Non-cash movements[3]	**305**	379		
Property, plant and equipment additions[4]	**5,832**	5,232		
Amounts related to disposal groups	**(46)**	–	**(59)**	(48)
	5,786	5,232	**7,384**	11,280

(1) Capital expenditure is segmented on a cash basis and is reconciled to balance sheet additions. Cash capital expenditure includes cash flows on related derivatives.
(2) Segment net debt includes related hedges and excludes net debt in disposal groups. Comparatives have been adjusted to include related hedges (refer to note 13c). For a reconciliation of net debt to the balance sheet refer to note 13b.
(3) Includes movements on capital expenditure accruals, movements relating to deferred stripping and the impact of realised cash flow hedges.
(4) Capital expenditure on an accruals basis is split by segment as follows: Platinum $1,043 million (2009: $1,445 million), Copper $1,820 million (2009: $1,186 million), Nickel $602 million (2009: $570 million), Iron Ore and Manganese $1,536 million (2009: $1,138 million), Metallurgical Coal $297 million (2009: $163 million), Thermal Coal $297 million (2009: $409 million), Other Mining and Industrial $216 million (2009: $303 million), Exploration $1 million (2009: nil) and Corporate Activities and Unallocated Costs $20 million (2009: $18 million).

3. Segmental information (continued)

Segment assets and liabilities

The following balance sheet segment measures are provided for information:

US$ million	Segment assets[1]		Segment liabilities[2]		Net segment assets	
	2010	2009	**2010**	2009	**2010**	2009
Platinum	**14,701**	13,082	**(1,223)**	(941)	**13,478**	12,141
Copper	**7,300**	5,643	**(1,009)**	(880)	**6,291**	4,763
Nickel	**2,443**	1,888	**(109)**	(101)	**2,334**	1,787
Iron Ore and Manganese	**12,333**	10,758	**(632)**	(388)	**11,701**	10,370
Metallurgical Coal	**4,711**	4,176	**(793)**	(769)	**3,918**	3,407
Thermal Coal	**2,897**	2,343	**(786)**	(636)	**2,111**	1,707
Other Mining and Industrial	**4,596**	6,231	**(789)**	(1,202)	**3,807**	5,029
Exploration	**3**	4	**(12)**	(2)	**(9)**	2
Corporate Activities and Unallocated Costs	**402**	311	**(377)**	(409)	**25**	(98)
	49,386	44,436	**(5,730)**	(5,328)	**43,656**	39,108
Other assets and liabilities						
Investments in associates[3]	**4,900**	3,312	**–**	–	**4,900**	3,312
Financial asset investments	**3,220**	2,726	**–**	–	**3,220**	2,726
Deferred tax assets/(liabilities)	**389**	288	**(5,641)**	(5,192)	**(5,252)**	(4,904)
Cash and cash equivalents	**6,401**	3,269	**–**	–	**6,401**	3,269
Other financial assets/(liabilities) – derivatives	**842**	603	**(835)**	(659)	**7**	(56)
Other non-operating assets/(liabilities)	**1,518**	1,674	**(2,233)**	(2,128)	**(715)**	(454)
Other provisions	**–**	–	**(807)**	(617)	**(807)**	(617)
Borrowings	**–**	–	**(13,439)**	(14,315)	**(13,439)**	(14,315)
Net assets	**66,656**	56,308	**(28,685)**	(28,239)	**37,971**	28,069

(1) Segment assets at 31 December 2010 are operating assets and consist of intangible assets of $2,316 million (2009: $2,776 million), property, plant and equipment of $39,810 million (2009: $35,198 million), biological assets of $2 million (2009: $4 million), environmental rehabilitation trusts of $379 million (2009: $342 million), retirement benefit assets of $112 million (2009: $54 million), inventories of $3,604 million (2009: $3,212 million) and operating receivables of $3,163 million (2009: $2,850 million).

(2) Segment liabilities at 31 December 2010 are operating liabilities and consist of non-interest bearing current liabilities of $3,834 million (2009: $3,447 million), environmental restoration and decommissioning provisions of $1,305 million (2009: $1,175 million) and retirement benefit obligations of $591 million (2009: $706 million).

(3) Investments in associates is split by segment as follows: Platinum $1,112 million (2009: $447 million), Diamonds $1,936 million (2009: $1,353 million), Iron Ore and Manganese $880 million (2009: $658 million), Metallurgical Coal $223 million (2009: $146 million), Thermal Coal $749 million (2009: $689 million) and Other Mining and Industrial nil (2009: $19 million).

Revenue by product

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

US$ million	**2010**	2009
Platinum	**4,053**	3,101
Palladium	**697**	361
Rhodium	**782**	527
Diamonds	**2,644**	1,728
Copper	**4,782**	3,783
Nickel	**824**	625
Iron ore	**5,234**	2,330
Manganese ore and alloys	**983**	603
Metallurgical coal	**2,711**	1,693
Thermal coal	**3,707**	3,197
Heavy building materials	**2,376**	2,870
Zinc	**584**	445
Steel products	**1,568**	1,371
Other	**1,984**	2,003
	32,929	24,637

3. Segmental information (continued)

Geographical analysis

Revenue by destination and non-current segment assets by location

The Group's geographical analysis of segment revenue (including attributable share of revenue from associates) allocated based on the country in which the customer is located, and non-current segment assets, allocated based on the country in which the assets are located, is as follows:

	Revenue		Non-current segment assets[1]	
US$ million	**2010**	2009	**2010**	2009
South Africa	**3,307**	2,567	**17,389**	15,157
Other Africa	**502**	139	**373**	599
Brazil	**1,135**	662	**11,159**	10,105
Chile	**1,940**	1,229	**5,628**	4,280
Other South America	**207**	190	**589**	574
North America	**1,805**	1,297	**540**	698
Australia	**474**	427	**4,022**	3,584
China	**5,075**	3,469	**5**	4
India	**2,021**	1,222	**–**	–
Japan	**4,198**	2,697	**–**	–
Other Asia	**2,818**	1,874	**42**	46
United Kingdom (Anglo American plc's country of domicile)	**3,980**	3,850	**2,331**	2,686
Other Europe	**5,467**	5,014	**48**	241
	32,929	24,637	**42,126**	37,974

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

Revenue and operating profit by origin

Segment revenue and operating profit before special items and remeasurements by origin (including attributable share of revenue and operating profit from associates) has been provided for information:

	Revenue		Operating profit/(loss) before special items and remeasurements	
US$ million	**2010**	2009	**2010**	2009
South Africa	**15,711**	10,293	**5,001**	2,023
Other Africa	**2,329**	1,539	**501**	78
South America	**7,492**	6,040	**3,416**	2,310
North America	**679**	510	**14**	(20)
Australia and Asia	**4,141**	3,279	**911**	620
Europe	**2,577**	2,976	**(80)**	(54)
	32,929	24,637	**9,763**	4,957

Segment assets and liabilities by location

The Group's geographical analysis of segment assets and liabilities, allocated based on where assets and liabilities are located, has been provided for information:

	Segment assets[1]		Segment liabilities		Net segment assets	
US$ million	**2010**	2009	**2010**	2009	**2010**	2009
South Africa	**21,294**	18,309	**(2,815)**	(2,148)	**18,479**	16,161
Other Africa	**377**	664	**(26)**	(66)	**351**	598
South America	**18,982**	16,528	**(1,384)**	(1,262)	**17,598**	15,266
North America	**611**	805	**(38)**	(132)	**573**	673
Australia and Asia	**4,849**	4,310	**(851)**	(813)	**3,998**	3,497
Europe	**3,273**	3,820	**(616)**	(907)	**2,657**	2,913
	49,386	44,436	**(5,730)**	(5,328)	**43,656**	39,108

(1) Investments in associates of $4,900 million (2009: $3,312 million) are not included in segment assets. The geographical distribution of these investments, based on the location of the underlying assets, is as follows: South Africa $2,334 million (2009: $1,934 million), Other Africa $1,220 million (2009: $914 million), South America $729 million (2009: $675 million), North America $376 million (2009: $320 million), Australia and Asia $698 million (2009: $426 million) and Europe $(457) million (2009: $(957) million).

4. Operating profit and underlying earnings by segment

The following table analyses operating profit (including attributable share of associates' operating profit) for the financial year by segment and reconciles it to Underlying earnings by segment. Underlying earnings is an alternative earnings measure, which the directors consider to be a useful additional measure of the Group's performance. Underlying earnings is profit for the financial year attributable to equity shareholders of the Company before special items and remeasurements and is therefore presented after non-controlling interests. A reconciliation from 'Profit for the financial year attributable to equity shareholders of the Company' to 'Underlying earnings for the financial year' is provided in note 10.

					2010
US$ million	**Operating profit/(loss) before special items and remeasurements[1]**	**Operating profit/(loss) after special items and remeasurements**	**Operating special items and remeasurements[2]**	**Net interest, tax and non-controlling interests**	**Underlying earnings**
Platinum	**837**	**765**	**72**	**(412)**	**425**
Diamonds	**495**	**466**	**29**	**(193)**	**302**
Copper	**2,817**	**2,832**	**(15)**	**(1,096)**	**1,721**
Nickel	**96**	**45**	**51**	**(21)**	**75**
Iron Ore and Manganese	**3,681**	**4,037**	**(356)**	**(2,258)**	**1,423**
Metallurgical Coal	**783**	**806**	**(23)**	**(198)**	**585**
Thermal Coal	**710**	**708**	**2**	**(198)**	**512**
Exploration	**(136)**	**(136)**	**–**	**8**	**(128)**
Corporate Activities and Unallocated Costs	**(181)**	**(192)**	**11**	**(280)**	**(461)**
Core operations	**9,102**	**9,331**	**(229)**	**(4,648)**	**4,454**
Other Mining and Industrial	**661**	**561**	**100**	**(139)**	**522**
	9,763	**9,892**	**(129)**	**(4,787)**	**4,976**

					2009
US$ million	Operating profit/(loss) before special items and remeasurements[1]	Operating profit/(loss) after special items and remeasurements	Operating special items and remeasurements[2]	Net interest, tax and non-controlling interests	Underlying earnings
Platinum	32	(72)	104	12	44
Diamonds	64	(139)	203	(154)	(90)
Copper	2,010	2,114	(104)	(809)	1,201
Nickel	2	(86)	88	(15)	(13)
Iron Ore and Manganese	1,489	350	1,139	(918)	571
Metallurgical Coal	451	423	28	(129)	322
Thermal Coal	721	715	6	(204)	517
Exploration	(172)	(172)	–	5	(167)
Corporate Activities and Unallocated Costs	(146)	(377)	231	(73)	(219)
Core operations	4,451	2,756	1,695	(2,285)	2,166
Other Mining and Industrial	506	361	145	(103)	403
	4,957	3,117	1,840	(2,388)	2,569

(1) Operating profit includes attributable share of associates' operating profit which is reconciled to 'Share of net income from associates' in note 3.
(2) Special items and remeasurements are set out in note 5. Operating special items (including associates) in the year ended 31 December 2010 amounted to a charge of $253 million (2009: $2,574 million) and operating remeasurements (including associates) in the year ended 31 December 2010 amounted to a credit of $382 million (2009: $734 million).

