AngloAmerican

HALF YEAR FINANCIAL REPORT

for the six months ended 30 June 2018

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26 July 2018

Anglo American Interim Results 2018

Continued performance improvement supports 11% underlying EBITDA increase to $4.6 billion

Mark Cutifani, Chief Executive of Anglo American, said: "We have delivered another strong performance during the first half, with an 11% increase in underlying EBITDA to $4.6 billion and a 19% return on capital employed. We have also made good progress against our disciplined capital allocation objectives, strengthening the balance sheet with net debt down to $4 billion, delivering an increase in the dividend commensurate with earnings, and continuing to invest prudently across the business. This strong financial result derives from our consistent productivity improvements in the underlying operations and a stronger price environment for many of our products.

"We have continued to build on the significant productivity improvements of recent years, delivering a further two percentage point improvement[(1)] in the first six months of 2018. A 6% increase in copper equivalent production volumes[(2)] helped deliver $0.4 billion[(3)] of cost and volume improvements in the first half, out of the $0.8 billion targeted for the full year, against a backdrop of rising input cost inflation and the temporary suspension at Minas-Rio.

"We see significant further potential to deliver enhanced returns from the portfolio, with our business model and relentless focus on innovation and business improvement resetting our performance benchmarks. As we now move forward to develop the world-class Quellaveco copper project in Peru, in conjunction with our partner Mitsubishi, we are excited about the opportunities we see across the business."

Highlights – six months ended 30 June 2018

- Reduced net debt* to $4 billion, an 11% reduction since end 2017 – 0.4x net debt / underlying EBITDA*
- Generated underlying EBITDA* of $4.6 billion, an 11% increase, and $1.6 billion of attributable free cash flow*
- Profit attributable to equity shareholders of $1.3 billion
- Achieved cost and volume improvements of $0.4 billion[(3)] – on track for the full year
- Minas-Rio pipeline inspection on track, with remedial work to be completed in Q4 2018, prior to restart
- Increased interim dividend of $0.49 per share – 40% of first half underlying earnings*

Six months ended US$ million, unless otherwise stated	**30 June 2018**	30 June 2017	Change
Underlying EBITDA*	**4,577**	4,116	11%
Underlying earnings*	**1,565**	1,536	2%
Profit attributable to equity shareholders of the Company	**1,290**	1,415	(9)%
Underlying earnings per share* ($)	**1.23**	1.19	3%
Earnings per share ($)	**1.02**	1.09	(6)%
Dividend per share ($)	**0.49**	0.48	2%
Group attributable ROCE*	**19%**	18%	6%

(1) Productivity indexed to 2012 benchmark.
(2) Excludes the impact of the suspension of operations at Minas-Rio. Including this, the increase is 3%.
(3) Excludes the impact of the suspension of operations at Minas-Rio.

Words with this symbol * are defined as Alternative Performance Measures ('APMs'). For more information on the APMs used by the Group, including definitions, please refer to the Alternative Performance Measures section of the Group's Annual Report for the year ended 31 December 2017.

SUSTAINABILITY PERFORMANCE

Safety

Anglo American's safety performance is the subject of very significant management attention in order to eliminate the causes of harm in the workplace. Two people lost their lives in the first six months of 2018, and one person has lost their life during July. All three incidents took place in South Africa, one in each of our Platinum, Coal and Diamonds businesses. We have put in place an *Elimination of Fatalities Taskforce* to enable a more thorough understanding of the underlying causes of fatal incidents, in parallel with a focused programme addressing management of fatal risks across the business.

The Group's total recordable case frequency rate for the first half of the year provides a broader picture of the significant progress that is being made, with 2.62 injuries per million hours worked – a 31% improvement over the same period in 2017 and a 24% improvement over the record performance rate achieved for 2017 as a whole.

Environment

Environmental incidents have been reduced materially in recent years due to a continued focus on detailed operational planning. In the first half of 2018, four significant environmental incidents were reported. These included the two separate leaks of non-hazardous material from the Minas-Rio iron ore pipeline in Brazil in March. Both leaks were stopped without delay, there were no injuries and a thorough clean-up of the surrounding area was completed. The pipeline is undergoing a thorough technical examination in order to ensure its integrity.

Responsible mining

Anglo American launched its innovative Sustainability Strategy in March 2018, aligned to the 2030 Sustainable Development Goals of the United Nations. This ambitious strategy set out a series of stretch goals relating to: the long term prosperity of our host communities; the protection of the natural environment (with a focus on biodiversity, water and energy efficiency and climate change); the proactive shaping of policy and ethical standards to drive greater trust and transparency amongst our stakeholders; and a new collaborative approach to supporting regional development.

Anglo American has a long track record as a leader in sustainable, responsible mining. Such attributes were recognised in April 2018 in the inaugural Responsible Mining Index, across all metrics and particularly in relation to economic development, community wellbeing and lifecycle management.

Operational and financial review of Group results for the six months ended 30 June 2018

OPERATIONAL PERFORMANCE

We have continued to drive improvement in asset performance through the Operating Model, facilitated by an enhanced focus on the Group's key assets as a result of work undertaken to upgrade the portfolio. Copper equivalent production increased by 6%, excluding the impact of the stoppage at Minas-Rio, primarily driven by a continued strong performance at Metallurgical Coal, Copper and De Beers, as well as improved production at Platinum, partly offset by geological challenges at Thermal Coal – South Africa.

Metallurgical coal production increased by 17% to 10.8 Mt (H1 2017: 9.2 Mt), driven by a sustained strong performance from Moranbah and the full ramp-up of Grosvenor.

Copper production rose by 10% to 312,900 tonnes (H1 2017: 283,400 tonnes), driven by productivity improvements at mine and plant and planned higher ore grades at both Los Bronces and Collahuasi. This more than offset the effect of a three-month planned maintenance at Collahuasi that was completed in July 2018.

De Beers' rough diamond production increased by 8% to 17.5 million carats (H1 2017: 16.1 million carats) in line with the expected continuation of strong demand. This was facilitated by the contribution from the ramp-up of Gahcho Kué in Canada and an incremental increase at Jwaneng, partly offset by the temporary suspension of production at Venetia following a fatality.

At Platinum, production of platinum increased by 4% to 1,233,400 ounces (H1 2017: 1,189,100 ounces) and palladium by 5% to 813,200 ounces (H1 2017: 774,900 ounces). This was driven, in particular, by a robust performance at Mogalakwena. Refined metal production decreased by 3% for platinum, to 1,075,300 ounces (H1 2017: 1,105,600 ounces), and by 6% for palladium, to 686,500 ounces (H1 2017: 726,500 ounces) as planned maintenance constrained processing capacity.

Kumba's production of iron ore increased by 3% to 22.4 Mt (H1 2017: 21.9 Mt), driven by plant efficiencies at Kolomela, partly offset by marginally lower production at Sishen.

At Thermal Coal – South Africa, total export production decreased by 9% as Mafube transitioned to a new pit and areas of the Goedehoop South and Khwezela North operations transitioned towards closure, offset by continued underground productivity improvements at Greenside.

Group copper equivalent unit costs increased by 5%, driven mainly by stronger producer currencies. In local currency terms, the cost increase was limited to 1% as a strong operational performance across the portfolio largely offset lower production at Thermal Coal – South Africa and inflationary pressures, including higher diesel and energy prices across the Group.

Excluded from the Group copper equivalent result is the effect of Minas-Rio suspending operations from March 2018, following two pipeline leaks. The pipeline inspection is on track, with the technical inspections underway and pipeline replacement construction work expected to be completed in Q4 2018. There is no change to the earnings impact of the pipeline incident from the guidance provided in April, with an anticipated 2018 underlying EBITDA loss of $300-$400 million.

FINANCIAL PERFORMANCE

UNDERLYING EBITDA*

Group underlying EBITDA increased by 11% to $4.6 billion (H1 2017: $4.1 billion), with the underlying EBITDA margin in line with the prior period at 30%. This was driven by strong pricing across the Group, particularly in copper and the platinum basket of metals, and continued productivity improvements and cost control across the portfolio, more than offsetting the impact of inflation across the Group and suspension of Minas-Rio operations. 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 2018**	6 months ended 30 June 2017
De Beers	**712**	786
Copper	**966**	586
Platinum	**511**	276
Iron Ore	**454**	925
Coal	**1,640**	1,382
Nickel and Manganese	**420**	257
Corporate and other	**(126)**	(96)
Total	**4,577**	4,116

Underlying EBITDA reconciliation H1 2017 to H1 2018*

The reconciliation of underlying EBITDA from $4.1 billion in H1 2017 to $4.6 billion in H1 2018 allows an understanding of the controllable factors (e.g. cost and volume), and those largely outside of management control (e.g. price, foreign exchange and inflation) that drive the Group's performance.

$ billion		
H1 2017 underlying EBITDA*		**4.1**
Price		**0.8**
Foreign exchange		**(0.2)**
Inflation		**(0.2)**
Net volume and cost improvements		**0.4**
Volume	0.2	
Cash cost	0.2	
Minas-Rio		**(0.3)**
H1 2018 underlying EBITDA*		**4.6**

Price

Average market prices for the Group's basket of commodities and products increased by 8%, contributing $0.8 billion of improvement to underlying EBITDA. In respect of copper, the realised price increased by 13%. The price achieved for the platinum basket of metals was 26% higher, largely driven by palladium and rhodium, which recorded increases of 29% and 113% respectively.

Foreign exchange

Stronger producer country currencies reduced underlying EBITDA by $0.2 billion, mainly owing to a 7% strengthening of the South African rand and an 8% strengthening of the Chilean peso against the dollar.

Inflation

The Group's weighted average CPI for the period was 4%, in line with the same period in the prior year, principally influenced by South Africa, which saw local CPI of 5%. The impact of inflationary cost increases reduced underlying EBITDA by $0.2 billion.

Volume

Increased volumes across the portfolio benefited underlying EBITDA by $0.2 billion, driven by a robust performance at Metallurgical Coal's longwall operations and higher grades and strong mine and plant performance at Copper, as well as Platinum drawing down refined inventory levels. Lower export thermal coal production from South Africa partly offset these improvements.

Cost

The Group's cost improvements benefited underlying EBITDA by $0.2 billion, with cost reductions outweighing the effects of above-CPI inflationary pressure on the mining industry related to higher diesel and electricity prices. The positive cost achievement reflected the improved operational performance at Metallurgical Coal's Moranbah-Grosvenor complex and continued cost-saving initiatives at Platinum and Copper.

Minas-Rio

Group underlying EBITDA reduced by $0.3 billion owing to the impact of the suspension of operations at Minas-Rio from March 2018. Production decreased to 3.2 Mt (H1 2017: 8.7 Mt).

UNDERLYING EARNINGS*

Profit for the financial period decreased by 7% to $1.6 billion (H1 2017: $1.8 billion) which reflected the net charge of $0.3 billion in special items discussed below. Group underlying earnings were in line with the prior period at $1.6 billion (H1 2017: $1.5 billion), driven by an 11% increase in underlying EBITDA, partly offset by increased depreciation and amortisation charges during the period.

Reconciliation from underlying EBITDA to underlying earnings**

$ million	**6 months ended 30 June 2018**	6 months ended 30 June 2017
Underlying EBITDA*	**4,577**	4,116
Depreciation and amortisation	**(1,402)**	(1,185)
Net finance costs and income tax expense	**(1,214)**	(1,057)
Non-controlling interests	**(396)**	(338)
Underlying earnings*	**1,565**	1,536

Depreciation and amortisation

Depreciation and amortisation increased to $1.4 billion (H1 2017: $1.2 billion), reflecting the Gahcho Kué diamond mine reaching commercial production, as well as increased production at the Moranbah metallurgical coal mine and the effect of stronger local currencies.

Net finance costs and income tax expense

Net finance costs, before special items and remeasurements, excluding associates and joint ventures, were $0.2 billion (H1 2017: $0.2 billion). Increases in LIBOR were partially offset by lower average borrowings during the year as a result of gross debt reductions.

The underlying effective tax rate was 34.2% for the six months ended 30 June 2018 (H1 2017: 30.2%). The effective tax rate in 2018 was impacted by the relative levels of profits arising in the Group's operating jurisdictions, partly offset by a benefit from the reassessment of deferred tax balances, primarily in Brazil. In future periods, the underlying effective tax rate is expected to be above the United Kingdom statutory tax rate.

Non-controlling interests

Non-controlling interests of $0.4 billion (H1 2017: $0.3 billion) principally relate to minority shareholders in Kumba, Copper and De Beers.

SPECIAL ITEMS AND REMEASUREMENTS

Special items and remeasurements are a net charge of $0.3 billion (H1 2017: net charge of $0.1 billion) and include an impairment of $0.1 billion relating to De Beers' South African operations, the write down to fair value of Platinum's investment in Bafokeng Rasimone Platinum Mine and loss on disposals of $0.1 billion (Union), partly offset by net gains on disposal relating to the disposal of the Eskom-tied mines in South Africa (Thermal Coal – South Africa) and Drayton mine (Metallurgical Coal).

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

CASH FLOW

Cash flows from operations

Cash flows from operations were in line with the first six months of 2017 at $3.7 billion, with an increase in underlying EBITDA from subsidiaries and joint operations being offset by working capital outflows.

Cash outflows on operating working capital were $0.1 billion (H1 2017: inflows of $0.2 billion), driven mainly by an increase in inventories at Platinum as a result of refining capacity constraints due to maintenance work on the processing assets, and at Kumba owing to rail constraints. These were partly offset by inflows in operating receivables across the Group.

*Group capital expenditure**

$ million	**6 months ended 30 June 2018**	6 months ended 30 June 2017
Expansionary	**280**	135
Stay-in-business	**592**	404
Development and stripping	**372**	296
Proceeds from disposal of property, plant and equipment	**(10)**	(36)
Total	**1,234**	799
Capitalised operating cash flows	**(14)**	(68)
Total capital expenditure	**1,220**	731

Capital expenditure increased to $1.2 billion (H1 2017: $0.7 billion). Stay-in-business capital expenditure increased to $0.6 billion (H1 2017: $0.4 billion), driven by stronger local currencies as well as a rise in planned maintenance spend at Collahuasi (Copper) and Mogalakwena (Platinum). The increase in expansionary capital expenditure was driven by the ongoing development of the Venetia underground mine in South Africa (De Beers) and early works at the Quellaveco copper project in Peru.

In line with previous guidance, capital expenditure for FY 2018 is expected to be between $2.6 and $2.8 billion (2017: $2.2 billion).

*Attributable free cash flow**

The Group generated attributable free cash flow of $1.6 billion (H1 2017: $2.7 billion). Stronger underlying EBITDA generation in H1 2018 was offset by increased capital expenditure, higher tax payments in Metallurgical Coal and Copper, and higher dividends paid to minorities.

Dividends

In line with the Group's established dividend policy to pay out 40% of underlying earnings, the Board are recommending an interim dividend of $0.49 per share, equivalent to $630 million.

