HALF YEAR FINANCIAL REPORT

for the six months ended 30 June 2022

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28 July 2022

Anglo American Interim Results 2022

Portfolio quality supports underlying EBITDA of $8.7 billion

Financial highlights for the six months ended 30 June 2022

- Underlying EBITDA* of $8.7 billion
- Profit attributable to equity shareholders of $3.7 billion
- Net debt* of $4.9 billion (0.3 x annualised underlying EBITDA): cash generation partially offset by investment in asset resilience and growth
- $1.5 billion interim dividend, equal to $1.24 per share, consistent with our 40% payout policy
- Quellaveco commissioned on time and on budget: multi-decade new copper operation expected to produce 300,000 copper equivalent tonnes per year on average over first 10 years

Duncan Wanblad, Chief Executive of Anglo American, said: "Anglo American's differentiated combination of portfolio quality and growth optionality, underpinned by our operating model and innovation track record, continues to position us strongly through the current market volatility and longer term cycle. Our unwavering focus is on driving consistent performance across our operations – which starts with the safety and health of our employees – and progress towards our full suite of sustainability ambitions. As we progressed through the first half, we began to regain operational momentum while also adjusting to the considerable challenges posed by Covid-19 related absenteeism, disrupted supply chains and logistics corridors, weather extremes and geopolitically-led economic volatility.

"Against that backdrop, we generated underlying EBITDA of $8.7 billion in the first six months, our second highest for a half year, albeit a 28% decrease compared to the record first half of 2021. Attributable free cash flow of $1.6 billion was driven largely by strong prices in the first quarter that declined towards the end of the period in tandem with increasing cost inflation. Despite those headwinds and our operational challenges, in steelmaking coal and iron ore in particular, that reduced our planned production output, our return on capital employed of 36% stayed well above our targeted 15% through-the-cycle return and our mining EBITDA margin remained at a healthy 52%. Our commitment to capital discipline and to a strong and flexible balance sheet is paramount to remain resilient to the external environment and retain optionality for value-adding growth. At the end of June, net debt of $4.9 billion, or 0.3 x annualised underlying EBITDA, reflects the cash generation of the business, partially offset by our investments in our existing assets and future growth. Our $1.5 billion interim dividend of $1.24 per share is in line with our 40% payout policy.

"We continue to make progress on our long term safety journey. There is no doubt, however, that the operational changes necessary to help protect the health of our employees during the last two years require us to apply additional targeted effort to regain our momentum of continuous improvement. I am also sad to report that we lost one colleague in March in an equipment lifting incident in Australia. It is simply unacceptable to lose a life at work and we are determined to eliminate workplace fatalities once and for all. This is my number one priority.

"Looking ahead, growing the value of our business by progressing asset development options is the foundation of our organic margin-enhancing volume growth potential of 30%[1] over the next decade. More than a third of this growth comes from our newly commissioned Quellaveco copper operation. With our customer proposition almost entirely oriented around future-enabling metals and minerals, we are well positioned to play a critical role in the decarbonisation of global energy and transport systems, alongside good progress in meeting our own ambitious emissions targets, thereby delivering enhanced value for our shareholders and stakeholders across society."

Six months ended US$ million, unless otherwise stated	30 June 2022	30 June 2021	Change
Revenue	18,111	21,779	(17) %
Underlying EBITDA*	8,701	12,140	(28) %
Mining EBITDA margin*	52 %	61 %	
Attributable free cash flow*	1,564	5,641	(72) %
Profit attributable to equity shareholders of the Company	3,680	5,188	(29) %
Basic underlying earnings per share* ($)	3.11	4.30	(28) %
Basic earnings per share ($)	3.03	4.18	(28) %
Interim dividend per share ($)	1.24	1.71	(27) %
Additional returns per share ($)	—	1.60	
Total dividend and buyback per share ($)	1.24	3.31	(47) %
Group attributable ROCE*	36 %	49 %	

Terms with this symbol * are defined as Alternative Performance Measures (APMs). For more information, refer to page 86.

[1] Copper equivalent volume growth vs. 2021 copper equivalent production.

Sustainability performance

Key sustainability performance indicators[1]

Anglo American tracks its strategic progress using KPIs that are based on our seven pillars of value: safety and health, environment, socio-political, people, production, cost, and financial. In addition to the financial performance set out above and our operational performance on pages 6–39, our performance for the first four pillars is set out below:

Pillar of value	Metric	30 June 2022	30 June 2021[2]	Target	Target achieved
Safety and health	Work-related fatal injuries[3]	1	0	Zero	Not achieved
	Total recordable injury frequency rate per million hours[3]	2.36	2.34	Year-on-year reduction	Not achieved
	New cases of occupational disease	0	8	Year-on-year reduction	On track
	Employees potentially exposed to noise over 85 dBA[4][5]	17,944	18,983	Year-on-year reduction	On track
	Employees potentially exposed to inhalable hazards over the occupational exposure limit[4][5]	1,090	827	5% reduction year-on-year	Not achieved
Environment	Energy consumption (million GJ)[5]	32.7	35.3	Improve energy efficiency by 30% by 2030	On track
	GHG emissions - Scopes 1 & 2 (Mt CO_2e)[5]	5.0	6.3	Reduce absolute GHG emissions by 30% by 2030	On track
	Freshwater withdrawals (million m^3)[5][6]	12.5	15.7	Reduce freshwater abstraction in water scarce areas by 50% by 2030	On track
	Level 4-5 environmental incidents[5]	0	0	Zero	On track
Socio-political	Social Way 3.0 implementation[7][8]	49 %	23 %	Full compliance with Social Way 3.0 by end 2022	Behind schedule
	Local procurement spend ($bn)[9]	6.1	5.9		
	Taxes and royalties ($m)[10]	3,491	3,303		
	Jobs supported by Enterprise and Supplier Development (ESD) initiatives[7][11]	147,374	137,777		
People	Women in management	31 %	28 %	To achieve 33% by 2023	On track
	Women in the workforce	24 %	23 %		
	Voluntary labour turnover	2.3 %	2.5 %	< 5%	On track

(1) Sustainability performance indicators for the six months to 30 June 2022, and the comparative period, are not externally assured, unless otherwise stated.
(2) 2021 data includes Thermal Coal South Africa until the date of the Thungela demerger on 4 June 2021, unless otherwise stated.
(3) Prior period safety data is externally assured and includes data for the six months to 30 June 2021. The TRIFR presented for H1 2021 has been restated to reflect the final 2021 externally assured safety statistics.
(4) Reflects the number of employees who work in environments where there is potential for exposure above the exposure limit. All employees working in such environments are issued with protective equipment to prevent occupational illness. Prior period data excludes Thermal Coal South Africa.
(5) Energy, GHG emissions and water-withdrawal data for the current period and prior period is shown to end of May. Occupational exposure data for the current period is to the end of May 2022, and to the end of June for the prior period. Energy, GHG emissions, occupational exposure, and Level 4-5 environmental incidents data for the prior period is externally assured.
(6) Water metric and data have been revised in line with our freshwater definition. Data represents total Group water withdrawals.

(7) Data presented for the years ended 31 December 2021 and 2020.
(8) While sites are assessed annually against all requirements applicable to their context, for consistency during the transition period, the metric reflects performance against the Social Way foundational requirements. For further information on progress, see page 4.
(9) Local procurement spend relates to spend within the country where an operation is located. The basis of calculation has been amended to more closely reflect the Group's financial accounting consolidation, i.e. 100% of subsidiaries and a proportionate share of joint operations, based on Anglo American's shareholding. The prior period comparative has been restated to reflect the new basis of preparation.
(10) Taxes and royalties include all taxes and royalties both borne and collected by the Group. This includes corporate income taxes, withholding taxes, mining taxes and royalties, employee taxes and social security contributions and other taxes, levies and duties directly incurred by the Group, as well as taxes incurred by other parties (e.g. customers and employees) but collected and paid by the Group on their behalf. Figures disclosed are based on cash remitted, net of entities consolidated for accounting purposes, plus a proportionate share, based on the percentage shareholding, of joint operations. Taxes borne and collected by associates and joint ventures are not included. Prior year comparatives have been restated.
(11) Includes the following enterprise development programmes: Crescer (Brazil), Emerge Chile (Chile), Emerge Peru (Peru), Takura (Zimbabwe), Tokafala (Botswana) and Zimele (South Africa). Data refers to the cumulative number of businesses and jobs supported since programme inception.

Safety

Anglo American's most important priority is always safety – keeping our colleagues safe and well. Making sure every employee returns home at the end of each day, better for having worked at Anglo American, is our vision for safety and health across the business. We continue to make progress on our long term safety journey, including further developing our broader safety processes and procedures. Sadly, however, we lost one colleague at a managed operation in a fatal incident in Australia and one colleague at an independently managed joint venture operation in South Africa in the first half of the year. We are unconditional about safety, and we will not rest until zero harm is achieved and sustained across our business. We have shown it can be done for long stretches of time and now we must make it permanent. Everyone is a leader in safety and has a role to play in delivering an injury-free and fatality-free workplace.

Our Elimination of Fatalities Taskforce has, since 2018, supported a 93% reduction in fatal incidents over the last decade. The core programme is 82% complete with a material focus on Supply Chain Safety, Contractor Management, and Fatigue Management.

Our total injury frequency rate tracked up marginally again, after multiple years of progressive improvement, reflecting the changed operating configurations necessary to manage Covid-19 that tend to disrupt planned work routines. To stop, reflect and stand up for safety, all business units participated in a people-focused Global Safety Reset during April and May, led by supervisors. Significant focus is also being placed on leading indicators, specifically, increased high potential hazard (HPH) reporting, on-time investigations and action management, rigorous critical-control monitoring, and people-centric technology implementation.

Health

Our health focus remains on helping keep our people protected from Covid-19, while sustaining our work to continuously improve our key health measures. The pandemic is continuing to challenge us but, encouragingly, although case rates remain high in many places, a combination of less severe variants and much higher levels of vaccination (particularly in our organisation) has helped to keep hospitalisation and death rates far lower than in previous phases. We have also provided significant monetary and other support to accelerate vaccination rates, using our own health facilities and encouraging vaccination at the earliest opportunity, including in many host communities.

Recognising the link between employee health and broader community well-being, last year we completed community health improvement strategies for our operations in support of our Sustainable Mining Plan targets. Building on our extensive Covid-19 support, implementation of these strategies will start later this year.

We tackle the threats to health and well-being wherever we find them, with separate programmes for physical and mental health – including our Living with Dignity programme to help tackle gender-based and domestic violence; for creating a healthier working environment; and for encouraging healthy lifestyles. We are paying greater attention to psychological safety, intrinsic to embedding a safety-conscious mindset, establishing a steering group to investigate psychological safety issues, while also introducing the thinking into an array of other programmes.

People

Tightly linked to our safety imperative and our Values, we strive to create a workplace that places people even more at its heart. People are central to everything we do, and each individual has expectations of us. Workforce engagement is a priority for every leader at Anglo American and we aim to create safe, inclusive and diverse workplaces that encourage high performance and innovative thinking. We have zero tolerance for any form of bullying, harassment or victimisation and we know there is no room for complacency when it comes to culture in any organisation. To that end, we have extensive training, systems and processes in place to keep improving both physical and psychological safety. We will continue to embed and launch initiatives that will allow us to realise our vision of a truly inclusive workplace where every employee can reach their full potential.

We also continue to make progress against our diversity goals, including to achieve 33% female representation in management by 2023. The proportion of women at this level increased to 31% (30 June 2021: 28%), while female employees across the company represent 24% of our workforce.

Living with Dignity – building a safe and inclusive culture

Building a safe and inclusive culture has been a focus for us for a number of years and this is constant work for any company or society. We are committed to listening to our people and other stakeholders that are close to our business every day.

We have long understood the role of our business in society, and we believe that this extends beyond our own mine gates. We launched our Living with Dignity programme in 2019, founded on the belief that everyone has the right to dignity – in our homes, schools, at work and everywhere in between. Through this programme, Anglo American is working collaboratively with our partners in government and civil society to build sustainable partnerships aimed at providing direct employee and community support to combat gender-based and domestic violence.

We continue to build on this important work and we have now established our Living with Dignity Hub in South Africa that brings together our policies and its mandates to provide ongoing and committed support to our employees, contractors and their families. The hub handles all formal complaints of sexual harassment and gender-based violence and bullying, harassment and victimisation across our South African footprint and is overseen by an independent Ambassador to ensure we stand by our policies and remain committed to amplifying our efforts.

Environment

Our Sustainable Mining Plan includes commitments to be a leader in environmental stewardship. By 2030, we aim to reduce GHG emissions (Scopes 1 and 2) by 30%; improve energy efficiency by 30%; achieve a 50% net reduction in freshwater abstraction in water scarce areas; and deliver net-positive impacts in biodiversity wherever we operate.

Our environmental performance continues to improve, with no Level 5 or 4 incidents (or indeed Level 3) in the first half of the year. This achievement reflects the improvements to our planning and operating disciplines across the business. We launched a ‘no repeats’ challenge last year to help us learn from low level incidents and prevent repeats of a similar nature across the business, which has led to improvements in controls, specifically helping to prevent significant incidents.

Both energy consumption and GHG emissions decreased in the first half of the year and we remain on track to improve energy efficiency by 30% and reduce absolute GHG emissions by 30%, by 2030. We have a target to be carbon neutral across our operations by 2040, and an ambition to reduce our Scope 3 emissions by 50%, also by 2040. We are making encouraging progress. In 2020, around one third of the electricity Anglo American used globally was drawn from renewables. Having secured 100% renewable electricity supply across our operations in South America, by 2023 we expect to be drawing 56% of our global grid supply from renewables.

Socio-political

In 2020, we launched a new integrated social performance management system (Social Way 3.0) which has raised performance expectations and has resulted in continued improvement in our social performance. It was expected that additional site and corporate resourcing would be needed to support the initial plan for sites to have fully implemented the Social Way 3.0 by the end of 2022. However, these plans have been delayed through the considerable work required from our teams to deliver our Covid-19 community response programmes, recruitment challenges during the pandemic and restrictions impacting our ability to engage with external and internal stakeholders to support implementation of the new approach. Several sites are expected to still complete the transition by the end of 2022, and performance recovery plans are in place for sites where performance is lagging.

As we grow our business and improve our performance, so our total tax contribution increases, benefiting host countries. Total taxes and royalties borne and collected in the first half of the year amounted to $3.5 billion, a 6% increase compared with the prior period. We also made further progress with our enterprise and supplier development initiatives, supporting over 147,000 jobs in 2021 – a key component of our Sustainable Mining Plan goal to support five jobs offsite for every job onsite by 2030.

During the half year, we signed a $100 million 10-year loan agreement with the International Finance Corporation. The specific goals tied to the loan agreement are aimed at supporting community development in rural communities close to our operations across South Africa, including by promoting the creation of jobs, as well as improving the quality of education for more than 73,000 students. In addition, we are rolling out a comprehensive information and communications technology programme in 109 schools around our operations in South Africa, to give thousands of learners and community members the skills they need to enter the digital job market.

Sustainable Mining Plan – update in progress

We launched Anglo American's Sustainable Mining Plan in 2018, setting out three sustainability pillars and a number of medium and longer term stretch goals for each, guided by our Purpose and supported by six critical foundations that underpin how we do business. The three pillars of Healthy Environment, Thriving Communities, and Trusted Corporate Leader encapsulate the holistic realities of what it means to be a socially responsible and ultimately sustainable business. We continue to make good progress towards our 2025 and 2030 goals, as laid out in the table on page 2, in addition to progress towards our 2040 carbon neutral operations target that we added in 2020.

Our Sustainable Mining Plan is designed to be a living plan and we will continue to evolve it to ensure it stays relevant and suitably stretching, in tune with our employees' and stakeholders' ambitions for our business. We are currently exploring a number of areas that we feel would benefit from being added into the Sustainable Mining Plan and will update the plan when we have developed these options sufficiently.

Operational and financial review of Group results for the six months ended 30 June 2022

Operational performance

The impact of adverse weather and planned lower grades at many of our operations contributed to a 9% production decrease on a copper equivalent basis[1]. Extreme rainfall in Brazil, South Africa and Australia affected iron ore production at Minas-Rio and Kumba, steelmaking coal at Capcoal and Dawson, PGMs production at Mogalakwena and nickel production at Barro Alto. Planned lower grades at Los Bronces and Collahuasi (Copper), as well as the effect of expected lower water availability at Los Bronces, resulted in decreased copper production, while the impact of lower grade at Mogalakwena (PGMs) was only partially offset by improved operational performances across the remaining PGMs operations. Nickel production was also affected by lower ore grades. The planned end of mining at the Grasstree operation and ramp-up of the replacement Aquila longwall contributed to lower production volumes at Steelmaking Coal. De Beers increased production in line with continued strong demand for rough diamonds.

The suspended Grosvenor operation (Steelmaking Coal) restarted in February and ramped up well during the period, as did the Benguela Gem diamond recovery vessel (De Beers) and Aquila (Steelmaking Coal). Adding to our forecast copper production in the second half is the newly commissioned Quellaveco project in Peru, which delivered first copper concentrate in July as it nears completion ahead of receiving final regulatory clearance for commercial operations to begin.

De Beers' rough diamond production increased by 10% to 16.9 million carats (30 June 2021: 15.4 million carats), reflecting a strong operational performance and higher planned levels of production to meet continued strong demand for rough diamonds, while the first quarter of 2021 was affected by particularly high rainfall in southern Africa.

Copper production of 273,400 tonnes was 17% lower than the prior period (30 June 2021: 330,000 tonnes). At Los Bronces, production decreased by 21% to 129,700 tonnes (30 June 2021: 163,200 tonnes) due to planned lower grades and the impact of expected lower water availability on plant throughput and copper recovery. Planned lower grades at Collahuasi resulted in a 12% decrease in attributable production to 127,800 tonnes (30 June 2021: 145,900 tonnes).

Nickel production decreased by 5% to 19,600 tonnes (30 June 2021: 20,700 tonnes), primarily due to lower ore grades as a result of licensing delays that are now resolved, as well as the impact of heavy rainfall.

PGM production (metal in concentrate) decreased by 4% to 1,987,500 ounces (30 June 2021: 2,079,100 ounces), principally due to lower grade at Mogalakwena, partially offset by increased production from Mototolo, Unki and Amandelbult. Refined PGM production decreased by 16% to 1,959,100 ounces (30 June 2021: 2,326,700 ounces), as the first half of 2021 benefited from the processing of higher than normal work-in-progress inventory following the converter plant (ACP) Phase A rebuild and commissioning in the fourth quarter of 2020. Planned maintenance and the annual stock count also resulted in additional downtime of processing assets.

Iron ore production decreased by 14% to 27.5 Mt (30 June 2021: 31.9 Mt). At Kumba, production decreased by 13% to 17.8 Mt (30 June 2021: 20.4 Mt), driven by extremely high rainfall, a safety intervention at Kolomela and equipment reliability. Minas-Rio production decreased by 15% to 9.8 Mt (30 June 2021: 11.5 Mt) due to maintenance and unusually heavy rainfall that impacted the availability of the mining fleet and plant.

Steelmaking coal production decreased by 22% to 4.8 Mt (30 June 2021: 6.2 Mt), principally due to the planned end of mining at the Grasstree operation in January and ramp-up of the replacement Aquila longwall, which began operations in February and fully ramped up in June. Production was also impacted by record unseasonal rainfall in May at the open cut operations.

Manganese ore production was in line with the prior period at 1.8 Mt (30 June 2021: 1.8 Mt).

Group copper equivalent unit costs[1] increased by 18% in US dollar terms, largely due to lower production volumes and inflationary pressures, particularly diesel.

(1) Copper equivalent production and unit cost is normalised to reflect the demerger of the South Africa thermal coal operations and the sale of our shareholding in Cerrejón.

Financial performance

Anglo American's profit attributable to equity shareholders decreased to $3.7 billion (30 June 2021: $5.2 billion). Underlying earnings were $3.8 billion (30 June 2021: $5.3 billion), while operating profit was $6.7 billion (30 June 2021: $11.0 billion).

The war in Ukraine, and resulting trade sanctions on Russia, have restricted the supply of certain key commodities to the market, and caused further disruption to already stretched global supply chains. This has resulted in higher prices for energy, agricultural and other commodities, exacerbating broader inflationary pressures across the global economy, and contributing to more aggressive interest rate rises by central banks than had been expected and an associated strengthening of the dollar. While the medium and longer term demand outlooks for our products remain strong – not least given the role these play in sustaining global economic development for a growing population and enabling the decarbonisation of energy and transport systems – these deteriorating macro-economic conditions are contributing to a weaker near term outlook for demand, due to weaker investment and slower real income growth. Associated pressures on our operating costs have been partly mitigated by weakening commodity producer country currencies, including in Australia, Brazil, Chile and South Africa.

Underlying EBITDA*

Group underlying EBITDA decreased by $3.4 billion to $8.7 billion (30 June 2021: $12.1 billion) due to a decrease in the price for the Group's basket of products, unfavourable sales volumes and higher input costs across the Group. As a result, the Group Mining EBITDA margin* of 52% was lower than the prior year (30 June 2021: 61%). A reconciliation of 'Profit before net finance costs and tax', the closest equivalent IFRS measure to underlying EBITDA, is provided within note 3 to the Condensed financial statements.

Underlying EBITDA* by segment

$ million	**6 months ended 30 June 2022**	6 months ended 30 June 2021
De Beers	**944**	610
Copper	**1,166**	1,935
Nickel	**239**	135
PGMs	**2,732**	4,383
Iron Ore	**2,298**	4,910
Steelmaking Coal	**1,399**	(94)
Manganese	**223**	154
Crop Nutrients	**(18)**	(12)
Corporate and other	**(282)**	119
Total	**8,701**	12,140

Underlying EBITDA* reconciliation for the six months ended 30 June 2021 to six months ended 30 June 2022

The reconciliation of underlying EBITDA from $12.1 billion in the six months to 30 June 2021 to $8.7 billion in the six months ended 30 June 2022 shows the controllable factors (e.g. cost and volume), as well as those outside of management control (e.g. price, foreign exchange and inflation), that drive the Group's performance.

$ billion	
H1 2021 underlying EBITDA*	**12.1**
Price	**(1.5)**
Foreign exchange	**0.4**
Inflation	**(0.4)**
Net cost and volume	**(1.4)**
Other	**(0.5)**
H1 2022 underlying EBITDA*	**8.7**

Price

Average market prices for the Group's basket of products decreased by 2% compared with the first half of 2021, reducing underlying EBITDA by $1.5 billion. Realised prices decreased for iron ore (36%), copper (13%) and the PGMs basket (7%) – primarily driven by rhodium which decreased by 30%. This was partly offset by steelmaking coal prices where the weighted average price increased by 245%.

Foreign exchange

The favourable foreign exchange impact on underlying EBITDA of $0.4 billion was due to weaker local currencies in many of our countries of operation, principally the South African rand and Chilean peso.

Inflation

The Group's weighted average CPI for the first half of the year was 7.2%, compared with 3.3% in the first six months of 2021, as inflation increased in all regions. The impact of CPI inflation on costs reduced underlying EBITDA by $0.4 billion.

Net cost and volume

The net impact of cost and volume was a $1.4 billion reduction in underlying EBITDA, driven by lower PGM sales from planned lower refined volumes following the higher than normal work-in-progress (WIP) inventory in the first half of 2021; lower sales volumes at Iron Ore Brazil due to maintenance and unusually heavy rainfall impacting production; and lower copper sales at the Chilean operations owing to planned lower grades and the negative effect on production of expected lower water availability at Los Bronces. In addition to these volume impacts, inflationary pressures (other than CPI) contributed to an increase in costs across the Group.

Other

The $0.5 billion unfavourable movement in underlying EBITDA from other factors was driven by the demerger and sale of thermal coal assets, resulting in an EBITDA reduction of $0.2 billion. Also included is $0.1 billion related to a decrease in environmental restoration provisions at Copper in the first half of 2021, and the impact of lower sales volumes and cost pressures at our Associates and Joint Ventures.

Underlying earnings*

Group underlying earnings decreased to $3.8 billion (30 June 2021: $5.3 billion), driven by the lower underlying EBITDA, partly offset by a corresponding decrease in income tax expense and earnings attributable to non-controlling interests.

Reconciliation from underlying EBITDA* to underlying earnings*

$ million	**6 months ended 30 June 2022**	6 months ended 30 June 2021
Underlying EBITDA*	**8,701**	12,140
Depreciation and amortisation	**(1,226)**	(1,462)
Net finance costs and income tax expense	**(2,552)**	(3,448)
Non-controlling interests	**(1,136)**	(1,895)
Underlying earnings*	**3,787**	5,335

Depreciation and amortisation

Depreciation and amortisation decreased by 16% to $1.2 billion (30 June 2021: $1.5 billion), reflecting the demerger of Thungela in the prior period and lower cost base of Steelmaking Coal, following the impairment at 30 June 2021.