5. Special items and remeasurements

'Special items' are those items of financial performance that the Group believes should be separately disclosed on the face of the income statement to assist in the understanding of the underlying financial performance achieved by the Group. Such items are material by nature or amount to the year's results and require separate disclosure in accordance with IAS 1 (Revised) *Presentation of Financial Statements* paragraph 97. Special items that relate to the operating performance of the Group are classified as operating special items and include impairment charges and reversals and other exceptional items, including restructuring costs. Non-operating special items include profits and losses on disposals of investments and businesses as well as transactions relating to business combinations.

'Remeasurements' comprise other items which the Group believes should be reported separately to aid an understanding of the underlying financial performance of the Group. This category includes:

- unrealised gains and losses on 'non-hedge' derivative instruments open at year end (in respect of future transactions) and the reversal of the historical marked to market value of such instruments settled in the year. The full realised gains or losses are recorded in underlying earnings in the same year as the underlying transaction for which such instruments provide an economic, but not formally designated, hedge (if the underlying transaction is recorded in the balance sheet, e.g. capital expenditure, the realised amount remains in remeasurements on settlement of the derivative). Such amounts are classified in the income statement as operating when the underlying exposure is in respect of the operating performance of the Group and otherwise as financing.
- foreign exchange gains and losses arising on the retranslation of US dollar denominated De Beers preference shares held by a rand functional currency subsidiary of the Group. This is classified as financing.
- foreign exchange impact arising in US dollar functional currency entities where tax calculations are generated based on local currency financial information (and hence deferred tax is susceptible to currency fluctuations). Such amounts are included within income tax expense.

5. Special items and remeasurements (continued)

US$ million	2010 Subsidiaries and joint ventures	2010 Associates[2]	2010 Total	2009[1] Subsidiaries and joint ventures	2009[1] Associates[2]	2009[1] Total
Impairment and related charges	**(107)**	**(15)**	**(122)**	(1,909)	(272)	(2,181)
Restructuring costs	**(121)**	**(10)**	**(131)**	(376)	(27)	(403)
Other	**–**	**–**	**–**	10	–	10
Operating special items	**(228)**	**(25)**	**(253)**	(2,275)	(299)	(2,574)
Operating remeasurements	**386**	**(4)**	**382**	638	96	734
Operating special items and remeasurements	**158**	**(29)**	**129**	(1,637)	(203)	(1,840)
Disposal of Moly-Cop and AltaSteel	**555**	**–**	**555**	–	–	–
Gain on Bafokeng-Rasimone Platinum mine transaction	**546**	**–**	**546**	–	–	–
Disposal of undeveloped coal assets	**505**	**–**	**505**	–	–	–
Disposal of Skorpion zinc mine	**244**	**–**	**244**	–	–	–
Disposals of interests within Platinum segment	**107**	**–**	**107**	316	–	316
Anglo American Inyosi Coal BEE transaction	**(86)**	**–**	**(86)**	–	–	–
Disposals of interests in Tarmac businesses	**(294)**	**–**	**(294)**	–	–	–
Disposal of interest in AngloGold Ashanti	**–**	**–**	**–**	1,139	–	1,139
Other	**2**	**19**	**21**	157	20	177
Net profit on disposals[3]	**1,579**	**19**	**1,598**	1,612	20	1,632
Financing special items	**–**	**(13)**	**(13)**	–	(7)	(7)
Financing remeasurements	**105**	**1**	**106**	(134)	6	(128)
Total special items and remeasurements before tax and non-controlling interests	**1,842**	**(22)**	**1,820**	(159)	(184)	(343)
Special items and remeasurements tax	**(110)**	**(2)**	**(112)**	188	(51)	137
Non-controlling interests on special items and remeasurements	**(141)**	**1**	**(140)**	61	1	62
Net total special items and remeasurements attributable to equity shareholders of the Company	**1,591**	**(23)**	**1,568**	90	(234)	(144)

(1) Presentation of special items and remeasurements has been simplified. Comparatives have been reclassified to align with current year presentation.
(2) Relates to the Diamonds segment.
(3) $1,246 million (2009: $316 million) relates to disposals of subsidiaries and consolidated businesses and $440 million (2009: nil) relates to fair value gains on retained investments (see note 14).

Subsidiaries' and joint ventures' special items and remeasurements

Operating special items

Impairment and related charges of $107 million in the year ended 31 December 2010 principally relate to accelerated depreciation of $97 million and assets written off within the Platinum segment of $20 million, partially offset by an impairment reversal at Dawson Seamgas (Metallurgical Coal segment) of $22 million.

In the year ended 31 December 2010 accelerated depreciation of $73 million has been recorded at Loma de Níquel due to uncertainty over the renewal of three concessions that expire in 2012 and over the restoration of 13 concessions that have been cancelled.

Impairment and related charges in the year ended 31 December 2009 of $1,909 million mainly relate to the Amapá iron ore system (Amapá) ($1,667 million) and Loma de Níquel ($114 million). The impairment in relation to Amapá was a result of the operational difficulties and delays in increasing production. The impairment brought the carrying value of Amapá in line with fair value (less costs to sell) determined on a discounted cash flow basis.

5. Special items and remeasurements (continued)

Restructuring costs principally relate to retrenchment and consultancy costs and relate to amounts incurred in the Other Mining and Industrial segment of $71 million (2009: $78 million) and the Platinum segment of $38 million (2009: $37 million). In the year ended 31 December 2009 restructuring costs of $47 million were recorded within the Corporate Activities and Unallocated Costs segment and a total of $21 million in the Metallurgical and Thermal Coal segments. In addition costs associated with 'One Anglo' initiatives of $148 million and bid defence costs of $45 million were recorded.

Operating remeasurements

Operating remeasurements reflect a net gain of $386 million (2009: $638 million) principally in respect of non-hedge derivatives of capital expenditure in Iron Ore Brazil (2009: Iron Ore Brazil and Los Bronces). The net gain includes net unrealised gains of $148 million (2009: $757 million), net realised gains of $255 million (2009: losses of $105 million) and other remeasurement losses of $17 million (2009: $14 million).

Profits and losses on disposals

In December 2010 the Group completed the disposal of its 100% interest in Moly-Cop and AltaSteel (Other Mining and Industrial segment) resulting in a net cash inflow of $993 million, generating a profit on disposal of $555 million.

In November 2010 the Group realised a gain of $546 million as a result of the Bafokeng-Rasimone Platinum mine transaction (Platinum segment). Refer to note 14 for more information on this transaction.

In December 2010 the Group disposed of undeveloped coal assets in Australia (Metallurgical Coal segment) resulting in a net cash inflow of $522 million, generating a profit on disposal of $505 million.

In December 2010 the Group completed the disposal of its 100% interest in the Skorpion zinc mine (Other Mining and Industrial segment) resulting in a net cash inflow of $570 million, generating a profit on disposal of $244 million.

In April 2010 the Group sold its 37% interest in the Western Bushveld joint venture (Platinum segment) for consideration of $107 million. This investment had a nominal carrying value.

In June 2010 the previously announced black economic empowerment (BEE) transaction to dispose of a 27% interest in Anglo American Inyosi Coal (Proprietary) Limited (Thermal Coal segment) was completed. The amount recognised on disposal principally relates to an IFRS 2 *Share-based Payment* charge of $78 million.

The Group completed the disposal of Tarmac's Polish concrete products business in March 2010, its French and Belgian concrete products business in May 2010, and its aggregates business in France, Germany, Poland and the Czech Republic in September 2010, resulting in combined net cash inflows of $472 million. Tarmac is included in the Other Mining and Industrial segment.

Financing remeasurements

Financing remeasurements reflect a net gain of $105 million (2009: loss of $134 million) principally due to preference share investments, and an associated embedded interest rate derivative. In addition, financing remeasurements also include net gains on non-hedge derivatives of debt of $17 million (2009: loss of $13 million).

Special items and remeasurements tax

Special items and remeasurements tax amounted to a charge of $110 million (2009: credit of $188 million). This relates to a tax remeasurement credit of $122 million (2009: $469 million) and a tax charge on special items and remeasurements of $232 million (2009: $174 million). In the year ended 31 December 2009 a tax special item charge of $107 million was recorded relating to the write off of a deferred tax asset related to Amapá.

6. EBITDA by segment

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

US$ million	**2010**	2009
Platinum	**1,624**	677
Diamonds	**666**	215
Copper	**3,086**	2,254
Nickel	**122**	28
Iron Ore and Manganese	**3,856**	1,593
Metallurgical Coal	**1,116**	706
Thermal Coal	**872**	875
Other Mining and Industrial	**912**	878
Exploration	**(136)**	(172)
Corporate Activities and Unallocated Costs	**(135)**	(124)
EBITDA	**11,983**	6,930

EBITDA is reconciled to operating profit, including attributable share of associates, before special items and remeasurements and to 'Total profit from operations and associates' as follows:

US$ million	**2010**	2009
Total profit from operations and associates	**11,067**	4,436
Operating special items and remeasurements (including associates)	**(129)**	1,840
Net profit on disposals (including associates)	**(1,598)**	(1,632)
Associates' financing special items and remeasurements	**12**	1
Share of associates' interest, tax and non-controlling interests	**411**	312
Operating profit, including associates, before special items and remeasurements	**9,763**	4,957
Depreciation and amortisation: subsidiaries and joint ventures	**1,919**	1,725
Depreciation and amortisation: associates	**301**	248
EBITDA	**11,983**	6,930

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

US$ million	**2010**	2009
EBITDA	**11,983**	6,930
Share of operating profit of associates before special items and remeasurements	**(1,255)**	(580)
Cash element of operating special items	**(94)**	(294)
Share of associates' depreciation and amortisation	**(301)**	(248)
Share-based payment charges	**219**	204
Provisions	**(37)**	(46)
(Increase)/decrease in inventories	**(309)**	23
Increase in operating receivables	**(587)**	(360)
Increase/(decrease) in operating payables	**516**	(573)
Deferred stripping	**(196)**	(150)
Other adjustments	**(15)**	(2)
Cash flows from operations	**9,924**	4,904

7. Exploration expenditure

Exploration expenditure is stated before special items.