NET DEBT*

$ million	2018	2017
Opening net debt* at 1 January	**(4,501)**	(8,487)
Underlying EBITDA* from subsidiaries and joint operations	3,895	3,554
Working capital movements	(99)	231
Other cash flows from operations	(54)	(106)
Cash flows from operations	**3,742**	3,679
Capital expenditure*	(1,220)	(731)
Cash tax paid	(758)	(298)
Dividends from associates, joint ventures and financial asset investments	396	340
Net interest(1)	(171)	(204)
Dividends paid to non-controlling interests	(383)	(86)
Attributable free cash flow*	**1,606**	2,700
Dividends to Anglo American plc shareholders	(681)	–
Disposals	90	(100)
FX and fair value movements	(187)	5
Other net debt movements(2)	(314)	(339)
Total movement in net debt*(3)	**514**	2,266
Closing net debt* at 30 June	**(3,987)**	(6,221)

(1) Includes cash inflows of $30 million (H1 2017: $62 million), relating to interest payments on derivatives hedging net debt, which are included in cash flows from derivatives related to financing activities.
(2) Principally made up of the purchase of shares for employee share schemes and losses recognised on bond buybacks.
(3) Net debt excludes the own credit risk fair value adjustment on derivatives of $11 million (H1 2017: $28 million).

Net debt (including related derivatives) of $4.0 billion decreased by $0.5 billion since 31 December 2017, and by $2.2 billion since 30 June 2017, representing gearing of 12% (H1 2017: 19%). Net debt at 30 June 2018 comprised cash and cash equivalents of $6.3 billion (H1 2017: $7.4 billion) and gross debt, including related derivatives, of $10.2 billion (H1 2017: $13.6 billion). The reduction in net debt was driven by $1.6 billion of attributable free cash flow, partly offset by the payment of dividends to Group shareholders in May 2018 (dividend payments resumed in H2 2017) and other net debt movements.

BALANCE SHEET

Net assets of the Group decreased during the period by $0.9 billion to $28.0 billion (31 December 2017: $28.9 billion) as the profit for the period was more than offset by the effects of foreign exchange on operating assets denominated in local currency, and dividend payments to Company shareholders and non-controlling interests. Capital expenditure of $1.2 billion was largely offset by depreciation and amortisation of $1.4 billion.

ATTRIBUTABLE ROCE*

Attributable ROCE increased to 19% (H1 2017: 18%), primarily owing to the 8% improvement in attributable underlying EBIT to $3.2 billion (H1 2017: $2.9 billion), reflecting higher prices, improved sales volumes at Metallurgical Coal and Copper and the continued delivery of cost-efficiency programmes across the Group. This improvement was partially offset by inflation, stronger producer country currencies and the Minas-Rio production stoppage. Average attributable capital employed has increased to $27.3 billion (H1 2017: $27.1 billion) due to capital expenditure and the strengthening of producer currencies, partially offset by the impact of depreciation and disposals.

LIQUIDITY AND FUNDING

In March 2018, the Group completed the repurchase of $1.5 billion (including the cost of unwinding associated derivatives) of US- and Euro-denominated bonds with maturities from April 2019 to April 2021. The Group also issued a $0.7 billion 10-year bond in the US bond markets.

In May 2018, the Group completed the repurchase of $0.6 billion (including the cost of unwinding associated derivatives) of US-denominated bonds with maturities between May 2020 and September 2020.

These transactions, as well as $0.5 billion of bond maturities during H1 2018, have reduced short-term refinancing requirements, increased the weighted average maturity of outstanding bonds by approximately one year to 5.1 years and reduced gross debt.

In March 2018, the Group replaced a number of credit facilities maturing between March 2019 and March 2020 with a total value of $5.4 billion, with a $4.5 billion credit facility maturing in March 2023.

PORTFOLIO UPGRADE

In H1 2018, the Group completed a number of previously announced transactions primarily aimed at continuing to upgrade the quality of the portfolio, including the disposal of the Drayton coal mine (Metallurgical Coal) in Australia, the disposal of the Eskom-tied domestic thermal coal operations in South Africa, the disposal of Platinum's 85% interest in Union Mine and 50.1% interest in Masa Chrome Company, and a reduction in Platinum's listed interest in Royal Bafokeng Platinum Limited in South Africa from 11.4% to 2.6%.

Anglo American also entered into several transactions during the period, the completion of which is expected in the second half of 2018. These included agreements for Mitsubishi to increase its interest in the Quellaveco copper project in Peru from 18.1% to 40% and the sale of the New Largo thermal coal project and Old New Largo closed colliery in South Africa.

In July 2018, the Group agreed the sale of Platinum's 33% interest in the Bafokeng Rasimone Platinum Mine joint venture in South Africa. Also in July, the Group entered into agreements for the acquisition by De Beers of Peregrine Diamonds Ltd (the owner of the Chidliak diamond resource in Canada) and the acquisition by Platinum of Glencore's 39% interest in the Mototolo joint venture (in which Platinum currently holds 50%).

Other portfolio changes

In July 2018, Platinum announced that it had subscribed for interests in two UK-based venture capital funds. Platinum's commitment to the funds is matched by a commitment from South Africa's Government Employees Pension Fund represented by the Public Investment Corporation SOC Ltd. Also in July, Anglo American completed a sale and leaseback transaction with M&G Investments with the intention of redeveloping and relocating the Group's London headquarters to Charterhouse Street in Farringdon.

THE BOARD

There have been no changes to the Board of Anglo American plc in 2018 to date. The names of the Directors and the skills and experience the Board members bring to the Anglo American Group are set out in the Annual Report 2017 and on the Group's website www.angloamerican.com/about-us/leadership-team/board.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks and uncertainties faced by the Group at the 2017 year-end are set out in detail in the strategic report section of the Annual Report 2017. Subsequent to the publication of the Annual Report 2017, the Group has undertaken a further review of the risks it faces and, as a result, the 2018 principal risks are listed below. Further detail on each of these principal risks will be published in the Annual Report 2018.

- Catastrophic risks
- Political and regulatory
- Investor activism
- Future demand for diamonds
- Future demand for PGMs
- Cyber security
- Safety
- Commodity prices
- Corruption
- Operational performance
- Water security
- Natural catastrophe

The Group is exposed to changes in the economic environment, as with any other business. Details of any key risks and uncertainties specific to the period are covered in the Operations review section.

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Operations review for the six months ended 30 June 2018

DE BEERS

Financial and operational metrics[1]

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	Attrib. ROCE[7]*
	'000 carats	'000 carats[2]	$/ct[3]	$/ct[4]	$m[5]	$m		$m	$m[6]	
De Beers	**17,495**	**17,845**	**162**	**67**	**3,192**	**712**	**22%**	**412**	**156**	**8%**
Prior period	*16,142*	*18,434*	*156*	*63*	*3,131*	*786*	*25%*	*548*	*74*	*11%*
Botswana (Debswana)	**12,087**	**–**	**155**	**31**	**–**	**263**	**–**	**234**	**34**	**–**
Prior period	*11,124*	*–*	*165*	*26*	*–*	*272*	*–*	*256*	*36*	*–*
Namibia (Namdeb Holdings)	**1,044**	**–**	**545**	**272**	**–**	**90**	**–**	**73**	**19**	**–**
Prior period	*863*	*–*	*568*	*237*	*–*	*105*	*–*	*92*	*8*	*–*
South Africa (DBCM)	**2,111**	**–**	**106**	**73**	**–**	**71**	**–**	**2**	**66**	**–**
Prior period	*2,511*	*–*	*133*	*64*	*–*	*127*	*–*	*54*	*48*	*–*
Canada[8]	**2,253**	**–**	**157**	**51**	**–**	**126**	**–**	**52**	**17**	**–**
Prior period	*1,644*	*–*	*435*	*67*	*–*	*69*	*–*	*25*	*(28)*	*–*
Trading	**–**	**–**	**–**	**–**	**–**	**253**	**–**	**249**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*281*	*–*	*278*	*2*	*–*
Other[9]	**–**	**–**	**–**	**–**	**–**	**(91)**	**–**	**(198)**	**20**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(68)*	*–*	*(157)*	*8*	*–*

(1) Prepared on a consolidated accounting basis, except for production, which is stated on a 100% basis except for the Gahcho Kué joint venture in Canada, which is on an attributable 51% basis.
(2) In 2017, consolidated sales volumes (H1 2018: 17.8 million carats; H1 2017: 18.4 million carats) exclude pre-commercial production sales volumes from Gahcho Kué. Total sales volumes (100%), which are comparable to production, were 18.8 million carats (H1 2017: 20.0 million carats). Total sales volumes (100%) include pre-commercial production sales volumes from Gahcho Kué and De Beers' JV partners' 50% proportionate share of sales to entities outside De Beers 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. The De Beers realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the De Beers unit costs, which relate to equity production only.
(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(5) Includes rough diamond sales of $2.9 billion (H1 2017: $2.9 billion).
(6) In 2017, includes pre-commercial production capitalised operating cash inflows from Gahcho Kué.
(7) Underlying EBIT used in the calculation of De Beers' attributable ROCE is based on the prior 12 months, rather than the annualised H1 performance, owing to the seasonality of sales and underlying EBIT profile of De Beers.
(8) In 2017, for Canada, price excludes Gahcho Kué contribution from sales related to pre-commercial production, which were capitalised in the first half of 2017. Unit costs include Gahcho Kué contribution following achievement of commercial production on 2 March 2017.
(9) Other includes Element Six, downstream, acquisition accounting adjustments, projects and corporate.

Financial and operational overview

Underlying EBITDA decreased by 9% to $712 million (H1 2017: $786 million) due to unit cost increases driven by the impact of unfavourable exchange rate movements and a higher proportion of waste mining costs having been expensed rather than capitalised, mitigated by higher production. Underlying EBITDA was also impacted by the lower trading margins experienced in the period.

Total revenue increased marginally to $3.2 billion (H1 2017: $3.1 billion), while rough diamond sales were steady at $2.9 billion. The average realised rough diamond price increased by 4% to $162/carat (H1 2017: $156/carat) due to a 1.6% increase in the average rough price index and an improvement in the sales mix, driven by the substantial volumes of lower value goods sold in H1 2017, following the Indian demonetisation programme in late 2016. Excluding this impact, the average value of the production mix was lower in H1 2018 as a higher proportion of lower value carats was delivered from Orapa (Botswana) and

Gahcho Kué (Canada). Consolidated sales volumes of 17.8 million carats were 3% lower (H1 2017: 18.4 million carats).

Other revenue includes Element Six, where revenue was in line, and De Beers Jewellers, whose results have been consolidated following the acquisition in March 2017 of LVMH's 50% interest.

Markets

Preliminary data indicates a slight improvement in global consumer demand for diamond jewellery, in US dollar terms. This was driven by growth in the US and China, and was further amplified by positive exchange rate movements in China and Japan against the dollar. India was softer in dollar terms, with prevailing consumer caution, resulting from both macro-economic factors and regulatory changes affecting the jewellery sector.

Midstream sentiment was positive on the back of strong demand from the US and China in Q4 2017, and conditions overall remained favourable, with midstream inventory within normal levels and a slight strengthening of polished diamond prices since the start of the year.

Operating performance

Mining and manufacturing

Rough diamond production increased by 8% to 17.5 million carats (H1 2017: 16.1 million carats), including the contribution from the ramp-up of Gahcho Kué in Canada, in line with the expected continuation of strong demand.

In Botswana (Debswana), production increased by 9% to 12.1 million carats (H1 2017: 11.1 million carats) in response to stronger market conditions. Production at Jwaneng was 2% higher owing to a 10% increase in plant throughput. At Orapa, a 16% rise in output was driven by the continued ramp-up of Plant 1, the successful restart of the Damtshaa operation and commissioning of the Letlhakane tailings plant. In June 2017, Jwaneng processed its first ore from Cut-8, which is now the mine's main source of ore.

In Namibia (Namdeb Holdings), production increased by 21% to 1.0 million carats (H1 2017: 0.9 million carats). Production from the marine operation was 2% higher following improved availability of the Mafuta crawler vessel and technology-led optimisation of the drill fleet. Production at the land operations increased by 99% to 0.3 million carats (H1 2017: 0.2 million carats), driven by access to consistently higher grades.

In South Africa (DBCM), production declined by 16% to 2.1 million carats (H1 2017: 2.5 million carats). The reduction was primarily due to a period of suspended production at Venetia following a fatal incident, as well as geotechnical issues at Voorspoed restricting access to the resource. Construction continued on the Venetia Underground Project, which is expected to become the mine's principal source of production from 2023.

In Canada, production increased by 37% to 2.3 million carats (H1 2017: 1.6 million carats) owing to the ramp-up of Gahcho Kué, which entered commercial production in March 2017, as well as slightly improved grades at the mine. Higher grades were also achieved at Victor, where output increased by 16% to 0.4 million carats. Victor, which has been operating successfully since 2008, is due to close within the next 12 months when the open pit is expected to have been depleted. The closure of Snap Lake, which is currently on extended care and maintenance, is progressing, with flooding having been completed, thereby minimising holding costs.

Brands

De Beers Jewellers opened new stores in Xi'an in China and in Kowloon in Hong Kong, and launched new franchise partnerships in Russia and Saudi Arabia. In May, De Beers Jewellers launched a new online store in partnership with Farfetch, a global marketplace for the luxury fashion industry, selling its fine diamond jewellery to a new audience, shipping throughout 100 countries and via 10 language sites.

Forevermark™ is now available in more than 2,300 retail outlets and in April launched a new partnership in Indonesia, its 26th market. In May, the brand celebrated its 10th anniversary (and the introduction of its 1,000th door in China) with the launch of a new retail concept, Libert'aime™ by Forevermark, incorporating an innovative in-store offering with online and social media platforms, specifically focused on targeting Millennials.

De Beers also launched a number of new initiatives including a pilot of the first blockchain technology initiative to span the diamond value chain. The platform, called Tracr™, will provide a single, tamper-proof and permanent digital record for every diamond registered on the platform. Tracr™ will also underpin confidence in diamonds and the diamond industry by ensuring that all registered diamonds are conflict-free and natural, while also enhancing efficiency across the sector.

In April, De Beers announced the launch of GemFair, a pilot programme to create a secure and transparent route to market for ethically sourced artisanal and small-scale mined (ASM) diamonds. GemFair will use dedicated technology to record ASM production at mine sites that meet demonstrable ethical standards, with the aim of purchasing rough diamonds from approved locations. This will help to improve working conditions and livelihoods for those working in the sector. If successful, the technology used in GemFair will be integrated with the Tracr™ blockchain platform.

In May, De Beers announced the launch of Lightbox Jewelry (Lightbox) that will begin selling a brand of laboratory-grown diamond jewellery in the US from September 2018, offering consumers high-quality, fashion jewellery designs at lower prices than existing laboratory-grown diamond offerings. Lightbox was launched in response to research undertaken by De Beers that demonstrated consumers see laboratory-grown diamonds as fun, fashion products suited to more casual occasions, and which should be accessibly priced. As such, Lightbox will provide a completely new offering in the fashion jewellery category. To support Lightbox, De Beers is investing a total of $94 million over four years in a new production facility near Portland, Oregon, which will utilise Element Six's operational expertise in laboratory-grown diamonds. Once fully operational, the plant will be capable of producing approximately 500,000 rough carats of laboratory grown diamonds a year.

Outlook

The outlook for 2018 global consumer demand remains positive in most of the main diamond-consuming countries, based on world economic prospects, positive consumer sentiment and continued investment in marketing.

For 2018, forecast diamond production (on a 100% basis, except Gahcho Kué on an attributable 51% basis) remains unchanged at 34-36 million carats, subject to trading conditions.