Net finance costs and income tax expense

Net finance costs, before special items and remeasurements, were $0.2 billion (30 June 2021: $0.4 billion). The decrease was principally driven by fair value gains.

The underlying effective tax rate was 32.6% (30 June 2021: 29.6%). The underlying effective tax rate was impacted by the relative levels of profits arising in the Group's operating jurisdictions. Over the longer term, the underlying effective tax rate is expected to be in the range of 31% to 35%. The tax charge for the period, before special items and remeasurements, was $2.2 billion (30 June 2021: $3.0 billion).

Non-controlling interests

The share of underlying earnings attributable to non-controlling interests of $1.1 billion (30 June 2021: $1.9 billion) principally relates to minority shareholdings in Kumba (Iron Ore), PGMs and Copper.

Special items and remeasurements

Special items and remeasurements (after tax and non-controlling interests) are a net charge of $0.1 billion (30 June 2021: net charge of $0.1 billion), principally relating to adjustments to former operations of $0.1 billion arising in PGMs.

Full details of the special items and remeasurements recorded are included in note 9 to the Condensed financial statements.

Net debt*

$ million	2022	2021
Opening net debt* at 1 January[(1)]	**(3,842)**	(5,530)
Underlying EBITDA* from subsidiaries and joint operations	**8,011**	11,740
Working capital movements[(2)]	**(1,013)**	(545)
Other cash flows from operations	**19**	(261)
Cash flows from operations	**7,017**	10,934
Capital repayments of lease obligations	**(131)**	(133)
Cash tax paid	**(1,751)**	(1,973)
Dividends from associates, joint ventures and financial asset investments	**238**	83
Net interest[(3)]	**(116)**	(155)
Dividends paid to non-controlling interests	**(1,079)**	(832)
Sustaining capital expenditure[(4)]	**(1,757)**	(1,476)
Sustaining attributable free cash flow*	**2,421**	6,448
Growth capital expenditure and other[(4)]	**(857)**	(807)
Attributable free cash flow*	**1,564**	5,641
Dividends to Anglo American plc shareholders	**(2,052)**	(907)
Disposals	**467**	—
Foreign exchange and fair value movements	**(146)**	(102)
Other net debt movements[(5)]	**(844)**	(733)
Total movement in net debt*	**(1,011)**	3,899
Closing net debt* at 30 June	**(4,853)**	(1,631)

(1) At 31 December 2021, the Group amended its definition of net debt to exclude variable vessel leases that are priced with reference to a freight index. Net debt reported at 30 June 2021 has therefore been restated to reflect the revised definition.

(2) Working capital movements for the six months ended 30 June 2021 have been restated to correct the presentation of a contract liability of $260 million previously presented within other borrowings.

(3) Includes cash inflows of $57 million (30 June 2021: inflows of $78 million), relating to interest receipts on derivatives hedging net debt, which are included in cash flows from derivatives related to financing activities.

(4) Following an amendment to IAS16 Proceeds before intended use, operating cash flows relating to sustaining and growth capital expenditure are no longer capitalised. For further details, refer to note 2 of the Condensed Financial Statements. Included within sustaining capital expenditure for the six months ended 30 June 2021 is $39 million of capitalised operating cash flows relating to life extension projects. 'Growth capital expenditure and other' includes $39 million (30 June 2021: $25 million) of expenditure on non-current intangible assets and $3 million of capitalised operating cash flows relating to growth projects for the six months ended 30 June 2021.

(5) Includes the purchase of shares under the 2021 buyback of $186 million; the purchase of shares for other purposes (including for employee share schemes) of $252 million; Mitsubishi's share of Quellaveco capital expenditure of $260 million; other movements in lease liabilities (excluding variable vessel leases) decreasing net debt by $65 million; and contingent and deferred consideration paid in respect of acquisitions completed in previous years of $157 million. 2021 includes Mitsubishi's share of Quellaveco capital expenditure of $226 million; other movements in lease liabilities (excluding variable vessel leases) increasing net debt by $299 million; contingent and deferred consideration paid in respect of acquisitions completed in previous years of $111 million; and the purchase of shares for employee share schemes of $174 million.

Net debt (including related derivatives) of $4.9 billion has increased by $1.0 billion since 31 December 2021, driven by working capital cash outflows of $1.0 billion due to higher PGMs pricing impacting the valuation of purchase of concentrate (POC) inventory, and an increase in finished goods at Copper and De Beers. The Group generated strong sustaining attributable free cash inflows of $2.4 billion, used in part to fund growth capital expenditure of $0.8 billion and dividends paid to Anglo American plc shareholders of $2.1 billion. Net debt at 30 June 2022 represented gearing (net debt to equity) of 12% (31 December 2021: 10%).

Cash flow

Cash flows from operations

Cash flows from operations decreased to $7.0 billion (30 June 2021: $10.9 billion), reflecting a reduction in underlying EBITDA from subsidiaries and joint operations, and a working capital build of $1.0 billion (30 June 2021: build of $0.5 billion). The inventory increase of $1.2 billion was driven by the higher POC valuation at PGMs and an increase in finished goods at Copper and De Beers. A reduction in payables of $0.3 billion was driven by the settlement of provisional price adjustments within Iron Ore, partly offset by a reduction in receivables of $0.4 billion, mainly owing to decreased base metal prices.

Capital expenditure*

$ million	6 months ended 30 June 2022	6 months ended 30 June 2021
Stay-in-business	1,010	808
Development and stripping	462	412
Life extension projects	292	217
Proceeds from disposal of property, plant and equipment	(7)	—
Sustaining capital	1,757	1,437
Growth projects	818	779
Total	2,575	2,216
Capitalised operating cash flows	—	42
Total capital expenditure	2,575	2,258

Capital expenditure increased to $2.6 billion (30 June 2021: $2.3 billion), as spend normalised following deferrals due to Covid-19.

Sustaining capital expenditure increased to $1.8 billion (30 June 2021: $1.4 billion), driven by planned additional stay-in-business expenditure across the Group.

Growth capital expenditure of $0.8 billion (30 June 2021: $0.8 billion) primarily relates to the Woodsmith and Quellaveco projects.

In line with previous guidance, total capital expenditure for 2022 is expected to be $6.1–6.6 billion.

Attributable free cash flow*

The Group's attributable free cash flow decreased to $1.6 billion (30 June 2021: $5.6 billion) due to lower cash flows from operations of $7.0 billion (30 June 2021: $10.9 billion), higher capital expenditure of $2.6 billion (30 June 2021: $2.3 billion), and increased dividends paid to non-controlling interests of $1.1 billion (30 June 2021: $0.8 billion). This was partially offset by decreased tax payments of $1.8 billion (30 June 2021: $2.0 billion).

Shareholder returns

In line with the Group's established dividend policy to pay out 40% of underlying earnings, the Board has proposed a dividend of $1.24 per share for the six months to 30 June 2022 (30 June 2021: $1.71 ordinary dividend per share and $0.80 special dividend per share), equivalent to $1.5 billion (30 June 2021: $3.1 billion including special dividend).

Disposals

On 11 January 2022, the Group completed the sale of its 33.3% shareholding in Cerrejón to Glencore plc for a total cash consideration of approximately $294 million – of which $50 million was received in January, after adjustment for dividends received in 2021. This sale represents the final stage of Anglo American's previously announced responsible transition from thermal coal operations.

On 25 March 2022, the Group announced the sale of its remaining 8.0% shareholding in Thungela Resources Limited, realising gross proceeds of R1,672 million (approximately $115 million). Anglo American's Marketing business continues to support Thungela in the sale and marketing of its products, and sales and purchases under the offtake agreement will continue to be reported on a net basis, together with the Group's other third-party trading activities.

In addition, there were cash receipts principally relating to the settlement of deferred consideration balances on the sale of the Rustenburg operations (PGMs) that was completed in November 2016.

Balance sheet

Net assets increased by $0.7 billion to $35.5 billion (31 December 2021: $34.8 billion), reflecting the profit for the period, offset by dividend payments and additional shareholder returns to Company shareholders and non-controlling interests.

Attributable ROCE*

Attributable ROCE decreased to 36% (30 June 2021: 49%). Annualised attributable underlying EBIT decreased to $11.5 billion (30 June 2021: $15.7 billion), reflecting the impact of lower realised prices achieved for the Group's products and lower production volumes. Average attributable capital employed remained broadly flat at $32.0 billion (30 June 2021: $32.1 billion), as growth capital expenditure, largely at Quellaveco (Copper) and Woodsmith (Crop Nutrients), was offset by the sale of thermal coal operations.

Liquidity and funding

Group liquidity remains conservative at $17.3 billion (31 December 2021: $17.1 billion), comprising $9.2 billion of cash and cash equivalents (31 December 2021: $9.1 billion) and $8.1 billion of undrawn committed facilities (31 December 2021: $8.0 billion).

In March 2022, the Group issued $500 million 3.875% Senior Notes due 2029, and $750 million 4.75% Senior Notes due 2052, as part of the Group's routine financing activities.

The weighted average maturity on the Group's bonds increased to 7.7 years (31 December 2021: 6.2 years).

The Group has an undrawn $4.7 billion revolving credit facility due to mature in March 2025.

Portfolio upgrade

Anglo American continues to evolve its portfolio of competitive, world class assets towards those future-enabling products that are fundamental to enabling a low carbon economy, a sustainable future, and that cater to global consumer demand trends. Aligned to this strategy, the Group entered into the below agreements in the first half of 2022.

On 18 March 2022, Anglo American announced the signing of a Memorandum of Understanding with EDF Renewables, a global leader in renewable energy, to work together towards developing a regional renewable energy ecosystem in South Africa. The ecosystem is expected to be designed to meet Anglo American's operational electricity requirements in South Africa through the supply of 3–5 GW of 100% renewable electricity (solar and wind) and storage by 2030, with excess electricity supplied to the grid to increase its resilience. The partnership is also expected to bring a host of economic benefits – stimulating the development of new economic sectors, local production and supply chains – to South Africa and the broader region, while also supporting the wider decarbonisation of energy in the country and the Just Energy Transition.

On 9 June 2022, Anglo American announced that it had signed a $100 million10-year loan agreement with the International Finance Corporation (IFC) linked to the delivery of sustainability goals that are integral to Anglo American's Sustainable Mining Plan. This sustainability-linked loan is the IFC's first in the mining sector and is understood to be the first in the mining sector globally that focuses exclusively on social development indicators.

On 30 June 2022, Anglo American entered into exclusive negotiations with First Mode Holding Inc (First Mode), and has agreed non-binding terms, to combine Anglo American's nuGen™ Zero Emissions Haulage Solution (ZEHS) with First Mode, the specialist engineering technology company that partnered with Anglo American to develop the nuGen™ ZEHS. The combination is expected to accelerate the development and deployment of the ZEHS technology across Anglo American's mine haul truck fleet, while exploring commercial opportunities for ZEHS across other industries that rely on heavy duty forms of transport.

Growth projects (metrics presented on a 100% basis unless otherwise indicated)

Progress and current expectations in respect of our key growth projects are as follows:

Operation	Scope	Capex $bn	Remaining capex $bn	First production	Progress
Copper					
Quellaveco	New copper mine in Moquegua, Peru producing c. 300 ktpa (100% basis, 180 ktpa our share) over the first 10 years.	c.2.8 (Anglo American 60% share)	0.6 (Anglo American 60% share)	2022	Construction began in 2018. First production of concentrate in July 2022. Refer to the Technology projects table below for Coarse Particle Recovery at Quellaveco.
Collahuasi	Phase 1 expansion focused on near term P101 optimisation opportunities, the implementation of a fifth ball mill (approved) and a restart of leaching activities to add c.50 ktpa (44% basis). Additional debottlenecking options to further increase throughput remain under study. Further phase expansions are in early stage study to increase production by up to an additional 100 ktpa (44% basis).	Fifth ball mill c.0.1 (44% basis)	c. 0.3 in total. Additional expansion studies ongoing. Subject to permitting and approvals	2023	Environmental approval (EIA) approval was obtained in December 2021, enabling expansion of the processing capacity up to 210 ktpd, and the construction of a desalination plant and related infrastructure to provide a sustainable alternative water source. The fifth ball mill project (first stage of the expansion) is progressing according to plan. The expected start-up is during Q4 2023.
Diamonds					
Marine Namibia	New diamond recovery vessel, adding 0.5 Mctpa (100% basis) of some of the highest value diamonds in the portfolio.	c.0.2 (Anglo American 50% share)	<0.1 (Anglo American 50% share)	2022	Construction began in 2019. The vessel is now contributing to marine production, having been successfully commissioned ahead of schedule and below budget in Q1 2022.

Operation	Scope	Capex $bn	Remaining capex $bn	First production	Progress
Crop Nutrients					
Woodsmith	New polyhalite (natural mineral fertiliser) mine being developed in Yorkshire, UK. Expected to produce POLY4 – a premium quality, low carbon fertiliser certified for organic use.	Subject to development timeline review	Subject to development timeline review	Subject to development timeline review	Major critical path components have continued to progress to our updated plan. Ongoing technical review confirmed there are several improvements to modify design to bring it up to Anglo American's safety and operating integrity standards and optimise value for the long term. There has also been a leadership change, with Tom McCulley having replaced Chris Fraser as CEO of Crop Nutrients.
Iron Ore					
Sishen	Implementation of Ultra High Dense Media Separation (UHDMS) technology at Kumba's Sishen operation will enable an increase in premium product production and the beneficiation of lower grade materials by reducing the current cut-off grade of <48% Fe to <40% Fe. In addition, the project contributes an additional 3–4 years to Sishen's life of mine to 2039.	0.2	0.2	2023	Project execution approved in Feb 2021.
PGMs					
Mogalakwena	Evaluating various options to expand PGM production of the mine through technology development and deployment and the optimal mine plan to deliver feed to the concentrators.	Number of options being considered	Not yet approved	~2026	The Future of Mogalakwena work continues to make good progress in the six workstreams.
Steelmaking Coal					
Moranbah-Grosvenor	Expansion of the processing facilities to increase Anglo American's share of saleable tonnes of high quality steelmaking coal by c. 2.5 Mtpa (Anglo American 88%).	c.0.3 (Anglo American 88% share)	Not yet approved	2025	Project approval expected 2023, dependent on progress of longwall operations post-restart of Grosvenor mine.

Life extension projects (metrics presented on a 100% basis unless otherwise indicated)

Progress and current expectations in respect of our key life extension projects are as follows:

Operation	Scope	Capex $bn	Remaining capex $bn	Expected first production	Progress
Diamonds					
Venetia	4 Mctpa underground replacement for the existing open pit. The project is expected to add an estimated 88 million carats from approximately 134 million tonnes of material[(1)] and extend the life of the mine to 2047.	2.1	1.1	2023	Open-pit mining at Venetia is planned to end in H2 2022, with the transition to underground mining starting thereafter.
Jwaneng	9 Mctpa replacement (100% basis) for Cuts 7 and 8. The Cut-9 expansion of Jwaneng will extend the life of the mine to 2036 and is expected to yield approximately 57 million carats of rough diamonds from approximately 47 million tonnes of material[(1)].	0.3 (Anglo American 19.2% share)	0.2 (Anglo American 19.2% share)	2027	Project progressing on schedule.
Steelmaking Coal					
Aquila	3.5 Mtpa (70% basis), 7 year replacement for the Grasstree operation which has reached the end of life. Aquila will be a longwall operation leveraging the existing Grasstree infrastructure and producing high quality hard coking coal to 2028.	0.2 (Anglo American 70% share)	<0.1 (Anglo American 70% share)	2022	Development work began in September 2019 and first longwall production began in February 2022.
Iron Ore					
Kolomela	4 Mtpa high grade iron ore replacement project. The development of a new pit, Kapstevel South, and associated infrastructure at Kolomela to help sustain output of c.13 Mtpa and extend the remaining life of mine to 2034.	0.4	0.3	2024	Approved in July 2020. Pit establishment and waste stripping commenced in 2021, with first ore expected in 2024.
PGMs					
Mototolo/ Der Brochen	The development of the project leverages the existing Mototolo infrastructure, enabling mining to extend into the adjacent and down-dip Der Brochen resource, which will potentially extend the life of mine beyond 30 years.	0.2	Approved	2023	Approved in December 2021. Execution commenced in Q1 2022. First production expected in late 2023.

(1) Refer to Anglo American plc Ore Reserves and Mineral Resources Report 2021 for additional information.

Technology projects[1]

The Group is investing c. $0.2–0.5 billion per year over the next three years on technology projects to support the FutureSmart Mining™ programme and the delivery of Anglo American's Sustainable Mining Plan targets, particularly those that relate to safety, energy, emissions and water (metrics presented on a 100% basis unless otherwise indicated):

Initiative	Scope	Progress
Copper, PGMs, and Nickel		
Bulk ore sorting	Deliver improved feed grade to plants through early rejection of waste, resulting in energy, water and cost savings.	– Mogalakwena (PGMs) North Concentrator (~70% of complex feed) and Los Bronces (Copper) Confluencia Plant (~65% of complex feed) units operational and integration to business as usual is under way. – Barro Alto (Nickel) in-pit unit to commence upgrades in second half of 2022 for improved future sorting performance, and additional in-pit unit under technical evaluation. – Planning for trials at Kolomela (Iron Ore) under way.
Copper, PGMs, and Iron Ore		
Coarse particle recovery (CPR)	Innovative flotation process allows material to be ground to a larger particle size, rejecting coarse gangue and allowing water to release from coarser ore particles, improving energy efficiencies and water savings.	– Demonstration plant construction and commissioning completed in 2021at El Soldado (Copper), with further testing in progress. – Constructing full scale system at Mogalakwena North concentrator (PGMs) – start-up anticipated Q4 2022. – CPR approved at Quellaveco (Copper) to treat flotation tails, improving recoveries by c.3% over the life of mine. Commissioning expected in late 2023. – Minas-Rio (Iron Ore) PFS–A complete, advancing to PFS–B in 2022 and Feasibility in 2023. – Los Bronces (Copper) PFS–B complete, advancing to Feasibility in 2022. Options being investigated at Collahuasi.
Copper and PGMs		
Hydraulic dry stack	Engineering of geotechnically stable tailings facilities that dry out in weeks, facilitating up to 85% water recovery.	– El Soldado (Copper) demonstration unit commissioned. Full-scale operation is under way and validation will continue until Q1 2023. – Assessing application to tailings expansion at Mogalakwena (PGMs) with benefits from water quality and quantity improvements. Brownfield trial starting in Q3 2022.
Portfolio-wide		
nuGen™ Zero Emissions Haulage Solution (ZEHS)	Developing the world's largest hydrogen powered mining truck and providing critical supporting infrastructure such as refuelling, recharging, and facilitation of hydrogen production to decarbonise high power transport, using renewable energy.	– Launched prototype ZEHS hydrogen-powered mine haul truck – the world's largest, designed to operate in everyday mining conditions – at our Mogalakwena PGMs mine in South Africa on 6 May. – Announced agreement of non-binding terms to combine Anglo American's nuGen™ ZEHS with First Mode, the specialist engineering technology company that partnered with us to develop the prototype. – Agreement aims to support decarbonisation of our global fleet of ultra-class mine haul trucks, of which approximately 400 are currently in operation.

(1) Expenditure relating to technology projects is included within operating expenditure, or if it meets the accounting criteria for capitalisation, within Growth capital expenditure.

Digital projects[1]

The Group is investing c. \$0.1–0.2 billion per year over the next three years on digital projects as part of the FutureSmart Mining™ programme (metrics presented on a 100% basis unless otherwise indicated):

Initiative	Scope	Progress
PGMs, Iron Ore, Steelmaking Coal, Copper, and Diamonds		
Predictive Maintenance, VOXEL™ Asset Strategy & Reliability	Maintenance planning based on predictive analytics – resulting in improvements in safety, reliability and availability of critical assets.	– A variety of deployments at Mogalakwena, Amandelbult, Amandelbult Concentrator Plant, Rustenburg Base Metal Refinery and Polokwane Smelter (PGMs), Kolomela (Iron Ore), Moranbah (Steelmaking Coal), Los Bronces (Copper), Mafuta vessel, Jwaneng, and Gahcho Kué (Diamonds).
Copper, PGMs, and Iron Ore		
Rapid Resource Modelling, VOXEL™ Discovery & Geosciences	Enables consistent core logging, 3D implicit modelling, and statistical resource modelling as one integrated workflow in weeks vs years.	– Deployments at Mogalakwena (PGMs) and Quellaveco (Copper).
Spatial Inventory Management, VOXEL™ Discovery & Geosciences	Builds a digital twin of material flow, providing access to accurate information about material within the mining operation and enabling additional value through bulk ore sorting.	– Deployments at Los Bronces and Quellaveco (Copper), Minas-Rio, Kolomela and Sishen (Iron Ore), and Mogalakwena (PGMs).
Copper, PGMs, Iron Ore, and Steelmaking Coal		
Process Performance Review, VOXEL™ Processing	Delivers automated support to improve the detection, prioritisation, and resolution of process issues.	– Deployments at Los Bronces and Quellaveco (Copper), Moranbah (Steelmaking Coal), Kolomela (Iron Ore) and Mogalakwena (PGMs).
Copper, PGMs, Iron Ore, and Steelmaking Coal		
Digital Operational Planning, VOXEL™ Integrated Operations	Enables definition and management of models and data that then applies cutting edge simulation and elastic cloud-based computing technology to deliver optimised operational plans across the mining value chain.	– Deployments at Los Bronces (Copper), Mogalakwena Anglo Converter Plant and Amandelbult (PGMs), Sishen, Kolomela and Minas-Rio (Iron Ore), and Moranbah and Grosvenor (Steelmaking Coal).
Diamonds, Copper, PGMs, and Iron Ore		
Advanced Process Control	Up to 40% improvement in stability and productivity.	– Delivered at Minas-Rio and Kumba (Iron Ore), Los Bronces, Quellaveco and Chagres (Copper), Mogalakwena (PGMs), and Venetia and Benguela Gem (Diamonds). – Ambition for 95% of automatable processes within our plant flowsheets to be under Advanced Process Control by end of 2022.

(1) Expenditure relating to digital programmes is included within underlying operating costs.

The Board

Changes during 2022 to the composition of the Board are set out below.

On 1 January 2022, Ian Tyler joined the Board as a non-executive director and member of the Audit and Remuneration committees.

On 19 April 2022, at the conclusion of the Company's Annual General Meeting:

- Duncan Wanblad joined the Board as chief executive.
- Mark Cutifani retired as chief executive and stepped down from the Board, after nine years in the role.
- Anne Stevens and Byron Grote stepped down from the Board as non-executive directors, having both served for nine years.
- Ian Tyler succeeded Anne Stevens as chair of the Remuneration Committee, and Hilary Maxson succeeded Byron Grote as chair of the Audit Committee.
- Ian Tyler succeeded Byron Grote as the Board's senior independent director.
- Marcelo Bastos succeeded Byron Grote as the designated non-executive director to chair the Anglo American Global Workforce Advisory Panel.

The names of the directors at the date of this report and the skills and experience our Board members contribute to the long term sustainable success of Anglo American are set out on the Group's website:

www.angloamerican.com/about-us/leadership-team/board

Principal risks and uncertainties

Anglo American is exposed to a variety of risks and uncertainties which may have a financial, operational or reputational impact on the Group, and which may also have an impact on the achievement of social, economic and environmental objectives. The principal risks and uncertainties facing the Group at the 2021 year end are set out in detail on pages 60–67 of the strategic report section of the Integrated Annual Report 2021 www.angloamerican.com. The principal risks and uncertainties facing the Group relate to the following:

- Catastrophic and natural catastrophe risks
- Economic environment including product prices
- Cyber security
- Political
- Community and social relations
- Safety
- Climate change
- Regulatory and permitting
- Operational performance
- Pandemic
- Corruption
- Water
- Future demand

The Group is exposed to changes in the economic environment, including to tax rates and regimes, as with any other business. Details of any key risks and uncertainties specific to the period are covered in the Operations review section. Details of relevant tax matters are included in note 6 to the Condensed financial statements.