US$ million	2010	2009
By commodity		
Platinum group metals	**11**	17
Copper	**19**	43
Nickel	**27**	22
Iron ore	**14**	8
Metallurgical coal	**3**	10
Thermal coal	**21**	25
Zinc	**3**	10
Central exploration activities	**38**	37
	136	172

8. Net finance costs

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

The weighted average capitalisation rate applied to qualifying capital expenditure was 4.8% (2009: 6.5%).

US$ million	2010	2009
Investment income		
Interest and other financial income	**342**	334
Expected return on defined benefit arrangements	**205**	157
Dividend income from financial asset investments	**30**	23
	577	514
Less: interest capitalised	**(9)**	–
Total investment income	**568**	514
Interest expense		
Interest and other finance expense	**(632)**	(724)
Interest payable on convertible bond	**(68)**	(44)
Unwinding of discount on convertible bond	**(65)**	(39)
Interest cost on defined benefit arrangements	**(219)**	(174)
Unwinding of discount relating to provisions and other non-current liabilities	**(73)**	(45)
	(1,057)	(1,026)
Less: interest capitalised	**256**	246
Total interest expense	**(801)**	(780)
Other financing gains/(losses)		
Net foreign exchange gains/(losses)	**17**	(24)
Net fair value (losses)/gains on fair value hedges	**(7)**	29
Other net fair value losses	**(21)**	(12)
Total other financing losses	**(11)**	(7)
Net finance costs before remeasurements	**(244)**	(273)
Remeasurements		
Net gain/(loss) on embedded and non-hedge derivatives	**72**	(100)
Foreign exchange loss on De Beers preference shares	**(9)**	(21)
Other remeasurements	**42**	(13)
Total remeasurements	**105**	(134)
Net finance costs after remeasurements	**(139)**	(407)

9. Income tax expense

a) Analysis of charge for the year

US$ million	**2010**	2009
United Kingdom corporation tax	**24**	50
South Africa tax	**1,199**	567
Other overseas tax	**1,333**	700
Prior year adjustments	**(7)**	(45)
Current tax (excluding special items and remeasurements tax)	**2,549**	1,272
Deferred tax (excluding special items and remeasurements tax)	**150**	33
Tax (excluding special items and remeasurements tax)	**2,699**	1,305
Special items and remeasurements tax	**110**	(188)
Income tax expense	**2,809**	1,117

b) Factors affecting tax charge for the year

The effective tax rate for the year of 25.7% (2009: 27.7%) is lower (2009: lower) than the applicable statutory rate of corporation tax in the United Kingdom of 28%. The reconciling items are:

US$ million	**2010**	2009
Profit on ordinary activities before tax	**10,928**	4,029
Less: Share of net income from associates	**(822)**	(84)
Group profit on ordinary activities before tax	**10,106**	3,945
Tax on profit on ordinary activities calculated at United Kingdom corporation tax rate of 28%	**2,830**	1,105
Tax effects of:		
Special items and remeasurements tax	**(406)**	(144)
Items not taxable/deductible for tax purposes		
Exploration expenditure	**13**	22
Non-taxable/deductible net foreign exchange (gain)/loss	**(3)**	6
Non-deductible/taxable net interest expense/(income)	**2**	(2)
Other non-deductible expenses	**125**	65
Other non-taxable income	**(40)**	(39)
Temporary difference adjustments		
Change in tax rates	**4**	–
Movements in tax losses	**(50)**	5
Enhanced tax depreciation	**(41)**	–
Other temporary differences	**(73)**	(45)
Other adjustments		
Secondary tax on companies and dividend withholding taxes	**657**	356
Effect of differences between local and United Kingdom rates	**(218)**	(139)
Prior year adjustments to current tax	**(7)**	(45)
Other adjustments	**16**	(28)
Income tax expense	**2,809**	1,117

IAS 1 (Revised) requires income from associates to be presented net of tax on the face of the income statement. Associates' tax is therefore not included within the Group's income tax expense. Associates' tax included within 'Share of net income from associates' for the year ended 31 December 2010 is $315 million (2009: $286 million). Excluding special items and remeasurements this becomes $313 million (2009: $235 million).

The effective rate of tax before special items and remeasurements including attributable share of associates' tax for the year ended 31 December 2010 was 31.9%. This was broadly in line with the equivalent effective rate of 33.1% for the year ended 31 December 2009. In future periods it is expected that the effective tax rate, including associates' tax, will remain above the United Kingdom statutory tax rate.

9. Income tax expense (continued)

c) Tax amounts included in total comprehensive income

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

US$ million	2010	2009
Tax on net income recognised directly in equity		
Revaluation of available for sale investments	**(46)**	(105)
Cash flow hedges	**(2)**	(22)
Exchange gains on translation of foreign operations	**(82)**	(154)
Actuarial net (gain)/loss on post employment benefit schemes	**(19)**	53
	(149)	(228)
Tax on items transferred from equity		
Transferred to income statement: sale of available for sale investments	**–**	135
Transferred to income statement: cash flow hedges	**(1)**	(51)
Transferred to initial carrying amount of hedged items: cash flow hedges	**2**	(7)
	1	77

10. Earnings per share

US$	2010	2009
Profit for the financial year attributable to equity shareholders of the Company		
Basic earnings per share	**5.43**	2.02
Diluted earnings per share	**5.18**	1.98
Headline earnings for the financial year [1]		
Basic earnings per share	**4.27**	2.46
Diluted earnings per share	**4.09**	2.40
Underlying earnings for the financial year [1]		
Basic earnings per share	**4.13**	2.14
Diluted earnings per share	**3.96**	2.10

(1) Basic and diluted earnings per share are shown based on Headline earnings, a Johannesburg stock exchange (JSE Limited) defined performance measure, and Underlying earnings, which the directors consider to be a useful additional measure of the Group's performance. Both earnings measures are further explained below.

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

US$ million (unless otherwise stated)	2010	2009
Earnings		
Basic earnings, being profit for the financial year attributable to equity shareholders of the Company	**6,544**	2,425
Effect of dilutive potential ordinary shares		
Interest payable on convertible bond (net of tax)	**49**	32
Unwinding of discount on convertible bond (net of tax)	**47**	28
Diluted earnings	**6,640**	2,485
Number of shares (million)		
Basic number of ordinary shares outstanding[1]	**1,206**	1,202
Effect of dilutive potential ordinary shares[2]		
Share options and awards	**14**	11
Convertible bond	**61**	40
Diluted number of ordinary shares outstanding[1]	**1,281**	1,253

(1) Basic and diluted number of ordinary shares outstanding represent the weighted average for the year. The average number of ordinary shares in issue excludes the shares held by employee benefit trusts and Anglo American plc shares held by Group companies.
(2) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares.

10. Earnings per share (continued)

In the year ended 31 December 2010 there were no share options which were anti-dilutive. In the year ended 31 December 2009 there were 231,351 share options which were potentially dilutive but were not included in the calculation of diluted earnings per share because they were anti-dilutive.

In April 2009 the Group issued $1.7 billion of senior convertible notes. The senior convertible notes were issued with a coupon of 4%, a conversion price of £18.6370 and unless redeemed, converted or cancelled, will mature in 2014. The Group will have the option to call the senior convertible notes after three years from the issuance date subject to certain conditions. The impact of this potential conversion has been included in diluted earnings and diluted number of ordinary shares outstanding.

Underlying earnings is presented after non-controlling interests and excludes special items and remeasurements (see note 5). Underlying earnings is distinct from 'Headline earnings', which is a JSE Limited defined performance measure.

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

US$ million	2010	2009
Profit for the financial year attributable to equity shareholders of the Company	**6,544**	2,425
Operating special items	**14**	2,180
Operating special items – tax	**–**	(67)
Operating special items – non-controlling interests	**(3)**	(102)
Net profit on disposals	**(1,684)**	(1,632)
Net profit on disposals – tax	**123**	76
Net profit on disposals – non-controlling interests	**138**	66
Financing special items	**13**	7
Headline earnings for the financial year	**5,145**	2,953
Operating special items[1]	**239**	394
Operating remeasurements	**(382)**	(734)
Net loss on disposals[2]	**86**	–
Financing remeasurements	**(106)**	128
Special items and remeasurements tax	**(11)**	(146)
Non-controlling interests on special items and remeasurements	**5**	(26)
Underlying earnings for the financial year	**4,976**	2,569

[1] Year ended 31 December 2010: includes restructuring costs, accelerated depreciation and related charges (2009: includes restructuring costs).
[2] Year ended 31 December 2010: includes amounts related to the Anglo American Inyosi Coal BEE transaction.

11. Financial liabilities analysis

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

			2010			2009
US$ million	**Due within one year**	**Due after one year**	**Total**	Due within one year	Due after one year	Total
Secured						
Bank loans and overdrafts	**57**	**404**	**461**	416	413	829
Obligations under finance leases	**5**	**5**	**10**	8	11	19
	62	**409**	**471**	424	424	848
Unsecured						
Bank loans and overdrafts	**1,276**	**1,536**	**2,812**	351	3,982	4,333
Bonds issued under EMTN programme	**62**	**4,346**	**4,408**	572	4,410	4,982
US bonds	**–**	**3,249**	**3,249**	–	1,935	1,935
Convertible bond[(1)]	**–**	**1,434**	**1,434**	–	1,369	1,369
Commercial paper	**–**	**–**	**–**	67	–	67
Other loans	**135**	**930**	**1,065**	85	696	781
	1,473	**11,495**	**12,968**	1,075	12,392	13,467
Total	**1,535**	**11,904**	**13,439**	1,499	12,816	14,315

(1) Represents the fair value of the debt component of the convertible bond at the date of issue of $1,330 million (net of fees) adjusted for cumulative unwinding of discount of $104 million (2009: $39 million). The fair value of the equity conversion feature was $355 million and is presented in equity (refer to note 12).