COPPER

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin[(2)]	Underlying EBIT*	Capex*	Attrib. ROCE*
	kt	kt[(1)]	c/lb[(2)]	c/lb[(3)]	$m[(4)]	$m		$m	$m	
Copper	**313**	**306**	**297**	**142**	**2,429**	**966**	**52%**	**668**	**368**	**23%**
Prior period	*283*	*259*	*264*	*148*	*1,609*	*586*	*40%*	*303*	*225*	*10%*
Los Bronces	**175**	**172**	**–**	**151**	**1,062**	**544**	**51%**	**374**	**89**	**–**
Prior period	*155*	*144*	*–*	*164*	*767*	*317*	*41%*	*150*	*95*	*–*
Collahuasi[(5)]	**115**	**111**	**–**	**116**	**708**	**465**	**66%**	**360**	**128**	**–**
Prior period	*109*	*98*	*–*	*122*	*493*	*285*	*58%*	*184*	*87*	*–*
Other operations	**23**	**23**	**–**	**–**	**659**	**33**	**22%**	**10**	**151**	**–**
Prior period	*20*	*17*	*–*	*–*	*349*	*36*	*19%*	*21*	*43*	*–*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**(76)**	**–**	**(76)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(52)*	*–*	*(52)*	*–*	*–*

(1) Excludes 71 kt third-party sales (H1 2017: 37 kt).
(2) Excludes impact of third-party sales.
(3) C1 unit cost includes by-product credits.
(4) Revenue is shown after deduction of treatment and refining charges (TC/RCs).
(5) 44% share of Collahuasi production, sales and financials.

Financial and operating overview

Underlying EBITDA increased by 65% to $966 million (H1 2017: $586 million), driven by higher production and lower unit costs across all operations, supported by a 20% increase in the average LME copper price. The reduction in unit costs was achieved despite an 8% strengthening in the Chilean peso and other input-cost inflationary pressures, reflecting the focus on cost reduction initiatives across the portfolio. Production increased by 10% to 312,900 tonnes (H1 2017: 283,400 tonnes), with strong performances at both Los Bronces and Collahuasi. At 30 June 2018, 120,300 tonnes of copper were provisionally priced at 301 c/lb.

Markets

	H1 2018	H1 2017
Average market price (c/lb)	**314**	261
Average realised price (c/lb)	**297**	264

The differences between market price and realised price are largely a function of the timing of sales across the year and provisional pricing adjustments.

The average copper price increased by 20%, reflecting robust demand fundamentals and positive investor sentiment. Prices weakened towards the end of the period, however, in response to uncertainty over the US/China trade disputes and resulting risk aversion by investment funds.

Operating performance

At Los Bronces, production increased to 174,700 tonnes (H1 2017: 154,800 tonnes) as a result of strong mine and plant performance, as well as an increase in ore grade (0.73% vs 1H 2017: 0.69%). C1 unit costs decreased by 8% to 151 c/lb (H1 2017: 164 c/lb), with the increase in production, underlying cost savings and higher by-product credits (primarily molybdenum) more than offsetting the effect of the stronger Chilean peso and cost inflation.

At Collahuasi, Anglo American's attributable share of copper production was 115,300 tonnes, an increase of 6% (2017: 108,700 tonnes), with the operation continuing to build on the record performance seen in 2017. A sustained strong plant performance and planned higher grades more than offset the impact of a planned three-month major maintenance of Line 3 (responsible for 60% of plant throughput) to replace the stator motor on one of the two ball mills. The maintenance was completed in the first half of July 2018. C1 unit costs were 116 c/lb (H1 2017: 122 c/lb), with the increase in production and continued cost-saving initiatives more than offsetting the stronger Chilean peso and cost inflation. During Q2, new float cells were commissioned, which are expected to enhance copper recoveries by 2%.

Production at El Soldado increased by 15% to 22,900 tonnes (H1 2017: 19,900 tonnes), owing largely to the temporary suspension of mine operations during H1 2017, which resulted in 6,000 tonnes of lost production. C1 unit costs increased marginally to 234 c/lb (H1 2017: 233 c/lb), with the increase in production offset by the stronger Chilean peso and cost inflation.

Operational outlook

Production guidance for 2018 remains unchanged at 630,000-660,000 tonnes.

PLATINUM

Financial and operational metrics

	Production volume platinum	Production volume palladium	Sales volume platinum	Realised Basket price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin[5]	Underlying EBIT*	Capex*	Attrib. ROCE*
	koz[1]	koz[1]	koz[2]	$/Pt oz[3]	$/Pt oz[4]	$m	$m		$m	$m	
Platinum	**1,233**	**813**	**1,117**	**2,318**	**1,591**	**2,755**	**511**	**30%**	**328**	**216**	**14%**
Prior period	*1,189*	*775*	*1,119*	*1,843*	*1,522*	*2,144*	*276*	*19%*	*112*	*126*	*4%*
Mogalakwena	**273**	**295**	**241**	**2,887**	**1,400**	**701**	**316**	**45%**	**240**	**98**	**–**
Prior period	*226*	*251*	*204*	*2,391*	*1,448*	*488*	*179*	*37%*	*115*	*58*	*–*
Amandelbult	**220**	**103**	**204**	**2,345**	**1,764**	**482**	**82**	**17%**	**51**	**20**	**–**
Prior period[6]	*204*	*94*	*202*	*1,776*	*1,635*	*360*	*13*	*3%*	*(14)*	*15*	*–*
Other operations[7]	**190**	**130**	**166**	**–**	**–**	**538**	**27**	**6%**	**(33)**	**98**	**–**
Prior period	*239*	*150*	*224*	*–*	*–*	*492*	*15*	*3%*	*(45)*	*53*	*–*
Purchase of concentrate[8]	**550**	**285**	**506**	**–**	**–**	**1,034**	**116**	**11%**	**100**	**–**	**–**
Prior period	*520*	*280*	*489*	*–*	*–*	*804*	*88*	*11%*	*75*	*–*	*–*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**–**	**(30)**	**–**	**(30)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*–*	*(19)*	*–*	*(19)*	*–*	*–*

(1) Production disclosure reflects own-mined production and purchase of metal in concentrate.
(2) Sales volumes exclude the sale of refined metal purchased from third-parties.
(3) Average US$ basket price. 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. 2017 restated to include third-party tolling cost.
(5) Underlying EBITDA margins exclude the impact of the sale of refined metal purchased from third-parties. In addition, the total Platinum margin excludes purchase of concentrate.
(6) Excludes 4koz of platinum production now included in purchase of concentrate.
(7) Includes Unki, Union (prior to disposal), Platinum's share of JVs and revenue from trading activities.
(8) Purchase of concentrate from joint ventures, associates and third-parties for processing into refined metals.

Financial and operating overview

Underlying EBITDA increased by 85% to $511 million (H1 2017: $276 million), largely as a result of stronger prices and higher sales volumes for both palladium and rhodium. Lower local currency costs, driven by ongoing cost improvement initiatives, were offset by the stronger South African rand, resulting in a 5% increase in US dollar costs to $1,591/ounce (H1 2017: $1,522/ounce).

Markets

	H1 2018	H1 2017
Average platinum market price ($/oz)	**941**	960
Average palladium market price ($/oz)	**1,007**	793
Average rhodium market price ($/oz)	**1,987**	929
Average gold market price ($/oz)	**1,318**	1,238
US$ realised basket price ($/Pt oz)	**2,318**	1,843
Rand realised basket price (R/Pt oz)	**28,695**	24,400

Despite the lower platinum price, stronger palladium and rhodium prices supported a 26% higher basket price in dollar terms. The average platinum price declined by 2% in dollar terms, owing to the effect of the stronger dollar and the expected weakness in the European light-duty vehicle diesel market. The average palladium price of $1,007 per ounce was 27% higher as a rise in global production of petrol vehicles and tighter emissions legislation have driven higher demand from the automotive sector, keeping the metal in deficit.

Operating performance

Total platinum production (metal in concentrate), including both own mined production and purchase of concentrate, increased by 4% to 1,233,400 ounces (H1 2017: 1,189,100 ounces). Total palladium production (metal in concentrate), including both own-mined production and purchase of concentrate, was 5% higher at 813,200 ounces (H1 2017: 774,900 ounces).

Own mined

Own mined production is inclusive of ounces from Mogalakwena, Amandelbult and other operations (Unki, Union (prior to disposal on 1 February 2018) and 50% of JV production). Own mine production increased by 2% to 683,200 ounces (H1 2017: 668,800 ounces), while palladium production increased by 7% to 528,300 ounces (H1 2017: 494,400 ounces). Excluding Union, platinum and palladium production both increased by 14%, owing to strong performances from all operations.

Mogalakwena increased platinum production by 21% to 272,900 ounces (H1 2017: 225,800 ounces), and palladium output by 18% to 295,500 ounces (H1 2017: 251,200 ounces). The increase resulted from higher grades from the Zwartfontein pit and increased concentrator throughput and recoveries.

Amandelbult platinum production increased by 8% to 220,200 ounces (H1 2017: 203,700 ounces), while palladium output increased by 10% to 102,900 ounces (H1 2017: 93,600 ounces). The improvements reflect the early benefits of the turnaround plan at Amandelbult, with increased development at Dishaba increasing the immediately available ore reserves.

Platinum production from other operations decreased by 21% to 190,100 ounces (H1 2017: 239,200) and palladium production 13% to 129,900 ounces (H1 2017: 149,600). The decrease was driven by the sale of Union mine to Siyanda Resources ("Siyanda"), from which date Union production was purchased as concentrate. This was offset in part by Platinum's share of JV's platinum production increasing by 11% to 137,100 ounces (H1 2017: 123,300 ounces) and palladium production increasing by 10% to 88,500 ounces (H1 2017: 80,700 ounces).

Purchase of concentrate

Purchase of concentrate increased by 6% and 2% for platinum and palladium respectively. The inclusion of concentrate from Union following the sale to Siyanda was partly offset by the closing down of unprofitable ounces from Bokoni, which was placed onto care and maintenance in H2 2017 (H1 2017: 37,900 ounces of platinum and 27,900 ounces of palladium).

Refined production

Refined platinum production decreased by 3% to 1,075,300 ounces (H1 2017: 1,105,600 ounces), while refined palladium production was 6% lower at 686,500 ounces (H1 2017: 726,500 ounces). This reduction was primarily due to the removal of unprofitable production from Bokoni and Maseve, both placed onto care and maintenance in H2 2017.

Refined platinum production was lower than production of metal in concentrate by approximately 140,000 ounces due to the planned rebuild of Mortimer smelter, which was completed during H1 2018, and maintenance work on the processing assets. It is expected that the backlog of work-in-progress inventory will be processed by year end, despite the planned rebuild of Polokwane Smelter and the Unki smelter commissioning in Q3 2018.

Sales volumes

Platinum sales volumes, excluding refined metals purchased from third-parties, of 1,117,100 ounces were marginally lower (H1 2017: 1,119,300 ounces), while palladium sales increased by 15% to 733,500 ounces (H1 2017: 636,200 ounces) as refined production was supplemented by drawing down on refined inventory levels. In addition, trading activities generated further sales volumes of 65,600 platinum ounces and 53,000 palladium ounces.

Operational outlook

Guidance of platinum production (metal in concentrate) for 2018 has been modestly increased following the strong operational performance in the first six months. It is now expected to be 2.40-2.45 million ounces (previously 2.3-2.4 million ounces). Refined production and sales are expected to be in line with the revised production guidance. Palladium production (metal in concentrate) is expected to be in line with guidance of 1.5-1.6 million ounces; refined production and sales are expected to be lower, owing to a loss arising from the annual stock count.

IRON ORE

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	Attrib. ROCE*
	Mt(1)	Mt	$/t(2)	$/t(3)	$m	$m		$m	$m	
Iron Ore	**–**	**–**	**–**	**–**	**1,900**	**454**	**24%**	**245**	**153**	**2%**
Prior period	*–*	*–*	*–*	*–*	*2,365*	*925*	*39%*	*759*	*73*	*16%*
Kumba Iron Ore	**22.4**	**21.2**	**69**	**35**	**1,590**	**574**	**36%**	**417**	**138**	**28%**
Prior period	*21.9*	*21.2*	*71*	*32*	*1,627*	*700*	*43%*	*586*	*81*	*49%*
Minas-Rio (Iron Ore Brazil)	**3.2**	**3.2**	**70**	**–**	**310**	**(74)**	**–**	**(126)**	**15**	**(6)%**
Prior period	*8.7*	*8.6*	*66*	*29*	*738*	*253*	*34%*	*201*	*(8)*	*8%*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**(46)**	**–**	**(46)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(28)*	*–*	*(28)*	*–*	*–*

(1) Minas-Rio production is Mt (wet basis).
(2) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha). Prices for Minas-Rio are the average realised export basket price (FOB Açu) (wet basis).
(3) Unit costs for Kumba Iron Ore are on an FOB dry basis. Unit costs for Minas-Rio are not disclosed for 2018 due to the suspension of operations; 2017 unit costs are on an FOB wet basis.

Financial and operating overview

Kumba

Underlying EBITDA of $574 million was 18% lower (H1 2017: $700 million), driven mainly by the stronger South African rand, a 9% increase in FOB unit costs and a $2/tonne decrease in the average realised iron ore price. In addition to the impact of foreign exchange, the increase in unit costs was largely driven by cost inflation, including higher rail and fuel costs. This was partly offset by productivity gains in mining and processing that led to a 3% increase in production, and through higher iron quality and achieved lump premiums.

Export sales volumes were flat at 19.5 Mt (H1 2017: 19.5 Mt), despite derailments and rail constraints experienced since 2017. Total finished product stock held at the mine and port increased from 4.3 Mt at end December 2017 to 6.2 Mt at end June 2018, reflecting the impact of the rail constraints.

Minas-Rio

Minas-Rio recorded an underlying EBITDA loss of $74 million (H1 2017: $253 million gain), reflecting the suspension of operations from March 2018, following the two leaks in the iron ore pipeline. The average FOB realised price of $70/wet metric tonne (equivalent to $77 dry metric tonne) increased by $4/tonne, or 6%.

Markets

	H1 2018	H1 2017
Average market price (IODEX 62% Fe CFR China – $/tonne)	**70**	74
Average market price (MB 66% Fe Concentrate CFR – $/tonne)	**93**	88
Average realised price (Kumba export – $/tonne) (FOB Saldanha)	**69**	71
Average realised price (Minas-Rio – $/tonne) (FOB wet basis)	**70**	66

Kumba's outperformance over the IODEX (Platts) 62% Fe CFR China index was primarily due to the higher iron (Fe) content and the relatively high proportion (approximately 67%) of lump in the overall product portfolio.

Minas-Rio also produces higher grade products (higher iron content and lower gangue) than the reference product used for the IODEX 62% Fe CFR China index. IODEX 62% is referred to for comparison purposes only.

Operating performance

Kumba

Sishen's production decreased by 2% to 15.3 Mt (H1 2017: 15.6 Mt) mainly due to a strategic decision to increase product quality and the value of product railed, to mitigate the impact of the rail constraints caused by derailments. Waste volumes mined increased by 13% to 87 Mt (H1 2017: 77 Mt) as a result of the continued improvement in fleet efficiencies.

Kolomela's production increased by 14% to 7.2 Mt (H1 2017: 6.3 Mt) owing to an improvement in plant efficiencies and the DMS modular plant which has fully ramped up and delivered 0.3 Mt. Waste movement volumes increased by 4% to 26 Mt (H1 2017: 25 Mt) due to increased primary equipment efficiencies, supporting higher production levels.