De Beers – Diamonds

Financial and operational metrics[1]

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	EBITDA margin*[6]	Underlying EBIT*	Capex*	ROCE*
	'000 cts	'000 cts[2]	$/ct[3]	$/ct[4]	$m[5]	$m		$m	$m	
De Beers	**16,884**	**15,329**	**213**	**59**	**3,595**	**944**	**53 %**	**718**	**250**	**11 %**
Prior period	*15,409*	*19,161*	*135*	*59*	*2,900*	*610*	*42 %*	*377*	*205*	*6 %*
Botswana	**11,705**	**n/a**	**189**	**32**	**n/a**	**333**	**n/a**	**295**	**31**	**n/a**
Prior period	*10,687*	—	*131*	*35*	—	*226*	—	*203*	*29*	—
Namibia	**1,016**	**n/a**	**632**	**292**	**n/a**	**93**	**n/a**	**78**	**19**	**n/a**
Prior period	*676*	—	*578*	*374*	—	*43*	—	*25*	*23*	—
South Africa	**2,916**	**n/a**	**147**	**39**	**n/a**	**227**	**n/a**	**162**	**169**	**n/a**
Prior period	*2,437*	—	*107*	*48*	—	*113*	—	*34*	*122*	—
Canada	**1,247**	**n/a**	**97**	**60**	**n/a**	**2**	**n/a**	**(25)**	**19**	**n/a**
Prior period	*1,609*	—	*55*	*42*	—	*35*	—	*5*	*17*	—
Trading	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**401**	**12 %**	**398**	**1**	**n/a**
Prior period	—	—	—	—	—	*279*	*11 %*	*276*	*1*	—
Other[7]	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**(112)**	**n/a**	**(190)**	**11**	**n/a**
Prior period	—	—	—	—	—	*(86)*	—	*(166)*	*13*	—

(1) Prepared on a consolidated accounting basis, except for production, which is stated on a 100% basis except for the Gahcho Kué joint operation in Canada, which is on an attributable 51% basis.
(2) Total sales volumes on a 100% basis were 17.3 million carats (30 June 2021: 20.8 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.
(3) Pricing for the mining business units is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost.
(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(5) Includes rough diamond sales of $3.3 billion (30 June 2021: $2.6 billion).
(6) Total De Beers EBITDA margin shows mining EBITDA margin on an equity basis, which excludes the impact of non-mining activities, third-party sales, purchases, trading downstream and corporate.
(7) Other includes Element Six, Brands and consumer markets, and corporate.

Markets

Following a continued strong recovery in consumer demand for diamond jewellery over the holiday season at the end of 2021, the year began with healthy demand and inventory conditions throughout the diamond pipeline as retailers restocked in the first two months of the year – with polished diamond prices rising on the back of the strong trading environment.

The onset of the Russia-Ukraine war initially affected industry sentiment negatively as diamond businesses sought to understand the potential impact on supply and demand from both consumer self-sanctioning in western markets and subsequent formal sanctions.

Nonetheless, despite the impact of the war and associated sanctions, as well as the recovering demand for luxury travel, consumer demand for diamond jewellery in the key US market has continued to post positive growth on the record levels of demand seen in 2021. Polished prices subsequently started to rise again in the second quarter, especially in the smaller diamond sizes (of which Russia produces a large share) but softened slightly in June from higher inventory levels and increased economic uncertainty. The overall improvement in prices was despite the recovery in Chinese consumer demand for diamond jewellery seen at the start of the year being impacted in the second quarter by the latest wave of Covid-19 and subsequent lockdowns in major Chinese cities.

Demand for De Beers' rough diamonds remained robust throughout the first half of the year, supported by strong US consumer demand for diamond jewellery, tightness in global rough diamond supply and De Beers' focus on enhanced provenance assurance for its rough diamonds through its blockchain-backed Tracr™ technology platform.

Financial and operational overview

Total revenue increased to $3.6 billion (30 June 2021: $2.9 billion), with rough diamond sales rising to $3.3 billion (30 June 2021: $2.6 billion), as the midstream replenished their stocks following strong consumer demand over the holiday season. Rough diamond sales volumes totalled 15.3 million carats (30 June 2021: 19.2 million carats), with the prior period benefiting from very strong demand recovery following the impact of Covid-19 in 2020. The average realised price rose by 58% to $213/ct (30 June 2021: $135/ct), driven by a larger proportion of higher value rough diamonds sold, as well as growth in the De Beers rough diamond price index. The rough price index increased by 28% compared with the same period in the prior year, reflecting positive consumer demand for diamond jewellery as well as tightness in inventories across the diamond value chain.

Underlying EBITDA increased by 55% to $944 million (30 June 2021: $610 million), reflecting the recovery in sales. Unit costs were flat at $59/ct (30 June 2021: $59/ct) as the benefit of higher production was offset by rising inflation and input costs.

Capital expenditure increased by 22% to $250 million (30 June 2021: $205 million), largely due to a ramp-up in the Venetia Underground project, ahead of first production in 2023.

Operational performance

Mining

Rough diamond production increased by 10% to 16.9 million carats (30 June 2021: 15.4 million carats), reflecting a strong operational performance and higher planned levels of production to meet continued strong demand for rough diamonds, while the first quarter of 2021 was affected by particularly high rainfall in Botswana and at Venetia.

In Botswana, production increased by 10% to 11.7 million carats (30 June 2021: 10.7 million carats) owing to increased processing at both Orapa and Jwaneng, as well as planned higher grade at Orapa. The Government of the Republic of Botswana and De Beers Group have extended their existing agreement for the sale of Debswana's rough diamond production by 12 months until 30 June 2023. Following further positive progress towards a new agreement being made in the first half of 2022, the two parties have agreed to the one-year extension to enable the finalisation of the ongoing discussions.

Namibia production increased by 50% to 1.0 million carats (30 June 2021: 0.7 million carats) primarily due to continued strong performance from the new diamond recovery vessel, the Benguela Gem, in the first quarter of 2022.

South Africa production increased by 20% to 2.9 million carats (30 June 2021: 2.4 million carats) due to the treatment of higher grade ore from the final cut of the open pit at Venetia.

Production in Canada decreased by 22% to 1.2 million carats (30 June 2021: 1.6 million carats), primarily as a result of treating lower grade ore and Covid-19 related absenteeism.

Brands and consumer markets

The strong recovery in US consumer demand for diamond jewellery was reflected in continued growth in De Beers' branded diamond jewellery from De Beers Jewellers and De Beers Forevermark. As diamond provenance and traceability become increasingly important, De Beers continues to invest in its unique ability to provide source assurance for its diamonds at scale, underpinned by the Tracr™ blockchain platform. This proprietary technology provides an immutable record of a diamond's provenance, underpinning confidence in natural diamonds.

Operational and market outlook

Consumer desire for natural diamonds continues to be robust in key consumer markets. However, a deterioration in global macro-economic conditions and significant inflation in the key markets could result in reduced consumer spending impacting demand for diamond jewellery. Despite this, the combination of ongoing sanctions against Russia, decisions from a number of US-based jewellery businesses to apply their own restrictions on purchases of Russian diamonds, and continued development of provenance initiatives has the potential to underpin continued demand for De Beers' rough diamonds in the medium to longer term.

Meanwhile, the longer term evolution of the diamond value chain continues, including a sustained focus on inventory balance, the efficient distribution of diamonds throughout the pipeline, increased online purchasing, and a greater focus on the provenance and sustainability credentials of companies and their products. Despite the near term challenges and uncertainties, the long term outlook for diamond jewellery demand remains positive, while the global supply of rough diamonds is expected to slightly decline owing to the lack of recent discoveries.

Full year production guidance for 2022 is 32–34 million carats (100% basis), subject to trading conditions and the extent of further Covid-19 related disruptions. Full year unit cost guidance for 2022 is c.$65/ct.

Copper

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*[2]	Underlying EBIT*	Capex*	ROCE*
	kt	kt[1]	c/lb[2]	c/lb[3]	$m[4]	$m		$m	$m	
Copper	**273**	**265**	**401**	**150**	**2,443**	**1,166**	**47 %**	**894**	**953**	**19 %**
Prior period	*330*	*305*	*460*	*116*	*2,974*	*1,935*	*66 %*	*1,630*	*768*	*38 %*
Los Bronces[5]	**130**	**122**	**n/a**	**219**	**1,027**	**431**	**42 %**	**324**	**363**	**n/a**
Prior period	*163*	*155*	—	*155*	*1,431*	*920*	*64 %*	*768*	*189*	—
Collahuasi[6]	**128**	**128**	**n/a**	**85**	**1,095**	**821**	**75 %**	**697**	**145**	**n/a**
Prior period	*146*	*133*	—	*58*	*1,238*	*1,048*	*85 %*	*928*	*197*	—
Quellaveco[7]	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**376**	**n/a**
Prior period	—	—	—	—	—	—	—	—	*331*	—
Other operations[8]	**16**	**15**	**n/a**	**n/a**	**321**	**(86)**	**(3)%**	**(127)**	**69**	**n/a**
Prior period	*21*	*17*	—	—	*305*	*(33)*	*16 %*	*(66)*	*51*	—

(1) Excludes 216 kt third-party sales (30 June 2021: 157 kt).
(2) Represents realised copper price and excludes impact of third-party sales.
(3) C1 unit cost includes by-product credits.
(4) Group revenue is shown after deduction of treatment and refining charges (TC/RCs).
(5) Figures on a 100% basis (Group's share: 50.1%).
(6) 44% share of Collahuasi production, sales and financials.
(7) Figures on a 100% basis (Group's share: 60%), except capex which represents the Group's share after deducting direct funding from non-controlling interests. H1 2022 capex on a 100% basis is $626 million, of which the Group's share is $376 million. H1 2021 capex on a 100% basis was $551 million, of which the Group's share was $331 million.
(8) Other operations includes El Soldado and Chagres (figures on a 100% basis, Group's share: 50.1%). Financials include third-party sales and purchases, projects and corporate costs.

Financial and operational overview

Underlying EBITDA decreased by 40% to $1,166 million (30 June 2021: $1,935 million), reflecting lower production and a 13% decrease in the realised price.

Copper production of 273,400 tonnes was 17% lower than the prior period (30 June 2021: 330,000 tonnes) due to planned lower grades and expected lower water availability at Los Bronces, owing to the ongoing drought in Chile's central zone – with record low levels of precipitation in 2021 and the first half of 2022, which were partly offset by water management initiatives. Unit costs increased by 29% to 150 c/lb (30 June 2021: 116 c/lb), reflecting lower production, record levels of local inflation and higher input costs, particularly diesel and explosives, partly offset by the weaker Chilean peso and higher by-product credits.

Capital expenditure increased by 24% to $953 million (30 June 2021: $768 million), reflecting expenditure on critical infrastructure projects deferred due to the Covid-19 pandemic in Chile and the ongoing investment in the Quellaveco project in Peru, partly offset by the weaker Chilean peso.

Markets

	6 months ended 30 June 2022	6 months ended 30 June 2021
Average market price (c/lb)	**443**	413
Average realised price (c/lb)	**401**	460

The difference between the market price and realised price is largely a function of provisional pricing adjustments, with 145,900 tonnes of copper provisionally priced at 374 c/lb at 30 June 2022 (30 June 2021: 181,072 tonnes provisionally priced at 425 c/lb), and the timing of sales across the period.

The average LME copper price was 7% higher compared with the same period in 2021, in spite of the sharp decline in the average price towards the end of June as investor selling took place across a range of markets, including copper. Fears of recession, supply-chain disruptions in manufacturing, inflation and interest rate increases have adversely impacted investor sentiment as the conflict in Ukraine persists and energy costs rise. In addition, economic growth in China is only recovering slowly after recent coronavirus-induced lockdowns in key centres. Despite copper's strong role in global energy transition activity, and concerns about supply availability over the medium and longer term, copper prices have been adversely affected by the weaker near term global economic outlook.

Operational performance

Copper production of 273,400 tonnes was 17% lower than the prior period (30 June 2021: 330,000 tonnes).

At Los Bronces, production decreased by 21% to 129,700 tonnes (30 June 2021: 163,200 tonnes) due to planned lower grades (0.59% vs 0.70%), lower plant throughput (23.1 Mt vs 24.7 Mt) as a result of expected lower water availability, and lower copper recovery (80.9% vs 83.2%). The impact of expected lower water availability, following the record low levels of precipitation at the end of 2021 and during the first half of 2022, was partially offset by initiatives to maximise water efficiency, including sourcing of external industrial water. C1 unit costs increased by 41% to 219 c/lb (30 June 2021: 155 c/lb), driven by planned lower production, record levels of inflation and cost increases associated with water management, partly offset by higher by-product credits and the weaker Chilean peso.

At Collahuasi, Anglo American's attributable share of copper production decreased by 12% to 127,800 tonnes (30 June 2021: 145,900 tonnes) due to planned lower grades (1.14% vs 1.27%) in accordance with the mine plan. C1 unit costs increased by 47% to 85 c/lb (30 June 2021: 58 c/lb), driven by planned lower production and the effect of inflation, partly offset by the weaker Chilean peso and higher by-product credits.

Production at El Soldado decreased by 24% to 15,900 tonnes (30 June 2021: 20,900 tonnes) due to planned lower grades (0.54% vs 0.73%) in accordance with the mine plan. C1 unit costs increased by 43% to 304 c/lb (30 June 2021: 213 c/lb) due to the lower production and inflation, partly offset by the weaker Chilean peso.

Chile´s central zone continues to face severe drought conditions, with the two years up to June 2022 being the driest years since records began, and with the outlook for the year remaining very dry.

Operational outlook – Copper Chile

2022 full year production guidance for Chile is 560,000–600,000 tonnes, subject to the extent of further Covid-19 related disruptions and water availability. 2022 full year C1 unit cost guidance for Chile is c.150c/lb, subject to the impact of water availability on production volumes.

There is limited near term production impact from the recent rejection of the environmental permit application for the Los Bronces Integrated Project. Anglo American is continuing to engage with the relevant regulatory authorities to make available any additional information or clarity that may be required. Anglo American has requested a review by a Minister's Committee – which is the next stage of the regulated permitting process in Chile – to evaluate the full breadth of merits of the project. Anglo American remains hopeful that the positive impact this project will have on the local area, including an improvement to air quality, as well as a major long term inward investment for Chile, will be recognised.

Quellaveco update

The Group announced first production of copper concentrate from Quellaveco on 12 July 2022, a key milestone in delivery of this world class asset, on time and on budget, as Quellaveco nears completion ahead of receiving final regulatory clearance for commercial operations to begin.

The production of first copper concentrate marks the beginning of a normal period of testing of the processing plant to demonstrate readiness for operations. Copper concentrate from the testing period is being stockpiled for future sale whilst the process of obtaining regulatory permits for commercial operations takes place.

The delivery of first concentrate has taken place against an extremely challenging backdrop through two years of pandemic-related disruption. Despite this, the project is producing copper in line with the original construction schedule and less than four years after project approval. The total estimated capex is $5.5 billion and is in line with the 2020 budget to accommodate Covid-19 requirements. The Group's share of total estimated capex is $2.8 billion.

Focus is now on receiving the required regulatory clearances, execution of remaining project-scope activities including the commissioning of the second grinding line expected to begin in the third quarter of 2022, and safely ramping up the processing plant to nameplate capacity over the next 12 months. We are also working closely with government and local communities on the safe and responsible demobilisation of the project workforce.

Capital expenditure in the first half of 2022 (on a 100% basis) was $0.6 billion, of which the Group's share is $0.4 billion.

Capital expenditure guidance for 2022 remains $0.8–1.1 billion (100% basis), of which the Group's share is $0.5–0.7 billion.

Operational outlook – Copper Peru

Production guidance for Peru for 2022 remains 100,000–150,000 tonnes of copper. C1 unit cost guidance for 2022 is c. 135c/lb, subject to progressing the ramp-up of production volumes. All guidance and project progress remains subject to the extent of any further Covid-19 related disruption.

Quellaveco expects to deliver around 300,000 tonnes per annum of copper equivalent production on average in its first 10 years of operation.

Nickel

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	t	t	$/lb(1)	c/lb(2)	$m	$m		$m	$m	
Nickel	19,600	16,800	11.59	487	407	239	59%	201	32	30 %
Prior period	*20,700*	*20,000*	*7.21*	*350*	*325*	*135*	*41%*	*106*	*10*	*18 %*

(1) Realised price.
(2) C1 unit cost.

Financial and operational overview

Underlying EBITDA increased by 77% to $239 million (30 June 2021: $135 million), reflecting higher realised nickel prices, partially offset by lower volumes and higher unit costs. C1 unit costs increased by 39% to 487 c/lb (30 June 2021: 350 c/lb) as a result of higher input prices, lower production volumes and the stronger Brazilian real.

Capital expenditure increased to $32 million (30 June 2021: $10 million), primarily due to planned higher expenditure on P101 asset productivity initiatives.

Markets

	6 months ended 30 June 2022	6 months ended 30 June 2021
Average market price ($/lb)	12.52	7.93
Average realised price ($/lb)	11.59	7.21

Differences between the market price (which are LME-based) and our realised price (the ferronickel price) are due to the discounts (or premiums) to the LME price, which depend on market conditions, supplier products and consumer preferences.

The average LME nickel price of $12.52/lb was 58% higher (30 June 2021: $7.93/lb). The year started with strong demand and prices, which were further bolstered by the invasion of Ukraine by Russia, a major nickel supplier, and growing consumer resistance to buying Russian nickel. Prices weakened at the end of the period due to inflation and global economic growth concerns, despite available nickel stocks continuing to decline.

Operational performance

Nickel production decreased by 5% to 19,600 tonnes (30 June 2021: 20,700 tonnes), primarily due to lower ore grades as a result of licensing delays that are now resolved, as well as the impact of heavy rainfall and unplanned maintenance. Sales volumes were further impacted by logistics constraints, primarily in the container freight market.

Operational outlook

Production guidance for 2022 is 40,000–42,000 tonnes, subject to the extent of further Covid-19 related disruption.

C1 unit cost guidance for 2022 is c.495c/lb.

Platinum Group Metals

Financial and operational metrics

	Production volume PGMs	Sales volume PGMs	Basket price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*(5)	Underlying EBIT*	Capex*	ROCE*
	koz(1)	koz(2)	$/PGM oz(3)	$/PGM oz(4)	$m	$m		$m	$m	
PGMs	**1,988**	**2,044**	**2,671**	**948**	**5,555**	**2,732**	**55 %**	**2,555**	**394**	**119 %**
Prior period	*2,079*	*2,568*	*2,884*	*866*	*7,414*	*4,383*	*71 %*	*4,211*	*363*	*160 %*
Mogalakwena	**510**	**540**	**2,543**	**821**	**1,374**	**871**	**63 %**	**796**	**210**	**n/a**
Prior period	*637*	*712*	*2,748*	*690*	*1,958*	*1,403*	*72 %*	*1,330*	*189*	—
Amandelbult	**343**	**372**	**3,016**	**1,184**	**1,122**	**603**	**54 %**	**573**	**32**	**n/a**
Prior period	*341*	*441*	*3,247*	*1,178*	*1,432*	*965*	*67 %*	*938*	*34*	—
Other operations(6)	**456**	**436**	**2,780**	**924**	**1,210**	**581**	**48 %**	**524**	**152**	**n/a**
Prior period	*425*	*521*	*3,054*	*880*	*1,547*	*1,116*	*72 %*	*1,059*	*140*	—
Processing and trading(7)	**678**	**696**	**n/a**	**n/a**	**1,849**	**677**	**37 %**	**662**	**n/a**	**n/a**
Prior period	*675*	*894*	—	—	*2,477*	*899*	*36 %*	*884*	*n/a*	—

(1) Production reflects own-mined production and purchase of metal in concentrate. PGM volumes consists of 5E metals and gold.
(2) Sales volumes exclude the sale of refined metal purchased from third parties and toll material. PGM volumes consists of 5E metals and gold.
(3) Average US$ realised basket price, based on sold ounces (own-mined and purchased concentrate). Excludes the impact of the sale of refined metal purchased from third parties.
(4) Total cash operating costs (includes on-mine, smelting and refining costs only) per own-mined PGM ounce of production.
(5) The total PGMs mining EBITDA margin excludes the impact of the sale of refined metal purchased from third parties, purchase of concentrate and tolling.
(6) Includes Unki, Mototolo and PGMs' share of joint operations (Kroondal and Modikwa). Other operations margin includes unallocated market development, care and maintenance, and corporate costs.
(7) Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.

Financial and operational overview

Underlying EBITDA decreased to $2,732 million (30 June 2021: $4,383 million), as a result of a 7% decrease in the PGM basket price, reflecting lower market prices, partly offset by a more normal sales mix compared with the first half of 2021. Underlying EBITDA was also negatively affected by reduced sales, as refined production in the first half of 2021 benefited from the processing of higher than normal work-in-progress inventory following the ACP Phase A rebuild. Unit costs increased by 9% to $948/PGM ounce (30 June 2021: $866/PGM ounce), reflecting higher input cost inflation and lower production volumes, partly offset by the weaker South African rand.

Capital expenditure increased by 9% to $394 million (30 June 2021: $363 million), driven by the Covid-19 related deferral of project timelines that were rescheduled from 2021 into the first half of 2022.

Markets

	6 months ended 30 June 2022	6 months ended 30 June 2021
Average platinum market price ($/oz)	**995**	1,170
Average palladium market price ($/oz)	**2,219**	2,592
Average rhodium market price ($/oz)	**17,167**	24,662
US$ realised basket price ($/PGM oz)	**2,671**	2,884

The average realised PGM basket price decreased by 7% to $2,671 per PGM ounce (30 June 2021: $2,884 per PGM ounce). PGM prices were volatile in the first half of 2022, initially increasing due to supply concerns following Russia's invasion of Ukraine, then falling back as demand was negatively affected by the slowing global economy.

All three major PGMs showed similar price trends, with palladium being particularly turbulent, reaching a new all-time high of almost $3,340 per ounce in March, before ending the period below $2,000 per ounce, largely reflecting the large proportion of palladium supply that comes from Russia. The platinum price was also adversely affected by a stronger US dollar, which reached a 20-year high in the period. Strong by-product prices and differences in the timing and mix of metals sold cushioned the impact of lower PGM prices on the realised basket price.

Operational performance

Total PGM production decreased by 4% to 1,987,500 ounces (30 June 2021: 2,079,100 ounces), principally due to lower grade at Mogalakwena, partially offset by increased production from Mototolo, Unki and Amandelbult.

Own-mined production

PGM production from own-managed mines (Mogalakwena, Amandelbult, Unki and Mototolo) and equity share of joint operations decreased by 7% to 1,309,400 ounces (30 June 2021: 1,404,100 ounces).

Mogalakwena PGM production decreased by 20% to 510,200 ounces (30 June 2021: 637,400 ounces), largely as a result of heavy rainfall in the first quarter, leading to the need to mine in lower grade areas, and Covid-19 supply chain disruptions impacting delivery of heavy mining equipment.

Amandelbult PGM production increased by 1% to 343,300 ounces (30 June 2021: 341,300 ounces), despite infrastructure closures, reflecting improved underground mining performance that led to increased stability and higher throughput at the concentrator.

Production from other operations increased by 7% to 455,900 ounces (30 June 2021: 425,400 ounces), reflecting the increased production as a result of the completion of the concentrator debottlenecking projects at Unki and Mototolo.

Purchase of concentrate

Purchase of concentrate, excluding tolling, was flat at 678,100 ounces (30 June 2021: 675,000 ounces).

Refined production and sales volumes

Refined PGM production (excluding toll-treated metal) decreased by 16% to 1,959,100 ounces (30 June 2021: 2,326,700 ounces) as the first half of 2021 benefited from the processing of higher than normal work-in-progress inventory following the ACP Phase A rebuild and commissioning in the fourth quarter of 2020. Planned maintenance and the annual stock count (including at the Precious Metals Refinery, which only happens every three years) also resulted in additional downtime of processing assets.

PGM sales volumes decreased to 2,044,400 ounces (30 June 2021: 2,568,200 ounces), in line with refined production.

Operational outlook

PGM metal in concentrate production guidance for 2022 is 3.9–4.3 million ounces, with own-mined output accounting for c.65%. Refined PGM production guidance for 2022 is 4.0–4.4 million ounces, subject to the potential impact of Eskom load-shedding. Both are subject to the extent of further Covid-19 related disruption. Unit cost guidance for 2022 is c.$950/PGM ounce.