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

US$ million	**2010**	2009
Expiry date		
Within one year[(1)]	**3,781**	2,247
Greater than one year, less than two years	**12**	3,090
Greater than two years, less than five years	**7,269**	4,093
Greater than five years	**58**	90
	11,120	9,520

(1) Includes undrawn rand facilities equivalent to $1.7 billion (2009: $1.5 billion) in respect of a series of facilities with 364 day maturities which roll automatically on a daily basis, unless notice is served.

In the year ended 31 December 2010 the Group raised $150 million through the issuance of a $100 million floating rate note, due April 2012 and a $50 million floating rate note, due September 2012, under the Euro Medium Term Note (EMTN) programme and ZAR1 billion ($151 million) through the issuance of a fixed rate note, due in May 2015, under the South African Domestic Medium Term Note programme.

In July 2010 the Group replaced a $2.5 billion facility maturing in March 2012 with a $3.5 billion facility maturing in July 2015.

In September 2010 the Group raised $1.25 billion through the issuance of senior notes (US bonds). The senior note offering comprised $750 million 2.15% senior notes due 2013 and $500 million 4.45% senior notes due 2020.

In February 2011 the Group cancelled its $2.25 billion revolving credit facility maturing in June 2011. At 31 December 2010 $1.1 billion (2009: nil) was drawn under the facility which was subsequently repaid.

12. Consolidated equity analysis

Fair value and other reserves comprise:

US$ million	Convertible debt reserve	Available for sale reserve	Cash flow hedge reserve	Other reserves[1]	Total fair value and other reserves
Balance at 1 January 2009	–	1,088	(194)	838	1,732
Total comprehensive income	–	(783)	226	–	(557)
Issue of convertible bond	355	–	–	–	355
Other	–	–	(1)	–	(1)
Balance at 1 January 2010	355	305	31	838	1,529
Total comprehensive income	–	270	7	–	277
Changes in ownership interest in subsidiaries	–	(107)	–	–	(107)
Other	–	–	–	(7)	(7)
Balance at 31 December 2010	**355**	**468**	**38**	**831**	**1,692**

[1] Other reserves comprise a legal reserve of $682 million (2009: $689 million), a revaluation reserve of $34 million (2009: $34 million) and a capital redemption reserve of $115 million (2009: $115 million).

13. Consolidated cash flow analysis

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

US$ million	2010	2009
Profit before tax	**10,928**	4,029
Depreciation and amortisation	**1,919**	1,725
Share-based payment charges	**219**	204
Net profit on disposals	**(1,579)**	(1,612)
Operating and financing remeasurements	**(491)**	(504)
Non-cash element of operating special items	**134**	1,981
Net finance costs before remeasurements	**244**	273
Share of net income from associates	**(822)**	(84)
Provisions	**(37)**	(46)
(Increase)/decrease in inventories	**(309)**	23
Increase in operating receivables	**(587)**	(360)
Increase/(decrease) in operating payables	**516**	(573)
Deferred stripping	**(196)**	(150)
Other adjustments	**(15)**	(2)
Cash flows from operations	**9,924**	4,904

b) Reconciliation to the balance sheet

	Cash and cash equivalents[1]		Short term borrowings		Medium and long term borrowings		Current financial asset investments	
US$ million	2010	2009	2010	2009	2010	2009	2010	2009
Balance sheet	**6,401**	3,269	**(1,535)**	(1,499)	**(11,904)**	(12,816)	**–**	–
Balance sheet – trade and other receivables[2]	**–**	–	**–**	–	**–**	–	**–**	3
Balance sheet – disposal groups[3]	**59**	64	**–**	–	**–**	(3)	**–**	–
Bank overdrafts	**–**	(1)	**–**	1	**–**	–	**–**	–
Bank overdrafts – disposal groups[3]	**–**	(13)	**–**	–	**–**	–	**–**	–
Net debt classifications	**6,460**	3,319	**(1,535)**	(1,498)	**(11,904)**	(12,819)	**–**	3

[1] 'Short term borrowings' on the balance sheet include overdrafts which are included within cash and cash equivalents in determining net debt.
[2] Current financial asset investments of $3 million at 31 December 2009 have been reclassified on the balance sheet to other receivables.
[3] Disposal group balances are shown within 'Assets classified as held for sale' and 'Liabilities directly associated with assets classified as held for sale' on the balance sheet.

13. Consolidated cash flow analysis (continued)

c) Movement in net debt

US$ million	Cash and cash equivalents[1]	Debt due within one year	Debt due after one year	Current financial asset investments	Net debt excluding hedges	Hedges[2]	Net debt including hedges
Balance at 1 January 2009	2,744	(6,749)	(7,211)	173	(11,043)	(297)	(11,340)
Cash flow[3]	259	6,624	(6,253)	(200)	430	85	515
Unwinding of discount on convertible bond	–	–	(39)	–	(39)	–	(39)
Equity component of convertible bond[3]	–	–	355	–	355	–	355
Reclassifications	–	(917)	917	–	–	–	–
Movement in fair value	–	–	63	–	63	(73)	(10)
Other non-cash movements	–	(15)	(26)	3	(38)	–	(38)
Currency movements	316	(441)	(625)	27	(723)	–	(723)
Balance at 1 January 2010	3,319	(1,498)	(12,819)	3	(10,995)	(285)	(11,280)
Cash flow	2,857	2,338	(1,194)	(7)	3,994	(217)	3,777
Unwinding of discount on convertible bond	–	–	(65)	–	(65)	–	(65)
Disposal of businesses	–	1	2	–	3	–	3
Reclassifications	–	(2,359)	2,359	–	–	–	–
Movement in fair value	–	(6)	(180)	–	(186)	95	(91)
Other non-cash movements	–	–	(11)	3	(8)	–	(8)
Currency movements	284	(11)	4	1	278	2	280
Balance at 31 December 2010	**6,460**	**(1,535)**	**(11,904)**	**–**	**(6,979)**	**(405)**	**(7,384)**

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

(2) Derivative instruments that provide an economic hedge of assets and liabilities in net debt are included above to reflect the true net debt position of the Group at the year end. These consist of net current derivative assets of $2 million (2009: $41 million) and net non-current derivative liabilities of $407 million (2009: $326 million) which are classified within 'Other financial assets (derivatives)' and 'Other financial liabilities (derivatives)' on the balance sheet.

(3) The issue of the convertible bond had a net impact on debt due after one year at the date of issue of $1,330 million due to the conversion feature of $355 million which is presented separately in equity.

14. Disposals

US$ million	Moly-Cop and AltaSteel	Skorpion	Bafokeng transaction	Tarmac European businesses	Other	2010 Total	2009 Total
Net assets disposed							
Property, plant and equipment	229	342	348	490	34	**1,443**	425
Other non-current assets	145	1	208[1]	303	1	**658**	2
Current assets	350	176	70	256	–	**852**	48
Current liabilities	(83)	(30)	(16)	(106)	(5)	**(240)**	(34)
Non-current liabilities	(126)	(47)	(123)	(116)	–	**(412)**	(65)
Net assets	515	442	487	827	30	**2,301**	376
Non-controlling interests	(3)	–	–	(11)	–	**(14)**	(3)
Group's share of net assets immediately prior to disposal	512	442	487	816	30	**2,287**	373
Fair value adjustment to retained investments	–	–	440	–	–	**440**	–
Less: Retained investments	–	–	(826)	–	–	**(826)**	(235)
Net assets disposed	512	442	101	816	30	**1,901**	138
Cumulative translation differences recycled from reserves	(23)	(7)	–	(10)	–	**(40)**	–
Net gain/(loss) on disposals	555	244	106	(294)	635	**1,246**	316
Net sale proceeds	1,044	679	207	512	665	**3,107**	454
Net cash and cash equivalents disposed	(68)	(120)	(14)	(58)	(20)	**(280)**	(10)
Non-cash/deferred consideration	–	–	–	–	(83)	**(83)**	(486)
Accrued transaction costs and similar items	17	11	–	18	5	**51**	47
Net cash inflow from disposals[2]	993	570	193	472	567	**2,795**	5

(1) Includes $202 million of Platinum's associate investment in Royal Bafokeng Platinum Limited.
(2) No cash has been received in the year ended 31 December 2010 in respect of deferred consideration for disposals in 2009 (2009: $64 million in respect of disposals in 2008). In the year ended 31 December 2010 this resulted in a total net cash inflow of $2,795 million (2009: $69 million), of which $2,539 million (2009: $69 million) related to disposals of subsidiaries and $256 million (2009: nil) to the sale of interests in joint ventures.

Disposals in the year ended 31 December 2010

Disposals of subsidiaries and joint ventures during the year ended 31 December 2010 mainly related to disposals in the Other Mining and Industrial, Platinum and Metallurgical Coal segments.

Moly-Cop and AltaSteel
On 31 December 2010 the Group completed the sale of Moly-Cop and AltaSteel to OneSteel Limited resulting in a net cash inflow of $993 million.

Skorpion
The Group announced the sale of its zinc portfolio to Vedanta Resources plc (Vedanta) on 10 May 2010, for total consideration of $1,338 million on an attributable, debt and cash free basis. Due to the regulatory approval and competition clearance processes, separate completion dates were expected for each of the three businesses within the zinc portfolio, namely Skorpion mine, Lisheen mine and Black Mountain Mining (Proprietary) Limited. On 3 December 2010 the Group completed the sale of the Skorpion zinc mine in Namibia to Vedanta resulting in a net cash inflow of $570 million.

14. **Disposals** (continued)

Bafokeng-Rasimone Platinum mine (BRPM)

On 7 December 2009 Anglo Platinum Limited exchanged its direct interest of 17% in BRPM for a 25.4% interest in Royal Bafokeng Platinum Limited (RB Plat) which was to be listed within 24 months, subject to favourable market conditions. In November 2010 the BRPM restructuring transaction was completed, which involved a change in the participation interests of the joint venture from that of joint control and management by Anglo Platinum Limited to RB Plat holding a majority interest and operating the joint venture. Until listing on 8 November 2010 Anglo Platinum Limited retained an effective 50% economic interest in BRPM and continued to exert joint control. As a result of the primary listing of RB Plat and the subsequent disposal by Anglo Platinum Limited of a portion of its shareholding in RB Plat, Anglo Platinum Limited retained an interest of 12.6% in RB Plat, which is accounted for as a financial asset investment. Anglo Platinum Limited retains a 33% interest in BRPM, which has been equity accounted from 8 November 2010.