Minas-Rio

Minas-Rio's production decreased by 64% to 3.2 Mt (H1 2017: 8.7 Mt), primarily due to the suspension of operations from March 2018, following two leaks in the iron ore pipeline.

Operational outlook

Kumba

Full year production guidance for Kumba has been revised to 43-44 Mt (previously 44-45 Mt), more closely aligned to rail supply levels. Waste movement guidance for Sishen and Kolomela remains unchanged at 170-180 Mt and 55-57 Mt, respectively.

Minas-Rio

The detailed pipeline inspection work is on track. A 4km section of the pipeline, where the leaks occurred will be replaced as a precautionary measure and is expected to be completed in Q4 2018, followed by the restart of the operation, subject to normal regulatory authorisations. There is no change to the earnings impact of the pipeline incident from the guidance provided in April, with an anticipated 2018 underlying EBITDA loss of $300-$400 million.

Full year production guidance for Minas-Rio remains at 3 Mt, reflecting production delivered to date.

Legal

The transfer of Thabazimbi to ArcelorMittal SA

Sishen Iron Ore Company Proprietary Limited (SIOC) and ArcelorMittal SA announced in 2016 that they had entered into an agreement to transfer Thabazimbi mine to ArcelorMittal SA, subject to the fulfilment of certain conditions precedent (CPs). On 10 July 2018, SIOC received the grant letter from the DMR in respect of Section 11 of the MPRDA approving the cession of the Thabazimbi mining rights to ArcelorMittal SA.

The current deadline for compliance with the remaining CPs is 28 September 2018, unless extended by agreement. The agreement is expected to become effective during the fourth quarter of 2018, at which time the employees, assets and liabilities will transfer to ArcelorMittal SA at a nominal purchase consideration and by ArcelorMittal SA assuming the assumed liabilities.

COAL

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin[(5)]	Underlying EBIT*	Capex*	Attrib. ROCE*
	Mt[(1)]	Mt[(2)]	$/t[(3)]	$/t[(4)]	$m	$m		$m	$m	
Coal	**–**	**–**	**–**	**–**	**3,877**	**1,640**	**48%**	**1,300**	**306**	**77%**
Prior period	*–*	*–*	*–*	*–*	*3,403*	*1,382*	*46%*	*1,120*	*221*	*63%*
Metallurgical Coal	**10.8**	**10.7**	**194**	**66**	**2,089**	**1,157**	**55%**	**931**	**219**	**100%**
Prior period	*9.2*	*9.1*	*193*	*64*	*1,775*	*943*	*53%*	*781*	*154*	*81%*
Thermal Coal – South Africa	**8.8**	**8.7**	**88**	**48**	**1,374**	**341**	**36%**	**272**	**87**	**65%**
Prior period	*9.6*	*8.8*	*72*	*41*	*1,242*	*281*	*33%*	*225*	*67*	*51%*
Thermal Coal – Colombia	**5.2**	**5.2**	**79**	**35**	**414**	**190**	**46%**	**145**	**–**	**34%**
Prior period	*5.2*	*5.4*	*71*	*31*	*386*	*183*	*47%*	*139*	*–*	*34%*
Projects and corporate	**–**	**–**	**–**	**–**	**–**	**(48)**	**–**	**(48)**	**–**	**–**
Prior period	*–*	*–*	*–*	*–*	*–*	*(25)*	*–*	*(25)*	*–*	*–*

(1) Production volumes are saleable tonnes. South African production volume is export production only and excludes Eskom-tied operations volumes of 2.8 Mt (H1 2017: 12.0 Mt) and other domestic production of 4.9 Mt (H1 2017: 3.7 Mt). Metallurgical Coal production volumes excludes thermal coal production volumes of 0.5 Mt (H1 2017: 0.8 Mt).
(2) South Africa sales volume is export only and excludes domestic volumes of 7.9 Mt (H1 2017: 16.1 Mt) and non-equity traded sales of 4.7 Mt (H1 2017: 3.4 Mt). Metallurgical Coal sales volumes exclude thermal coal sales of 0.7 Mt (H1 2017: 0.9 Mt).
(3) Metallurgical Coal realised price is the weighted average hard coking coal and PCI sales price achieved. Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales.
(4) FOB cost per saleable tonne, excluding royalties. Metallurgical Coal excludes study costs. Thermal Coal – South Africa unit cost is for the trade operations.
(5) Excludes impact of third-party sales and Eskom-tied operations.

Financial and operating overview

Metallurgical Coal

Underlying EBITDA increased by 23% to $1,157 million (H1 2017: $943 million), due to a 17% increase in production and a marginal improvement in the metallurgical coal realised price. Hard coking coal volumes accounted for 87% of metallurgical coal sales volumes (H1 2017: 89%). US dollar unit costs increased by 3% to $66/tonne (H1 2017: $64/tonne), partly attributable to the stronger Australian dollar.

Thermal Coal – South Africa

Underlying EBITDA increased by 21% to $341 million (H1 2017: $281 million). A 22% increase in the export thermal coal price was offset by a 2% decline in export sales. US dollar unit costs for the export trade operations increased by 17% to $48/tonne (H1 2017: $41/tonne), due to the stronger South African rand ($4/tonne impact) and lower production ($2/tonne impact).

The sale of the Eskom-tied domestic thermal coal operations, consisting of New Vaal, New Denmark, and Kriel collieries, as well as four closed collieries to a wholly-owned subsidiary of Seriti Resources Holdings Proprietary Limited was completed on 1 March 2018.

Thermal Coal – Colombia

Underlying EBITDA increased to $190 million (H1 2017: $183 million), with higher export thermal coal prices partly offset by a 3% decrease in sales volumes.

Markets

Metallurgical coal

	H1 2018	H1 2017
Average market price for premium low-volatility hard coking coal ($/tonne)(1)	**209**	179
Average market price for premium low-volatility PCI ($/tonne)(1)	**145**	117
Average realised price for hard coking coal ($/tonne)	**198**	195
Average realised price for PCI ($/tonne)	**129**	124

(1) Represents average spot prices.

Average realised prices differ from the average market price owing to differences in material grade and timing of contracts.

Spot prices in H1 2018 were supported by stronger steelmaking margins globally and some supply disruptions in Queensland owing to weather impacts.

Thermal coal

	H1 2018	H1 2017
Average market price ($/tonne, FOB Australia)	**104**	81
Average market price ($/tonne, FOB South Africa)	**97**	79
Average market price ($/tonne, FOB Colombia)	**82**	74
Average realised price – Export Australia ($/tonne, FOB)	**99**	87
Average realised price – Export South Africa ($/tonne, FOB)	**88**	72
Average realised price – Domestic South Africa ($/tonne)	**20**	20
Average realised price – Colombia ($/tonne, FOB)	**79**	71

The average realised price for thermal coal will differ from the average market price owing to timing and quality differences relative to the industry benchmark. The difference in the realised price compared with the market price, between H1 2017 and H1 2018, reflects changing quality mix owing to a higher proportion of secondary products being sold into the export market.

The thermal coal market was buoyed by strong demand from China that could not be met by domestic production, as extreme temperatures put pressure on the Chinese electricity grid. On the supply side, loading out of Indonesia remained constrained owing to weather-related, labour and regulatory problems. Australian supply was affected by rail maintenance issues; lower Colombian and South African production also contributed to the tight market in H1 2018.

Operating performance

Metallurgical Coal

Production from the underground longwall operations was 27% higher at 7.0 Mt (H1 2017: 5.5 Mt), and included 1.3 Mt from the ramp-up of Grosvenor and sustained strong performance at Moranbah which produced 3.0 Mt. Grasstree's output fell by 0.7 Mt owing to a longwall move that took place during the period.

Thermal Coal – South Africa

Total export production decreased by 9% as Mafube transitioned to a new pit and areas of the Goedehoop South and Khwezela North operations transitioned towards closure, partly offset by continued underground productivity improvements at Greenside.

Thermal Coal – Colombia

Anglo American's attributable production from its 33.3% ownership of Cerrejón was 5.2 Mt, in line with H1 2017.

Operational outlook

Metallurgical coal

Export metallurgical coal production guidance for 2018 is unchanged at 20-22 Mt.

Export thermal coal

Full year production guidance for export thermal coal has been revised down to 28-30 Mt (previously 29-31 Mt) owing to dust-related stoppages at Cerrejón and challenging geology at the Thermal Coal – South Africa operations approaching the end of mine life.

NICKEL AND MANGANESE

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Revenue*	Underlying EBITDA*	Underlying EBITDA margin	Underlying EBIT*	Capex*	Attrib. ROCE*
	t	t	c/lb	c/lb[(1)]	$m	$m[(2)]		$m[(2)]	$m	
Nickel and Manganese	**–**	**–**	**–**	**–**	**857**	**420**	**–**	**350**	**15**	**29%**
Prior period	*–*	*–*	*–*	*–*	*652*	*257*	*–*	*192*	*7*	*16%*
Nickel	**19,400**	**20,100**	**632**	**378**	**280**	**88**	**31%**	**45**	**15**	**5%**
Prior period	*21,200*	*20,800*	*442*	*363*	*203*	*15*	*7%*	*(25)*	*7*	*(3)%*
Samancor[(3)]	**1.8**	**1.8**	**–**	**–**	**577**	**332**	**57%**	**305**	**–**	**162%**
Prior period	*1.7*	*1.7*	*–*	*–*	*449*	*242*	*54%*	*217*	*–*	*116%*

(1) C1 unit cost.
(2) Nickel segment includes $4 million projects and corporate costs (H1 2017: $4 million).
(3) Production, sales and financials include ore and alloy. Production and sales are million tonnes (Mt).

Financial and operating overview

Nickel

Underlying EBITDA increased to $88 million (H1 2017: $15 million), primarily reflecting the higher nickel price.

Nickel unit costs increased by 4% to 378 c/lb (H1 2017: 363 c/lb) as result of lower production following a 40-day planned maintenance stoppage in H1 2018, and lower energy surplus sold on the spot market, partially offset by favourable exchange rates and an improved operational performance.

Samancor

Underlying EBITDA increased by 37% to $332 million (H1 2017: $242 million), driven mainly by higher realised manganese ore and alloy prices.

Markets

Nickel

	H1 2018	H1 2017
Average market price (c/lb)	**629**	443
Average realised price (c/lb)	**632**	442

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

The nickel price improved by 42% to 629 c/lb (H1 2017: 443 c/lb). Prices in H1 2017 came under pressure from concerns around increased future supply growth – though these proved to be unfounded. Nickel demand continued to increase in the first six months of 2018, driven by strong demand for stainless steel, and the emergence of the fast-growing electric vehicle sector. Supply also increased, though not to the extent expected by some, leading to an overall deficit in the market.

Manganese

The average benchmark manganese ore price (Platts 44% manganese ore CFR Tianjin) increased by 32% to $7.45/dmtu (H1 2017: $5.63/dmtu) on the back of strong demand from China's steel manufacturing sector that resulted in manganese ore stocks at Chinese ports reaching near 12-month lows in February 2018.

Operating performance

Nickel

Nickel output decreased by 8% to 19,400 tonnes (H1 2017: 21,200 tonnes) due to the 40-day planned maintenance stoppage to replace the rotary kiln refractories at Barro Alto, which was completed on schedule. Barro Alto produced 15,100 tonnes (H1 2017: 16,900 tonnes), while Codemin produced 4,300 tonnes (H1 2017: 4,300 tonnes).

Samancor

Manganese ore output increased by 5% to 1.75 Mt (attributable basis) (H1 2017: 1.67 Mt). Production from the Australian operations was 13% higher due to increased concentrator throughput and higher yields as a result of favourable weather during the wet season and the availability of suitable feed types. Production from the South African operations decreased by 8% due to the impact of the planned extended shutdown at Wessels.

Production of manganese alloys increased by 19% to 84,000 tonnes (attributable basis) (2017: 70,800 tonnes), mainly as a result of improved furnace stability at the Australian operations. In South Africa, manganese alloy production continued to utilise only one of the operation’s four furnaces.

Operational outlook

Nickel

Production guidance for 2018 remains unchanged at 42,000-44,000 tonnes.

CORPORATE AND OTHER

Financial metrics

	Revenue*	Underlying EBITDA*	Underlying EBIT*	Capex*
	$m	$m	$m	$m
Segment	**2**	**(126)**	**(128)**	**6**
Prior period	*2*	*(96)*	*(103)*	*5*
Exploration	**–**	**(48)**	**(48)**	**–**
Prior period	*–*	*(43)*	*(43)*	*–*
Corporate activities and unallocated costs	**2**	**(78)**	**(80)**	**6**
Prior period	*2*	*(53)*	*(60)*	*5*

Financial and operating overview

Corporate and other reported an underlying EBITDA loss of $126 million (H1 2017: $96 million loss).

Exploration

Exploration expenditure increased to $48 million (H1 2017: $43 million), reflecting increased exploration activities across most commodities, but predominantly in diamonds.

Corporate activities and unallocated costs

Underlying EBITDA amounted to a $78 million loss (H1 2017: $53 million loss), driven primarily by a year-on-year loss recognised in the Group's self-insurance entity, reflecting higher net claims and settlements during 2018, partly offset by higher premium income.

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Notes to editors:
Anglo American is a global diversified mining business and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive mining operations and undeveloped resources provides the metals and minerals to meet the growing consumer-driven demands of the world's developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and mine, process, move and market our products to our customers around the world.

As a responsible miner – of diamonds (through De Beers), copper, platinum and other precious metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the sustainable value that those resources represent for our shareholders, the communities and countries in which we operate and for society at large. 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 26 July 2018, can be accessed through the Anglo American website at www.angloamerican.com

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

Forward-looking statements:
This announcement includes forward-looking statements. All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserves and Mineral Resources), are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transportation infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as permitting 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 announcement. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers (the "Takeover Code"), the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the 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 announcement should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share.