Iron Ore

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt[1]	Mt[1]	$/t[2]	$/t[3]	$m	$m		$m	$m	
Iron Ore Total	**27.5**	**28.3**	**135**	**40**	**4,393**	**2,298**	**51 %**	**2,047**	**427**	**38 %**
Prior period	*31.9*	*30.7*	*210*	*33*	*6,935*	*4,910*	*70 %*	*4,661*	*278*	*88 %*
Kumba Iron Ore[4]	**17.8**	**19.6**	**135**	**43**	**2,907**	**1,570**	**54 %**	**1,403**	**355**	**99 %**
Prior period	*20.4*	*19.6*	*216*	*40*	*4,412*	*3,033*	*69 %*	*2,860*	*210*	*211 %*
Iron Ore Brazil (Minas-Rio)	**9.8**	**8.7**	**134**	**35**	**1,486**	**728**	**45 %**	**644**	**72**	**23 %**
Prior period	*11.5*	*11.1*	*200*	*22*	*2,523*	*1,877*	*73 %*	*1,801*	*68*	*59 %*

(1) Production and sales volumes are reported as wet metric tonnes. Product is shipped with c.9% moisture from Minas-Rio and c.1.6% moisture from Kumba.
(2) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha) (wet basis). Prices for Minas-Rio are the average realised export basket price (FOB Brazil) (wet basis). Prices for total iron ore are a blended average.
(3) Unit costs are reported on an FOB wet basis. Unit costs for total iron ore are a blended average.
(4) Sales volumes and realised price differ to Kumba's stand-alone reported results due to sales to other Group companies.

Financial and operational overview

Underlying EBITDA for Iron Ore decreased by 53% to $2,298 million (30 June 2021: $4,910 million), following a 36% decrease in the realised iron ore price to $135/tonne, lower sales and higher unit costs.

Kumba

Underlying EBITDA decreased by 48% to $1,570 million (30 June 2021: $3,033 million), driven by a lower average realised FOB iron ore export price of $135/tonne (30 June 2021: $216/tonne) and higher unit costs, partly offset by the weaker South African rand. Unit costs increased by 8% to $43/tonne (30 June 2021: $40/tonne), reflecting lower production volumes and input cost inflation, partially offset by higher waste stripping capitalised.

Production decreased by 13%, largely due to heavy rainfall in the period. Total sales volumes were broadly flat at 19.6 Mt (30 June 2021: 19.6 Mt), with lower production supplemented by a sell-down of finished goods inventory.

Capital expenditure increased by 69% to $355 million (30 June 2021: $210 million), reflecting the ramp-up in activity at the Kapstevel South pit life extension project at Kolomela and the Ultra High Dense Media Separation (UHDMS) technology growth project at Sishen, partly offset by the impact of the weaker South African rand.

Minas-Rio

Underlying EBITDA decreased by 61% to $728 million (30 June 2021: $1,877 million), reflecting the lower average realised price and lower volumes as a result of maintenance and unusually heavy rainfall. Unit costs increased by 59% to $35/tonne (30 June 2021: $22/tonne), reflecting higher input costs, principally consumables and electricity, lower production volumes, increased maintenance costs and the impact of the stronger Brazilian real.

Capital expenditure was broadly flat at $72 million (30 June 2021: $68 million).

Markets

	6 months ended 30 June 2022	6 months ended 30 June 2021
Average market price (Platts 62% Fe CFR China – $/tonne)	**140**	183
Average market price (MB 66% Fe Concentrate CFR – $/tonne)	**174**	209
Average realised price (Kumba export – $/tonne) (FOB wet basis)	**135**	216
Average realised price (Minas-Rio – $/tonne) (FOB wet basis)	**134**	200

Kumba's FOB realised price of $135/wet metric tonne was 14% higher than the equivalent Platts 62% Fe FOB Saldanha market price (adjusted for moisture) of $118/wet metric tonne. This reflects the premium for the higher iron content at 64.0% and relatively high proportion (approximately 66%) of lump that the product portfolio attracts (which helps steel mills reduce emissions).

Minas-Rio's pellet feed product is also higher grade (with iron content of 67% and lower impurities) than the reference product used for the Platts 62% Fe CFR China index. The Metal Bulletin (MB) 66 index, therefore, is used when referring to Minas-Rio product. The Minas-Rio realised price of $134/wet metric tonne was 1% higher than the equivalent MB 66 FOB Brazil index, (adjusted for moisture, of $133/wet metric tonne), reflecting the premium quality of the product.

Operational performance

Kumba

Production decreased by 13% to 17.8 Mt (30 June 2021: 20.4 Mt), driven by extremely high rainfall impacting feedstock availability, a safety intervention at Kolomela and equipment reliability. Production at Sishen decreased by 7% to 12.9 Mt (30 June 2021: 13.9 Mt) and at Kolomela by 25% to 4.8 Mt (30 June 2021: 6.4 Mt).

Minas-Rio

Production decreased by 15% to 9.8 Mt (30 June 2021: 11.5 Mt) due to maintenance and unusually heavy rainfall that impacted the availability of the mining fleet and plant.

Operational outlook

Kumba

2022 full year production guidance is 38–40 Mt, subject to the extent of further Covid-19 related disruption and third-party rail and port performance.

2022 full year unit cost guidance is c.$44/tonne.

Minas-Rio

2022 full year production guidance is 22–24 Mt, subject to the extent of further Covid-19 related disruption, as well as weather related disruptions.

2022 full year unit cost guidance is c.$32/tonne.

Steelmaking Coal

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt[1]	Mt[2]	$/t[3]	$/t[4]	$m	$m		$m	$m	
Steelmaking Coal	**4.8**	**5.2**	**397**	**160**	**2,213**	**1,399**	**63 %**	**1,246**	**265**	**92 %**
Prior period	*6.2*	*6.0*	*115*	*124*	*736*	*(94)*	*(13)%*	*(383)*	*257*	*(26)%*

(1) Production volumes are saleable tonnes, excluding thermal coal production of 0.8 Mt (30 June 2021: 0.9 Mt).
(2) Sales volumes exclude thermal coal sales of 0.7 Mt (six months ended 30 June 2021: 1.1 Mt). The first half of 2022 includes 0.1 Mt of steelmaking coal mined by third parties and processed by Anglo American.
(3) Realised price is the weighted average hard coking coal and PCI sales price achieved at managed operations.
(4) FOB cost per tonne, excluding royalties and study costs.

Financial and operational overview

Underlying EBITDA increased to $1,399 million (30 June 2021: $94 million loss), driven by a 245% increase in the weighted average realised price for steelmaking coal. This was partially offset by 13% lower sales volumes and a 29% increase in unit costs to $160/tonne (30 June 2021: $124/tonne), reflecting the impact of lower production, Covid-19 related disruptions and higher inflation. Also included is $250 million for the finalisation of the Grosvenor gas ignition claim by the Group's self-insurance entity. Production was primarily affected by the planned end of mining at the Grasstree operation in January 2022 and associated ramp-up of the replacement Aquila longwall operation, as well as record unseasonal rainfall in May at the open pit operations, partly offset by restart of the Grosvenor mine in February 2022, following the underground incident in May 2020.

Capital expenditure was broadly flat at $265 million (30 June 2021: $257 million), with higher development-related spend across all three underground mines largely offset by lower life extension expenditure following the completion of the Aquila project, where longwall production began in February 2022.

Markets

	6 months ended 30 June 2022	6 months ended 30 June 2021
Average benchmark price – hard coking coal ($/tonne)[1]	**467**	132
Average benchmark price – PCI ($/tonne)[1]	**406**	110
Average realised price – hard coking coal ($/tonne)[2]	**407**	117
Average realised price – PCI ($/tonne)[2]	**322**	103

(1) Represents average spot prices.
(2) Realised price is the sales price achieved at managed operations.

Average realised prices differ from the average market prices due to differences in material grade and timing of shipments. Hard coking coal (HCC) price realisation decreased slightly to 87% of average benchmark price (30 June 2021: 89%), driven by a higher proportion of lower grade coking coal sales in the first half of 2022 compared to the same period in 2021.

The average benchmark price for Australian HCC increased to $467/tonne (30 June 2021: $132/tonne). HCC prices at the start of 2022 were lifted by wet weather events and Covid-19 related workforce absenteeism in Australia, and later by buyers' anxiety around global sanctions on Russian supply, but fell sharply after reaching multiple record highs in March. Global seaborne demand for steelmaking coal has since fallen in tandem with weakness in the downstream steel sector.

Operational performance

Production decreased by 22% to 4.8 Mt (30 June 2021: 6.2 Mt), principally due to the planned end of mining at the Grasstree operation in January 2022 and ramp-up of the replacement Aquila longwall, which began operations in February 2022 and fully ramped up in June. Production was also impacted by record unseasonal rainfall in May at the open cut operations.

At Grosvenor, longwall operations restarted in February 2022 following regulatory approval, with production ramped up as planned in the second quarter. Longwall mining restarted at Moranbah in the next planned longwall panel in May 2022, following a fatal incident in March 2022, and an extended longwall move.

Operational outlook

2022 full year export steelmaking coal production guidance is 15–17 Mt, subject to the extent of further unseasonal wet weather, continued tight labour markets and further Covid-19 related disruption. Unit cost guidance for 2022 is c.$110/tonne.

As a result of increases to Queensland's royalty rates from 1 July, government taxation for the second half of the year is expected to increase from around 48% to 59% in total (at current spot prices).

Manganese

Financial and operational metrics

	Production volume	Sales volume	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt	Mt	$m	$m		$m	$m	
Manganese	1.8	1.8	475	223	47 %	192	n/a	162 %
Prior period[1]	*1.8*	*1.9*	*370*	*154*	*42 %*	*121*	—	*104 %*

(1) Sales and financials include ore and alloy.

Financial and operational overview

Manganese (Samancor)

Underlying EBITDA increased by 45% to $223 million (30 June 2021: $154 million), benefiting from a stronger average realised manganese ore selling price, partially offset by a 3% decrease in manganese ore sales volumes, as well as increased freight and operating costs.

The average benchmark price for manganese ore (Metal Bulletin 44% manganese ore CIF China) increased by 39% to $6.99/dmtu (30 June 2021: $5.03/dmtu), largely due to stronger demand in the first quarter and the impact of the war in Ukraine.

Operational performance

Attributable manganese ore production was in line with the prior period at 1.8 Mt (30 June 2021: 1.8 Mt) . There was no manganese alloy production as the South African smelter has been on care and maintenance since the Covid-19 lockdown in 2020. The divestment of the Metalloys business did not proceed as certain commercial conditions were not satisfied.

Crop Nutrients

Financial and operational metrics

	Production volume	Sales volume	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
			$m	$m		$m	$m	
Crop Nutrients	n/a	n/a	110	(18)	n/a	(18)	242	n/a
Prior period	—	—	*53*	*(12)*	—	*(12)*	*279*	—
Woodsmith project	n/a	n/a	n/a	n/a	n/a	n/a	242	n/a
Prior period	—	—	—	—	—	*n/a*	*279*	—
Other[(1)]	n/a	n/a	110	(18)	n/a	(18)	n/a	n/a
Prior period	—	—	*53*	*(12)*	—	*(12)*	—	—

(1) Other comprises projects and corporate costs as well as the share in associate results from The Cibra Group, a fertiliser distributor based in Brazil.

Crop Nutrients

Anglo American is developing the Woodsmith project in the north east of England to access the world's largest known deposit of polyhalite, a natural mineral fertiliser product containing potassium, sulphur, magnesium and calcium – four of the six nutrients that every plant needs to grow.

The Woodsmith project is located approximately 8 km south of Whitby, where polyhalite ore will be extracted via two 1.6 km deep mine shafts and transported to Teesside on an underground conveyor belt in a 37 km tunnel, thereby minimising impact on the surface. It will then be granulated at a materials handling facility to produce a low carbon fertiliser product – known as POLY4 – that will be exported from our dedicated port facility to a network of customers around the world.

Woodsmith project

Anglo American has completed a detailed technical review of the Woodsmith project to ensure the technical and commercial integrity of the full scope of its design recognising the multi-decade life of the mine. The review confirmed that a number of elements of the project's original design would benefit from modification to bring it up to Anglo American's safety and operating integrity standards and to optimise the value of the asset and its world class orebody for the long term.

Throughout 2022, and ahead of the full project execution phase, the Woodsmith team, led by new Crop Nutrients CEO Tom McCulley, is working through the detailed design engineering and is making a number of changes. Changes relate particularly to the design and phasing of the two main shafts, the development of the underground mining area, and the processing and port facilities, as well as those changes required to accommodate both increased production capacity and more efficient and scalable mining methods; such improvements will also require the installation of additional ventilation earlier in the development of the underground mining area.

Anglo American expects that the improvements it is making to the project will result in an enhanced configuration and therefore a different and longer construction schedule than anticipated prior to Anglo American's ownership. Anglo American's capital budget for the development of Woodsmith will reflect such scope and timing changes to ensure that its exacting standards are met and the full commercial value of the asset is realised. The capital budget and schedule to completion will be finalised once the detailed design engineering is complete and with the benefit of further shaft sinking progress over the next 12-18 months.

In the meantime, development of the project's major critical path components has continued to progress to our updated plan during the first half of 2022, with capital expenditure of $242 million in the first half out of an estimated $600 million for the year as a whole (2021: $530 million). The mineral transport tunnel has now been connected to the 383 m deep intermediate access shaft site at Lockwood Beck during a period of planned maintenance for the tunnel boring machine. At the mine site, engineering improvements have been made to the infrastructure in the services shaft aimed at increasing shaft sinking rates over the project's duration. We continue to progress the infrastructure at the production shaft in advance of shaft sinking activities getting under way, with the shaft boring road header now assembled in the shaft.

Market development – POLY4

The ongoing focus of the market development activities is to develop and implement customer-centric sales and marketing strategies utilising regional customer insights throughout the value chain and developing routes to market. With more than 1,150 commercial scale, in-progress or completed on-farm demonstrations, we continue to build a compelling body of evidence that shows POLY4's efficacy to support crop production through increased yields, improved crop quality and enhanced soil health through resilience to compaction, erosion and run-off, as well as improving nutrient availability to crops, helping to reduce nutrient waste into watercourses.

Sustainability is becoming an ever more central imperative for the fertiliser industry, aiming to improve environmental sustainability, including reducing carbon intensity. Regenerative farming is also gaining in popularity among upstream and downstream agribusinesses. Anglo American has an important role to play, with POLY4 offering a unique combination of properties to support sustainable agricultural production. POLY4 offers farmers a solution to agricultural efficiency and sustainability challenges, through its natural multi-nutrient composition, its suitability for organic use and ultra-low carbon footprint generating up to 85% fewer carbon emissions than the equivalent conventional nutrient products, with little to no waste generated in its production.

At a macro market level, the dislocation experienced within the global fertiliser market during the first half of 2022 has had a major impact, causing restrictions in the availability of, and sharp increases in, the price of crop nutrients. Prices are expected to remain firm and above historical levels for the foreseeable future, as supply restrictions and high energy and manufacturing costs continue. Many countries are re-assessing their sourcing of fertiliser and agricultural products as they seek greater reliability of supply while also encouraging more efficient fertiliser use, driving innovation, and supporting more sustainable crop solutions.

Corporate and Other

Financial metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Underlying EBIT*	Capex*
	Mt[1]	Mt[2]	$/t[3]	$/t[4]	$m	$m	$m	$m
Segment	n/a	n/a	n/a	n/a	258	(282)	(360)	12
Prior period	—	—	—	—	907	119	(33)	98
Exploration	n/a	n/a	n/a	n/a	n/a	(64)	(65)	n/a
Prior period	—	—	—	—	—	(42)	(43)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	n/a	258	(218)	(295)	12
Prior period	—	—	—	—	135	(27)	(103)	17
Thermal Coal – South Africa[5]	—	—	—	—	—	—	—	—
Prior period	5.7	5.3	77	46	553	101	70	81
Thermal Coal – Colombia[6]	—	—	—	—	—	—	—	n/a
Prior period	3.6	3.4	65	34	219	87	43	—

(1) Production volumes are saleable tonnes. South African production volumes include export primary production, secondary production sold into export markets, production sold domestically at export parity pricing and excludes other domestic production of 5.6 Mt in 2021.
(2) South African sales volumes include export primary production, secondary production sold into export markets and production sold domestically at export parity pricing and exclude domestic sales of 5.3 Mt in 2021 and third-party sales of 6.4 Mt in 2021.
(3) Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales from locations other than Richards Bay.
(4) Thermal Coal – South Africa FOB cost per saleable tonne from the trade operations, excluding royalties and study costs.
(5) Thermal Coal – South Africa mining activity included in prior period until the demerger on 4 June 2021.
(6) Thermal Coal – Colombia represents the Group's attributable share from its 33.3% shareholding in Cerrejón and reflects earnings and volumes from the first half of 2021 only, before the agreement was entered into.

Financial overview

Exploration

Exploration's underlying EBITDA loss was $64 million (30 June 2021: $42 million loss), driven by the recovery from the Covid-19 disruptions in 2021 that affected greenfield base metals exploration and near-mine iron ore exploration.

Corporate activities and unallocated costs

Underlying EBITDA was a $218 million loss (30 June 2021: $27 million loss), driven primarily by the finalisation of the $250 million Grosvenor gas ignition claim by the Group's self-insurance entity which resulted in an expense in Corporate activities that was offset within the underlying EBITDA of Steelmaking Coal.

Guidance summary

Production and unit costs

	Unit costs 2022F	Production volumes			
		Units	2022F	2023F	2024F
Diamonds[1]	c.$65/ct	Mct	32–34	30–33	30–33
Copper[2]	c.147c/lb	kt	660–750	910–1,020	910–1,020
Nickel[3]	c.495c/lb	kt	40–42	41–43	42–44
PGMs – metal in concentrate[4]	c.$950/PGM ounce	Moz	3.9–4.3	4.1–4.5	4.1–4.5
Platinum		Moz	1.8–2.0	1.9–2.1	1.9–2.1
Palladium		Moz	1.2–1.3	1.3–1.4	1.3–1.4
Other		Moz	0.9–1.0	0.9–1.0	0.9–1.0
PGMs – refined[5]		Moz	4.0–4.4	3.8–4.2	4.1–4.5
Iron ore[6]	c.$40/tonne	Mt	60–64	64–68	67–71
Steelmaking Coal[7]	c.$110/tonne	Mt	15–17	22–24	24–26

Note: Unit costs are subject to any further effects of Covid-19 and exclude royalties, depreciation and include direct support costs only. FX rates for H2 2022 unit costs: ~17 ZAR:USD, ~1.5 AUD:USD, ~5.5 BRL:USD, ~1,000 CLP:USD, ~4 PEN:USD. Production volumes are subject to the extent of further Covid-19 related disruption.

(1) Unit cost is based on De Beers' share of production. Production on a 100% basis except for the Gahcho Kué joint operation, which is on an attributable 51% basis, subject to trading conditions. Venetia continues to transition to underground operations during 2022, with ramp-up expected from 2023.

(2) Copper business unit only. On a contained-metal basis. Total copper is the sum of Chile and Peru. Unit cost total is a weighted average based on the mid-point of production guidance. 2022 Chile: 560–600kt; Peru 100–150kt. 2023 Chile: 590–650kt; Peru: 320–370kt. 2024 Chile: 590–650kt; Peru 320–370kt. Chile production is subject to water availability. Chile production in 2022 impacted by lower expected grades at Collahuasi and Los Bronces, and lower water availability at Los Bronces. Peru production in 2022 subject to progress on ramp-up of operations. Chile 2022 unit cost is c.150c/lb and is subject to the impact of water availability on production volumes. Peru 2022 unit cost is c.135c/lb and is based on progressing the ramp-up of production volumes.

(3) Nickel operations in Brazil only. The Group also produces approximately 20 kt of nickel on an annual basis as a co-product from the PGM operations. 2023 and 2024 volumes dependent on bulk ore sorting technology and briquetting.

(4) Unit cost is per own mined 5E + gold PGMs metal in concentrate ounce. Production is 5E + gold produced metal in concentrate ounces. Includes own mined production (~65%) and purchased concentrate volumes (~35%).

(5) 5E + gold produced refined ounces. Includes own mined production and purchased concentrate volumes. Refined production is subject to the potential impact of Eskom load-shedding.

(6) Wet basis. Total iron ore is the sum of Kumba and Minas-Rio. Unit cost total is a weighted average based on the mid-point of production guidance. 2022 Kumba: 38–40Mt; Minas-Rio: 22–24Mt. 2023 Kumba: 39–41Mt; Minas-Rio: 25–27Mt. 2024 Kumba: 41–43Mt (subject to UHDMS plant coming online); Minas-Rio: 26–28Mt. Kumba production is subject to the third party rail and port performance, as well as weather related disruptions. Kumba 2022 unit cost is c.$44/tonne. Minas-Rio 2022 unit cost is c.$32/tonne.

(7) Steelmaking Coal FOB/tonne unit cost comprises managed operations and excludes royalties and study costs. Volumes are subject to the progress of ramp-up of the longwalls and exclude thermal coal by-product from Australia.

Capital expenditure[1]

	2022F	2023F	2024F
Growth	$1.6-2.1bn *Includes ~$0.6bn Woodsmith capex*	$1.2–1.7bn	$1.5–2.0bn
Sustaining	~$4.5bn *Reflects ~$3.4bn baseline plus ~$0.7bn lifex projects plus ~$0.4bn Collahuasi desalination plant*[2]	~$4.8bn *Reflects ~$3.5bn baseline plus ~$0.8bn lifex projects and ~$0.5bn Collahuasi desalination plant*[2]	~$4.1bn *Reflects ~$3.3bn baseline plus ~$0.6bn lifex projects and ~$0.2bn Collahuasi desalination plant*[2]
Total	**$6.1–6.6bn**	**$6.0–6.5bn**	**$5.6–6.1bn**

Further details on Anglo American's high quality growth and life-extension projects, including details of the associated volumes benefit, are disclosed on pages 13 –17.

Long term sustaining capital expenditure is expected to be c.$3.0 billion per annum[3], excluding life-extension projects.

Other guidance

- 2022 depreciation: $2.8-3.0 billion (previously $3.0–3.2 billion)
- 2022 effective tax rate: 33–35%[4]
- Long term effective tax rate: 31–35%[4]
- Dividend payout ratio: 40% of underlying earnings
- Net debt:EBITDA: <1.5x at the bottom of the cycle

(1) Cash expenditure on property, plant and equipment including related derivatives, net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests. Shown excluding capitalised operating cash flows. Consequently, for Quellaveco, reflects attributable share of capex. Collahuasi desalination capex shown includes related infrastructure. Guidance includes unapproved projects and is, therefore, subject to progress of growth project studies and Woodsmith is excluded after 2022. Long term sustaining capex guidance is shown on a real basis. Refer to the H1 2022 results presentation slides 42 – 46 for further detail on the breakdown of the capex guidance at project level.

(2) Attributable share of capex.

(3) Long term sustaining capex guidance is shown on a real basis.

(4) Effective tax rate is highly dependent on a number of factors, including the mix of profits, and may vary from the guided ranges.

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Notes to editors:
Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing every day demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, premium quality iron ore and steelmaking coal, and nickel – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

www.angloamerican.com

Webcast of presentation:
A live webcast of the results presentation, starting at 9.00am UK time on 28 July 2022, can be accessed through the Anglo American website at www.angloamerican.com

Note: Throughout this results announcement, '$' denotes United States dollars and 'cents' refers to United States cents. Tonnes are metric tons, 'Mt' denotes million tonnes and 'kt' denotes thousand tonnes, unless otherwise stated.

Group terminology
In this document, references to "Anglo American", the "Anglo American Group", the "Group", "we", "us", and "our" are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces group-wide policies and procedures to ensure best uniform practices and standardisation across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.

Forward-looking statements and third party information:
This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations, prospects and projects (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and sustainability performance related (including environmental, social and governance) goals, ambitions, targets, visions, milestones and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and project development capabilities and delivery, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the impact of attacks from third parties on our information systems, natural catastrophes or adverse geological conditions, climate change and extreme weather events, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to obtain key inputs in a timely manner, the ability to produce and transport products profitably, the availability of necessary infrastructure (including transportation) services, the development, efficacy and adoption of new technology, challenges in realising resource estimates or discovering new economic mineralisation, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, liquidity and counterparty risks, the effects of inflation, political uncertainty, tensions and disputes and economic conditions in relevant areas of the world, evolving societal and stakeholder requirements and expectations, shortages of skilled employees, the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American's assets and 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 document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX 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 document 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 document is sourced from publicly available third party sources. As such it has not been independently verified and presents the views of those third parties, but may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such information.