The total gain on the Bafokeng transaction was $546 million, which comprises the profit on disposal of $106 million and the fair value adjustments to the retained investments in RB Plat and BRPM of $440 million.

Tarmac European businesses

The Group completed the disposal of Tarmac's Polish concrete products business in March 2010, its French and Belgian concrete products business in May 2010, and its aggregates business in France, Germany, Poland and the Czech Republic in September 2010, resulting in combined net cash inflows of $472 million.

Other disposals

In December 2010 the Group disposed of undeveloped coal assets in Australia (Metallurgical Coal segment) resulting in a net cash inflow of $522 million. In April 2010 Platinum sold its 37% interest in the Western Bushveld joint venture for consideration of $107 million. This investment had a nominal carrying value.

Disposals in the year ended 31 December 2009

Disposals of subsidiaries and joint ventures in the year ended 31 December 2009 mainly related to disposals in the Platinum segment. In June 2009 Platinum disposed of a 50% interest in the Booysendal joint venture and a 51% interest in Bokoni Platinum Mines Limited (and certain other joint venture projects).

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

Tarmac disposal groups, which were previously classified as held for sale at 31 December 2009, were disposed of in 2010.

The following assets and liabilities relating to disposal groups were classified as held for sale. The Group expects to complete the sale of these businesses within 12 months of the year end.

US$ million	2010 Zinc disposal groups[(1)]	2009 Tarmac disposal groups
Intangible assets	**4**	13
Property, plant and equipment	**117**	422
Deferred tax assets	**–**	5
Other non-current assets	**49**	2
Total non-current assets	**170**	442
Inventories	**26**	42
Trade and other receivables	**75**	72
Cash and cash equivalents	**59**	64
Total current assets	**160**	178
Total assets	**330**	620
Trade and other payables	**(40)**	(66)
Short term borrowings	**–**	(13)
Provisions for liabilities and charges	**–**	(4)
Total current liabilities	**(40)**	(83)
Medium and long term borrowings	**–**	(3)
Deferred tax liabilities	**(23)**	(46)
Provisions for liabilities and charges	**(72)**	(55)
Other non-current liabilities	**(7)**	(4)
Total non-current liabilities	**(102)**	(108)
Total liabilities	**(142)**	(191)
Net assets	**188**	429

(1) Relates to the Group's portfolio of zinc assets (Other Mining and Industrial segment) for which disposal transactions had not completed at 31 December 2010 (the Lisheen mine and a 74% interest in Black Mountain Mining (Proprietary) Limited, which holds 100% of the Black Mountain mine and the Gamsberg project). The Skorpion mine was disposed of in December 2010 (refer to note 14).

16. Contingent liabilities and contingent assets

Contingent liabilities

The Group is subject to various claims which arise in the ordinary course of business. Additionally, and as set out in the 2007 demerger agreement, Anglo American and Mondi have agreed to indemnify each other, subject to certain limitations, against certain liabilities. Having taken appropriate legal advice, the Group believes that the likelihood of a material liability arising is remote.

At 31 December 2010, the Group and its subsidiaries had provided aggregate amounts of $813 million (2009: $704 million) of loan and performance guarantees to banks and other third parties primarily in respect of environmental restoration and decommissioning obligations.

No contingent liabilities were secured on the assets of the Group at 31 December 2010 or 31 December 2009.

Contingent assets

There were no significant contingent assets in the Group at 31 December 2010 or 31 December 2009.

16. Contingent liabilities and contingent assets continued

Other

Kumba Iron Ore Limited (Kumba)

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

As a result, a dispute arose between SIOC and ArcelorMittal, which SIOC has referred to arbitration. Following mediation by the Department of Trade and Industry, SIOC and ArcelorMittal reached an interim pricing arrangement in respect of the supply of iron ore to ArcelorMittal from the Sishen Mine. This arrangement will endure until 31 July 2011. Both parties have exchanged their respective pleadings, and the arbitration panel has been appointed.

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

SIOC initiated an application on 14 December 2010 to interdict ICT from applying for a mining right in respect of the Sishen Mine and the DMR from accepting an application from ICT, nor granting such 21.4% mining right to ICT pending the final determination of the review application. This application is currently pending.

The DMR informed SIOC on 12 January 2011 that ICT had applied for a 21.4% mining right over Sishen Mine on 9 December 2010, and that the DMR had accepted this application on 23 December 2010. The DMR's acceptance of the application means that the mining right application will now be evaluated according to the detailed process stipulated in the Mineral Resources & Petroleum Development Act 2004 before a decision is made as to whether or not to grant the mining right.

SIOC does not believe that it was lawful for the DMR to have accepted ICT's application, pending the High Court Review initiated in May 2010, and has formally objected to, and appealed against, the DMR's acceptance of ICT's mining right application. SIOC has also requested that its interdict application be determined on an expedited basis, in order to prevent the DMR from considering ICT's mining right application until the finalisation of the review proceedings. In addition, SIOC is in the process of preparing a challenge against the DMR's decision of 25 January 2011 to reject SIOC's May 2009 application to be granted the residual 21.4% mining right. Finally, on 26 January 2011, SIOC lodged a new application for the residual 21.4% mining right.

On 4 February 2011 SIOC made an application to join ArcelorMittal as a respondent in the review proceedings.

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

Anglo American South Africa Limited (AASA)

AASA, a wholly owned subsidiary of the Company, is a defendant in 25 separate lawsuits, each one on behalf of a former mineworker (or his dependents or survivors) who allegedly contracted silicosis working for gold mining companies in which AASA was a shareholder and to which AASA provided various technical and administrative services. The aggregate amount of the 25 claims is less than $5 million, although if these claims are determined adversely to AASA, there are a substantial number of additional former mineworkers who may seek to bring similar claims. The first trials of these claims are not expected before late 2012.

17. Related party transactions

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

The Company and its subsidiaries, in the ordinary course of business, enter into various sales, purchase and service transactions with joint ventures and associates and others in which the Group has a material interest. These transactions are under terms that are no less favourable to the Group than those arranged with third parties. These transactions are not considered to be significant.

17. Related party transactions (continued)

Dividends received from associates during the year totalled $255 million (2009: $616 million), as disclosed in the Consolidated cash flow statement.

At 31 December 2010 the Group had provided loans to joint ventures of $319 million (2009: $262 million). These loans are included in financial asset investments. Amounts payable to joint ventures at 31 December 2010 were $59 million (2009: nil).

At 31 December 2010 the directors of the Company and their immediate relatives controlled 2% (2009: 3%) of the voting shares of the Company.

Related party transactions with De Beers

During the year, the Group has entered into various transactions with DB Investments SA and De Beers SA (together De Beers). These transactions are considered to be related party transactions for the purposes of the UKLA Listing Rules as a result of the interest in De Beers held by Central Holdings Limited and certain of its subsidiaries (together CHL) in which Mr N. F. Oppenheimer, a director of the Company, has a relevant interest for the purpose of the rules.

In February 2010, the shareholders of De Beers agreed, as part of refinancing of the De Beers group (the Refinancing), that additional equity was required by De Beers. As a result, such shareholders (including CHL) subscribed, in proportion to their shareholding, for $1 billion of additional equity in De Beers. The Group's share of this equity was $450 million and CHL's share was $400 million.

Pursuant to the Refinancing, and to satisfy the requirements of the lenders to De Beers, the shareholders agreed to certain restrictions until specified financial tests (Normalisation) were met. De Beers has confirmed that Normalisation occurred during November 2010 and accordingly such restrictions (other than certain subordination obligations) have fallen away. As part of the agreed equity subscription, a temporary re-ranking of distribution rights, to be implemented following Normalisation, was agreed. In pursuance of that agreement, in November 2010 a $20 million repayment of shareholder loans was made by De Beers (including to the Group and CHL), pro rata to their individual equity subscriptions and in priority to existing preferences under the terms of outstanding preference shares. However, during the period, De Beers also redeemed the remaining $88 million 10% non-cumulative redeemable preference shares held by the Group in De Beers, and settled all accrued dividends and interest, in an aggregate amount of $18 million, relating to such shares.

At 31 December 2010 the amount of outstanding loans owed by De Beers to the Group and included in Financial asset investments amounted to $358 million (2009: $367 million). These loans are subordinated in favour of third party lenders and include:

- dividend reinvestment loans of $133 million (2009: $142 million) advanced during 2008 and 2009. These loans are interest free for two years from the date of advance and subsequently interest bearing in line with market rates at the date of the initial reinvestment; and
- a further shareholder loan of $225 million advanced in 2009. This loan is interest free for two years after which it reverts to a rate of interest equal to LIBOR plus 700 basis points until April 2016 and then, provided all interest payments are up to date, reduces to LIBOR plus 300 basis points.

18. Events occurring after end of year

As set out in note 14, the Group announced the sale of its zinc portfolio to Vedanta on 10 May 2010, for a total consideration of $1,338 million. Due to the regulatory approval and competition clearance processes, separate completion dates were expected for each of the three businesses within the zinc portfolio. Following regulatory approval from the relevant authorities, the completion of the sale of Black Mountain Mining (Proprietary) Limited and the Lisheen mine took place in February 2011 for a combined net cash inflow of approximately $500 million.

On 18 February 2011, the Group and Lafarge SA (Lafarge) announced an agreement to combine their cement, aggregates, ready-mixed concrete asphalt and contracting businesses in the United Kingdom, Tarmac Limited (Tarmac UK) and Lafarge Cement UK, Lafarge Aggregates and Concrete UK (Lafarge UK). The combined sales of these two businesses in 2010 amounted to £1,830 million ($2,815 million), with combined EBITDA of £210 million ($323 million). Tarmac UK is included in the Group's Other Mining and Industrial segment. The joint venture, in which each of Anglo American and Lafarge will have a 50% shareholding, will operate with its own Board of Directors led by an independent Chairman and executive management teams drawn from both businesses. Completion of the transaction is conditional upon regulatory approval. Both Lafarge UK and Tarmac UK operations will continue to operate independently until obtaining such approvals.

With the exception of the above and the proposed final dividend for 2010 there have been no material reportable events since 31 December 2010.

Production statistics

The figures below include the entire output of consolidated entities and the Group's attributable share of joint ventures, joint arrangements and associates where applicable, except for Collahuasi in the Copper segment and De Beers which are quoted on a 100% basis.