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

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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 2018

CONTENTS

Consolidated income statement
for the six months ended 30 June 2018

US$ million	Note	**6 months ended 30.06.18** Before special items and remeasurements	Special items and remeasurements (note 9)	Total	6 months ended 30.06.17 Before special items and remeasurements	Special items and remeasurements (note 9)	Total
Revenue	3	**13,698**	**–**	**13,698**	12,122	–	12,122
Operating costs		**(11,111)**	**(156)**	**(11,267)**	(9,665)	107	(9,558)
Operating profit	3	**2,587**	**(156)**	**2,431**	2,457	107	2,564
Non-operating special items	9	**–**	**(42)**	**(42)**	–	(145)	(145)
Net income from associates and joint ventures	3, 12	**364**	**2**	**366**	267	(1)	266
Profit before net finance costs and tax		**2,951**	**(196)**	**2,755**	2,724	(39)	2,685
Investment income		**135**	**–**	**135**	128	–	128
Interest expense		**(337)**	**(100)**	**(437)**	(340)	(29)	(369)
Other net financing losses		**15**	**(27)**	**(12)**	(5)	(20)	(25)
Net finance costs	5	**(187)**	**(127)**	**(314)**	(217)	(49)	(266)
Profit before tax		**2,764**	**(323)**	**2,441**	2,507	(88)	2,419
Income tax expense	6	**(813)**	**17**	**(796)**	(634)	(11)	(645)
Profit for the financial period		**1,951**	**(306)**	**1,645**	1,873	(99)	1,774
Attributable to:							
Non-controlling interests		**386**	**(31)**	**355**	337	22	359
Equity shareholders of the Company		**1,565**	**(275)**	**1,290**	1,536	(121)	1,415
Earnings per share (US$)							
Basic	4	**1.23**	**(0.21)**	**1.02**	1.19	(0.10)	1.09
Diluted	4	**1.21**	**(0.21)**	**1.00**	1.18	(0.09)	1.09

Consolidated statement of comprehensive income
for the six months ended 30 June 2018

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
Profit for the financial period	**1,645**	1,774
Items that will not be reclassified to the income statement (net of tax)		
Remeasurement of net retirement benefit obligation	**153**	(30)
Net revaluation loss on equity investments	**(24)**	–
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)	**(1,532)**	861
Cumulative loss/(gain) transferred to the income statement on disposal of foreign operations	**35**	(81)
Net revaluation loss on available for sale investments	**–**	(9)
Other comprehensive (expense)/income for the financial period (net of tax)	**(1,368)**	741
Total comprehensive income for the financial period (net of tax)	**277**	2,515
Attributable to:		
Non-controlling interests	**79**	487
Equity shareholders of the Company	**198**	2,028

Consolidated balance sheet
as at 30 June 2018

US$ million	Note	30.06.18	31.12.17
ASSETS			
Non-current assets			
Intangible assets		**3,200**	3,323
Property, plant and equipment		**29,074**	30,643
Environmental rehabilitation trusts		**333**	421
Investments in associates and joint ventures		**1,830**	1,956
Financial asset investments		**443**	561
Trade and other receivables		**721**	937
Deferred tax assets		**1,185**	1,191
Derivative financial assets	15	**180**	309
Other non-current assets		**664**	487
Total non-current assets		**37,630**	39,828
Current assets			
Inventories		**4,312**	4,441
Trade and other receivables		**1,928**	2,136
Current tax assets		**129**	146
Derivative financial assets	15	**121**	81
Cash and cash equivalents	13	**6,277**	7,800
Total current assets		**12,767**	14,604
Assets classified as held for sale		**127**	129
Total assets		**50,524**	54,561
LIABILITIES			
Current liabilities			
Trade and other payables		**(4,313)**	(4,501)
Short term borrowings	13, 14	**(1,253)**	(1,351)
Provisions for liabilities and charges		**(472)**	(562)
Current tax liabilities		**(604)**	(601)
Derivative financial liabilities	15	**(227)**	(336)
Total current liabilities		**(6,869)**	(7,351)
Non-current liabilities			
Trade and other payables		**(89)**	(89)
Medium and long term borrowings	13, 14	**(8,441)**	(10,620)
Retirement benefit obligations		**(630)**	(695)
Deferred tax liabilities		**(3,911)**	(4,188)
Derivative financial liabilities	15	**(635)**	(460)
Provisions for liabilities and charges		**(1,971)**	(2,235)
Total non-current liabilities		**(15,677)**	(18,287)
Liabilities directly associated with assets classified as held for sale		**–**	(41)
Total liabilities		**(22,546)**	(25,679)
Net assets		**27,978**	28,882
EQUITY			
Called-up share capital		**772**	772
Share premium account		**4,358**	4,358
Own shares		**(6,244)**	(6,191)
Other reserves		**(10,007)**	(8,702)
Retained earnings		**33,514**	32,735
Equity attributable to equity shareholders of the Company		**22,393**	22,972
Non-controlling interests		**5,585**	5,910
Total equity		**27,978**	28,882

The Condensed financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 25 July 2018 and signed on its behalf by:

Mark Cutifani
Chief Executive

Stephen Pearce
Finance Director

Consolidated cash flow statement
for the six months ended 30 June 2018

US$ million	Note	**6 months ended 30.06.18**	6 months ended 30.06.17
Cash flows from operating activities			
Profit before tax		**2,441**	2,419
Net finance costs including financing special items and remeasurements		**314**	266
Net income from associates and joint ventures		**(366)**	(266)
Non-operating special items	9	**42**	145
Operating profit		**2,431**	2,564
Operating special items and remeasurements	9	**156**	(107)
Cash element of special items		**(1)**	(6)
Depreciation and amortisation		**1,308**	1,097
Share-based payment charges		**91**	84
Decrease in provisions and net retirement benefit obligations		**(69)**	(161)
Increase in inventories		**(168)**	(107)
Decrease in operating receivables		**70**	124
(Decrease)/increase in operating payables		**(1)**	214
Other adjustments		**(75)**	(23)
Cash flows from operations		**3,742**	3,679
Dividends from associates and joint ventures		**396**	332
Dividends from financial asset investments		**–**	8
Income tax paid		**(758)**	(298)
Net cash inflows from operating activities		**3,380**	3,721
Cash flows from investing activities			
Expenditure on property, plant and equipment	11	**(1,276)**	(800)
Cash flows from derivatives related to capital expenditure	11	**17**	25
Proceeds from disposal of property, plant and equipment	11	**10**	36
Investments in associates and joint ventures		**(46)**	(32)
Purchase of financial asset investments		**(3)**	(1)
Net redemption of financial asset investments held at amortised cost		**5**	45
Interest received and other investment income		**102**	61
Net cash inflow/(outflow) on disposals	18	**90**	(100)
Other investing activities		**(3)**	(40)
Net cash used in investing activities		**(1,104)**	(806)
Cash flows from financing activities			
Interest paid		**(303)**	(327)
Cash flows from derivatives related to financing activities	13	**(70)**	(251)
Dividends paid to Company shareholders		**(681)**	–
Dividends paid to non-controlling interests		**(383)**	(86)
Proceeds from issuance of bonds		**647**	996
Proceeds from other borrowings		**39**	32
Repayment of bonds and borrowings		**(2,699)**	(1,879)
Proceeds from issue of shares to non-controlling interests		**29**	8
Purchase of shares by Group companies for employee share schemes		**(190)**	(138)
Other financing activities		**(8)**	(10)
Net cash used in financing activities		**(3,619)**	(1,655)
Net (decrease)/increase in cash and cash equivalents		**(1,343)**	1,260
Cash and cash equivalents at start of period	13	**7,792**	6,044
Cash movements in the period		**(1,343)**	1,260
Effects of changes in foreign exchange rates		**(190)**	101
Cash and cash equivalents at end of period	13	**6,259**	7,405

Consolidated statement of changes in equity

for the six months ended 30 June 2018

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 2017	5,130	(6,090)	29,976	(10,851)	851	19,016	5,309	24,325
Total comprehensive income	–	–	1,385	651	(8)	2,028	487	2,515
Dividends payable	–	–	–	–	–	–	(311)	(311)
Issue of shares to non-controlling interests	–	–	–	–	–	–	8	8
Equity settled share-based payment schemes	–	(35)	62	–	(87)	(60)	–	(60)
At 30 June 2017	5,130	(6,125)	31,423	(10,200)	756	20,984	5,493	26,477
Total comprehensive income	–	–	1,966	926	(274)	2,618	753	3,371
Dividends payable	–	–	(618)	–	–	(618)	(361)	(979)
Issue of shares to non-controlling interests	–	–	–	–	–	–	28	28
Equity settled share-based payment schemes	–	(66)	(36)	–	93	(9)	(3)	(12)
Other	–	–	–	–	(3)	(3)	–	(3)
At 31 December 2017	**5,130**	**(6,191)**	**32,735**	**(9,274)**	**572**	**22,972**	**5,910**	**28,882**
Total comprehensive income	**–**	**–**	**1,428**	**(1,211)**	**(19)**	**198**	**79**	**277**
Dividends payable	**–**	**–**	**(681)**	**–**	**–**	**(681)**	**(492)**	**(1,173)**
Issue of shares to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**29**	**29**
Equity settled share-based payment schemes	**–**	**(53)**	**41**	**–**	**(84)**	**(96)**	**(4)**	**(100)**
Other	**–**	**–**	**(9)**	**–**	**9**	**–**	**63**	**63**
At 30 June 2018	**5,130**	**(6,244)**	**33,514**	**(10,485)**	**478**	**22,393**	**5,585**	**27,978**

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

Notes to the Condensed financial statements

1. BASIS OF PREPARATION

Basis of Preparation

The Condensed financial statements for the six month period ended 30 June 2018 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* and the requirements of the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority (FCA) in the United Kingdom as applicable to interim financial reporting.

The Condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR issued by the FCA. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the Group's Consolidated financial statements for the year ended 31 December 2017, which were prepared in accordance with International Financial Reporting Standards (IFRS) adopted for use by the European Union. 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 2017 included in this report was derived from the statutory accounts for the year ended 31 December 2017, a copy of which has been delivered to the Registrar of Companies. The auditor's report on these accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of an emphasis of matter and did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Financial review of Group results for the six months ended 30 June 2018 on pages 3 to 8. The Group's net debt (including related hedges) at 30 June 2018 was $4.0 billion (31 December 2017: $4.5 billion) representing a gearing level of 12% (31 December 2017: 13%). Further analysis of net debt is set out in note 13 and details of borrowings and facilities are set out in note 14.

The directors have considered the Group's cash flow forecasts for the period to the end of 31 December 2019. The Board is satisfied that the Group's forecasts and projections, taking into account reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the foreseeable future. For this reason the Group continues to adopt the going concern basis in preparing its Condensed financial statements.

Alternative Performance Measures

When assessing and discussing the Group's reported financial performance, financial position and cash flows, management makes reference to Alternative Performance Measures (APMs) of historical or future financial performance, financial position or cash flows that are not defined or specified under 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 65 of these Condensed financial statements.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies applied are consistent with those adopted and disclosed in the Group's Consolidated financial statements for the year ended 31 December 2017, except for changes arising from the adoption of the following significant new accounting pronouncements which became effective in the current reporting period:

IFRS 9 *Financial Instruments*

Impairment: The standard introduces an 'expected credit loss' model for the assessment of impairment of financial assets held at amortised cost. The impact of this transition difference is not considered material to the Group and hence comparative values have not been restated. If comparative values had been restated, the impact would have been to reduce the Group's opening retained earnings at 1 January 2017 by $18 million, to increase the Group's operating costs by $1 million and to decrease the Group's profit before tax and underlying earnings by $1 million for the six months ended 30 June 2017.

Classification and measurement: The measurement and accounting treatment of the Group's financial assets is materially unchanged on application of the new standard with the exception of equity securities previously categorised as available for sale. These are now held at fair value through other comprehensive income, meaning the recycling of gains and losses on disposal and impairment losses is no longer permitted for this category of asset. There is no impact to the net assets of the Group at 1 January 2017, 30 June 2017 or 31 December 2017, or to the Group's results for the six months ended 30 June 2017 from this change.

Hedge accounting: The Group has elected to adopt the IFRS 9 hedge accounting requirements from 1 January 2018. The adoption of the new standard had no effect on the amounts recognised in relation to hedging arrangements for the six months ended 30 June 2017.

IFRS 15 *Revenue from Contracts with Customers*

The Group's revenue is primarily derived from commodity sales, for which the point of recognition is dependent on the contract sales terms, known as the International Commercial Terms (Incoterms). As the transfer of risks and rewards generally coincides with the transfer of control at a point in time under the Incoterms, the timing and amount of revenue recognised by the Group for the sale of commodities is not materially affected.

For the Incoterms Cost, Insurance and Freight (CIF) and Cost and Freight (CFR) the seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. Consequently, the freight service on export commodity contracts with CIF/CFR Incoterms represents a separate performance obligation as defined under the new standard, and a portion of the revenue earned under these contracts, representing the obligation to perform the freight service, is deferred and recognised over time as this obligation is fulfilled, along with the associated costs.

The impact of this transition difference is not considered material to the Group and hence comparative values have not been restated. If comparative values had been restated, the impact would have been to reduce revenue and operating costs respectively for the six months ended 30 June 2017 by $17 million with no impact on profit. Current assets and current liabilities as at 30 June 2017 would each have been higher by $26 million (31 December 2017: each would have been higher by $39 million).

A number of other new accounting pronouncements, principally minor amendments to existing standards, also became effective on 1 January 2018 and have been adopted by the Group. The adoption of these new accounting pronouncements has not had a significant impact on the accounting policies, methods of computation or presentation applied by the Group.

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

Standards which have been issued but are not yet effective

IFRS 16 *Leases*

IFRS 16 *Leases* will be effective for the Group from 1 January 2019, replacing IAS 17 *Leases*. The Group has now completed its impact assessment and is continuing to work on the necessary changes to internal systems and processes to embed the new accounting requirements.

The principal impact of IFRS 16 will be to change the accounting treatment by lessees of leases currently classified as operating leases. Lease agreements will give rise to the recognition by the lessee of a right-of-use asset and a related liability for future lease payments.

The most significant expected impact on the Group of applying IFRS 16, based on contractual arrangements in place at 30 June 2018, will be the recognition of lease liabilities of approximately $0.4 billion, along with right-of-use assets with a similar aggregate value. This corresponds to the minimum lease payments under operating leases disclosed in the Group's 2017 Annual Report, adjusted for new leases entered into during the period and the effect of discounting. Lease liabilities will principally relate to corporate offices, diamond jewellery retail outlets and shipping vessels.

The impact of the standard on underlying earnings and profit before tax following adoption is not expected to be significant although the income statement presentation of the cost of leases is changed. Instead of a rental charge recognised within operating costs, the cost of leases will be allocated between the depreciation of right-of-use assets, and a finance charge representing the unwind of the discount on lease liabilities.

The Group has elected to apply the modified retrospective approach on transition. The cumulative effect of transition to IFRS 16 will be recognised in retained earnings at 1 January 2019 and the comparative period will not be restated.

FINANCIAL PERFORMANCE

Profit attributable to equity shareholders decreased 9% to $1,290 million and underlying earnings increased 2% to $1,565 million.

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 operating segments along with information about 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 segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The 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 65.

Segment results

							30.06.18
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	**3,192**	**712**	**(300)**	**412**	**(177)**	**(33)**	**202**
Copper	**2,429**	**966**	**(298)**	**668**	**(305)**	**(114)**	**249**
Platinum	**2,755**	**511**	**(183)**	**328**	**(52)**	**(67)**	**209**
Iron Ore	**1,900**	**454**	**(209)**	**245**	**(29)**	**(149)**	**67**
Coal	**3,877**	**1,640**	**(340)**	**1,300**	**(392)**	**(27)**	**881**
Nickel and Manganese	**857**	**420**	**(70)**	**350**	**(117)**	**(10)**	**223**
Corporate and other	**2**	**(126)**	**(2)**	**(128)**	**(142)**	**4**	**(266)**
	15,012	**4,577**	**(1,402)**	**3,175**	**(1,214)**	**(396)**	**1,565**
Less: associates and joint ventures	**(1,314)**	**(682)**	**94**	**(588)**	**214**	**10**	**(364)**
Subsidiaries and joint operations	**13,698**	**3,895**	**(1,308)**	**2,587**	**(1,000)**	**(386)**	**1,201**
Reconciliation:							
Net income from associates and joint ventures				**366**			**366**
Special items and remeasurements				**(198)**			**(277)**
Closest equivalent IFRS measure				**2,755**			**1,290**

							30.06.17
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	3,131	786	(238)	548	(146)	(61)	341
Copper	1,609	586	(283)	303	(126)	(37)	140
Platinum	2,144	276	(164)	112	(60)	(15)	37
Iron Ore	2,365	925	(166)	759	(157)	(216)	386
Coal	3,403	1,382	(262)	1,120	(331)	(11)	778
Nickel and Manganese	652	257	(65)	192	(87)	(1)	104
Corporate and other	2	(96)	(7)	(103)	(150)	3	(250)
	13,306	4,116	(1,185)	2,931	(1,057)	(338)	1,536
Less: associates and joint ventures	(1,184)	(562)	88	(474)	206	1	(267)
Subsidiaries and joint operations	12,122	3,554	(1,097)	2,457	(851)	(337)	1,269
Reconciliation:							
Net income from associates and joint ventures				266			266
Special items and remeasurements				(38)			(120)
Closest equivalent IFRS measure				2,685			1,415

Notes to the Condensed financial statements

3. FINANCIAL PERFORMANCE BY SEGMENT (continued)

Net finance costs and income tax expense comprises net finance costs of $195 million (six months ended 30 June 2017: $246 million) and income tax expense of $1,019 million (six months ended 30 June 2017: $811 million).