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Registered office as above. Incorporated in England and Wales under the Companies Act 1985.
Registered Number: 3564138 Legal Entity Identifier: 549300S9XF92D1X8ME43

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CONDENSED FINANCIAL STATEMENTS

for the six months ended 30 June 2022

Contents

Consolidated income statement

for the six months ended 30 June 2022

US$ million	Note	6 months ended 30.06.22 Before special items and remeasurements	6 months ended 30.06.22 Special items and remeasurements (note 9)	6 months ended 30.06.22 Total	6 months ended 30.06.21 Before special items and remeasurements	6 months ended 30.06.21 Special items and remeasurements (note 9)	6 months ended 30.06.21 Total
Revenue	3	18,197	(86)	18,111	21,754	25	21,779
Operating costs		(11,371)	(47)	(11,418)	(11,387)	602	(10,785)
Operating profit	3	6,826	(133)	6,693	10,367	627	10,994
Non-operating special items	9	—	(183)	(183)	—	23	23
Net income from associates and joint ventures	3 12	409	—	409	205	(10)	195
Profit before net finance costs and tax		7,235	(316)	6,919	10,572	640	11,212
Investment income		53	—	53	62	—	62
Interest expense		(225)	—	(225)	(244)	(116)	(360)
Other net financing gains/(losses)		9	51	60	(206)	(10)	(216)
Net finance costs	5	(163)	51	(112)	(388)	(126)	(514)
Profit before tax		7,072	(265)	6,807	10,184	514	10,698
Income tax expense	6	(2,151)	80	(2,071)	(2,955)	(564)	(3,519)
Profit for the financial period		4,921	(185)	4,736	7,229	(50)	7,179
Attributable to:							
Non-controlling interests	16	1,134	(78)	1,056	1,894	97	1,991
Equity shareholders of the Company		3,787	(107)	3,680	5,335	(147)	5,188
Earnings per share (US$)							
Basic	4	3.11	(0.08)	3.03	4.30	(0.12)	4.18
Diluted	4	3.09	(0.09)	3.00	4.25	(0.12)	4.13

Consolidated statement of comprehensive income

for the six months ended 30 June 2022

US$ million	6 months ended 30.06.22	6 months ended 30.06.21
Profit for the financial period	4,736	7,179
Items that will not be reclassified to the income statement (net of tax)		
Remeasurement of net retirement benefit obligation	7	1
Net revaluation gain/(loss) on equity investments	19	(53)
Items that have been or may subsequently be reclassified to the income statement (net of tax)		
Net exchange differences:		
Net (loss)/gain (including associates and joint ventures)	(770)	253
Cumulative loss transferred to the income statement on disposal of foreign operations	—	363
Other comprehensive (loss)/gain for the financial period (net of tax)	(744)	564
Total comprehensive income for the financial period (net of tax)	3,992	7,743
Attributable to:		
Non-controlling interests	938	2,059
Equity shareholders of the Company	3,054	5,684

Consolidated balance sheet
as at 30 June 2022

US$ million	Note	30.06.22	31.12.21
ASSETS			
Non-current assets			
Intangible assets		2,876	3,002
Property, plant and equipment		40,453	39,501
Environmental rehabilitation trusts	15	105	113
Investments in associates and joint ventures	12	1,112	1,021
Financial asset investments		273	340
Inventories		671	583
Trade and other receivables		593	870
Deferred tax assets		362	532
Derivative financial assets	15	—	256
Pension asset surplus and other non-current assets		721	794
Total non-current assets		47,166	47,012
Current assets			
Inventories		6,189	5,228
Trade and other receivables		3,653	4,309
Current tax assets		164	104
Derivative financial assets	15	205	187
Current financial asset investments		74	29
Cash and cash equivalents	13	9,210	9,066
Total current assets		19,495	18,923
Assets classified as held for sale	19	—	50
Total assets		66,661	65,985
LIABILITIES			
Current liabilities			
Trade and other payables		(7,128)	(7,930)
Short term borrowings	13 14	(1,487)	(1,235)
Provisions for liabilities and charges		(507)	(579)
Current tax liabilities		(681)	(627)
Derivative financial liabilities	15	(474)	(212)
Total current liabilities		(10,277)	(10,583)
Non-current liabilities			
Trade and other payables		(236)	(318)
Medium and long term borrowings	13 14	(11,800)	(11,621)
Royalty liability	15	(405)	(382)
Retirement benefit obligations		(486)	(502)
Deferred tax liabilities		(4,960)	(4,865)
Derivative financial liabilities	15	(582)	(317)
Provisions for liabilities and charges		(2,404)	(2,627)
Total non-current liabilities		(20,873)	(20,632)
Total liabilities		(31,150)	(31,215)
Net assets		35,511	34,770
EQUITY			
Called-up share capital		734	737
Share premium account		2,558	2,558
Own shares		(6,179)	(6,141)
Other reserves		(11,826)	(11,045)
Retained earnings		43,291	41,716
Equity attributable to equity shareholders of the Company		28,578	27,825
Non-controlling interests	16	6,933	6,945
Total equity		35,511	34,770

The Condensed financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 27 July 2022 and signed on its behalf by:

Duncan Wanblad
Chief Executive

Stephen Pearce
Finance Director

Consolidated cash flow statement

for the six months ended 30 June 2022

US$ million	Note	6 months ended 30.06.22	6 months ended 30.06.21 (restated)[1]
Cash flows from operating activities			
Profit before tax		6,807	10,698
Net finance costs including financing special items and remeasurements	5	112	514
Net income from associates and joint ventures	12	(409)	(195)
Non-operating special items	9	183	(23)
Operating profit		6,693	10,994
Revenue and operating special items and remeasurements	9	133	(627)
Cash element of special items		(6)	(6)
Depreciation and amortisation		1,185	1,373
Share-based payment charges		101	93
Decrease in provisions and net retirement benefit obligations		(93)	(158)
Increase in inventories		(1,192)	(663)
Decrease/(increase) in operating receivables		438	(715)
(Decrease)/increase in operating payables[1]		(259)	833
Other adjustments		17	(190)
Cash flows from operations		7,017	10,934
Dividends from associates and joint ventures	12	238	83
Income tax paid		(1,751)	(1,973)
Net cash inflows from operating activities		5,504	9,044
Cash flows from investing activities			
Expenditure on property, plant and equipment	11	(2,842)	(2,475)
Cash flows used in derivatives related to capital expenditure	11	—	(9)
Proceeds from disposal of property, plant and equipment	11	7	—
Investments in associates and joint ventures		(5)	(3)
Expenditure on intangible assets		(39)	(25)
Net (issuance)/redemption of financial asset investments held at amortised cost		(43)	5
Interest received and other investment income		47	27
Net cash inflow on disposals	20	467	—
Other investing activities		(55)	80
Net cash used in investing activities		(2,463)	(2,400)
Cash flows from financing activities			
Interest paid		(220)	(260)
Cash flows from derivatives related to financing activities	13	68	16
Dividends paid to Company shareholders	7	(2,052)	(907)
Dividends paid to non-controlling interests	16	(1,079)	(832)
Proceeds from issuance of bonds		1,230	996
Proceeds from other borrowings[1]		785	507
Capital repayment of lease obligations		(131)	(133)
Repayments of bonds and borrowings		(704)	(2,362)
Purchase of shares by Group companies		(438)	(174)
Other financing activities		(181)	(107)
Net cash used in financing activities		(2,722)	(3,256)
Net increase in cash and cash equivalents		319	3,388
Cash and cash equivalents at start of period	13	9,057	7,508
Cash movements in the period		319	3,388
Effects of changes in foreign exchange rates		(173)	45
Cash and cash equivalents at end of period	13	9,203	10,941

(1) Comparative balances as at 30 June 2021 have been restated to correct the presentation of cash received from a customer. Cash received of $260 million was previously presented as proceeds from other borrowings within cash flows from financing activities and as Short term borrowings on the Consolidated balance sheet. Since the contract relates to the physical supply of metal and is not financing in nature, the cash received is now presented as an increase in operating payables within cash flows from operating activities and as a contract liability within Trade and other payables on the Consolidated balance sheet. There is no impact on the Consolidated balance sheet as at 31 December 2021.

Consolidated statement of changes in equity

for the six months ended 30 June 2022

US$ million	Total share capital[1]	Own shares[2]	Retained earnings	Cumulative translation adjustment reserve	Other reserves[3]	Total equity attributable to equity shareholders of the Company	Non-controlling interests	Total equity
At 1 January 2021	5,107	(6,107)	37,192	(11,004)	636	25,824	6,942	32,766
Profit for the period	—	—	5,188	—	—	5,188	1,991	7,179
Other comprehensive income/(loss)	—	—	3	541	(48)	496	68	564
Dividends	—	—	(907)	—	—	(907)	(1,011)	(1,918)
Equity settled share-based payment schemes	—	4	(15)	—	(69)	(80)	1	(79)
Change in ownership	—	—	(72)	—	—	(72)	88	16
In specie return of capital relating to Thungela demerger (note 20)	(1,800)	—	1,081	—	—	(719)	(106)	(825)
Other	—	37	(42)	1	(6)	(10)	(4)	(14)
At 30 June 2021	3,307	(6,066)	42,428	(10,462)	513	29,720	7,969	37,689
Profit for the period	—	—	3,374	—	—	3,374	1,146	4,520
Other comprehensive income/(loss)	—	—	78	(1,233)	40	(1,115)	(335)	(1,450)
Dividends	—	—	(3,140)	—	—	(3,140)	(1,826)	(4,966)
Equity settled share-based payment schemes	—	(75)	5	—	84	14	2	16
Shares cancelled during the period	(12)	—	—	—	12	—	—	—
Share buyback	—	—	(1,000)	—	—	(1,000)	—	(1,000)
Change in ownership	—	—	(1)	—	—	(1)	1	—
Other	—	—	(28)	(1)	2	(27)	(12)	(39)
At 31 December 2021	**3,295**	**(6,141)**	**41,716**	**(11,696)**	**651**	**27,825**	**6,945**	**34,770**
Profit for the period	**—**	**—**	**3,680**	**—**	**—**	**3,680**	**1,056**	**4,736**
Other comprehensive income/(loss)	**—**	**—**	**12**	**(660)**	**22**	**(626)**	**(118)**	**(744)**
Dividends	**—**	**—**	**(2,052)**	**—**	**—**	**(2,052)**	**(942)**	**(2,994)**
Equity settled share-based payment schemes	**—**	**(38)**	**(34)**	**—**	**(98)**	**(170)**	**(6)**	**(176)**
Shares cancelled during the period	**(3)**	**—**	**—**	**—**	**3**	**—**	**—**	**—**
Other	**—**	**—**	**(31)**	**—**	**(48)**	**(79)**	**(2)**	**(81)**
At 30 June 2022	**3,292**	**(6,179)**	**43,291**	**(12,356)**	**530**	**28,578**	**6,933**	**35,511**

(1) Includes share capital and share premium.
(2) Own shares comprise shares of Anglo American plc held by the Company, its subsidiaries and employee benefit trusts.
(3) Includes the share-based payment reserve, financial asset revaluation reserve, capital redemption reserve, legal reserve and other reserves.

Notes to the Condensed financial statements

1. Basis of preparation

Basis of Preparation

This condensed consolidated interim financial report for the six months ended 30 June 2022 has been prepared in accordance with the UK-adopted International Account Standard IAS 34 *Interim Financial Reporting* and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority ('DTR').

The Condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the annual financial statements for the year ended 31 December 2021 which have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, IFRS Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Condensed financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year to 31 December 2021 included in this report was derived from the statutory accounts for the year ended 31 December 2021, a copy of which has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Group Financial review for the six months ended 30 June 2022 on pages 6 to 10. The Group's net debt (including related hedges) at 30 June 2022 was $4.9 billion (31 December 2021: $3.8 billion) representing a gearing level of 12% (31 December 2021: 10%). The Group's liquidity position (defined as cash and cash equivalents and undrawn committed facilities) of $17.3 billion at 30 June 2022 remains strong. Further analysis of net debt is set out in note 13 and details of borrowings and facilities are set out in note 14.

The directors have considered the Group's cash flow forecasts for the period to the end of December 2023 under base and downside scenarios with reference to the Group's principal risks as set out on page 18 of the interim results. Further consideration was given to the uncertainty of the impact of the Covid-19 pandemic on both the wider macroeconomic environment, including demand for the Group's products and realised prices, and the Group's operations, including production levels. In the downside scenarios modelled (including price reductions of up to 20% against budget and spot prices, operational incidents and climate change impacts), the Group maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The Board is satisfied that 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 period of at least 12 months from the date of approval of the financial statements. For this reason the Group continues to adopt the going concern basis in preparing its financial statements.

Alternative Performance Measures

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under IFRS. APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. Further information on APMs is provided on page 86.

2. Changes in accounting policies, estimates and disclosures

The accounting policies applied are materially consistent with those adopted and disclosed in the Group financial statements for the year ended 31 December 2021 with the exception of the adoption of an amendment to IAS 16 *Proceeds before intended use*. New accounting pronouncements, principally minor amendments to existing standards, also became effective on 1 January 2022 and have been adopted by the Group. The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

IAS 16 *Proceeds before intended use*

An amendment to IAS 16 *Proceeds before intended use* became effective for the Group from 1 January 2022.

The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling these items, and the associated costs will be recognised in the income statement. IAS 2 *Inventories* should be applied in identifying and measuring the cost of these items.

The impact of this transition difference for the six months ended 30 June 2021 and the year ended 31 December 2021 is not considered material to the Group and hence comparative values have not been restated.

The Group's Quellaveco copper project will be the most significant project impacted by the amendment to IAS 16 during 2022. All production and sales from Quellaveco in 2022 are expected to arise before commercial production is achieved, and as a result revenue and associated costs that would previously have been capitalised against project assets will now be recognised in the Consolidated income statement. For the six months ended 30 June 2022, amounts which would have been capitalised within property, plant and equipment under the previous methodology were immaterial.

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

Financial performance

Profit attributable to equity shareholders for the six months ended 30 June 2022 is $3,680 million (six months ended 30 June 2021: $5,188 million). Underlying earnings for the six months ended 30 June 2022 are $3,787 million (six months ended 30 June 2021: $5,335 million). Underlying earnings decreased by 29%.

The following disclosures provide further information about the drivers of the Group's financial performance in the period. This includes analysis of the respective contribution of the Group's reportable segments along with information about its operating cost base, net finance costs and tax. In addition, disclosure on earnings per share and the dividend is provided.

3. Financial performance by segment

Overview

The Group's operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments.

The Group aggregates the following operating segments into reportable segments:

- Kumba Iron Ore and Iron Ore Brazil are aggregated into Iron Ore
- Copper Chile and Copper Peru are aggregated into Copper

Shipping revenue related to shipments of the Group's products is shown within the relevant operating segment. Revenue from other shipping arrangements, primarily relating to third-party carriage services, is presented within the 'Corporate and other' segment, which also includes thermal coal marketing activities, unallocated corporate costs and exploration costs. For the six months ended 30 June 2021, the 'Corporate and other' segment also included the results of the Group's Thermal Coal (South Africa and Cerrejón) mining operations prior to their disposal.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

Financial performance

3. Financial performance by segment continued

Segment results

US$ million	Group revenue		Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense		Non-controlling interests	Underlying earnings
									30.06.22
De Beers	3,595		944	(226)	718	(135)		(92)	491
Copper	2,443		1,166	(272)	894	(388)		(112)	394
Nickel	407		239	(38)	201	(57)		—	144
Platinum Group Metals	5,555		2,732	(177)	2,555	(741)		(399)	1,415
Iron Ore	4,393		2,298	(251)	2,047	(620)		(516)	911
Steelmaking Coal	2,213		1,399	(153)	1,246	(381)		—	865
Manganese	475		223	(31)	192	(96)		(2)	94
Crop Nutrients	110	(1)	(18)	—	(18)	9		—	(9)
Corporate and other	258		(282)	(78)	(360)	(143)		(15)	(518)
	19,449		8,701	(1,226)	7,475	(2,552)	(2)	(1,136)	3,787
Less: associates and joint ventures	(1,252)		(690)	41	(649)	238		2	(409)
Subsidiaries and joint operations	18,197		8,011	(1,185)	6,826	(2,314)		(1,134)	3,378
Reconciliation:									
Net income from associates and joint ventures					409				409
Special items and remeasurements	(86)				(316)				(107)
Revenue	18,111								
Profit before net finance costs and tax					6,919				
Profit attributable to equity shareholders of the Company									3,680

See next page for footnotes.

Financial performance

3. Financial performance by segment continued

30.06.21 (restated)[3]

US$ million	Group revenue	Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	2,900	610	(233)	377	(67)	(43)	267
Copper	2,974	1,935	(305)	1,630	(666)	(272)	692
Nickel	325	135	(29)	106	(4)	—	102
Platinum Group Metals	7,414	4,383	(172)	4,211	(1,452)	(586)	2,173
Iron Ore	6,935	4,910	(249)	4,661	(1,129)	(995)	2,537
Steelmaking Coal	736	(94)	(289)	(383)	115	—	(268)
Manganese	370	154	(33)	121	(59)	(1)	61
Crop Nutrients	53 [1]	(12)	—	(12)	3	—	(9)
Corporate and other	907	119	(152)	(33)	(189)	2	(220)
	22,614	12,140	(1,462)	10,678	(3,448) [2]	(1,895)	5,335
Less: associates and joint ventures[4]	(860)	(400)	89	(311)	105	1	(205)
Subsidiaries and joint operations	21,754	11,740	(1,373)	10,367	(3,343)	(1,894)	5,130
Reconciliation:							
Net income from associates and joint ventures				195			195
Special items and remeasurements	25			650			(137)
Revenue	21,779						
Profit before net finance costs and tax				11,212			
Profit attributable to equity shareholders of the Company							5,188

(1) Group revenue in respect of Crop Nutrients relates to revenue from its associate, The Cibra Group, a fertiliser distributor based in Brazil.
(2) Comprises net finance costs of $170 million (six months ended 30 June 2021: $401 million) and income tax expense of $2,382 million (six months ended 30 June 2021: $3,047 million).
(3) Comparative totals remain unchanged from those reported in 2021. Figures are restated to disaggregate the Nickel and Manganese businesses in line with the reassessment of the Group's reportable segments as disclosed in note 2 of the Group's 2021 Integrated Annual Report.
(4) Income from the Cerrejón associate arising after the agreement of the disposal transaction in June 2021 was classified as a special item and is therefore excluded from Corporate and other Group revenue, underlying EBITDA, underlying EBIT and underlying earnings. The Cerrejón associate met the criteria to be classified as held for sale at 31 December 2021 in advance of the completion of the transaction on 11 January 2022.

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

Further information

Group revenue by product

Segments predominantly derive revenue as follows – De Beers: rough and polished diamonds; Copper: copper; Platinum Group Metals: platinum group metals and nickel; Iron Ore: iron ore; Steelmaking Coal: steelmaking coal; Nickel: nickel; Manganese: manganese ore. Revenue reported within Corporate and other revenue includes the margin from the Group's thermal coal marketing and trading activity and shipping revenue relating to carriage services provided to third parties. In the period ended 30 June 2021, Corporate and other revenue also included thermal coal revenue from the South African thermal coal operations prior to the demerger and the Group's share of thermal coal revenue from its associate Cerrejón prior to 28 June 2021, after which, revenue was reported within special items.

Other revenue principally relates to iridium, ruthenium and phosphates. The revenue analysis below includes the Group's share of revenue in equity accounted associates and joint ventures excluding special items and remeasurements. See note 12.

Financial performance

3. Financial performance by segment continued

US$ million	Revenue from contracts with customers 30.06.22	Revenue from other sources 30.06.22	Group revenue 30.06.22	Revenue from contracts with customers 30.06.21	Revenue from other sources 30.06.21	Group revenue 30.06.21
Diamonds	3,588	7	3,595	2,894	6	2,900
Copper	2,486	(194)	2,292	2,619	244	2,863
Platinum	903	3	906	1,278	1	1,279
Palladium	1,357	3	1,360	1,896	2	1,898
Rhodium	2,314	12	2,326	3,343	36	3,379
Iron ore	3,767	146	3,913	5,363	1,169	6,532
Steelmaking coal	1,446	576	2,022	495	151	646
Thermal coal[(1)(2)]	156	82	238	596	262	858
Nickel	700	(6)	694	532	4	536
Manganese ore and alloys	—	475	475	—	370	370
Shipping	682	—	682	498	—	498
Other	819	127	946	737	118	855
	18,218	1,231	19,449	20,251	2,363	22,614
Reconciliation:						
Less: Revenue from associates and joint ventures	—	(1,252)	(1,252)	—	(860)	(860)
Special items and remeasurements	—	(86)	(86)	—	25	25
Revenue	18,218	(107)	18,111	20,251	1,528	21,779

(1) Group revenue and income from the Cerrejón associate arising after the agreement of the disposal transaction in June 2021 was classified as a special item and are therefore excluded from Group revenue, underlying EBITDA, underlying EBIT and underlying earnings from that date. The Cerrejón associate met the criteria to be classified as held for sale at 31 December 2021 in advance of the completion of the transaction on 11 January 2022.
(2) For the six months ended 30 June 2022, thermal coal represents 1% of Group revenue and comprises sales volumes of 9.2Mt arising from secondary product sales from the Steelmaking coal business, transitional marketing support provided to Thungela Resources and purchases from other third parties.

The revenue from other sources for subsidiaries and joint operations loss of $107 million (six months ended 30 June 2021: gain of $1,528 million) includes net fair value gains relating to derivatives of $189 million, net fair value losses relating to provisionally priced contracts of $210 million and revenue remeasurement losses of $86 million (six months ended 30 June 2021: net fair value gains of $633 million, $870 million and $25 million respectively). Derivative net gains include both financial derivatives and the net margin arising on contracts for the physical sale and purchase of third-party material (third-party sales) where these contracts are accounted for as derivatives prior to settlement and are entered into to generate a trading margin.

Group revenue by destination

The Group's geographical analysis of segment revenue is allocated based on the customer's port of destination. Where the port of destination is not known, revenue is allocated based on the customer's country of domicile.

	30.06.22 US$ million	30.06.22 %	30.06.21 US$ million	30.06.21 %
China	4,374	22%	5,668	25%
India	1,252	6%	1,033	5%
Japan	2,650	14%	3,387	15%
Other Asia	3,925	20%	4,315	19%
South Africa	726	4%	458	2%
Other Africa	1,175	6%	832	4%
Brazil	550	3%	276	1%
Chile	338	2%	412	2%
Other South America	—	—	60	—
North America	678	3%	834	4%
Australia	70	—	15	—
United Kingdom[(1)]	959	5%	1,707	8%
Other Europe	2,752	15%	3,617	15%
	19,449	100%	22,614	100%

(1) United Kingdom is Anglo American plc's country of domicile.

Financial performance

4. Earnings per share

Overview

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

US$	6 months ended 30.06.22	6 months ended 30.06.21
Earnings per share		
Basic	3.03	4.18
Diluted	3.00	4.13
Underlying earnings per share		
Basic	3.11	4.30
Diluted	3.09	4.25
Headline earnings per share		
Basic	3.02	4.22
Diluted	2.99	4.17

Further information

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

	Profit attributable to equity shareholders of the Company		Underlying earnings		Headline earnings	
	6 months ended 30.06.22	6 months ended 30.06.21	6 months ended 30.06.22	6 months ended 30.06.21	6 months ended 30.06.22	6 months ended 30.06.21
Earnings (US$ million)						
Basic and diluted earnings	3,680	5,188	3,787	5,335	3,667	5,233
Weighted average number of shares (million)						
Basic number of ordinary shares outstanding	1,216	1,240	1,216	1,240	1,216	1,240
Effect of dilutive potential ordinary shares	11	15	11	15	11	15
Diluted number of ordinary shares outstanding	1,227	1,255	1,227	1,255	1,227	1,255

The weighted average number of ordinary shares in issue is the weighted number of shares in issue throughout the period, and excludes shares held by employee benefit trusts and Anglo American plc shares held by Group companies. The weighted average number of shares has decreased since the six months ended 30 June 2021, principally due to the share buyback announced in July 2021 and completed in February 2022. The diluted number of ordinary shares outstanding, including share options and awards, is calculated on the assumption of conversion of all potentially dilutive ordinary shares. In the period ended 30 June 2022 there were 175,136 (six months ended 30 June 2021: 132,349) share options that were potentially dilutive but not included in the calculation of diluted earnings because they were anti-dilutive.

Financial performance

4. Earnings per share continued

Headline earnings, a Johannesburg Stock Exchange defined performance measure, is reconciled from profit attributable to equity shareholders of the Company as follows:

	30.06.22		30.06.21	
US$ million	Gross	Net	Gross	Net
Profit attributable to equity shareholders of the Company		**3,680**		5,188
Special items and remeasurements		107		147
Underlying earnings for the financial period		**3,787**		5,335
Revenue remeasurements	(86)	(35)	25	24
Operating remeasurements	(47)	(42)	(84)	(98)
Non-operating special items – remeasurement of deferred consideration	(176)	(118)	507	343
Non-operating special items – disposals	—	—	(14)	(49)
Financing special items and remeasurements	51	51	(127)	(125)
Tax special items and remeasurements	—	43	—	(169)
Associates' and joint ventures' special items and remeasurements	—	—	—	(10)
Other reconciling items	(16)	(19)	(15)	(18)
Headline earnings for the financial period		**3,667**		5,233

The reconciling items above are shown gross and net of tax and non-controlling interests.