			2010	2009
Platinum segment[(1)]				
Platinum		troy ounces	**2,569,900**	2,451,600
Palladium		troy ounces	**1,448,500**	1,360,500
Rhodium		troy ounces	**328,900**	349,900
		troy ounces	**4,347,300**	4,162,000
Nickel[(2)]		tonnes	**18,500**	19,500
Copper[(2)]		tonnes	**10,900**	11,200
Gold		troy ounces	**81,300**	90,900
Equivalent refined platinum		troy ounces	**2,484,000**	2,464,300
Diamonds segment (De Beers) (diamonds recovered – carats)				
100% basis (Anglo American 45%)				
Debswana			**22,218,000**	17,734,000
Namdeb			**1,472,000**	929,000
De Beers Consolidated Mines			**7,556,000**	4,797,000
De Beers Canada			**1,751,000**	1,140,000
Total diamonds production for De Beers			**32,997,000**	24,600,000
Anglo American's share of diamonds production for De Beers			**14,848,700**	11,070,000
Copper segment				
Collahuasi				
100% basis (Anglo American 44%)				
Ore mined		tonnes	**84,060,000**	71,197,800
Ore processed	Oxide	tonnes	**7,226,800**	7,293,800
	Sulphide	tonnes	**49,119,900**	45,348,300
Ore grade processed	Oxide	% Cu	**0.5**	0.6
	Sulphide	% Cu	**1.1**	1.1
Production	Copper concentrate	dry metric tonnes	**1,789,300**	1,837,900
	Copper cathode	tonnes	**38,800**	43,100
	Copper in concentrate	tonnes	**465,200**	492,700
Total copper production for Collahuasi		tonnes	**504,000**	535,800
Anglo American's share of copper production for Collahuasi		tonnes	**221,800**	235,800
Anglo American Sur				
Los Bronces mine				
Ore mined		tonnes	**20,021,600**	21,115,900
Marginal ore mined		tonnes	**43,266,400**	19,368,700
Las Tortolas concentrator	Ore processed	tonnes	**18,909,400**	20,512,300
	Ore grade processed	% Cu	**1.0**	1.1
	Average recovery	%	**88.0**	86.3
Production	Copper concentrate	dry metric tonnes	**598,300**	676,100
	Copper cathode	tonnes	**42,600**	45,500
	Copper in sulphate	tonnes	**4,100**	2,900
	Copper in concentrate	tonnes	**174,700**	190,000
	Total	tonnes	**221,400**	238,400
El Soldado mine				
Ore mined	Open pit – ore mined	tonnes	**4,890,400**	7,348,500
	Open pit – marginal ore mined	tonnes	**101,900**	505,600
	Underground (sulphide)	tonnes	**1,390,200**	1,501,000
	Total	tonnes	**6,382,500**	9,355,100
Ore processed	Oxide	tonnes	**1,532,200**	1,689,700
	Sulphide	tonnes	**7,176,100**	7,481,500
Ore grade processed	Oxide	% Cu	**0.7**	0.7
	Sulphide	% Cu	**0.6**	0.7
Production	Copper concentrate	dry metric tonnes	**174,000**	158,700
	Copper cathode	tonnes	**4,700**	4,200
	Copper in concentrate	tonnes	**35,700**	37,200
	Total	tonnes	**40,400**	41,400

(1) See the published results of Anglo Platinum Limited for further analysis of production information.
(2) Also disclosed within total attributable nickel and copper production.

Production statistics (continued)

			2010	2009
Copper segment (continued)				
Anglo American Sur (continued)				
Chagres Smelter				
	Copper concentrate smelted	tonnes	**142,100**	140,900
Production	Copper blister/anode	tonnes	**137,900**	137,700
	Copper blister/anode (third party)	tonnes	**–**	2,500
	Acid	tonnes	**466,700**	457,600
Total copper production for Anglo American Sur[1]		tonnes	**261,800**	282,300
Anglo American Norte				
Mantos Blancos mine				
Ore processed	Oxide	tonnes	**4,380,900**	4,361,300
	Sulphide	tonnes	**3,924,700**	4,248,100
	Marginal ore mined	tonnes	**5,628,900**	3,360,000
Ore grade processed	Oxide	% Cu (soluble)	**0.6**	0.7
	Sulphide	% Cu (insoluble)	**1.1**	1.1
	Marginal ore	% Cu (soluble)	**0.2**	0.3
Production	Copper concentrate	dry metric tonnes	**119,300**	125,100
	Copper cathode (third party)	tonnes	**–**	8,600
	Copper cathode	tonnes	**39,100**	37,600
	Copper in concentrate	tonnes	**39,500**	44,000
	Total	tonnes	**78,600**	90,200
Mantoverde mine				
Ore processed	Oxide	tonnes	**9,223,200**	9,676,300
	Marginal ore	tonnes	**5,237,000**	4,058,000
Ore grade processed	Oxide	% Cu (soluble)	**0.7**	0.7
	Marginal ore	% Cu (soluble)	**0.3**	0.3
Production	Copper cathode	tonnes	**61,100**	61,500
Total copper production for Anglo American Norte[1]		tonnes	**139,700**	151,700
Total Copper segment copper production[1]		tonnes	**623,300**	669,800
Platinum copper production		tonnes	**10,900**	11,200
Black Mountain copper production		tonnes	**2,500**	2,200
Total attributable copper production[1]		tonnes	**636,700**	683,200
Nickel segment				
Codemin				
Ore mined		tonnes	**493,900**	547,700
Ore processed		tonnes	**488,300**	512,000
Ore grade processed		% Ni	**1.9**	2.1
Production		tonnes	**8,500**	9,500
Loma de Níquel				
Ore mined		tonnes	**714,200**	822,700
Ore processed		tonnes	**798,000**	641,800
Ore grade processed		% Ni	**1.6**	1.6
Production		tonnes	**11,700**	10,400
Total Nickel segment nickel production		tonnes	**20,200**	19,900
Platinum nickel production		tonnes	**18,500**	19,500
Total attributable nickel production		tonnes	**38,700**	39,400
Iron Ore and Manganese segment				
Kumba Iron Ore				
Lump		tonnes	**25,922,300**	25,300,000
Fines		tonnes	**17,462,600**	16,643,000
Amapá[2]				
Sinter feed		tonnes	**2,136,900**	576,100
Pellet feed		tonnes	**1,892,500**	2,077,100
Total iron ore production		tonnes	**47,414,300**	44,596,200
Samancor[3]				
Manganese ore		tonnes	**2,952,800**	1,570,000
Manganese alloys[4]		tonnes	**312,000**	129,000

(1) Includes total concentrate, cathode and copper in sulphate production and blister/anode produced from third party purchased material.
(2) At 31 December 2009 Amapá was not in commercial production and therefore to this date all revenue and related costs were capitalised. Commercial production commenced on 1 January 2010.
(3) Saleable production.
(4) Production includes Medium Carbon Ferro Manganese.

Production statistics (continued)

	2010	2009
Coal (tonnes)		
Metallurgical Coal segment		
Australia		
Metallurgical	**14,701,800**	12,622,600
Thermal	**14,460,500**	14,051,800
Total Metallurgical Coal segment coal production	**29,162,300**	26,674,400
Thermal Coal segment		
South Africa		
Metallurgical	**436,500**	747,100
Thermal	**21,612,000**	22,185,900
Eskom	**36,403,400**	36,225,100
	58,451,900	59,158,100
Colombia		
Thermal	**10,060,100**	10,189,600
Total Thermal Coal segment coal production(1)	**68,512,000**	69,347,700
Other Mining and Industrial segment		
South America		
Thermal	**441,400**	750,700
Canada		
Metallurgical	**868,000**	645,300
Thermal	**–**	73,000
	868,000	718,300
Total Other Mining and Industrial segment coal production	**1,309,400**	1,469,000
Total coal production(1)	**98,983,700**	97,491,100
Coal (tonnes)		
Metallurgical Coal segment		
Australia		
Callide	**8,515,600**	8,766,400
Drayton	**4,206,000**	3,630,200
Capcoal	**5,460,300**	4,598,900
Jellinbah	**1,792,500**	1,745,800
Moranbah North	**3,937,800**	2,581,000
Dawson	**3,584,400**	3,756,200
Foxleigh	**1,665,700**	1,595,900
Total Metallurgical Coal segment coal production	**29,162,300**	26,674,400
Thermal Coal segment		
South Africa		
Greenside	**3,425,000**	3,294,600
Goedehoop	**6,026,200**	6,905,000
Isibonelo	**4,569,100**	5,061,900
Kriel	**9,526,100**	11,161,700
Kleinkopje	**4,423,600**	4,414,000
Landau	**4,085,800**	4,231,500
New Denmark	**5,051,600**	3,728,900
New Vaal	**17,235,300**	17,553,700
Nooitgedacht	**–**	475,000
Mafube	**2,447,700**	2,212,800
Zibulo(1)	**1,661,500**	119,000
	58,451,900	59,158,100
Colombia		
Carbones del Cerrejón	**10,060,100**	10,189,600
Total Thermal Coal segment coal production(1)	**68,512,000**	69,347,700
Other Mining and Industrial segment		
South America		
Carbones del Guasare(2)	**441,400**	750,700
Canada		
Peace River Coal	**868,000**	718,300
Total Other Mining and Industrial segment coal production	**1,309,400**	1,469,000
Total coal production(1)	**98,983,700**	97,491,100

(1) Zibulo (previously Zondagsfontein) is currently not in commercial production and therefore all revenue and related costs associated with 1,662 kt (2009: 119 kt) of production have been capitalised. The 1,662 kt includes Eskom coal of 765 kt (2009: 33 kt) and export thermal coal production of 897 kt (2009: 86 kt).
(2) At 31 December 2010 Carbones del Guasare had ceased to be an associate of the Company.