Following a reassessment of the Group's reportable segments, the Group has presented the results of the Manganese and Nickel businesses together as a single aggregated segment. The results of the Group's iron ore businesses are now disclosed separately as the Iron Ore reportable segment. The 'Corporate and other' segment includes unallocated corporate costs and exploration costs. Exploration costs represent the cost of the Group's exploration activities across all segments.

Revenue of $13,698 million for the six months ended 30 June 2018 includes revenue from contracts with customers of $13,794 million and net losses of $96 million on provisionally priced receivables and economic hedges of commodity sales. As the effects of applying IFRS 15 are considered immaterial to the Group, the Group has elected not to restate revenue for the comparative period on adoption of the standard.

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

Further information

Segments predominantly derive revenue as follows – De Beers: rough and polished diamonds; Copper: copper; Platinum: platinum group metals; Iron Ore: iron ore; Coal: metallurgical coal and thermal coal; Nickel and Manganese: nickel, manganese ore and alloys.

Group revenue by product

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
Diamonds	**3,192**	3,131
Copper	**2,339**	1,569
Platinum	**1,127**	1,117
Palladium	**803**	517
Rhodium	**286**	120
Iron ore	**1,676**	2,243
Manganese ore and alloys	**577**	449
Metallurgical coal	**2,028**	1,698
Thermal coal	**1,849**	1,704
Nickel	**447**	320
Other	**688**	438
	15,012	13,306

Notes to the Condensed financial statements

3. FINANCIAL PERFORMANCE BY SEGMENT (continued)

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:

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
China	**3,273**	2,737
Japan	**1,437**	1,231
Other Asia	**2,934**	2,621
South Africa	**791**	918
Other Africa	**929**	871
Brazil	**163**	171
Chile	**266**	226
Other South America	**25**	6
North America	**392**	389
Australia	**28**	20
India	**1,952**	1,782
United Kingdom (Anglo American plc's country of domicile)	**878**	654
Other Europe	**1,944**	1,680
	15,012	13,306

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 65.

US$	**6 months ended 30.06.18**	6 months ended 30.06.17
Earnings per share		
Basic	**1.02**	1.09
Diluted	**1.00**	1.09
Underlying earnings per share		
Basic	**1.23**	1.19
Diluted	**1.21**	1.18
Headline earnings per share		
Basic	**1.03**	1.07
Diluted	**1.01**	1.06

4. EARNINGS PER SHARE (continued)

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 30.06.18	6 months ended 30.06.17	**6 months ended 30.06.18**	6 months ended 30.06.17	**6 months ended 30.06.18**	6 months ended 30.06.17
Earnings (US$ million)						
Basic and diluted earnings	**1,290**	1,415	**1,565**	1,536	**1,307**	1,386
Number of shares (million)						
Basic number of ordinary shares outstanding	**1,270**	1,293	**1,270**	1,293	**1,270**	1,293
Effect of dilutive potential ordinary shares	**26**	9	**26**	9	**26**	9
Diluted number of ordinary shares outstanding	**1,296**	1,302	**1,296**	1,302	**1,296**	1,302

The average number of ordinary shares in issue excludes shares held by employee benefit trusts and Anglo American plc shares held by Group companies. The 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 2018 there were no share options (six months ended 30 June 2017: 115,200) that were potentially dilutive but not included in the calculation of diluted earnings because they were anti-dilutive.

Headline earnings, a Johannesburg Stock Exchange defined performance measure, is reconciled from underlying earnings as follows:

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
Underlying earnings for the financial period	**1,565**	1,536
Operating special items – restructuring	**–**	31
Operating remeasurements	**(52)**	(37)
Financing special items and remeasurements	**(126)**	(50)
Tax special items and remeasurements	**(25)**	7
Associates' and joint ventures' special items and remeasurements	**2**	(1)
Other reconciling items	**(57)**	(100)
Headline earnings for the financial period	**1,307**	1,386

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

Other reconciling items principally relate to disposals of plant and equipment (six months ended 30 June 2017: principally relate to the settlement of class action claims).

Notes to the Condensed financial statements

5. NET FINANCE COSTS

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
Investment income		
Interest income from cash and cash equivalents	**94**	66
Interest income from associates and joint ventures	**11**	19
Other interest income	**10**	22
Net interest income on defined benefit arrangements	**20**	13
Dividend income from financial asset investments	**–**	8
Investment income	**135**	128
Interest expense		
Interest and other finance expense	**(290)**	(283)
Net interest cost on defined benefit arrangements	**(24)**	(28)
Unwinding of discount relating to provisions and other liabilities	**(42)**	(44)
	(356)	(355)
Less: interest expense capitalised	**19**	15
Interest expense before special items and remeasurements	**(337)**	(340)
Financing special items	**(100)**	(29)
Interest expense	**(437)**	(369)
Other net financing gains/(losses)		
Net foreign exchange gains/(losses)	**15**	(6)
Other net fair value gains	**–**	1
Other net financing gains/(losses) before special items and remeasurements	**15**	(5)
Financing remeasurements	**(27)**	(20)
Other net financing losses	**(12)**	(25)
Net finance costs	**(314)**	(266)

6. INCOME TAX EXPENSE

Overview

The effective tax rate for the period of 32.6% (six months ended 30 June 2017: 26.7%) is higher (six months ended 30 June 2017: higher) than the applicable weighted average statutory rate of corporation tax in the United Kingdom.

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 65.

			6 months ended 30.06.18
	Profit before tax US$ million	**Tax charge US$ million**	**Effective tax rate**
Calculation of effective tax rate (statutory basis)	**2,441**	**(796)**	**32.6%**
Adjusted for:			
Special items and remeasurements	**323**	**(17)**	
Associates' and joint ventures' tax and non-controlling interests	**216**	**(206)**	
Calculation of underlying effective tax rate	**2,980**	**(1,019)**	**34.2%**

The underlying effective tax rate for the period of 34.2% is higher than the equivalent underlying effective tax rate of 30.2% for the six months ended 30 June 2017.

The effective tax rate for the six months ended 30 June 2018 was impacted by the relative levels of profits arising in the Group's operating jurisdictions, partly offset by a benefit from the reassessment of deferred tax balances, primarily in Brazil. In future periods, it is expected that the underlying effective tax rate will remain above the United Kingdom statutory tax rate.

a) Analysis of charge for the period

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
United Kingdom corporation tax	**11**	10
South Africa tax	**271**	243
Other overseas tax	**532**	347
Prior period adjustments	**(17)**	–
Current tax	**797**	600
Deferred tax	**16**	34
Income tax expense before special items and remeasurements	**813**	634
Special items and remeasurements tax (note 9)	**(17)**	11
Income tax expense	**796**	645

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

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 30.06.18**	6 months ended 30.06.17
Profit before tax	**2,441**	2,419
Less: Net income from associates and joint ventures	**(366)**	(266)
Profit before tax (excluding associates and joint ventures)	**2,075**	2,153
Tax calculated at United Kingdom corporation tax rate of 19% (six months ended 30 June 2017: 19.25%)	**394**	414
Tax effects of:		
Items non-deductible/taxable for tax purposes	**69**	15
Temporary difference adjustments	**(71)**	(6)
Special items and remeasurements	**45**	28
Other adjustments		
Dividend withholding taxes	**97**	82
Effect of differences between local and United Kingdom tax rates	**276**	117
Prior year adjustments to current tax	**(17)**	–
Other adjustments	**3**	(5)
Income tax expense	**796**	645

The special items and remeasurements reconciling item of $45 million (six months ended 30 June 2017: $28 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 period ended 30 June 2018 is a charge of $204 million (six months ended 30 June 2017: charge of $178 million). Excluding special items and remeasurements this becomes a charge of $206 million (six months ended 30 June 2017: charge of $177 million).

7. DIVIDENDS

	6 months ended 30.06.18	6 months ended 30.06.17
Proposed interim ordinary dividend per share (US cents)	**49**	48
Proposed interim ordinary dividend (US$ million)	**630**	621

SIGNIFICANT ITEMS

Special items and remeasurements are a net charge of $0.3 billion and include the write-off of assets in De Beers' South African operations (De Beers) of $0.1 billion and losses arising on bond buybacks completed in the period (Corporate and other) of $0.1 billion.

During the six months ended 30 June 2018, the significant accounting matters addressed by management included:

- the assessment of impairment and impairment reversal indicators; and
- the estimation of cash flow projections for impairment testing.

8. SIGNIFICANT ACCOUNTING MATTERS

Minas-Rio

Following pipeline leaks identified on 12 March and 29 March, the Group announced the suspension of operations at Minas-Rio, with effect from 29 March, in order to conduct a full inspection of the pipeline. This was identified as an indicator of an impairment, and an impairment review has been undertaken as at 30 June 2018. The recoverable amount, based on a discounted cash flow model, supports the carrying value of $4.2 billion.

The valuation is inherently sensitive to changes in economic and operational assumptions which could materially increase or reduce the valuation. Key assumptions include the long-term iron ore price, the timing of resumption of operations, and the timing of receipt of required permits and licences. For example, a $5/tonne change in the long-term price forecast for iron ore, with all other valuation assumptions remaining the same, would change the valuation by $0.6 billion.

9. SPECIAL ITEMS AND REMEASUREMENTS

Overview

				6 months ended 30.06.18	6 months ended 30.06.17
US$ million	**Before tax**	**Tax**	**Non-controlling interests**	**Net**	Net
Impairments and impairment reversals	**(99)**	**28**	**11**	**(60)**	7
Restructuring costs	**–**	**–**	**–**	**–**	31
Operating remeasurements	**(57)**	**3**	**2**	**(52)**	(37)
Operating special items and remeasurements	**(156)**	**31**	**13**	**(112)**	1
Disposals of businesses and investments	**(39)**	**16**	**21**	**(2)**	(34)
Adjustments relating to business combinations	**(21)**	**–**	**–**	**(21)**	53
Adjustments relating to former operations	**18**	**(4)**	**(5)**	**9**	(97)
Non-operating special items	**(42)**	**12**	**16**	**(14)**	(78)
Financing special items and remeasurements	**(127)**	**–**	**1**	**(126)**	(50)
Tax special items and remeasurements	**–**	**(26)**	**1**	**(25)**	7
Total	**(325)**	**17**	**31**	**(277)**	(120)
Associates' and joint ventures' special items and remeasurements				**2**	(1)
Total special items and remeasurements				**(275)**	(121)

9. SPECIAL ITEMS AND REMEASUREMENTS (continued)

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 requirements. For information about the categories of items which are included within special items and remeasurements, please refer to note 8 of the Group's Annual Report for the year ended 31 December 2017.

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 65.

Operating special items

Impairments and impairment reversals

The impairment charge of $99 million ($60 million after tax and non-controlling interests) relates to the write-off of assets in De Beers' South African operations that are no longer expected to generate future economic benefit.

2017

Net impairments and impairment reversals of $7 million after tax and non-controlling interests for the six months ended 30 June 2017 principally related to the impairment of Bafokeng Rasimone Platinum Mine (BRPM) and an impairment reversal at El Soldado.

Restructuring costs

There were no restructuring costs recorded in the six months ended 30 June 2018.

2017

Restructuring costs in the six months ended 30 June 2017 were a credit of $31 million after tax and non-controlling interests due to the derecognition of the restructuring provisions relating to the Brisbane Corporate Office.

Operating remeasurements

Operating remeasurements reflect a net loss of $57 million ($52 million after tax and non-controlling interests) which principally relates to a $63 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.

2017

Operating remeasurements for the six months ended 30 June 2017 were a net loss of $37 million.

Non-operating special items

Disposals of businesses and investments

On 4 July 2018, Anglo American Platinum entered into an agreement to dispose of its 33% interest in the Bafokeng Rasimone Platinum Mine (BRPM), an associate of the Group, to Royal Bafokeng Platinum Limited (RBPlat) for consideration of approximately R1.9 billion ($135 million). The transaction is subject to a number of conditions precedent including approval by the shareholders of RBPlat. An impairment charge of $82 million ($37 million after tax and non-controlling interests) has been recorded to bring the carrying amount of the Group's investment in BRPM into line with its fair value less costs to sell based on the fair value of the sale consideration.

On 1 March 2018, the Group completed the sale of the Eskom-tied domestic coal operations in South Africa to a wholly owned subsidiary of Seriti Resources Holdings Proprietary Limited. The consideration payable for the operations as at 1 January 2017 was R2.3 billion (approximately $164 million). A gain on disposal of $84 million ($59 million after tax and non-controlling interests) was recorded.

9. SPECIAL ITEMS AND REMEASUREMENTS (continued)

In addition, a gain on disposal of $30 million ($30 million after tax) was recorded on the disposal of the Group's 88.17% shareholding in the Drayton mine (Coal) and a loss on disposal of $71 million ($54 million after tax and non-controlling interests) was recorded on the disposal of the Group's interests in the Union platinum mine and Masa Chrome Company Proprietary Limited (Platinum).

2017

Non-operating special items in the six months ended 30 June 2017 were a net loss of $34 million after tax and non-controlling interests, which principally included an impairment associated with the sale of the Union platinum mine and a gain on disposal of the Group's interests in the Dartbrook coal mine.

Adjustments relating to business combinations

The $21 million loss during the six months ended 30 June 2018 relates to adjustments in respect of business combinations in prior periods.

2017

The gain of $53 million (after tax and non-controlling interests) principally related to the acquisition of the remaining 50% share in De Beers Jewellers (De Beers) and adjustments in respect of business combinations in prior periods.

Adjustments relating to former operations

The gain of $18 million ($9 million after tax and non-controlling interests) relates to adjustments in respect of disposals completed in prior periods.

2017

The loss of $97 million principally included the charge of $101 million relating to the estimated cost of the Group contributing to a resolution of historical issues relating to occupational lung disease in the gold mining industry in South Africa.

Financing special items and remeasurements

Financing special items and remeasurements principally comprise a loss of $98 million (six months ended 30 June 2017: $26 million) arising on bond buybacks completed in the period and a net fair value loss of $27 million (six months ended 30 June 2017: loss of $21 million) on derivatives hedging net debt.

Tax associated with special items and remeasurements

This includes a tax remeasurement charge of $26 million principally arising on Brazilian deferred tax assets (six months ended 30 June 2017: $16 million).

Of the total tax credit of $17 million, there is a net current tax charge of $22 million (six months ended 30 June 2017: nil) and a net deferred tax credit of $39 million (six months ended 30 June 2017: charge of $11 million).