Other reconciling items principally relate to adjustments to former operations and disposals of property, plant and equipment (six months ended 30 June 2021: related to adjustments in respect to business combinations in prior years).

Financial performance

5. Net finance costs

US$ million	6 months ended 30.06.22	6 months ended 30.06.21
Investment income		
Interest income from cash and cash equivalents	45	23
Interest income from associates and joint ventures	2	4
Other investment income	—	28
Net interest income on defined benefit arrangements	6	7
Investment income	53	62
Interest expense		
Interest and other finance expense	(286)	(249)
Lease liability interest expense	(21)	(18)
Net interest cost on defined benefit arrangements	(24)	(20)
Unwinding of discount relating to provisions and other liabilities	(36)	(38)
	(367)	(325)
Less: Interest expense capitalised	142	81
Interest expense before special items and remeasurements	(225)	(244)
Financing special items	—	(116)
Interest expense	(225)	(360)
Other net financing gains/(losses)		
Net foreign exchange losses	(81)	(23)
Other net fair value gains/(losses)	90	(183)
Other net financing gains/(losses) before special items and remeasurements	9	(206)
Financing remeasurements	51	(10)
Other net financing gains/(losses)	60	(216)
Net finance costs	(112)	(514)

Further information

Included in other net fair value losses is $16 million (six months ended 30 June 2021: $183 million) in respect of fair value losses on the revaluation of deferred consideration balances relating to the Mototolo acquisition. Revaluation of deferred consideration balances are classified as special items and remeasurements only when the original gain or loss on disposal or acquisition has been classified as a special item.

Financial performance

6. Income tax expense

Overview

			6 months ended 30.06.22
	Profit before tax US$ million	Tax charge US$ million	Effective tax rate
Calculation of effective tax rate (statutory basis)	6,807	(2,071)	30.4%
Adjusted for:			
Special items and remeasurements	265	(80)	
Associates' and joint ventures' tax and non-controlling interests	233	(231)	
Calculation of underlying effective tax rate	7,305	(2,382)	32.6%

The underlying effective tax rate was 32.6% for the six months ended 30 June 2022. This is higher than the underlying effective tax rate of 29.6% for the six months ended 30 June 2021. The underlying effective tax rate for the six months ended 30 June 2022 was mainly impacted by the relative level of profits arising in the Group's operating jurisdictions.

In accordance with IAS 34 *Interim Financial Reporting*, the Group's interim tax charge has been calculated by applying on a jurisdictional basis, the forecast annual effective corporate income tax rate to the pre-tax income for the six month period and adjusting for certain discrete items which occurred in the interim period.

Uncertainty and changes to tax regimes can materialise in any country in which we operate and the Group has no control over political acts, actions of regulators, or changes in local tax regimes. Global and local economic and social conditions can have a significant influence on governments' policy decisions and these have the potential to change tax and other political risks faced by the Group.

In line with our published Tax Strategy, the Group actively monitors tax developments at a national level, as well as global themes and international policy trends, on a continuous basis, and has active engagement strategies with governments, regulators and other stakeholders within the countries in which the Group operates, or plans to operate, as well as at an international level. This includes the OECD's implementation of its Digitalisation of the Economy Project which seeks to reallocate taxing rights for large profitable groups ('Pillar 1') and implement a minimum effective tax rate of 15% on profits of large multinational groups in each country in which they operate ('Pillar 2'). The Group is engaging with policymakers in efforts to ensure that the stated policy objectives are met and that the Group is well placed to comply when the rules are in force. On 20 July 2022, HM Treasury released draft Pillar 2 legislation that would commence from periods beginning on or after 31 December 2023. The Group is reviewing this draft legislation to understand the potential impact on the Group.

The Group assesses portfolio capital investments against political risks and avoids or minimises exposure to jurisdictions with unacceptable risk levels.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

a) Analysis of charge for the period

US$ million	6 months ended 30.06.22	6 months ended 30.06.21
United Kingdom corporation tax	24	55
South Africa tax	1,120	1,971
Other overseas tax	658	621
Prior year adjustments	(51)	31
Current tax	1,751	2,678
Deferred tax	400	277
Income tax expense before special items and remeasurements	2,151	2,955
Special items and remeasurements tax	(80)	564
Income tax expense	2,071	3,519

Current tax includes royalties which meet the definition of income tax and are in addition to royalties recorded in operating costs.

Financial performance

6. Income tax expense continued

b) Factors affecting tax charge for the period

The reconciling items between the statutory corporation tax rate and the income tax expense are:

US$ million	6 months ended 30.06.22	6 months ended 30.06.21
Profit before tax	**6,807**	10,698
Less: Net income from associates and joint ventures	(409)	(195)
Profit before tax (excluding associates and joint ventures)	**6,398**	10,503
Tax calculated at United Kingdom corporation tax rate of 19.0%	1,216	1,996
Tax effects of:		
Items non-deductible/taxable for tax purposes	31	35
Temporary difference adjustments	26	99
Functional currency remeasurements (note 9)	(54)	192
Special items and other remeasurements	24	272
Special items and remeasurements	(30)	464
Other adjustments		
Dividend withholding taxes	116	101
Effect of differences between local and United Kingdom tax rates	763	792
Prior year adjustments to current tax	(51)	31
Other adjustments	—	1
Income tax expense	**2,071**	3,519

The special items and remeasurements reconciling credit of $30 million (six months ended 30 June 2021: charge of $464 million) relates to the net tax impact of total special items and remeasurements before tax calculated at the United Kingdom corporation tax rate less the associated tax recorded against these items and tax special items and remeasurements.

Associates' and joint ventures' tax included within Net income from associates and joint ventures for the six months ended 30 June 2022 is a charge of $231 million (six months ended 30 June 2021: $102 million). Excluding special items and remeasurements, this is a charge of $231 million (six months ended 30 June 2021: $92 million).

Financial performance

7. Dividends

	6 months ended 30.06.22	6 months ended 30.06.21
Proposed interim ordinary dividend per share (US cents)	124	171
Proposed interim ordinary dividend (US$ million)	1,513	2,132
Proposed interim special dividend per share (US cents)	—	80
Proposed interim special dividend (US$ million)	—	997

As at the dividend record date, there are forecasted to be 1,220,234,298 (six months ended 30 June 2021: 1,246,701,431) dividend bearing shares in issue.

Significant items

8. Significant accounting matters

The critical judgements and sources of estimation uncertainty affecting the results for the six months ended 30 June 2022 relate to the assessment of impairment and impairment reversal indicators and the estimation of cash flow projections for impairment testing. Further information about these matters are provided below and in the Group's Integrated Annual Report for the year ended 31 December 2021:

Barro Alto

Barro Alto operations have been previously impaired by $1.4 billion and due to improvements in forecast market conditions in the short and medium term, the valuation has been assessed at 30 June 2022. The valuation, based on a range of scenarios, considers the offsetting impact of a revised production profile based upon expected changes to the Life of Mine Plan. The recoverable amount, based on a discounted cash flow model, was materially consistent with the carrying value of $0.9 billion.

The valuation is sensitive to changes in economic and operational assumptions. The model uses forecast nickel prices that fall within the analyst range through the model. The long term price in the model from 2032 onwards falls within the third quartile of the analyst price range of $7.7 c/lb to $8.4 c/lb (LME Nickel, 2022 real basis).

Los Bronces-Chagres

The Los Bronces-Chagres cash generating unit includes the Los Bronces copper mine and the Chagres smelter, both located in Chile. The operations have not been previously impaired. The valuation has been assessed following the negative Environmental Qualification Ruling for the Los Bronces Integrated Project by the Environmental Assessment Service of Chile. Alternative scenarios have been considered to assess the impact of a range of potential permitting outcomes. Alternatives have also been assessed based on current understanding of the application of the proposed amendments to the Mining Royalty Bill.

While expected future cash flows used in discounted cash flow models are inherently uncertain and could materially change over time (including as a result of changes to tax regimes), at present in all reasonably possible scenarios the valuation supports the carrying value of $4.1 billion.

Significant items

9. Special items and remeasurements

Overview

				6 months ended 30.06.22	6 months ended 30.06.21
US$ million	Before tax	Tax	Non-controlling interests	Net	Net
Revenue remeasurements	(86)	5	46	(35)	24
Impairment reversals	—	—	—	—	961
Impairments	—	—	—	—	(555)
Other operating special items	—	—	—	—	(3)
Operating remeasurements	(47)	5	—	(42)	(98)
Operating special items and remeasurements	(47)	5	—	(42)	305
Disposals of businesses and investments	—	—	—	—	(409)
Adjustments relating to business combinations	(22)	—	—	(22)	(18)
Adjustments relating to former operations	(161)	27	32	(102)	354
Other non-operating special items	—	—	—	—	(99)
Non-operating special items	(183)	27	32	(124)	(172)
Financing special items and remeasurements	51	—	—	51	(125)
Tax special items and remeasurements	—	43	—	43	(169)
Total	(265)	80	78	(107)	(137)
Associates' and joint ventures' special items and remeasurements				—	(10)
Total special items and remeasurements				(107)	(147)

Special items and remeasurements

Special items are those items of financial performance that, due to their size and nature, the Group believes should be separately disclosed on the face of the income statement. Remeasurements are items that are excluded from underlying earnings in order to reverse timing differences in the recognition of gains and losses in the income statement in relation to transactions that, whilst economically linked, are subject to different accounting measurement or recognition criteria. Refer to note 8 of the Group's 2021 Integrated Annual Report for further details on the classification of special items.

Special items and remeasurements, along with related tax and non-controlling interests, are excluded from underlying earnings, which is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 86.

Revenue remeasurements

The loss of $86 million ($35 million after tax and non-controlling interests) relates to remeasurements on derivatives presented in revenue from other sources.

2021

Revenue remeasurements reflected a net gain of $24 million after tax and non-controlling interests for the six months ended 30 June 2021.

Operating special items

Impairment reversals

There were no impairment reversals in the six months ended 30 June 2022.

2021

Impairment reversals of $961 million after tax and non-controlling interests for the six months ended 30 June 2021 comprised $940 million after tax at Minas-Rio (Iron Ore) and $21 million after tax and non-controlling interests at El Soldado (Copper).

Impairments

There were no impairments for the six months ended 30 June 2022.

Significant items

9. Special items and remeasurements continued

2021
Impairments of $555 million after tax for the six months ended 30 June 2021 principally comprised impairments within Steelmaking Coal.

Operating remeasurements

Operating remeasurements reflect a loss of $47 million ($42 million after tax and non-controlling interests) which principally relates to a $43 million depreciation and amortisation charge arising due to the fair value uplift on the Group's pre-existing 45% shareholding in De Beers, which was required on acquisition of a controlling stake in 2012.

2021
Operating remeasurements reflected a net loss of $98 million after tax and non-controlling interests which principally related to the depreciation and amortisation charge on acquisition fair value adjustments and a loss on derivatives.

Non-operating special items

Disposals of businesses

There were no disposals of business recognised within special items for the six months ended 30 June 2022.

2021
The $409 million loss after tax and non-controlling interests related to the demerger of the South African thermal coal operations.

Adjustments relating to business combinations

The $22 million loss during the six months ended 30 June 2022 relates to adjustments in respect of business combinations in prior years.

2021
The net $18 million gain after tax during the six months ended 30 June 2021 related to adjustments in respect of business combinations in prior years.

Adjustments relating to former operations

The net loss of $102 million after tax and non-controlling interests principally relates to contingent consideration adjustments in respect of disposals of the Group's interests in Rustenburg and Union (Platinum Group Metals). For further detail with respect to deferred consideration balances, see note 15.

2021
The net gain of $354 million after tax and non-controlling interests principally related to contingent consideration adjustments in respect of disposals of the Group's interests in Rustenburg and Union (Platinum Group Metals) and contingent consideration received in respect of the disposal of Anglo American Norte (Copper).

Other non-operating special items

There were no other non-operating special items recognised for the six months ended 30 June 2022.

2021
The Group recognised an impairment of $99 million after tax to bring the carrying value of the Cerrejón associate into line with its fair value less costs of disposal as of 30 June 2021.

Financing special items and remeasurements

Financing special items and remeasurements principally comprise a net fair value gain of $51 million in respect of fair value adjustments in relation to cross currency and interest rate swap derivatives and the related bonds (six months ended 30 June 2021: loss of $125 million principally related to bond buybacks completed in the period).

Significant items

9. Special items and remeasurements continued

Tax associated with special items and remeasurements

Of the total tax credit of $80 million (six months ended 30 June 2021: charge of $564 million), there is a net current tax credit of $6 million (six months ended 30 June 2021: charge of $48 million) and a net deferred tax credit of $74 million (six months ended 30 June 2021: charge of $516 million).

There is a tax remeasurements credit of $54 million (six months ended 30 June 2021: charge of $192 million) principally arising on Brazilian deferred tax.

Associates' and joint ventures' special items and remeasurements

There were no associates' and joint ventures' special items and remeasurements for the six months ended 30 June 2022.

2021

Associates' and joint ventures' special items and remeasurements of $10 million for the six months ended 30 June 2021 principally related to tax remeasurements in Cerrejón (Corporate and other).

Capital base

We have a value-focused approach to capital allocation with clear prioritisation: maintain asset integrity; pay dividends to our shareholders while ensuring a strong balance sheet. Discretionary capital is then allocated based on a balanced approach.

Value-disciplined capital allocation throughout the cycle is critical to protecting and enhancing our shareholders' capital, given the long term and capital intensive nature of our business.

The Group uses attributable return on capital employed (ROCE) to monitor how efficiently assets are generating profit on invested capital for the equity shareholders of the Company. Attributable ROCE is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 86.

	Attributable ROCE %	
	6 months ended 30.06.22	6 months ended 30.06.21 (restated)[1]
De Beers	**11**	6
Copper	**19**	38
Nickel	**30**	18
Platinum Group Metals	**119**	160
Iron Ore	**38**	88
Steelmaking Coal	**92**	(26)
Manganese	**162**	104
Crop Nutrients	**n/a**	n/a
Corporate and other	**n/a**	n/a
	36	49

(1) Comparative totals remain unchanged from those reported in 2021. Figures are restated to disaggregate the Nickel and Manganese businesses in line with the reassessment of the Group's reportable segments as disclosed in note 2 of the Group's 2021 Integrated Annual Report.

Attributable ROCE decreased to 36% in the six months ended 30 June 2022 (six months ended 30 June 2021: 49%). Average attributable capital employed remained broadly flat at $32.0 billion (six months ended 30 June 2021: $32.1 billion), as growth capital expenditure largely at Quellaveco and Crop Nutrients were offset by the sale of thermal coal operations.

10. Capital by segment

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

Capital employed by segment

Capital employed is the principal measure of segment assets and liabilities reported to the Group Management Committee. Capital employed is defined as net assets excluding net debt, vessel lease contracts that are priced with reference to a freight index, the debit valuation adjustment attributable to derivatives hedging net debt and financial asset investments.

Capital base

10. Capital by segment continued

US$ million	Capital employed 6 months ended 30.06.22	Capital employed Year ended 31.12.21
De Beers	8,385	8,415
Copper	12,332	11,232
Nickel	1,368	1,285
Platinum Group Metals	3,987	4,082
Iron Ore	8,456	8,379
Steelmaking Coal	2,728	2,712
Manganese	232	238
Crop Nutrients	1,816	1,563
Corporate and other	762	406
Capital employed	40,066	38,312
Reconciliation to the Consolidated balance sheet:		
Net debt	(4,853)	(3,842)
Variable vessel leases excluded from net debt (see note 13)	(84)	(74)
Debit valuation adjustment attributable to derivatives hedging net debt	35	5
Financial asset investments	347	369
Net assets	35,511	34,770

Capital base

11. Capital expenditure

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

Capital expenditure by segment

US$ million	6 months ended 30.06.22	6 months ended 30.06.21 (restated)[1]
De Beers	250	205
Copper	953	768
Nickel	32	10
Platinum Group Metals	394	363
Iron Ore	427	278
Steelmaking Coal	265	257
Crop Nutrients	242	279
Corporate and other	12	98
Capital expenditure	2,575	2,258
Reconciliation to the Consolidated cash flow statement:		
Cash flows used in derivatives related to capital expenditure	—	(9)
Proceeds from disposal of property, plant and equipment	7	—
Direct funding for capital expenditure received from non-controlling interests	260	226
Expenditure on property, plant and equipment	2,842	2,475

[1] Comparative totals remain unchanged from those reported in 2021. Figures are restated to disaggregate the Nickel and Manganese businesses in line with the reassessment of the Group's reportable segments as disclosed in note 2 of the Group's 2021 Integrated Annual Report.

Direct funding for capital expenditure received from non-controlling interests represents capital expenditure relating to the Quellaveco project funded by Mitsubishi. Mitsubishi has continued to provide direct funding for its 40% share of capital expenditure via draw-downs against a committed shareholder facility which are recorded as borrowings on the Group's Consolidated balance sheet.

Capital expenditure by category

US$ million	6 months ended 30.06.22	6 months ended 30.06.21
Growth projects	818	779
Life-extension projects	292	217
Stay-in-business	1,010	808
Development and stripping	462	412
Proceeds from disposal of property, plant and equipment	(7)	—
Capitalised operating cash flows	—	42
	2,575	2,258

Growth projects and life-extension projects capital expenditure includes the cash flows from derivatives related to capital expenditure and is net of direct funding for capital expenditure received from non-controlling interests.

Capital base

12. Investments in associates and joint ventures

Overview

Investments in associates and joint ventures represent businesses the Group does not control, but instead exercises significant influence or joint control. These include (within the respective business units) the associate Jellinbah (steelmaking coal production in the Steelmaking Coal segment) and the joint ventures Ferroport (port operations in the Iron Ore segment) and Samancor (manganese mining in the Manganese segment). The Group's other investments in associates and joint ventures arise primarily in the Platinum Group Metals segment and Crop Nutrients segment.

The results for the six months ended 30 June 2021 also include the results of the Cerrejón associate (thermal coal production in the Corporate and other segment). The sale of the Group's 33.3% shareholding in Cerrejón to Glencore was agreed on 28 June 2021 and completed in January 2022.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

Income statement

The Group's share of the results of the associates and joint ventures is as follows:

US$ million	**6 months ended 30.06.22**	6 months ended 30.06.21
Group revenue	**1,252**	860
Operating costs (before special items and remeasurements)	**(603)**	(549)
Associates' and joint ventures' underlying EBIT	**649**	311
Net finance costs	**(7)**	(13)
Income tax expense	**(231)**	(92)
Non-controlling interests	**(2)**	(1)
Net income from associates and joint ventures (before special items and remeasurements)	**409**	205
Special items and remeasurements tax	**—**	(10)
Net income from associates and joint ventures	**409**	195

Capital base

12. Investments in associates and joint ventures continued

Further information

The Group's share of the results of the associates and joint ventures is as follows:

					30.06.22
US$ million	Group Revenue	Underlying EBITDA	Underlying EBIT	Share of net income	Dividends received
Samancor	475	223	192	96	96
Jellinbah	612	420	413	284	130
Ferroport	48	35	33	22	12
Other	117	12	11	7	—
	1,252	690	649	409	238

					30.06.21
US$ million	Group Revenue	Underlying EBITDA	Underlying EBIT	Share of net income	Dividends received
Samancor	370	154	121	60	72
Cerrejón[(1)]	219	87	43	19	2
Jellinbah	168	62	54	38	9
Ferroport	43	35	31	20	—
Other	60	62	62	58	—
	860	400	311	195	83

[(1)] As at 31 December 2021 Cerrejón investment in associate assets of $50 million were classified as held for sale in advance of the completion of the disposal on 11 January 2022. Income from the Cerrejón associate arising after the sale agreement dated in June 2021 was classified as a special item and excluded from Group revenue, underlying EBITDA, underlying EBIT and underlying earnings. See note 19 for further detail.

Net debt and financial risk management

Net debt increased from $3.8 billion to $4.9 billion during the period, driven by working capital cash outflows and dividend payments. Gearing has increased from 10% at 31 December 2021 to 12% at 30 June 2022.

US$ million	30.06.22	31.12.21
Net assets	35,511	34,770
Net debt including related derivatives (note 13)	**4,853**	3,842
Variable vessel leases	84	74
Total capital	40,448	38,686
Gearing	**12%**	10%

Net debt is calculated as total borrowings excluding variable vessel lease contracts that are priced with reference to a freight index, less cash and cash equivalents (including derivatives that provide an economic hedge of net debt but excluding the impact of the debit valuation adjustment on these derivatives). Total capital is calculated as 'Net assets' (as shown in the Consolidated balance sheet) excluding net debt and variable vessel leases.

13. Net debt

Overview

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

Movement in net debt

US$ million	Short term borrowings[1]	Medium and long term borrowings	Total financing activity liabilities	Removal of variable vessel leases	Cash and cash equivalents	Derivatives hedging net debt	Net debt including derivatives
At 1 January 2021	(1,181)	(12,317)	(13,498)	45	7,508	415	(5,530)
Cash flow	1,084	168	1,252	(53)	3,388	(75)	4,512
Interest accrued on borrowings	(221)	(31)	(252)	—	—	—	(252)
Reclassifications	(552)	552	—	—	—	—	—
Movement in fair value	(8)	223	215	—	—	(247)	(32)
Other movements	(201)	(306)	(507)	149	—	21	(337)
Currency movements	3	(40)	(37)	—	45	—	8
At 30 June 2021[1]	(1,076)	(11,751)	(12,827)	141	10,941	114	(1,631)
Cash flow	501	(398)	103	(115)	(1,579)	(20)	(1,611)
Interest accrued on borrowings	(198)	(44)	(242)	—	—	—	(242)
Reclassifications	(411)	411	—	—	—	—	—
Movement in fair value	4	132	136	—	—	(219)	(83)
Other movements	(73)	(230)	(303)	48	—	(1)	(256)
Currency movements	27	259	286	—	(305)	—	(19)
At 31 December 2021	**(1,226)**	**(11,621)**	**(12,847)**	**74**	**9,057**	**(126)**	**(3,842)**
Cash flow	**828**	**(1,788)**	**(960)**	**(45)**	**319**	**39**	**(647)**
Interest accrued on borrowings	**(203)**	**(51)**	**(254)**	**—**	**—**	**—**	**(254)**
Reclassifications	**(883)**	**883**	**—**	**—**	**—**	**—**	**—**
Movement in fair value	**2**	**584**	**586**	**—**	**—**	**(773)**	**(187)**
Other movements	**(63)**	**(13)**	**(76)**	**55**	**—**	**—**	**(21)**
Currency movements	**65**	**206**	**271**	**—**	**(173)**	**—**	**98**
At 30 June 2022	**(1,480)**	**(11,800)**	**(13,280)**	**84**	**9,203**	**(860)**	**(4,853)**

See next page for footnotes.

Other movements include $56 million relating to leases entered into in the six months ended 30 June 2022 (six months ended 30 June 2021: $459 million).

Net debt and financial risk management

13. Net debt continued

Other information

Reconciliation to the Consolidated balance sheet

	Cash and cash equivalents			Short term borrowings			Medium and long term borrowings		
US$ million	**30.06.22**	30.06.21	31.12.21	**30.06.22**	30.06.21[1]	31.12.21	**30.06.22**	30.06.21	31.12.21
Balance sheet	**9,210**	10,951	9,066	**(1,487)**	(1,086)	(1,235)	**(11,800)**	(11,751)	(11,621)
Bank overdrafts	**(7)**	(10)	(9)	**7**	10	9	**—**	—	—
Net cash/(debt) classifications	**9,203**	10,941	9,057	**(1,480)**	(1,076)	(1,226)	**(11,800)**	(11,751)	(11,621)

(1) At 31 December 2021, the Group amended its definition of net debt to exclude variable vessel leases that are priced with reference to a freight index. Net debt reported at 30 June 2021 has therefore been restated to reflect the revised definition. In addition, the cashflow and closing balance relating to short term borrowings for the six months ended 30 June 2021 has been restated to correct the presentation of a contract liability of $260 million.

Other

The debit valuation adjustment of $35 million (31 December 2021: $5 million) (30 June 2021: $4 million) reduces the valuation of derivative liabilities hedging net debt reflecting the impact of the Group's own credit risk. This adjustment is excluded from the Group's definition of net debt.