Production statistics (continued)

			2010	2009
Coal (tonnes) (continued)				
Total coal production by commodity (tonnes)				
Metallurgical				
South Africa			**436,500**	747,100
Australia			**14,701,800**	12,622,600
Canada			**868,000**	645,300
Total metallurgical coal production			**16,006,300**	14,015,000
Thermal				
South Africa – Thermal			**21,612,000**	22,185,900
South Africa – Eskom			**36,403,400**	36,225,100
Australia			**14,460,500**	14,051,800
South America			**10,501,500**	10,940,300
Canada			**–**	73,000
Total thermal coal production(1)			**82,977,400**	83,476,100
Total coal production(1)			**98,983,700**	97,491,100
Other Mining and Industrial segment(2)				
Tarmac				
Aggregates		tonnes	**58,875,600**	72,767,300
Lime products		tonnes	**1,255,900**	1,214,400
Concrete		m^3	**3,305,800**	3,521,200
Zinc and Lead				
Skorpion(3)				
Ore mined		tonnes	**1,412,600**	1,495,900
Ore processed		tonnes	**1,358,000**	1,426,800
Ore grade processed	Zinc	% Zn	**11.2**	11.5
Production	Zinc	tonnes	**138,500**	150,400
Lisheen				
Ore mined		tonnes	**1,531,700**	1,534,500
Ore processed		tonnes	**1,587,600**	1,526,200
Ore grade processed	Zinc	% Zn	**12.2**	12.4
	Lead	% Pb	**1.9**	1.8
Production	Zinc in concentrate	tonnes	**175,100**	171,800
	Lead in concentrate	tonnes	**20,600**	19,200
Black Mountain				
Ore mined		tonnes	**1,415,500**	1,249,700
Ore processed		tonnes	**1,378,600**	1,293,200
Ore grade processed	Zinc	% Zn	**3.3**	2.8
	Lead	% Pb	**4.2**	4.0
	Copper	% Cu	**0.3**	0.3
Production	Zinc in concentrate	tonnes	**36,100**	28,200
	Lead in concentrate	tonnes	**50,600**	49,100
	Copper in concentrate	tonnes	**2,500**	2,200
Total attributable zinc production		tonnes	**349,700**	350,400
Total attributable lead production		tonnes	**71,200**	68,300
Scaw Metals				
South Africa Steel Products		tonnes	**710,000**	693,000
International Steel Products(4)		tonnes	**794,200**	718,000
Copebrás				
Phosphates		tonnes	**1,002,000**	829,000
Niobium				
Catalão				
Ore mined		tonnes	**1,209,400**	906,700
Ore processed		tonnes	**909,300**	873,500
Ore grade processed		Kg Nb/tonne	**6.6**	9.3
Production		tonnes	**4,000**	5,100

(1) Zibulo (previously Zondagsfontein) is currently not in commercial production and therefore all revenue and related costs associated with 1,662 kt (2009: 119 kt) of production have been capitalised. The 1,662 kt includes Eskom coal of 765 kt (2009: 33 kt) and export thermal coal production of 897 kt (2009: 86 kt).
(2) Production for Coal Americas is included in Coal production section.
(3) The Group sold its interest in Skorpion in December 2010.
(4) Relates to production from Moly-Cop and AltaSteel. The Group sold its interests in Moly-Cop and AltaSteel in December 2010.

Production statistics (continued)

Quarterly production statistics

	Quarter ended					% Change (Quarter ended)	
	31 December 2010	**30 September 2010**	**30 June 2010**	**31 March 2010**	31 December 2009	31 December 2010 v 30 September 2010	31 December 2010 v 31 December 2009
Platinum segment							
Platinum (troy ounces)	**872,400**	**697,000**	**553,800**	**446,700**	766,000	25%	14%
Palladium (troy ounces)	**502,600**	**404,500**	**294,400**	**247,000**	426,300	24%	18%
Rhodium (troy ounces)	**111,400**	**88,600**	**67,300**	**61,600**	93,900	26%	19%
Nickel (tonnes)	**5,000**	**4,300**	**4,800**	**4,400**	5,300	16%	(6)%
Equivalent refined platinum (troy ounces)	**640,100**	**648,300**	**600,900**	**594,700**	603,900	(1)%	6%
Diamonds segment (De Beers) (diamonds recovered – carats)							
100% basis (Anglo American 45%)							
Diamonds	**8,532,000**	**9,033,000**	**8,420,000**	**7,012,000**	10,124,000	(6)%	(16)%
Copper segment (tonnes)[(1)]	**154,400**	**153,400**	**154,700**	**160,800**	185,900	1%	(17)%
Nickel segment (tonnes)[(2)]	**4,400**	**5,700**	**5,300**	**4,800**	4,900	(23)%	(10)%
Iron Ore and Manganese segment (tonnes)							
Iron ore[(3)]	**11,807,700**	**11,819,200**	**11,458,700**	**12,328,700**	12,407,200	–	(5)%
Manganese ore[(4)]	**731,600**	**848,800**	**688,400**	**684,000**	615,000	(14)%	19%
Manganese alloys[(4)(5)]	**76,800**	**79,600**	**87,200**	**68,400**	52,000	(4)%	48%
Metallurgical Coal segment (tonnes)							
Metallurgical	**3,651,300**	**3,971,000**	**3,797,900**	**3,281,600**	3,805,500	(8)%	(4)%
Thermal	**3,727,500**	**3,413,000**	**3,970,200**	**3,349,800**	3,487,400	9%	7%
Thermal Coal segment (tonnes)[(6)]							
Metallurgical	**103,000**	**111,700**	**110,400**	**111,400**	130,500	(8)%	(21)%
Thermal	**8,200,700**	**8,240,300**	**7,813,000**	**7,418,100**	7,785,400	–	5%
Eskom	**9,484,800**	**10,431,300**	**8,275,300**	**8,212,000**	8,448,400	(9)%	12%
Other Mining and Industrial segment (tonnes)[(7)]							
Metallurgical coal	**240,200**	**226,400**	**206,700**	**194,700**	149,900	6%	60%
Thermal coal	**48,600**	**129,900**	**89,900**	**173,000**	310,200	(63)%	(84)%
Zinc	**77,300**	**93,700**	**91,000**	**87,700**	86,500	(18)%	(11)%
Lead	**18,200**	**22,200**	**15,400**	**15,400**	18,900	(18)%	(4)%
South Africa Steel Products	**151,000**	**180,000**	**197,000**	**182,000**	167,000	(16)%	(10)%
International Steel Products	**200,400**	**215,000**	**188,800**	**190,000**	177,000	(7)%	13%
Coal production by commodity (tonnes)[(6)]							
Metallurgical	**3,994,500**	**4,309,100**	**4,115,000**	**3,587,700**	4,085,900	(7)%	(2)%
Thermal	**11,976,800**	**11,783,200**	**11,873,100**	**10,940,900**	11,583,000	2%	3%
Eskom	**9,484,800**	**10,431,300**	**8,275,300**	**8,212,000**	8,448,400	(9)%	12%

(1) Excludes Platinum and Black Mountain mine copper production.
(2) Excludes Platinum nickel production.
(3) At 31 December 2009 Amapá was not in commercial production and therefore to this date all revenue and related costs were capitalised. Commercial production commenced on 1 January 2010.
(4) Saleable production.
(5) Production includes Medium Carbon Ferro Manganese.
(6) Zibulo (previously Zondagsfontein) is currently not in commercial production and therefore all revenue and related costs associated with 1,662 kt (2009: 119 kt) of production have been capitalised. The 1,662 kt includes Eskom coal of 765 kt (2009: 33 kt) and export thermal coal production of 897 kt (2009: 86 kt).
(7) Excludes Tarmac, Copebrás and Catalão.

Exchange rates and commodity prices

US$ exchange rates	2010	2009
Average prices for the year		
Rand	**7.32**	8.41
Sterling	**0.65**	0.64
Euro	**0.75**	0.72
Australian dollar	**1.09**	1.26
Chilean peso	**510**	559
Brazilian real	**1.76**	2.00
Year end spot prices		
Rand	**6.60**	7.38
Sterling	**0.64**	0.62
Euro	**0.75**	0.70
Australian dollar	**0.98**	1.11
Chilean peso	**468**	507
Brazilian real	**1.66**	1.74

Commodity prices		2010	2009
Average market prices for the year			
Platinum[(1)]	US$/oz	**1,610**	1,211
Palladium[(1)]	US$/oz	**527**	266
Rhodium[(1)]	US$/oz	**2,453**	1,592
Copper[(2)]	US cents/lb	**342**	234
Nickel[(2)]	US cents/lb	**989**	667
Zinc[(2)]	US cents/lb	**98**	75
Lead[(2)]	US cents/lb	**97**	78
Iron ore (FOB Australia)[(3)]	US$/tonne	**136**	68
Thermal coal (FOB South Africa)[(4)]	US$/tonne	**92**	64
Thermal coal (FOB Australia)[(4)]	US$/tonne	**99**	72
Hard coking coal (FOB Australia)[(5)]	US$/tonne	**191**	172
Year end spot prices			
Platinum[(1)]	US$/oz	**1,755**	1,475
Palladium[(1)]	US$/oz	**797**	402
Rhodium[(1)]	US$/oz	**2,425**	2,500
Copper[(2)]	US cents/lb	**442**	333
Nickel[(2)]	US cents/lb	**1,132**	838
Zinc[(2)]	US cents/lb	**110**	117
Lead[(2)]	US cents/lb	**117**	109
Iron ore (FOB Australia)[(3)]	US$/tonne	**163**	109
Thermal coal (FOB South Africa)[(4)]	US$/tonne	**129**	81
Thermal coal (FOB Australia)[(4)]	US$/tonne	**126**	88
Hard coking coal (FOB Australia)[(6)]	US$/tonne	**209**	129

(1) Source: Johnson Matthey.
(2) Source: LME daily prices.
(3) Source: Platts.
(4) Source: McCloskey.
(5) Source: 2010 represents the quarterly benchmark, with quarter one 2010 being the final quarter of the annual settlement for JFY 2009-2010. 2009 represents average annual benchmark, with quarter one 2009 being the final quarter of the annual settlement for JFY 2008-2009.
(6) Source: 2010 represents the quarter four benchmark and 2009 represents closing annual benchmark.