Associates' and joint ventures' special items and remeasurements

Associates' and joint ventures' special items and remeasurements relate to the Coal segment (six months ended 30 June 2017: Coal segment).

CAPITAL BASE

We have a value-focused approach to capital allocation with clear prioritisation: maintain asset integrity; ensure a strong balance sheet; and pay dividends to our shareholders.

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 65.

	Attributable ROCE %	
	6 months ended 30.06.18	6 months ended 30.06.17
De Beers	**8**	11
Copper	**23**	10
Platinum	**14**	4
Iron Ore	**2**	16
Coal	**77**	63
Nickel and Manganese	**29**	16
Corporate and other	**n/a**	n/a
	19	18

Attributable ROCE increased to 19% in the six months ended 30 June 2018 (six months ended 30 June 2017: 18%), primarily because of higher attributable annualised underlying EBIT. Average attributable capital employed has increased to $27.3 billion (30 June 2017: $27.1 billion) due to capital expenditure and the strengthening of producer currencies.

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 65.

Capital employed by segment

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

	Capital employed	
US$ million	**6 months ended 30.06.18**	Year ended 31.12.17
De Beers	**8,496**	9,294
Copper	**5,877**	5,899
Platinum	**4,125**	4,510
Iron Ore	**7,257**	7,603
Coal	**3,395**	3,384
Nickel and Manganese	**2,326**	2,364
Corporate and other	**35**	(241)
Capital employed	**31,511**	32,813
Reconciliation to Consolidated balance sheet:		
Net debt	**(3,987)**	(4,501)
Debit valuation adjustment attributable to derivatives hedging net debt	**11**	9
Financial asset investments	**443**	561
Net assets	**27,978**	28,882

Notes to the Condensed financial statements

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 65.

Capital expenditure by segment

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
De Beers	**156**	74
Copper	**368**	225
Platinum	**216**	126
Iron Ore	**153**	73
Coal	**306**	221
Nickel and Manganese	**15**	7
Corporate and other	**6**	5
Capital expenditure	**1,220**	731
Reconciliation to the Consolidated cash flow statement:		
Cash flows from derivatives related to capital expenditure	**17**	25
Proceeds from disposal of property, plant and equipment	**10**	36
Direct funding for capital expenditure received from non-controlling interests	**29**	8
Expenditure on property, plant and equipment	**1,276**	800

Capital expenditure by category

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
Expansionary	**266**	67
Stay-in-business	**592**	404
Stripping and development	**372**	296
Proceeds from disposal of property, plant and equipment	**(10)**	(36)
	1,220	731

Expansionary 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.

Notes to the Condensed financial statements

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Overview

Investments in associates and joint ventures represent businesses the Group does not control, but instead exercises joint control or significant influence. These include the associates Cerrejón and Jellinbah (Coal) and the joint ventures Ferroport (Iron Ore) and Samancor (Nickel and Manganese).

Further information

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

Income Statement

US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17
Revenue	**1,314**	1,184
Operating costs (before special items and remeasurements)	**(726)**	(710)
Associates' and joint ventures' underlying EBIT	**588**	474
Net finance costs	**(8)**	(29)
Income tax expense	**(206)**	(177)
Non-controlling interests	**(10)**	(1)
Net income from associates and joint ventures (before special items and remeasurements)	**364**	267
Special items and remeasurements tax	**2**	(1)
Net income from associates and joint ventures	**366**	266

Segmental information

	Revenue		Underlying EBITDA	
US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17	**6 months ended 30.06.18**	6 months ended 30.06.17
De Beers	**3**	16	**–**	2
Platinum	**44**	77	**13**	(6)
Iron Ore	**24**	41	**15**	31
Coal	**666**	601	**322**	293
Nickel and Manganese	**577**	449	**332**	242
	1,314	1,184	**682**	562

	Underlying EBIT		Share of net income	
US$ million	**6 months ended 30.06.18**	6 months ended 30.06.17	**6 months ended 30.06.18**	6 months ended 30.06.17
De Beers	**–**	2	**–**	2
Platinum	**2**	(15)	**1**	(14)
Iron Ore	**11**	28	**3**	9
Coal	**270**	242	**181**	154
Nickel and Manganese	**305**	217	**181**	115
	588	474	**366**	266

NET DEBT AND FINANCIAL RISK MANAGEMENT

Net debt has decreased from $4.5 billion to $4.0 billion during the period, driven by operating cashflows. Gearing has decreased from 13% to 12%.

US$ million	**6 months ended 30.06.18**	Year ended 31.12.17
Net assets	**27,978**	28,882
Net debt including related derivatives (note 13)	**3,987**	4,501
Total capital	**31,965**	33,383
Gearing	**12%**	13%

Net debt is calculated as total borrowings less cash and cash equivalents (including derivatives that provide an economic hedge of net debt). Total capital is calculated as 'Net assets' (as shown in the Consolidated balance sheet) excluding net debt.

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 65.

Movement in net debt

US$ million	Cash and cash equivalents	Short term borrowings	Medium and long term borrowings	Net debt excluding derivatives	Derivatives hedging net debt	Net debt including derivatives
At 1 January 2017	6,044	(1,799)	(11,363)	(7,118)	(1,369)	(8,487)
Cash flow	1,260	505	346	2,111	251	2,362
Reclassifications	–	(403)	403	–	–	–
Movement in fair value	–	(5)	65	60	424	484
Other non-cash movements	–	(106)	(57)	(163)	–	(163)
Currency movements	101	(68)	(450)	(417)	–	(417)
At 30 June 2017	7,405	(1,876)	(11,056)	(5,527)	(694)	(6,221)
Cash flow	289	1,333	(28)	1,594	168	1,762
Reclassifications	–	(674)	674	–	–	–
Movement in fair value	–	(2)	145	143	177	320
Other non-cash movements	–	(45)	(87)	(132)	–	(132)
Currency movements	98	(60)	(268)	(230)	–	(230)
At 31 December 2017	**7,792**	**(1,324)**	**(10,620)**	**(4,152)**	**(349)**	**(4,501)**
Cash flow	**(1,343)**	**438**	**1,575**	**670**	**70**	**740**
Reclassifications	**–**	**(449)**	**449**	**–**	**–**	**–**
Movement in fair value	**–**	**2**	**186**	**188**	**(291)**	**(103)**
Other non-cash movements	**–**	**63**	**(132)**	**(69)**	**–**	**(69)**
Currency movements	**(190)**	**35**	**101**	**(54)**	**–**	**(54)**
At 30 June 2018	**6,259**	**(1,235)**	**(8,441)**	**(3,417)**	**(570)**	**(3,987)**

Further information

Reconciliation to the Consolidated balance sheet

	Cash and cash equivalents			Short term borrowings			Medium and long term borrowings		
US$ million	**30.06.18**	30.06.17	31.12.17	**30.06.18**	30.06.17	31.12.17	**30.06.18**	30.06.17	31.12.17
Balance sheet	**6,277**	7,408	7,800	**(1,253)**	(1,879)	(1,351)	**(8,441)**	(11,056)	(10,620)
Balance sheet – disposal groups	**–**	–	19	**–**	–	–	**–**	–	–
Bank overdrafts	**(18)**	(3)	(27)	**18**	3	27	**–**	–	–
Net cash/(debt) classifications	**6,259**	7,405	7,792	**(1,235)**	(1,876)	(1,324)	**(8,441)**	(11,056)	(10,620)

13. NET DEBT (continued)

Net debt excludes the debit valuation adjustment to derivative liabilities hedging net debt of $11 million (31 December: 2017: $9 million). This adjustment reflects the impact of the Group's own credit risk on the fair value of these liabilities.

South Africa net cash

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

US$ million	**30.06.18**	31.12.17
Cash and cash equivalents	**4,132**	4,276
Short term borrowings	**(143)**	(34)
Medium and long term borrowings	**(712)**	(798)
Net cash excluding derivatives	**3,277**	3,444
Derivatives hedging net debt	**1**	2
Net cash including derivatives	**3,278**	3,446

Cash of $2,639 million (31 December 2017: $2,625 million) that is legally owned by South African companies is managed outside of South Africa as part of a Group cash pooling arrangement. On a managed basis, South Africa net cash is therefore $639 million (31 December 2017: $821 million).

14. BORROWINGS

Overview

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

Between March and June 2018, the Group completed a number of bond buyback transactions consisting of Euro and US dollar denominated bonds with maturities from April 2019 to April 2021. The Group used $2.24 billion of cash to retire $2.14 billion of contractual repayment obligations (including derivatives hedging the bonds).

In March 2018, the Group issued $650 million 4.5% senior notes due 2028 through accessing the US bond markets.

Further information

			30.06.18			31.12.17
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	**13**	**33**	**46**	18	39	57
Obligations under finance leases	**13**	**62**	**75**	13	68	81
	26	**95**	**121**	31	107	138
Unsecured						
Bank loans and overdrafts	**29**	**135**	**164**	24	123	147
Bonds	**1,082**	**8,084**	**9,166**	1,114	10,263	11,377
Interest payable and other loans	**116**	**127**	**243**	182	127	309
	1,227	**8,346**	**9,573**	1,320	10,513	11,833
Total borrowings	**1,253**	**8,441**	**9,694**	1,351	10,620	11,971

14. BORROWINGS (continued)

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

US$ million	30.06.18	31.12.17
Expiry date		
Within one year	**516**	490
Greater than one year, less than two years	**1,169**	598
Greater than two years, less than three years	**1,231**	7,676
Greater than three years, less than four years	**3**	–
Greater than four years, less than five years	**4,842**	244
	7,761	9,008

In March 2018 the Group replaced a number of credit facilities maturing between March 2019 and March 2020 with a total value of $5.4 billion, with a $4.5 billion credit facility maturing in March 2023.

Undrawn committed borrowing facilities expiring within one year include undrawn South African rand facilities equivalent to $0.2 billion (31 December 2017: $0.3 billion) in respect of facilities with a 364 day maturity which roll automatically on a daily basis, unless notice is served.

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.

						30.06.18
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	**890**	**875**	**–**	**–**	**–**	**1,765**
Derivative financial assets	**115**	**–**	**–**	**186**	**–**	**301**
Cash and cash equivalents	**4,004**	**2,273**	**–**	**–**	**–**	**6,277**
Financial asset investments	**–**	**386**	**57**	**–**	**–**	**443**
	5,009	**3,534**	**57**	**186**	**–**	**8,786**
Financial liabilities						
Trade and other payables	**(855)**	**–**	**–**	**–**	**(3,012)**	**(3,867)**
Derivative financial liabilities	**(688)**	**–**	**–**	**(174)**	**–**	**(862)**
Borrowings	**–**	**–**	**–**	**(9,233)**	**(461)**	**(9,694)**
	(1,543)	**–**	**–**	**(9,407)**	**(3,473)**	**(14,423)**
Net financial (liabilities)/assets	**3,466**	**3,534**	**57**	**(9,221)**	**(3,473)**	**(5,637)**

Notes to the Condensed financial statements

15. FINANCIAL INSTRUMENTS (continued)

						31.12.17
US$ million	At fair value through profit and loss	Loans and receivables	Available for sale	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables	796	1,356	–	–	–	2,152
Derivative financial assets	83	–	–	307	–	390
Cash and cash equivalents	–	7,800	–	–	–	7,800
Financial asset investments	–	446	115	–	–	561
	879	9,602	115	307	–	10,903
Financial liabilities						
Trade and other payables	(706)	–	–	–	(3,363)	(4,069)
Derivative financial liabilities	(738)	–	–	(58)	–	(796)
Borrowings	–	–	–	(11,496)	(475)	(11,971)
	(1,444)	–	–	(11,554)	(3,838)	(16,836)
Net financial (liabilities)/assets	(565)	9,602	115	(11,247)	(3,838)	(5,933)

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

Cash and cash equivalents at 30 June 2018 include $4,004 million held in short-term money market funds. These funds are selected to ensure compliance with the minimum credit rating requirements and counterparty exposure limits set out in the Group's Treasury policy. Following the adoption of IFRS 9 from 1 January 2018 these balances have been reclassified as at fair value through profit and loss as they are redeemed through the sale of units in the funds rather than solely through the recovery of principal and interest. The amount held in similar money market funds at 31 December 2017 and classified as loans and receivables in the analysis above was $4,988 million. There is no impact on the carrying value of Cash and cash equivalents as a result of this reclassification.

Notes to the Condensed financial statements

15. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

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

				30.06.18				31.12.17
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	**–**	**667**	**–**	**667**	–	558	–	558
Other receivables	**–**	**–**	**223**	**223**	–	–	238	238
Derivatives hedging net debt	**–**	**28**	**–**	**28**	–	30	–	30
Other derivatives	**3**	**84**	**–**	**87**	–	53	–	53
Cash and cash equivalents	**4,004**	**–**	**–**	**4,004**	–	–	–	–
Designated into hedges								
Derivatives hedging net debt	**–**	**186**	**–**	**186**	–	307	–	307
At fair value through other comprehensive income								
Financial asset investments	**19**	**–**	**38**	**57**	69	–	46	115
	4,026	**965**	**261**	**5,252**	69	948	284	1,301
Financial liabilities								
At fair value through profit and loss								
Provisionally priced trade payables	**–**	**(744)**	**–**	**(744)**	–	(594)	–	(594)
Other payables	**–**	**–**	**(111)**	**(111)**	–	–	(112)	(112)
Derivatives hedging net debt	**–**	**(610)**	**–**	**(610)**	–	(628)	–	(628)
Other derivatives	**(6)**	**(83)**	**–**	**(89)**	(2)	(117)	–	(119)
Designated into hedges								
Derivatives hedging net debt	**–**	**(174)**	**–**	**(174)**	–	(58)	–	(58)
Debit valuation adjustment to derivative liabilities	**–**	**11**	**–**	**11**	–	9	–	9
	(6)	**(1,600)**	**(111)**	**(1,717)**	(2)	(1,388)	(112)	(1,502)
Net assets/(liabilities) carried at fair value	**4,020**	**(635)**	**150**	**3,535**	67	(440)	172	(201)

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 and unlisted equity investments.

UNRECOGNISED ITEMS AND UNCERTAIN EVENTS

16. EVENTS OCCURRING AFTER THE PERIOD END

On 4 July 2018, Anglo American Platinum entered into an agreement to dispose of its 33% interest in the Bafokeng Rasimone Platinum Mine (BRPM) to Royal Bafokeng Platinum Limited (RBPlat). Further details are provided in note 9.

With the exception of the declaration of the 2018 interim dividend, there have been no other reportable events since 30 June 2018.

17. CONTINGENT LIABILITIES

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

The Group is required to provide guarantees in several jurisdictions in respect of environmental restoration and decommissioning obligations. The Group has provided for the estimated cost of these activities.

GROUP STRUCTURE

18. DISPOSALS

See note 9 for details of the principal disposals completed in the period.

The Group received net cash on disposals of $90 million in the six months ended 30 June 2018. This principally comprised net cash inflows relating to the sale of the Eskom-tied domestic coal operations in South Africa, partially offset by net cash outflows relating to the sale of the Group's interests in the Union mine and Masa Chrome Company Proprietary Limited (Platinum), which included working capital support provided to Union as part of the transaction.

2017

Disposals in the six months ended 30 June 2017 principally relate to the Group's 83.3% interest in the Dartbrook coal mine (Coal) and net cash payments of disposals completed in prior periods.