Cash and cash equivalents includes $640 million (31 December 2021: $713 million) which is restricted. This primarily relates to cash which is required to cover initial margin on trading exchanges and cash which is held in joint operations where the timing of dividends is jointly controlled by the joint operators.

Net debt and financial risk management

14. Borrowings

Overview

The Group borrows mostly in the capital markets through bonds issued in the US markets and under the Euro Medium Term Note (EMTN) programme. The Group uses interest rate and cross currency swaps to ensure that the majority of the Group's borrowings are exposed to floating rate US dollar interest rates.

In March 2022, the Group issued $500 million 3.875% Senior Notes due 2029 and $750 million 4.750% Senior Notes due 2052 as part of its routine financing activities.

At 30 June 2022 and 31 December 2021, the following bonds were retained as fixed rate exposures; $193 million 5.375% due April 2025, $99 million 5% due May 2027, $750 million 5.625% due April 2030, $500 million 3.95% due September 2050. At 30 June 2022 the following bond was also retained as a fixed rate exposure; $750 million 4.750% due March 2052. All other bonds at 30 June 2022 and 31 December 2021 were swapped to floating rate exposures.

Further information

			30.06.22			31.12.21
US$ million	Short term borrowings	Medium and long term borrowings	Total borrowings	Short term borrowings	Medium and long term borrowings	Total borrowings
Secured						
Bank loans and overdrafts	33	108	141	22	89	111
Leases	181	607	788	207	668	875
Other loans	—	—	—	2	—	2
	214	715	929	231	757	988
Unsecured						
Bank loans and overdrafts	7	316	323	—	180	180
Bonds	1,144	8,811	9,955	858	9,113	9,971
Mitsubishi facility	—	1,958	1,958	—	1,571	1,571
Interest payable and other loans	122	—	122	146	—	146
	1,273	11,085	12,358	1,004	10,864	11,868
Total borrowings	1,487	11,800	13,287	1,235	11,621	12,856

Undrawn committed borrowing facilities

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

US$ million	30.06.22	31.12.21
Expiry date		
Within one year	423	209
Greater than one year, less than two years	621	1,092
Greater than two years, less than three years	6,205	1,520
Greater than three years, less than four years	10	4,885
Greater than four years, less than five years	816	326
Greater than five years	—	9
	8,075	8,041

The Group has an undrawn $4.7 billion revolving credit facility due to mature in March 2025.

Net debt and financial risk management

15. Financial instruments

Financial instruments overview

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

Where discounted cash flow models based on management's assumptions are used, the resulting fair value measurements are considered to be at level 3 in the fair value hierarchy, as defined in IFRS 13 *Fair Value Measurement*, as they depend to a significant extent on unobservable valuation inputs.

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

						30.06.22
US$ million	**At fair value through profit and loss**	**Financial assets at amortised cost**	**At fair value through other comprehensive income**	**Designated into hedges**	**Financial liabilities at amortised cost**	**Total**
Financial assets						
Trade and other receivables	**1,663**	**1,270**	**—**	**—**	**—**	**2,933**
Derivative financial assets	**196**	**—**	**—**	**9**	**—**	**205**
Cash and cash equivalents	**6,885**	**2,325**	**—**	**—**	**—**	**9,210**
Financial asset investments	**64**	**138**	**145**	**—**	**—**	**347**
Environmental rehabilitation trusts[1]	**98**	**7**	**—**	**—**	**—**	**105**
	8,906	**3,740**	**145**	**9**	**—**	**12,800**
Financial liabilities						
Trade and other payables	**(747)**	**—**	**—**	**—**	**(4,757)**	**(5,504)**
Derivative financial liabilities	**(622)**	**—**	**—**	**(434)**	**—**	**(1,056)**
Royalty liability	**—**	**—**	**—**	**—**	**(405)**	**(405)**
Borrowings	**—**	**—**	**—**	**(7,718)**	**(5,569)**	**(13,287)**
	(1,369)	**—**	**—**	**(8,152)**	**(10,731)**	**(20,252)**
Net financial assets/(liabilities)	**7,537**	**3,740**	**145**	**(8,143)**	**(10,731)**	**(7,452)**

						31.12.21
US$ million	At fair value through profit and loss	Financial assets at amortised cost	At fair value through other comprehensive income	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables	2,565	1,200	—	—	—	3,765
Derivative financial assets	176	—	—	267	—	443
Cash and cash equivalents	6,805	2,261	—	—	—	9,066
Financial asset investments	60	127	182	—	—	369
Environmental rehabilitation trusts[1]	110	3	—	—	—	113
	9,716	3,591	182	267	—	13,756
Financial liabilities						
Trade and other payables	(1,104)	—	—	—	(5,271)	(6,375)
Derivative financial liabilities	(452)	—	—	(77)	—	(529)
Royalty liability	—	—	—	—	(382)	(382)
Borrowings	—	—	—	(8,542)	(4,314)	(12,856)
	(1,556)	—	—	(8,619)	(9,967)	(20,142)
Net financial assets/(liabilities)	8,160	3,591	182	(8,352)	(9,967)	(6,386)

(1) These funds are not available for the general purposes of the Group. All income from these assets is reinvested to meet specific environmental obligations.

Net debt and financial risk management

15. Financial instruments continued

Trade and other receivables exclude prepayments and tax receivables. Trade and other payables exclude tax, social security, contract liabilities and deferred income.

When the Group acquired the Woodsmith project, the Hancock royalty liability and related embedded derivative were recognised. At 30 June 2022, the embedded derivative had a negligible value. The royalty liability does not form part of borrowings on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of Anglo American Crop Nutrients Limited's insolvency). Refer to note 22 of the Group's 2021 Integrated Annual Report for further information about the Hancock royalty liability.

Fair value hierarchy

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

				30.06.22				31.12.21
US$ million	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
At fair value through profit and loss								
Provisionally priced trade receivables	—	1,252	—	1,252	—	1,786	—	1,786
Other receivables	—	119	292	411	—	—	779	779
Financial asset investments	—	60	4	64	—	56	4	60
Derivatives hedging net debt	—	5	—	5	—	12	—	12
Other derivatives	—	191	—	191	—	164	—	164
Cash and cash equivalents	6,885	—	—	6,885	6,805	—	—	6,805
Environmental rehabilitation trusts[1]	—	98	—	98	—	110	—	110
Designated into hedges								
Derivatives hedging net debt	—	9	—	9	—	267	—	267
At fair value through other comprehensive income								
Financial asset investments	78	8	59	145	135	—	47	182
	6,963	1,742	355	9,060	6,940	2,395	830	10,165
Financial liabilities								
At fair value through profit and loss								
Provisionally priced trade payables	—	(404)	—	(404)	—	(640)	—	(640)
Other payables	—	—	(343)	(343)	—	—	(464)	(464)
Derivatives hedging net debt	—	(440)	—	(440)	—	(328)	—	(328)
Other derivatives	—	(217)	—	(217)	—	(129)	—	(129)
Designated into hedges								
Derivatives hedging net debt	—	(434)	—	(434)	—	(77)	—	(77)
Debit valuation adjustment to derivative liabilities	—	35	—	35	—	5	—	5
	—	(1,460)	(343)	(1,803)	—	(1,169)	(464)	(1,633)
Net assets carried at fair value	6,963	282	12	7,257	6,940	1,226	366	8,532

(1) These funds are not available for the general purposes of the Group. All income from these assets is reinvested to meet specific environmental obligations.

Fair value hierarchy	Valuation technique
Level 1	Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes cash and cash equivalents held in money market funds, listed equity shares and quoted futures.
Level 2	Instruments in this category are valued using valuation techniques where all of the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. This category includes provisionally priced trade receivables and payables and over-the-counter derivatives.
Level 3	Instruments in this category have been valued using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data. Where inputs can be observed from market data without undue cost and effort, the observed input is used. Otherwise, management determines a reasonable estimate for the input. This category includes contingent consideration, receivables relating to disposals, unlisted equity investments and the embedded derivative relating to the Royalty liability.

Net debt and financial risk management

15. Financial instruments continued

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

US$ million	Assets	Liabilities
At 1 January 2022	830	(464)
Net loss recorded in the income statement	(175)	(37)
Net loss recorded in the statement of comprehensive income	(2)	—
Additions	14	—
Settlement and disposals	(321)	158
Currency movements	9	—
At 30 June 2022	355	(343)

For the level 3 financial assets and liabilities, changing certain estimated inputs to reasonably possible alternative assumptions would impact the fair value as follows:

Level 3 fair value sensitivities

Rustenburg Mine (Platinum Group Metals)

Deferred consideration receivable of $107 million (31 December 2021: $510 million) is calculated as 35% of the distributable free cash flows generated by Sibanye-Stillwater's Rustenburg Mine over a six-year period from inception in November 2016. The discount rate used in the calculation is 10.31% (31 December 2021: 9.54%). The movement for the current period relates to changes in the forecast cash flows driven by changes to the production plan, fluctuations in PGM prices and in the ZAR:USD exchange rate.

Union Mine (Platinum Group Metals)

Deferred consideration receivable of $156 million (31 December 2021: $214 million) is calculated as 35% of the distributable free cash flows generated by Union Mine over an eleven year period from inception in February 2018. If the cumulative deferred consideration is negative at the end of the eleven year period, Anglo American Platinum will be obligated to repay Siyanda Resources Proprietary Limited the cumulative deferred consideration received. Based on forecasts the cumulative deferred consideration is positive. The discount rate used in the calculation is 16.47% (31 December 2021: 15.88%). The movement for the current period relates to changes in the forecast cash flows driven by changes to the production plan, fluctuations in PGM prices and in the ZAR:USD exchange rate.

Mototolo Mine (Platinum Group Metals)

Deferred consideration of $199 million (31 December 2021: $342 million) is payable monthly over a period of 72 months from the effective date of acquisition in November 2018 in monthly instalments, as well as annual top-up payments where applicable. The deferred consideration is remeasured based on the actual PGM 4E prices realised over the deferred consideration period. The maximum amount payable is limited to ZAR 22 billion ($1.3 billion). The discount rate used in the calculation is 9.10% (31 December 2021: 7.98%). The movement for the period relates to fluctuations in PGM prices and in the ZAR:USD exchange rate and has been recognised within finance costs due to the linkage to price rather than operational performance of the mine. Movements in the consideration payable have not been recognised as a special item as the income statement impact of the initial transaction was below the Group threshold for special item classification.

Net debt and financial risk management

15. Financial instruments continued

US$ million	30.06.22	31.12.21
Deferred consideration/financial assets		
Rustenburg deferred consideration		
10% change in exchange rates		
Reduction to profit or loss	29	38
Increase to profit or loss	29	38
10% change in PGM prices		
Reduction to profit or loss	29	36
Increase to profit or loss	29	36
Union mine deferred consideration		
10% change in exchange rates		
Reduction to profit or loss	36	4
Increase to profit or loss	34	4
10% change in PGM prices		
Reduction to profit or loss	36	4
Increase to profit or loss	34	4
Deferred consideration/financial liabilities		
Mototolo deferred consideration		
10% change in exchange rates		
Reduction to profit or loss	25	34
Increase to profit or loss	25	34
10% change in PGM prices		
Reduction to profit or loss	25	34
Increase to profit or loss	25	34

Further information

Borrowings designated in fair value hedges represent listed debt which is held at amortised cost, adjusted for the fair value of the hedged interest rate risk. The fair value of these borrowings is $7,737 million (31 December 2021: $8,820 million), which is measured using quoted indicative broker prices and consequently categorised as level 2 in the fair value hierarchy. The carrying value of the remaining borrowings at amortised cost includes bonds which are not designated into hedge relationships, bank borrowings and lease liabilities. The carrying value of these bonds is $2,316 million (31 December 2021: $1,571 million) and the fair value is $2,147 million (31 December 2021: $1,812 million). The carrying value of the remaining borrowings at amortised cost are considered to approximate the fair value.

Equity

Equity represents the capital of the Group attributable to Company shareholders and non-controlling interests, and includes share capital, share premium and reserves.

Total equity has increased from $34.8 billion to $35.5 billion in the period, principally reflecting profit for the period, partially offset by dividends to Company shareholders and non-controlling interests.

16. Non-controlling interests

Overview

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

- De Beers plc (De Beers), which is a company incorporated in Jersey. It is the world's leading diamond company with operations across all key parts of the diamond value chain. Non-controlling interests hold a 15.0% (31 December 2021: 15.0%) interest in De Beers, which represents the whole of the Diamonds reportable segment.
- Anglo American Sur S.A. (Anglo American Sur), which is a company incorporated in Chile. Its principal operations are the Los Bronces and El Soldado copper mines and the Chagres smelter, which are located in Chile. Non-controlling interests hold a 49.9% (31 December 2021: 49.9%) interest in Anglo American Sur.
- Anglo American Platinum Limited (Anglo American Platinum), which is a company incorporated in South Africa and listed on the Johannesburg Stock Exchange (JSE). Its principal mining operations are the Mogalakwena and Amandelbult platinum group metals mines which are located in South Africa. Non-controlling interests hold an effective 20.9% (31 December 2021: 20.8%) interest in the operations of Anglo American Platinum, which represents the whole of the Platinum Group Metals reportable segment.
- Kumba Iron Ore Limited (Kumba Iron Ore), which is a company incorporated in South Africa and listed on the JSE. Its principal mining operations are the Sishen and Kolomela iron ore mines which are located in South Africa. Non-controlling interests hold an effective 46.6% (31 December 2021: 46.6%) interest in the operations of Kumba Iron Ore, comprising the 30.0% (31 December 2021: 30.0%) interest held by other shareholders in Kumba Iron Ore and the 23.7% (31 December 2021: 23.7%) of Kumba Iron Ore's principal operating subsidiary, Sishen Iron Ore Company Proprietary Limited, that is held by shareholders outside the Group.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

Further information

US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total 30.06.22
Underlying earnings attributable to non-controlling interests	**90**	**116**	**399**	**510**	**19**	**1,134**
Profit attributable to non-controlling interests	**89**	**116**	**368**	**462**	**21**	**1,056**
Dividends paid to non-controlling interests	**(4)**	**(166)**	**(475)**	**(400)**	**(34)**	**(1,079)**
Equity attributable to non-controlling interests	**1,402**	**1,665**	**1,219**	**1,692**	**955**	**6,933**

US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total 30.06.21
Underlying earnings attributable to non-controlling interests	42	281	587	987	(3)	1,894
Profit attributable to non-controlling interests	39	302	667	986	(3)	1,991
Dividends paid to non-controlling interests	(3)	(131)	(136)	(554)	(8)	(832)

US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total 31.12.21
Equity attributable to non-controlling interests	1,365	1,618	1,338	1,665	959	6,945

Unrecognised items and uncertain events

17. Events occurring after the period end

With the exception of the declaration of the 2022 interim dividend, there have been no further reportable events since 30 June 2022.

18. Contingent assets and liabilities

Overview

The assessment of risk and estimation of future outflows in respect of contingent liabilities is inherently uncertain and hence a material outflow may arise in future periods in relation to these matters.

The Group has provided indemnities against certain liabilities as part of agreements for the sale or other disposal of business operations. Having taken appropriate legal advice, the Group believes that a material liability arising from the indemnities provided is remote. The Group is required to provide guarantees in several jurisdictions in respect of environmental restoration and decommissioning obligations. The Group has provided for the estimated cost of these activities.

Contingent assets

Steelmaking Coal
In 2014, the Steelmaking Coal business was granted an arbitration award of $107 million against MMTC Limited in respect of a contractual dispute. The award has since been challenged in the Indian courts, during which time interest has continued to accrue. On 17 December 2020, the Indian Supreme Court found in favour of the Steelmaking Coal business. The award, inclusive of interest, is currently valued at approximately $140 million. The precise timing and value of receipt remains uncertain and hence no receivable has been recognised on the Consolidated balance sheet as at 30 June 2022.

Contingent liabilities

The Group is working towards conformance with the Global Industry Standard for Tailings Management (GISTM). As an ICMM member, the Group is required to have a plan for conformance in place for all tailings storage facilities (TSFs) in the two highest potential consequence categories as rated under the GISTM by 5 August 2023, and for all other TSFs by 5 August 2025. The implementation of GISTM is the next stage in the evolution of the Group Technical Standard, which is already aligned to current industry best practice. It is not currently possible to reliably estimate the value of incremental costs required to achieve conformance with the new standard and hence no provision has been recorded, as the studies and analysis required to determine the extent of additional site construction work are ongoing.

Anglo American South Africa Proprietary Limited (AASA)
In October 2020, an application was initiated against Anglo American South Africa Proprietary Limited (AASA). The application seeks the certification of class action litigation to be brought on behalf of community members residing in the Kabwe area in Zambia in relation to alleged lead-related health impacts.

AASA is opposing the class certification application, and will defend itself against the allegations made. It filed its response to the application on 31 August 2021 and a supplementary response on 11 November 2021. The Applicants filed a reply to the AASA responses in March 2022, and AASA has filed a further reply on 24 June 2022. The class certification hearing is currently scheduled to be heard in January 2023, with a ruling likely to follow several months later.

This litigation is still subject to significant uncertainty, and it is not currently possible to make a reasonable estimate of the outcome, quantum or timing of any potential future determination and therefore no provision is recognised.

De Beers
In one of the territories in which De Beers operates, conditions exist, or are proposed, with respect to backfilling pits on closure. A formal appeal has been lodged to remove the existing backfilling condition and no provision has been raised on the basis that it is not probable that this condition will be enforced. Should the appeal not be successful the estimated cost of backfilling is $254 million.

Group structure

19. Assets and liabilities held for sale

There were no assets or liabilities classified as held for sale as at 30 June 2022.

2021

At 31 December 2021, assets of $50 million were classified as held for sale and an impairment of $283 million to the Cerrejón associate was recognised within non-operating special items to bring the carrying amount in line with the expected disposal proceeds.

On 11 January 2022, the Group completed the disposal and received the outstanding consideration receivable of $50 million. In line with the agreement, the initial cash consideration of $294 million was reduced by cash dividends of $240 million, repayment of shareholders loan from Cerrejón of $41 million and adjusted for the cash sweeping arrangement paid to Cerrejón of $37 million.

20. Disposals

Cash received of $467 million in respect of disposals for the six months ended 30 June 2022 principally relates to the settlement of deferred consideration balances relating to the sale of the Rustenburg operations (Platinum Group Metals) completed in November 2016, the sale of the Group's remaining 8.0% shareholding in Thungela Resources Limited and the Group's disposal of the Cerrejón associate.

2021

Disposals in the six months ended 30 June 2021 principally related to the demerger of the Group's South African thermal coal operations. In addition cash was received under contingent consideration arrangements for disposals in prior periods (Platinum Group Metals and Copper).

Responsibility statement

We confirm that to the best of our knowledge:

(a) the Condensed financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted in the United Kingdom (IAS 34), and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its subsidiaries included in the consolidation as a whole as required by DTR 4.2.4R;

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

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

By order of the Board

Duncan Wanblad

Chief Executive

Stephen Pearce

Finance Director

Independent review report to Anglo American plc

Report on the condensed consolidated interim financial statements

Our conclusion
We have reviewed Anglo American plc's condensed consolidated interim financial statements (the "interim financial statements") in the half year financial report of Anglo American plc for the 6 month period ended 30 June 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2022;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year financial report of Anglo American plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors
The half year financial report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half year financial report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the half year financial report, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the half year financial report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
27 July 2022

Summary by operation

The disclosures in this section include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 86.

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

								30.06.22
US$ million (unless otherwise stated)	**Sales volume**	**Realised price**	**Unit cost**	**Group revenue**[1]	**Underlying EBITDA**	**Underlying EBIT**	**Underlying earnings**	**Capital expenditure**
	'000 cts	**$/ct**	**$/ct**					
De Beers	15,329 [2]	213 [3]	59 [4]	3,595 [5]	944	718	491	250
Mining								
Botswana	n/a	189 [3]	32 [4]	n/a	333	295	n/a	31
Namibia	n/a	632 [3]	292 [4]	n/a	93	78	n/a	19
South Africa	n/a	147 [3]	39 [4]	n/a	227	162	n/a	169
Canada	n/a	97 [3]	60 [4]	n/a	2	(25)	n/a	19
Trading	n/a	n/a	n/a	n/a	401	398	n/a	1
Other[6]	n/a	n/a	n/a	n/a	(112)	(190)	n/a	11
	kt	**c/lb**	**c/lb**					
Base Metals	n/a	n/a	n/a	2,850	1,405	1,095	538	985
Copper	265 [7]	401 [8]	150 [9]	2,443	1,166	894	394	953
Los Bronces[10]	122	n/a	219 [9]	1,027	431	324	n/a	363
Collahuasi[11]	128	n/a	85 [9]	1,095	821	697	465	145
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	376
Other Copper[13]	15	n/a	n/a	321	(86)	(127)	n/a	69
	kt	**$/lb**	**c/lb**					
Nickel	17	11.59	487 [14]	407	239	201	144	32
	koz	**$/PGM oz**	**$/PGM oz**					
Platinum Group Metals	2,044 [15]	2,671 [16]	948 [17]	5,555	2,732	2,555	1,415	394
Mogalakwena	540 [15]	2,543 [16]	821 [17]	1,374	871	796	n/a	210
Amandelbult	372 [15]	3,016 [16]	1,184 [17]	1,122	603	573	n/a	32
Processing and trading[18]	696 [15]	n/a	n/a	1,849	677	662	n/a	n/a
Other[19]	436	2,780	924	1,210	581	524	n/a	152
	Mt	**$/t**	**$/t**					
Bulk Commodities	n/a	n/a	n/a	7,081	3,920	3,485	1,870	692
Iron Ore	28.3 [20]	135 [21]	40 [22]	4,393	2,298	2,047	911	427
Kumba Iron Ore[23]	19.6 [20]	135 [21]	43 [22]	2,907	1,570	1,403	519	355
Iron Ore Brazil (Minas-Rio)	8.7 [20]	134 [21]	35 [22]	1,486	728	644	392	72
Steelmaking Coal	5.2 [24]	397 [25]	160 [26]	2,213	1,399	1,246	865	265
Manganese (Samancor)	1.8	n/a	n/a	475	223	192	94	–
Crop Nutrients	n/a	n/a	n/a	110	(18)	(18)	(9)	242
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	242
Other[27]	n/a	n/a	n/a	110	(18)	(18)	(9)	–
	Mt	**$/t**	**$/t**					
Corporate and other	n/a	n/a	n/a	258	(282)	(360)	(518)	12
Exploration	n/a	n/a	n/a	n/a	(64)	(65)	(77)	–
Corporate activities and unallocated costs	n/a	n/a	n/a	258	(218)	(295)	(441)	12
	n/a	n/a	n/a	19,449	8,701	7,475	3,787	2,575

See page 85 for footnotes.

30.06.21

US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	'000 cts	$/ct	$/ct					
De Beers	19,161 [2]	135 [3]	59 [4]	2,900 [5]	610	377	267	205
Mining								
Botswana	n/a	131 [3]	35 [4]	n/a	226	203	n/a	29
Namibia	n/a	578 [3]	374 [4]	n/a	43	25	n/a	23
South Africa	n/a	107 [3]	48 [4]	n/a	113	34	n/a	122
Canada	n/a	55 [3]	42 [4]	n/a	35	5	n/a	17
Trading	n/a	n/a	n/a	n/a	279	276	n/a	1
Other[6]	n/a	n/a	n/a	n/a	(86)	(166)	n/a	13
	kt	c/lb	c/lb					
Base Metals	n/a	n/a	n/a	3,299	2,070	1,736	794	778
Copper	305 [7]	460 [8]	116 [9]	2,974	1,935	1,630	692	768
Los Bronces[10]	155	n/a	155 [9]	1,431	920	768	n/a	189
Collahuasi[11]	133	n/a	58 [9]	1,238	1,048	928	586	197
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	331
Other Copper[13]	17	n/a	n/a	305	(33)	(66)	n/a	51
	kt	$/lb	c/lb					
Nickel	20	7.21	350 [14]	325	135	106	102	10
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	2,568 [15]	2,884 [16]	866 [17]	7,414	4,383	4,211	2,173	363
Mogalakwena	712 [15]	2,748 [16]	690 [17]	1,958	1,403	1,330	n/a	189
Amandelbult	441 [15]	3,247 [16]	1,178 [17]	1,432	965	938	n/a	34
Processing and trading[18]	894 [15]	n/a	n/a	2,477	899	884	n/a	n/a
Other[19]	521	3,054	880	1,547	1,116	1,059	n/a	140
	Mt	$/t	$/t					
Bulk Commodities	n/a	n/a	n/a	8,041	4,970	4,399	2,330	535
Iron Ore	30.7 [20]	210 [21]	33 [22]	6,935	4,910	4,661	2,537	278
Kumba Iron Ore[23]	19.6 [20]	216 [21]	40 [22]	4,412	3,033	2,860	1,069	210
Iron Ore Brazil (Minas-Rio)	11.1 [20]	200 [21]	22 [22]	2,523	1,877	1,801	1,468	68
Steelmaking Coal	6.0 [24]	115 [25]	124 [26]	736	(94)	(383)	(268)	257
Manganese (Samancor)[28]	1.9	n/a	n/a	370	154	121	61	—
Crop Nutrients	n/a	n/a	n/a	53	(12)	(12)	(9)	279
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	279
Other[27]	n/a	n/a	n/a	53	(12)	(12)	(9)	—
	Mt	$/t	$/t					
Corporate and other	n/a	n/a	n/a	907	119	(33)	(220)	98
Exploration	n/a	n/a	n/a	n/a	(42)	(43)	(39)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	135	(27)	(103)	(270)	17
Thermal Coal – South Africa[29]	5.3 [30]	77 [31]	46 [32]	553	101	70	61	81
Thermal Coal – Colombia[33]	3.4	65	34	219	87	43	28	—
	n/a	n/a	n/a	22,614	12,140	10,678	5,335	2,258

See page 85 for footnotes.