Summary by business operation

US$ million	Revenue[1]		EBITDA[2]		Operating profit/(loss)[3]		Underlying earnings	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
Platinum	**6,602**	4,535	**1,624**	677	**837**	32	**425**	44
Diamonds	**2,644**	1,728	**666**	215	**495**	64	**302**	(90)
Copper	**4,877**	3,967	**3,086**	2,254	**2,817**	2,010	**1,721**	1,201
Anglo American Sur	**2,075**	1,723	**1,263**	994	**1,125**	862	**685**	444
Anglo American Norte	**1,073**	833	**661**	408	**624**	369	**419**	197
Collahuasi	**1,729**	1,411	**1,276**	952	**1,186**	880	**738**	663
Projects and corporate	**–**	–	**(114)**	(100)	**(118)**	(101)	**(121)**	(103)
Nickel	**426**	348	**122**	28	**96**	2	**75**	(13)
Codemin	**195**	157	**83**	49	**76**	41	**48**	24
Loma de Níquel	**231**	191	**82**	11	**65**	(7)	**55**	17
Projects and corporate	**–**	–	**(43)**	(32)	**(45)**	(32)	**(28)**	(54)
Iron Ore and Manganese	**6,612**	3,419	**3,856**	1,593	**3,681**	1,489	**1,423**	571
Kumba Iron Ore	**5,310**	2,816	**3,514**	1,562	**3,396**	1,487	**1,210**	490
Iron Ore Brazil	**319**	–	**(73)**	(135)	**(97)**	(141)	**(77)**	(119)
Samancor	**983**	603	**415**	166	**382**	143	**290**	200
Metallurgical Coal	**3,377**	2,239	**1,116**	706	**783**	451	**585**	322
Australia	**3,377**	2,239	**1,147**	729	**814**	474	**616**	345
Projects and corporate	**–**	–	**(31)**	(23)	**(31)**	(23)	**(31)**	(23)
Thermal Coal	**2,866**	2,490	**872**	875	**710**	721	**512**	517
South Africa	**2,105**	1,748	**539**	550	**426**	442	**314**	328
Colombia	**761**	742	**358**	352	**309**	305	**223**	215
Projects and corporate	**–**	–	**(25)**	(27)	**(25)**	(26)	**(25)**	(26)
Other Mining and Industrial	**5,520**	5,908	**912**	878	**661**	506	**522**	403
Tarmac[4]	**2,376**	2,870	**188**	313	**48**	101	**67**	81
Skorpion[5]	**311**	236	**154**	100	**134**	43	**133**	40
Lisheen[5]	**265**	208	**114**	74	**114**	73	**99**	67
Black Mountain[5]	**197**	148	**73**	59	**73**	59	**47**	60
Scaw Metals[6]	**1,579**	1,384	**213**	172	**170**	131	**119**	70
Copebrás	**461**	320	**104**	(9)	**81**	(40)	**48**	7
Catalão	**152**	184	**71**	111	**67**	106	**38**	77
Coal Americas	**179**	165	**18**	6	**(3)**	(8)	**1**	(12)
Tongaat Hulett/Hulamin[7]	**–**	393	**–**	73	**–**	62	**–**	31
Projects and corporate	**–**	–	**(23)**	(21)	**(23)**	(21)	**(30)**	(18)
Exploration	**–**	–	**(136)**	(172)	**(136)**	(172)	**(128)**	(167)
Corporate Activities and Unallocated Costs	**5**	3	**(135)**	(124)	**(181)**	(146)	**(461)**	(219)
	32,929	24,637	**11,983**	6,930	**9,763**	4,957	**4,976**	2,569

(1) Revenue includes the Group's attributable share of revenue of joint ventures and associates. Revenue for copper and zinc operations is shown after deduction of treatment and refining charges (TC/RCs).
(2) Earnings before interest, tax, depreciation and amortisation (EBITDA) is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates.
(3) Operating profit includes operating profit before special items and remeasurements from subsidiaries and joint ventures and attributable share of operating profit (before interest, tax, non-controlling interests, special items and remeasurements) of associates.
(4) In the year ended 31 December 2010 Tarmac sold its Polish and French and Belgian concrete products businesses and the majority of its European Aggregates businesses. See Disposals note 14.
(5) Skorpion, Lisheen and Black Mountain comprise the Group's portfolio of operating zinc assets. The Group completed the disposal of its interest in Skorpion mine in December 2010. Lisheen and Black Mountain were classified as held for sale at 31 December 2010. See Disposals note 14 and Disposal groups and non-current assets held for sale note 15.
(6) Scaw Metals includes Moly-Cop and AltaSteel which were disposed of in December 2010. See Disposals note 14.
(7) The Group's investments in Tongaat Hulett and Hulamin were disposed of in August 2009 and July 2009, respectively.

Key financial data

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

See following page for footnotes.

Key financial data (continued)

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

(1) Comparatives for 2006, 2005 and 2004 were adjusted in the 2007 Annual Report to reclassify amounts relating to discontinued operations where applicable.
(2) Underlying earnings is net profit attributable to equity shareholders, adjusted for the effect of special items and remeasurements and any related tax and non-controlling interests.
(3) EBITDA is operating profit before special items, remeasurements, depreciation and amortisation in subsidiaries and joint ventures and includes attributable share of EBITDA of associates.
(4) EBITDA interest cover is EBITDA divided by net finance costs, excluding other net financial income, exchange gains and losses on monetary assets and liabilities, unwinding of discount relating to provisions and other non-current liabilities, financing special items and remeasurements, but including attributable share of associates' net interest expense.
(5) Comparatives for 2008, 2007, 2006 and 2005 were adjusted in the 2009 Annual Report in accordance with IAS 1 *Presentation of Financial Statements – Improvements* to reclassify non-hedge derivatives whose expected settlement date was more than one year from the period end from current to non-current.
(6) This differs from the Group's measure of net debt as it excludes the net debt of disposal groups (2010: $59 million; 2009: $48 million; 2008: $8 million; 2007: $(69) million; 2006: $(80) million; 2005: nil; 2004: nil) and excludes related hedges (2010: liabilities of $405 million; 2009: liabilities of $285 million; 2008: liabilities of $297 million; 2007: assets of $388 million; 2006: assets of $193 million; 2005: nil; 2004: nil). For more detail see note 13 Consolidated cash flow analysis.
(7) Total capital is net assets excluding net debt.
(8) Return on capital employed is calculated as total operating profit before impairments for the year divided by the average of total capital less other investments and adjusted for impairments.
(9) Net debt to total capital is calculated as net debt (including related hedges) divided by total capital. Comparatives are presented on a consistent basis.

Reconciliation of subsidiaries' and associate's reported earnings to the underlying earnings included in the Condensed financial statements
For the year ended 31 December 2010

Note only key reported lines are reconciled.

Anglo Platinum Limited

US$ million	2010	2009
IFRS headline earnings (US$ equivalent of published)	**674**	84
Exploration	**11**	17
Operating and financing remeasurements (net of tax)	**(21)**	27
Restructuring costs included in headline earnings (net of tax)	**28**	27
Other adjustments	**(1)**	2
	691	157
Non-controlling interests	**(140)**	(31)
Elimination of intercompany interest	**29**	47
Depreciation on assets fair valued on acquisition (net of tax)	**(102)**	(83)
Corporate cost allocation	**(53)**	(46)
Contribution to Anglo American plc underlying earnings	**425**	44

De Beers Société Anonyme

US$ million	2010	2009
De Beers underlying earnings (100%)	**598**	(220)
Difference in IAS 19 accounting policy	**53**	5
De Beers underlying earnings – Anglo American plc basis (100%)	**651**	(215)
Anglo American plc's 45% ordinary share interest	**293**	(97)
Income from preference shares	**9**	9
Other adjustments	**–**	(2)
Contribution to Anglo American plc underlying earnings	**302**	(90)

Kumba Iron Ore Limited

US$ million	2010	2009
IFRS headline earnings (US$ equivalent of published)	**1,964**	845
Exploration	**9**	3
Other adjustments	**1**	(2)
	1,974	846
Non-controlling interests	**(710)**	(314)
Elimination of intercompany interest	**2**	(10)
Depreciation on assets fair valued on acquisition (net of tax)	**(9)**	(7)
Corporate cost allocation	**(47)**	(39)
Other adjustments	**–**	14
Contribution to Anglo American plc underlying earnings	**1,210**	490

ANGLO AMERICAN plc

(Incorporated in England and Wales – Registered number 3564138)

(the Company)

Notice of Final Dividend

(Dividend No. 21)

The directors have recommended that a dividend on the Company's ordinary share capital in respect of the year ended 31 December 2010 will, subject to approval by shareholders at the Annual General Meeting to be held on Thursday 21 April 2011, be paid as follows:

Amount (United States currency)	40 cents per ordinary share (note 1)
Amount (South African currency)	R2.8906 per ordinary share
Last day to effect removal of shares between the UK and SA registers	Thursday 17 February 2011
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Friday 25 March 2011
Ex-dividend on the JSE from the commencement of trading on	Monday 28 March 2011 (note 2)
Ex-dividend on the London Stock Exchange from the commencement of trading on	Wednesday 30 March 2011
Record date (applicable to both the United Kingdom principal register and South African branch register)	Friday 1 April 2011
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 1)	Tuesday 5 April 2011
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by the UK Registrars (notes 3, 4 and 5)	Tuesday 5 April 2011
Last day for receipt of DRIP mandate forms by Central Securities Depository Participants (CDSPs) (notes 3, 4 and 5)	Thursday 7 April 2011
Last day for receipt of DRIP mandate forms by South African Transfer Secretaries (notes 3, 4 and 5)	Monday 11 April 2011
Currency conversion US$:£/€ rates announced on	Wednesday 13 April 2011
Removal of shares between the UK and SA registers permissible from	Wednesday 13 April 2011
Dividend warrants posted SA	Tuesday 26 April 2011
Dividend warrants posted UK	Wednesday 27 April 2011
Payment date of dividend	Thursday 28 April 2011

Notes

1. Shareholders on the United Kingdom register of members with an address in the United Kingdom will be paid in pounds sterling and those with an address in a country in the European Union which has adopted the euro, will be paid in euros. Such shareholders may, however, elect to be paid their dividends in US dollars. Shareholders with an address elsewhere will be paid in US dollars except those registered on the South African branch register who will be paid in South African rand.
2. Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period from the JSE ex-dividend date to the record date (both days inclusive).
3. Those shareholders who already participate in the DRIP need not complete a DRIP mandate form for each dividend as such forms provide an ongoing authority to participate in the DRIP until cancelled in writing. Shareholders who wish to participate in the DRIP should obtain a mandate form from the UK Registrars, the South African Transfer Secretaries or, in the case of those who hold their shares through the STRATE system, their CSDP.
4. In terms of the DRIP, and subject to the purchase of shares in the open market, share certificates/CREST notifications are expected to be mailed and CSDP investor accounts credited/updated on Thursday 5 May 2011. CREST accounts will be credited on Friday 6 May 2011.
5. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.

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