31.12.21

US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	'000 cts	$/ct	$/ct					
De Beers	33,357 [2]	146 [3]	58 [4]	5,602 [5]	1,100	620	345	565
Mining								
Botswana	n/a	152 [3]	32 [4]	n/a	464	407	n/a	72
Namibia	n/a	565 [3]	359 [4]	n/a	101	68	n/a	91
South Africa	n/a	113 [3]	45 [4]	n/a	241	82	n/a	309
Canada	n/a	62 [3]	44 [4]	n/a	68	4	n/a	42
Trading	n/a	n/a	n/a	n/a	515	505	n/a	4
Other[6]	n/a	n/a	n/a	n/a	(289)	(446)	n/a	47
	kt	c/lb	c/lb					
Base Metals	n/a	n/a	n/a	7,143	4,331	3,689	1,798	1,802
Copper	641 [7]	453 [8]	120 [9]	6,433	4,011	3,428	1,519	1,773
Los Bronces[10]	325	n/a	158 [9]	3,047	1,871	1,588	n/a	493
Collahuasi[11]	273	n/a	61 [9]	2,641	2,188	1,970	1,307	365
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	777
Other Copper[13]	43	n/a	n/a	745	(48)	(130)	n/a	138
	kt	$/lb	c/lb					
Nickel	42	7.73	377 [14]	710	320	261	279	29
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	5,214 [15]	2,761 [16]	868 [17]	14,502	7,099	6,753	3,789	894
Mogalakwena	1,479 [15]	2,563 [16]	694 [17]	3,787	2,611	2,471	n/a	435
Amandelbult	907 [15]	3,122 [16]	1,127 [17]	2,817	1,633	1,571	n/a	81
Processing and trading[18]	1,772 [15]	n/a	n/a	4,817	1,138	1,110	n/a	n/a
Other[19]	1,056	2,935	899	3,081	1,717	1,601	n/a	378
	Mt	$/t	$/t					
Bulk Commodities	n/a	n/a	n/a	14,771	8,148	7,059	3,663	1,277
Iron Ore	63.3 [20]	157 [21]	33 [22]	11,104	6,871	6,359	3,231	628
Kumba Iron Ore[23]	40.3 [20]	161 [21]	39 [22]	6,958	4,311	3,960	1,442	417
Iron Ore Brazil (Minas-Rio)	23.0 [20]	150 [21]	24 [22]	4,146	2,560	2,399	1,789	211
Steelmaking Coal	14.1 [24]	200 [25]	105 [26]	2,899	962	450	300	649
Manganese (Samancor)[28]	3.7	n/a	n/a	768	315	250	132	—
Crop Nutrients	n/a	n/a	n/a	114	(41)	(42)	(39)	530
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	530
Other[27]	n/a	n/a	n/a	114	(41)	(42)	(39)	—
	Mt	$/t	$/t					
Corporate and other	n/a	n/a	n/a	1,126	(3)	(289)	(631)	125
Exploration	n/a	n/a	n/a	n/a	(128)	(132)	(120)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	354	(63)	(270)	(600)	44
Thermal Coal – South Africa[29]	5.3 [30]	77 [31]	46 [32]	553	101	70	61	81
Thermal Coal – Colombia[33]	3.4	65	34	219	87	43	28	—
	n/a	n/a	n/a	43,258	20,634	17,790	8,925	5,193

See page 85 for footnotes.

(1) Group revenue is shown after deduction of treatment and refining charges (TC/RCs).
(2) Total sales volumes on a 100% basis were 17.3 million carats (six months ended 30 June 2021: 20.8 million carats; year ended 31 December 2021: 36.3 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.
(3) Pricing for the mining business units is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost.
(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(5) Includes rough diamond sales of $3.3 billion (six months ended 30 June 2021: $2.6 billion; year ended 31 December 2021: $4.9 billion).
(6) Other includes Element Six, Brands and consumer markets, and corporate.
(7) Excludes 216 kt third-party sales (six months ended 30 June 2021: 157 kt; year ended 31 December 2021: 432 kt).
(8) Represents realised copper price and excludes impact of third-party sales.
(9) C1 unit cost includes by-product credits.
(10) Figures on a 100% basis (Group's share: 50.1%).
(11) 44% share of Collahuasi sales and financials.
(12) Figures on a 100% basis (Group's share: 60%), except capex which represents the Group's share after deducting direct funding from non-controlling interests. H1 2022 capex on a 100% basis is $626 million, of which the Group's share is $376 million. H1 2021 capex on a 100% basis was $551 million, of which the Group's share was $331 million. For the year ended 31 December 2021, capex on a 100% basis was $1,295 million, of which the Group share was $777 million.
(13) Other operations includes El Soldado and Chagres (figures on a 100% basis, Group's share: 50.1%). Financials include third-party sales and purchases, projects and corporate costs.
(14) C1 unit cost.
(15) Sales volumes exclude the sale of refined metal purchased from third parties and toll material. PGM volumes consists of 5E metals and gold.
(16) Average US$ realised basket price, based on sold ounces (own-mined and purchased concentrate). Excludes the impact of the sale of refined metal purchased from third parties.
(17) Total cash operating costs (includes on-mine, smelting and refining costs only) per own-mined PGM ounce of production.
(18) Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.
(19) Includes Unki, Mototolo and PGMs' share of joint operations (Kroondal and Modikwa). Other operations margin includes unallocated market development, care and maintenance, and corporate costs.
(20) Sales volumes are reported as wet metric tonnes. Product is shipped with c.9% moisture from Minas-Rio and c.1.6% moisture from Kumba.
(21) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha) (wet basis). Prices for Minas-Rio are the average realised export basket price (FOB Brazil) (wet basis). Prices for total iron ore are a blended average.
(22) Unit costs are reported on an FOB wet basis. Unit costs for total iron ore are a blended average.
(23) Sales volumes and realised price differ to Kumba's stand-alone reported results due to sales to other Group companies.
(24) Sales volumes exclude thermal coal sales of 0.7 Mt (six months ended 30 June 2021: 1.1Mt; year ended 31 December 2021: 2.1 Mt). The first half of 2022 includes 0.1 Mt of steelmaking coal mined by third parties and processed by Anglo American.
(25) Realised price is the weighted average hard coking coal and PCI sales price achieved at managed operations.
(26) FOB cost per tonne, excluding royalties and study costs.
(27) Other comprises projects and corporate costs as well as the share in associate results from The Cibra Group, a fertiliser distributor based in Brazil.
(28) Sales and financials include ore and alloy.
(29) Thermal Coal – South Africa mining activity included until the demerger on 4 June 2021.
(30) South African sales volumes include export primary production, secondary production sold into export markets and production sold domestically at export parity pricing and exclude domestic sales of 5.3 Mt and non-equity traded sales of 6.4 Mt.
(31) Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales from locations other than Richards Bay.
(32) FOB cost per saleable tonne from the trade operations, excluding royalties and study costs.
(33) Represents the Group's attributable share from its 33.3% shareholding in Cerrejón. The sale of Anglo American's interest in Cerrejón was completed on 11 January 2022 following receipt of the relevant regulatory approvals. The agreement is effective 31 December 2020 and, therefore, economic benefits from 1 January 2021 have not accrued to Anglo American. Metrics reflect earnings and volumes from the first half of the year only, before the agreement was entered into.

Alternative performance measures

Introduction

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under International Financial Reporting Standards (IFRS).

The APMs used by the Group fall into two categories:

- Financial APMs: These financial measures are usually derived from the financial statements, prepared in accordance with IFRS. Certain financial measures cannot be directly derived from the financial statements as they contain additional information, such as financial information from earlier periods or profit estimates or projections. The accounting policies applied when calculating APMs are, where relevant and unless otherwise stated, substantially the same as those disclosed in the Group's Consolidated financial statements for the year ended 31 December 2021.
- Non-financial APMs: These measures incorporate certain non-financial information that management believes is useful when assessing the performance of the Group.

APMs are not uniformly defined by all companies, including those in the Group's industry. Accordingly, the APMs used by the Group may not be comparable with similarly titled measures and disclosures made by other companies.

APMs should be considered in addition to, and not as a substitute for or as superior to, measures of financial performance, financial position or cash flows reported in accordance with IFRS. Measures used by the Group exclude the impact of certain items, which impact the financial performance and cash flows, in order to aid comparability of financial information reported. The adjustments performed to defined IFRS measures and rationale for adjustment are detailed on pages 86 to 87. Refer to page 270 of the Group's Integrated Annual Report for the year ended 31 December 2021 for more information about the purpose and definition of APMs.

Financial APMs

Group APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Reconciliation to IFRS measure
Income statement			
Group revenue	Revenue	– Revenue from associates and joint ventures – Revenue special items and remeasurements	Note 3
Underlying EBIT	Profit/(loss) before net finance income/(costs) and tax	– Revenue, operating and non-operating special items and remeasurements – Underlying EBIT from associates and joint ventures	Note 3
Underlying EBITDA	Profit/(loss) before net finance income/(costs) and tax	– Revenue, operating and non-operating special items and remeasurements – Depreciation and amortisation – Underlying EBITDA from associates and joint ventures	Note 3
Underlying earnings	Profit/(loss) for the financial year attributable to equity shareholders of the Company	– Special items and remeasurements	Note 3
Underlying effective tax rate	Income tax expense	– Tax related to special items and remeasurements – The Group's share of associates' and joint ventures' profit before tax, before special items and remeasurements, and tax expense, before special items and remeasurements	Note 6
Basic underlying earnings per share	Earnings per share	– Special items and remeasurements	Notes 3 and 4

Group APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Reconciliation to IFRS measure
Mining EBITDA margin	Operating profit margin, defined by IFRS	– Revenue from associates and joint ventures – Revenue, operating and non-operating special items and remeasurements – Underlying EBIT from associates and joint ventures – Adjustment to Debswana to reflect as a 50/50 joint operation – Exclusion of third-party sales, purchases and trading activity	Page 88
Balance sheet			
Net debt	Borrowings less cash and related hedges	– Debit valuation adjustment – Borrowings are adjusted to exclude vessel lease contracts that are priced with reference to a freight index – Borrowings do not include the royalty liability on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of the Anglo American Crop Nutrients Limited's insolvency)	Note 13
Attributable ROCE	No direct equivalent	– Non-controlling interests' share of capital employed and underlying EBIT – Average of opening and closing attributable capital employed	Page 88
Cash flow			
Capital expenditure (capex)	Expenditure on property, plant and equipment	– Cash flows from derivatives related to capital expenditure – Proceeds from disposal of property, plant and equipment – Direct funding for capital expenditure from non-controlling interests	Note 11
Attributable free cash flow	Cash flows from operations	– Capital expenditure – Cash tax paid – Dividends from associates, joint ventures and financial asset investments – Net interest paid – Dividends to non-controlling interests – Capital repayment of lease obligations – Expenditure on non-current intangible assets (excluding goodwill)	Page 9
Sustaining attributable free cash flow	Cash flows from operations	– Cash tax paid – Dividends from associates, joint ventures and financial asset investments – Net interest paid – Dividends to non-controlling interests – Capital repayment of lease obligations – Sustaining capital expenditure – Capitalised operating cash flows relating to life extension projects	Page 9

Mining EBITDA margin

The mining EBITDA margin is derived from the Group's underlying EBITDA as a percentage of Group revenue, adjusted to exclude certain items to better reflect the performance of the Group's mining business. The mining EBITDA margin reflects Debswana accounting treatment as a 50/50 joint operation, excludes third-party sales, purchases and trading and excludes Platinum Group Metals' purchase of concentrate.

US$ million (unless otherwise stated)	6 months ended 30.06.22	6 months ended 30.06.21
Underlying EBITDA	8,701	12,140
Group revenue	19,449	22,614
EBITDA margin	**45%**	**54%**
Adjustments for:		
Debswana adjustment to reflect as a 50/50 joint operation	4%	3%
Exclude third-party purchases, trading activity and processing[1]	3%	4%
Mining EBITDA margin	**52%**	**61%**

[1] Third-party purchases, trading activity and processing consists of Platinum Group Metals' purchase of concentrate, third-party sales and purchases and the impact of third-party trading activity.

Attributable return on capital employed (ROCE)

Attributable ROCE is calculated as attributable underlying EBIT divided by average attributable capital employed. Since the APM has no direct equivalent under IFRS it is not reconciled to an IFRS measure within the Condensed financial statements. The table on the next page sets out the calculation of attributable ROCE. A reconciliation to 'Profit/(loss) before net finance income/(costs) and tax', the closest equivalent IFRS measure to underlying EBIT, is provided within note 3 to the Condensed financial statements. A reconciliation to 'Net assets', the closest equivalent IFRS measure to capital employed, is provided within note 10 to the Condensed financial statements.

	Attributable ROCE %	
	30.06.22	30.06.21 (restated)[1]
De Beers	11	6
Copper	19	38
Nickel	30	18
Platinum Group Metals	119	160
Iron Ore	38	88
Steelmaking Coal	92	(26)
Manganese	162	104
Crop Nutrients	n/a	n/a
Corporate and other	n/a	n/a
	36	49

[1] Comparative totals remain unchanged from those reported in 2021. Figures are restated to disaggregate the Nickel and Manganese businesses in line with the reassessment of the Group's reportable segments as disclosed in note 2 of the Group's 2021 Integrated Annual Report.

									30.06.22
US$ million	Underlying EBIT	Annualised underlying EBIT	Less: Non-controlling interests' share of underlying EBIT	Attributable underlying EBIT	Opening attributable capital employed	Closing capital employed	Less: Non-controlling interests' share of closing capital employed	Closing attributable capital employed	Average attributable capital employed
De Beers[1]	718	971	(171)	800	7,256	8,385	(1,166)	7,219	7,238
Copper	894	1,787	(353)	1,434	7,378	12,332	(4,375)	7,957	7,668
Nickel	201	402	—	402	1,285	1,368	—	1,368	1,327
Platinum Group Metals	2,555	5,110	(1,112)	3,998	3,411	3,987	(673)	3,314	3,363
Iron Ore	2,047	4,094	(1,351)	2,743	7,169	8,456	(1,260)	7,196	7,183
Steelmaking Coal	1,246	2,492	—	2,492	2,712	2,728	—	2,728	2,720
Manganese	192	384	(4)	380	238	232	—	232	235
Crop Nutrients	(18)	(36)	—	(36)	1,563	1,816	—	1,816	1,690
Corporate and other	(360)	(720)	5	(715)	406	762	—	762	585
	7,475	14,484	(2,986)	11,498	31,418	40,066	(7,474)	32,592	32,009

									30.06.21 (restated)[2]
US$ million	Underlying EBIT	Annualised underlying EBIT	Less: Non-controlling interests' share of underlying EBIT	Attributable underlying EBIT	Opening attributable capital employed	Closing capital employed	Less: Non-controlling interests' share of closing capital employed	Closing attributable capital employed	Average attributable capital employed
De Beers[1]	377	559	(83)	476	7,712	8,699	(1,201)	7,498	7,605
Copper	1,630	3,260	(820)	2,440	5,897	10,305	(3,409)	6,896	6,397
Nickel	106	212	—	212	1,157	1,182	—	1,182	1,169
Platinum Group Metals	4,211	8,422	(1,784)	6,638	4,191	4,947	(833)	4,114	4,153
Iron Ore	4,661	9,322	(2,726)	6,596	7,197	8,971	(1,121)	7,850	7,524
Steelmaking Coal	(383)	(766)	—	(766)	3,196	2,799	—	2,799	2,998
Manganese	121	242	(1)	241	238	223	—	223	231
Crop Nutrients	(12)	(24)	—	(24)	988	1,292	—	1,292	1,140
Corporate and other	(33)	(66)	(3)	(69)	893	930	—	930	912
	10,678	21,161	(5,417)	15,744	31,469	39,348	(6,564)	32,784	32,129

(1) For half year reporting attributable underlying EBIT is annualised apart from the calculation of De Beers' attributable ROCE, where it is based on the prior 12 months, rather than the annualised half year performance, owing to the seasonality of sales and underlying EBIT profile of De Beers.
(2) Comparative totals remain unchanged from those reported in 2021. Figures are restated to disaggregate the Nickel and Manganese businesses in line with the reassessment of the Group's reportable segments as disclosed in note 2 of the Group's 2021 Integrated Annual Report.

Attributable free cash flow

Attributable free cash flow is calculated as 'Cash flows from operations' plus dividends received from associates, joint ventures and financial asset investments, less capital expenditure, less expenditure on non-current intangible assets (excluding goodwill), less tax cash payments excluding tax payments relating to disposals, less net interest paid including interest on derivatives hedging net debt, less dividends paid to non-controlling interests.

A reconciliation of 'Cash flows from operations', the closest equivalent IFRS measure, is provided on page 9.

Sustaining attributable free cashflow

Sustaining attributable free cash flow is used to measure the amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to minority shareholders and meeting the capex commitments needed to sustain the current production base of existing assets. Sustaining attributable free cash flow is also used as an incentive measure in executives' remuneration. It is calculated as attributable free cash flow prior to growth capex and expenditure on non-current intangible assets (excluding goodwill). A reconciliation of 'Cash flows from operations', the closest equivalent IFRS measure, is provided on page 9. Growth capital expenditure in 2021 and 2022 principally related to Quellaveco and Woodsmith.

Exchange rates and commodity prices

US$ exchange rates	30.06.22	30.06.21	31.12.21
Period end spot rates			
South African rand	16.38	14.32	15.96
Brazilian real	5.24	4.96	5.57
Sterling	0.82	0.72	0.74
Australian dollar	1.45	1.33	1.38
Euro	0.96	0.84	0.88
Chilean peso	925	728	852
Botswana pula	12.42	10.92	11.75
Peruvian sol	3.79	3.89	3.99
Average rates for the period			
South African rand	15.40	14.54	14.79
Brazilian real	5.07	5.39	5.40
Sterling	0.77	0.72	0.73
Australian dollar	1.39	1.30	1.33
Euro	0.91	0.83	0.85
Chilean peso	827	720	761
Botswana pula	11.78	10.88	11.08
Peruvian sol	3.78	3.73	3.88

Commodity prices		30.06.22	30.06.21	31.12.21
Period end spot prices				
Copper[1]	US cents/lb	374	426	440
Platinum[2]	US$/oz	915	1,059	962
Palladium[2]	US$/oz	1,981	2,707	1,928
Rhodium[3]	US$/oz	14,000	20,100	14,150
Iron ore (62% Fe CFR)[4]	US$/tonne	120	218	119
Iron ore (66% Fe Concentrate CFR)[5]	US$/tonne	140	241	147
Hard coking coal (FOB Australia)[4]	US$/tonne	302	194	357
PCI (FOB Australia)[4]	US$/tonne	276	145	244
Nickel[1]	US$/lb	10.48	8.37	9.49
Manganese ore (44% CIF China)[5]	US$/dmtu	7.27	5.15	5.60
Average market prices for the period				
Copper[1]	US cents/lb	443	413	423
Platinum[2]	US$/oz	995	1,170	1,086
Palladium[2]	US$/oz	2,219	2,592	2,388
Rhodium[3]	US$/oz	17,167	24,662	20,109
Iron ore (62% Fe CFR)[4]	US$/tonne	140	183	160
Iron ore (66% Fe Concentrate CFR)[5]	US$/tonne	174	209	185
Hard coking coal (FOB Australia)[4]	US$/tonne	467	132	226
PCI (FOB Australia)[4]	US$/tonne	406	110	164
Nickel[1]	US$/lb	12.52	7.93	8.39
Manganese ore (44% CIF China)[5]	US$/dmtu	6.99	5.03	5.21

(1) Source: London Metal Exchange (LME).
(2) Source: London Platinum and Palladium Market (LPPM).
(3) Source: Johnson Matthey.
(4) Source: Platts.
(5) Source: Metal Bulletin.

AngloAmerican

ANGLO AMERICAN plc

(Incorporated in England and Wales – Registered number 03564138)
(the Company)

Notice of Dividend

(Dividend No. 41)

Notice is hereby given that an interim dividend on the Company's ordinary share capital in respect of the year to 31 December 2022 will be paid as follows:

Amount (United States currency) (note 1)	124 cents per ordinary share
Amount (South African currency) (note 2)	2090.42920 cents per ordinary share
Last day to effect removal of shares between the United Kingdom (UK) and South African (SA) registers	Monday, 15 August 2022
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Tuesday, 16 August 2022
Ex-dividend on the JSE from the commencement of trading (note 3)	Wednesday, 17 August 2022
Ex-dividend on the London Stock Exchange from the commencement of trading	Thursday, 18 August 2022
Record date (applicable to both the UK principal register and SA branch register)	Friday, 19 August 2022
Movement of shares between the UK and SA registers permissible from	Monday, 22 August 2022
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by Central Securities Depository Participants (CSDPs) (notes 4, 5 and 6)	Wednesday, 31 August 2022
Last day for receipt of DRIP mandate forms by the South African Transfer Secretaries (notes 4, 5 and 6)	Friday, 2 September 2022
Last day for receipt of DRIP mandate forms by the UK Registrars (notes 4, 5 and 6)	Friday, 2 September 2022
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 1)	Friday, 2 September 2022
Currency conversion US$:£/€ rates announced on (note 7)	Friday, 9 September 2022
Payment date of dividend	Friday, 23 September 2022

Notes

1. Shareholders on the UK register of members with an address in the UK will be paid in Sterling and those with an address in a country in the European Union which has adopted the Euro will be paid in Euros. Such shareholders may, however, elect to be paid their dividends in US dollars provided the UK Registrars receive such election by Friday, 2 September 2022. Shareholders with an address elsewhere will be paid in US dollars except those registered on the South African branch register who will be paid in South African rand.
2. Dividend Tax will be withheld from the amount of the gross dividend of 2090.42920 Rand cents per ordinary share paid to South African shareholders at the rate of 20% unless a shareholder qualifies for exemption. After the Dividend Tax has been withheld, the net dividend will be 1672.34336 Rand cents per ordinary share. Anglo American plc had a total of 1,337,577,913 ordinary shares in issue as at Wednesday, 27 July 2022. In South Africa the dividend will be distributed by Anglo American South Africa Proprietary Limited, a South African company with tax registration number 9030010608, or one of its South African subsidiaries, in accordance with the Company's dividend access share arrangements. The dividend in South African rand is based on an exchange rate of US$1:R16.85830 taken on Wednesday, 27 July 2022, being the currency conversion date.
3. Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period from the JSE ex-dividend date to the record date (both days inclusive).
4. Those shareholders who already participate in the DRIP need not complete a DRIP mandate form for each dividend as such forms provide an ongoing authority to participate in the DRIP until cancelled in writing. Shareholders who wish to participate in the DRIP should obtain a mandate form from the UK Registrars, the South African Transfer Secretaries or, in the case of those who hold their shares through the STRATE system, their CSDP.
5. In terms of the DRIP, and subject to the purchase of shares in the open market, share certificates/CREST notifications are expected to be mailed and CSDP investor accounts credited/updated on or around Friday, 7 October 2022. CREST accounts will be credited on Wednesday, 28 September 2022.
6. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.
7. The US$:£/€ conversion rates will be determined by the actual rates achieved by Anglo American buying forward contracts for those currencies, during the two days preceding the announcement of the conversion rates, for delivery on the dividend payment date.

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