OTHER ITEMS

19. RELATED PARTY TRANSACTIONS

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

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

	Associates			Joint ventures			Joint operations		
US$ million	**30.06.18**	30.06.17	31.12.17	**30.06.18**	30.06.17	31.12.17	**30.06.18**	30.06.17	31.12.17
Transactions with related parties									
Sale of goods and services	**1**	11	17	**–**	–	–	**104**	103	197
Purchase of goods and services	**(178)**	(217)	(430)	**(63)**	(81)	(163)	**(1,502)**	(1,524)	(3,108)
Balances with related parties									
Trade and other receivables from related parties	**2**	5	3	**–**	1	1	**31**	12	23
Trade and other payables to related parties	**(131)**	(143)	(211)	**(19)**	(15)	(29)	**(120)**	(96)	(93)
Loans receivable from related parties	**–**	–	–	**188**	360	230	**–**	–	–

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

Loans receivable from related parties are included in Financial asset investments on the Consolidated balance sheet.

Responsibility statement

We confirm that to the best of our knowledge:

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

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

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

By order of the Board

Mark Cutifani	**Stephen Pearce**
Chief Executive	Finance Director

INDEPENDENT REVIEW REPORT TO ANGLO AMERICAN PLC

We have been engaged by the Company to review the Condensed financial statements in the Half year financial report for the six months ended 30 June 2018 which comprises the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Consolidated cash flow statement, the Consolidated statement of changes in equity and related notes 1 to 19. We have read the other information contained in the Half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Condensed set of financial statements.

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

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed financial statements in the Half year financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Statutory Auditor
London, United Kingdom
25 July 2018

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 65.

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

								30.06.18
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	**17,845**[2]	**162**[3]	**67**[4]	**3,192**[5]	**712**	**412**	**202**	**156**
Mining								
Botswana (Debswana)	n/a	155[3]	31[4]	n/a	263	234	n/a	34
Namibia (Namdeb Holdings)	n/a	545[3]	272[4]	n/a	90	73	n/a	19
South Africa (DBCM)	n/a	106[3]	73[4]	n/a	71	2	n/a	66
Canada	n/a	157[3]	51[4]	n/a	126	52	n/a	17
Trading	n/a	n/a	n/a	n/a	253	249	n/a	–
Other[6]	n/a	n/a	n/a	n/a	(65)	(172)	n/a	20
Projects and corporate	n/a	n/a	n/a	n/a	(26)	(26)	n/a	–
	kt	c/lb	c/lb					
Copper	**306**[7]	**297**[7]	**142**[8]	**2,429**	**966**	**668**	**249**	**368**
Los Bronces	172	n/a	151[8]	1,062	544	374	n/a	89
Collahuasi[9]	111	n/a	116[8]	708	465	360	204	128
Other operations	23[7]	n/a	n/a	659	33	10	n/a	151
Projects and corporate	n/a	n/a	n/a	–	(76)	(76)	(53)	–
	koz	$/Pt oz	$/Pt oz					
Platinum	**1,117**[10]	**2,318**[11]	**1,591**[12]	**2,755**	**511**	**328**	**209**	**216**
Mogalakwena	241[10]	2,887[11]	1,400[12]	701	316	240	n/a	98
Amandelbult	204[10]	2,345[11]	1,764[12]	482	82	51	n/a	20
Other operations[13]	166[10]	n/a	n/a	538	27	(33)	n/a	98
Purchase of concentrate[14]	506[10]	n/a	n/a	1,034	116	100	n/a	–
Projects and corporate	n/a	n/a	n/a	–	(30)	(30)	n/a	–
	Mt	$/t	$/t					
Iron Ore	**n/a**	**n/a**	**n/a**	**1,900**	**454**	**245**	**67**	**153**
Kumba Iron Ore	21.2	69[15]	35[16]	1,590	574	417	149[17]	138
Minas-Rio (Iron Ore Brazil)	3.2	70[18]	n/a[19]	310	(74)	(126)	(38)	15
Projects and corporate	n/a	n/a	n/a	–	(46)	(46)	(44)[17]	–
	Mt	$/t	$/t					
Coal	**n/a**	**n/a**	**n/a**	**3,877**	**1,640**	**1,300**	**881**	**306**
Metallurgical Coal	10.7[20]	194[21]	66[22]	2,089	1,157	931	661	219
Thermal Coal – South Africa	8.7[23]	88[24]	48[25]	1,374	341	272	177	87
Thermal Coal – Colombia	5.2	79	35	414	190	145	89	–
Projects and corporate	n/a	n/a	n/a	–	(48)	(48)	(46)	–
Nickel and Manganese	**n/a**	**n/a**	**n/a**	**857**	**420**	**350**	**223**	**15**
Nickel	20,100 t	632 c/lb	378 c/lb[26]	280	88	45	63	15
Samancor (Manganese)[27]	1.8 Mt	n/a	n/a	577	332	305	160	–
Corporate and other	**n/a**	**n/a**	**n/a**	**2**	**(126)**	**(128)**	**(266)**	**6**
Exploration	n/a	n/a	n/a	–	(48)	(48)	(44)	–
Corporate activities and unallocated costs	n/a	n/a	n/a	2	(78)	(80)	(222)	6
	n/a	**n/a**	**n/a**	**15,012**	**4,577**	**3,175**	**1,565**	**1,220**

See page 64 for footnotes.

Summary by operation (continued)

US$ million, unless otherwise stated	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
								30.06.17
	’000 cts	**$/ct**	**$/ct**					
De Beers	18,434[2]	156[3]	63[4]	3,131[5]	786	548	341	74
Mining								
Botswana (Debswana)	n/a	165[3]	26[4]	n/a	272	256	n/a	36
Namibia (Namdeb Holdings)	n/a	568[3]	237[4]	n/a	105	92	n/a	8
South Africa (DBCM)	n/a	133[3]	64[4]	n/a	127	54	n/a	48
Canada[28]	n/a	435[3]	67[4]	n/a	69	25	n/a	(28)
Trading	n/a	n/a	n/a	n/a	281	278	n/a	2
Other[6]	n/a	n/a	n/a	n/a	(51)	(140)	n/a	8
Projects and corporate	n/a	n/a	n/a	n/a	(17)	(17)	n/a	–
	kt	**c/lb**	**c/lb**					
Copper	259[7]	264[7]	148[8]	1,609	586	303	140	225
Los Bronces	144	n/a	164[8]	767	317	150	n/a	95
Collahuasi[9]	98	n/a	122[8]	493	285	184	116	87
Other operations	17[7]	n/a	n/a	349	36	21	n/a	43
Projects and corporate	n/a	n/a	n/a	–	(52)	(52)	(32)	–
	koz	**$/Pt oz**	**$/Pt oz**					
Platinum	1,119[10]	1,843[11]	1,522[12]	2,144	276	112	37	126
Mogalakwena	204[10]	2,391[11]	1,448[12]	488	179	115	n/a	58
Amandelbult	202[10]	1,776[11]	1,635[12]	360	13	(14)	n/a	15
Other operations[13]	224[10]	n/a	n/a	492	15	(45)	n/a	53
Purchase of concentrate[14]	489[10]	n/a	n/a	804	88	75	n/a	–
Projects and corporate	n/a	n/a	n/a	–	(19)	(19)	n/a	–
	Mt	**$/t**	**$/t**					
Iron Ore	n/a	n/a	n/a	2,365	925	759	386	73
Kumba Iron Ore	21.2	71[15]	32[16]	1,627	700	586	226[17]	81
Minas-Rio (Iron Ore Brazil)	8.6	66[18]	29[19]	738	253	201	187	(8)
Projects and corporate	n/a	n/a	n/a	–	(28)	(28)	(27)[17]	–
	Mt	**$/t**	**$/t**					
Coal	n/a	n/a	n/a	3,403	1,382	1,120	778	221
Metallurgical Coal	9.1[20]	193[21]	64[22]	1,775	943	781	553	154
Thermal Coal – South Africa	8.8[23]	72[24]	41[25]	1,242	281	225	167	67
Thermal Coal – Colombia	5.4	71	31	386	183	139	82	–
Projects and corporate	n/a	n/a	n/a	–	(25)	(25)	(24)	–
Nickel and Manganese	n/a	n/a	n/a	652	257	192	104	7
Nickel	20,800 t	442 c/lb	363 c/lb[26]	203	15	(25)	(8)	7
Samancor (Manganese)[27]	1.7 Mt	n/a	n/a	449	242	217	112	–
Corporate and other	n/a	n/a	n/a	2	(96)	(103)	(250)	5
Exploration	n/a	n/a	n/a	–	(43)	(43)	(39)	–
Corporate activities and unallocated costs	n/a	n/a	n/a	2	(53)	(60)	(211)	5
	n/a	n/a	n/a	13,306	4,116	2,931	1,536	731

See page 64 for footnotes.

Summary by operation (continued)

								31.12.17
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	32,455[2]	162[3]	63[4]	5,841[5]	1,435	873	528	273
Mining								
Botswana (Debswana)	n/a	159[3]	28[4]	n/a	484	447	n/a	86
Namibia (Namdeb Holdings)	n/a	539[3]	257[4]	n/a	176	146	n/a	33
South Africa (DBCM)	n/a	129[3]	62[4]	n/a	267	119	n/a	114
Canada[28]	n/a	235[3]	57[4]	n/a	205	58	n/a	(5)
Trading	n/a	n/a	n/a	n/a	449	443	n/a	1
Other[6]	n/a	n/a	n/a	n/a	(110)	(304)	n/a	44
Projects and corporate	n/a	n/a	n/a	n/a	(36)	(36)	n/a	–
	kt	**c/lb**	**c/lb**					
Copper	580[7]	290[7]	147[8]	4,233	1,508	923	370	665
Los Bronces	307	n/a	169[8]	1,839	737	401	n/a	245
Collahuasi[9]	232	n/a	113[8]	1,314	806	594	356	243
Other operations	41[7]	n/a	n/a	1,080	76	39	n/a	177
Projects and corporate	n/a	n/a	n/a	–	(111)	(111)	(72)	–
	koz	**$/Pt oz**	**$/Pt oz**					
Platinum	2,505[10]	1,966[11]	1,443[12]	5,078	866	512	217	355
Mogalakwena	467[10]	2,590[11]	1,179[12]	1,211	578	448	n/a	151
Amandelbult	459[10]	1,868[11]	1,596[12]	858	88	34	n/a	34
Other operations[13]	497[10]	n/a	n/a	1,125	83	(59)	n/a	170
Purchase of concentrate[14]	1,082[10]	n/a	n/a	1,884	173	145	n/a	–
Projects and corporate	n/a	n/a	n/a	–	(56)	(56)	n/a	–
	Mt	**$/t**	**$/t**					
Iron Ore	n/a	n/a	n/a	4,891	1,828	1,500	803	252
Kumba Iron Ore	44.9	71[15]	31[16]	3,486	1,474	1,246	467[17]	229
Minas-Rio (Iron Ore Brazil)	16.5	65[18]	30[19]	1,405	435	335	413	23
Projects and corporate	n/a	n/a	n/a	–	(81)	(81)	(77)[17]	–
	Mt	**$/t**	**$/t**					
Coal	n/a	n/a	n/a	7,211	2,868	2,274	1,763	568
Metallurgical Coal	19.8[20]	185[21]	61[22]	3,675	1,977	1,594	1,348	416
Thermal Coal – South Africa	18.6[23]	76[24]	44[25]	2,746	588	466	311	152
Thermal Coal – Colombia	10.6	75	31	790	385	296	181	–
Projects and corporate	n/a	n/a	n/a	–	(82)	(82)	(77)	–
Nickel and Manganese	n/a	n/a	n/a	1,391	610	478	219	28
Nickel	43,000 t	476 c/lb	365 c/lb[26]	451	81	–	(4)	28
Samancor (Manganese)[27]	3.6 Mt	n/a	n/a	940	529	478	223	–
Corporate and other	n/a	n/a	n/a	5	(292)	(313)	(628)	9
Exploration	n/a	n/a	n/a	–	(103)	(103)	(91)	–
Corporate activities and unallocated costs	n/a	n/a	n/a	5	(189)	(210)	(537)	9
	n/a	n/a	n/a	28,650	8,823	6,247	3,272	2,150

See page 64 for footnotes.

Summary by operation (continued)

(1) Group revenue for copper is shown after deduction of treatment and refining charges (TC/RCs).
(2) In 2017, consolidated sales volumes (six months ended 30 June 2018: 17.8 million carats; six months ended 30 June 2017: 18.4 million carats; year ended 31 December 2017: 32.5 million carats) exclude pre-commercial production sales volumes from Gahcho Kué. Total sales volumes (100%), which are comparable to production, were 18.8 million carats (six months ended 30 June 2017: 20.0 million carats; year ended 31 December 2017: 35.1 million carats). Total sales volumes (100%) include pre-commercial production sales volumes from Gahcho Kué and De Beers' joint venture partners' 50% proportionate share of sales to entities outside De Beers 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. The De Beers realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to De Beers unit costs, which relate to equity production only.
(4) Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
(5) Includes rough diamond sales of $2.9 billion (six months ended 30 June 2017: $2.9 billion; year ended 31 December 2017: $5.2 billion).
(6) Other includes Element Six, downstream and acquisition accounting adjustments.
(7) Excludes 71 kt third-party sales (six months ended 30 June 2017: 37 kt; year ended 31 December 2017: 111 kt).
(8) C1 unit cost includes by-product credits.
(9) 44% share of Collahuasi sales and financials.
(10) Sales volumes are platinum sales and exclude the sale of refined metal purchased from third-parties.
(11) Average US$ basket price. Excludes the impact of the sale of refined metal purchased from third-parties.
(12) Total cash operating costs – includes on-mine, smelting and refining costs only. 2017 restated to include third-party tolling cost.
(13) Includes Unki, Union (prior to disposal), Platinum's share of joint ventures and revenue from trading activities.
(14) Purchase of concentrate from joint ventures, associates and third parties for processing into refined metals.
(15) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha).
(16) Unit costs for Kumba Iron Ore are on an FOB dry basis.
(17) Of the projects and corporate expense, which includes a corporate cost allocation, $24 million (six months ended 30 June 2017: $16 million; year ended 31 December 2017: $49 million) relates to Kumba Iron Ore. The total contribution from Kumba Iron Ore to the Group's underlying earnings is $125 million (six months ended 30 June 2017: $210 million; year ended 31 December 2017: $418 million).
(18) Prices for Minas-Rio are the average realised export basket price (FOB Açu) (wet basis).
(19) Unit costs for Minas-Rio are not disclosed for 2018 due to the suspension of operations; 2017 unit costs are on an FOB wet basis.
(20) Metallurgical Coal sales volumes exclude thermal coal sales of 0.7 Mt (six months ended 30 June 2017: 0.9 Mt; year ended 31 December 2017: 1.8 Mt).
(21) Metallurgical Coal realised price is the weighted average hard coking coal and PCI sales price achieved.
(22) FOB cost per saleable tonne, excluding royalties. Metallurgical Coal excludes study costs.
(23) South Africa sales volume is export only and excludes domestic volumes of 7.9 Mt (six months ended 30 June 2017: 16.1 Mt; year ended 31 December 2017: 32.0 Mt) and non-equity traded sales of 4.7 Mt (six months ended 30 June 2017: 3.4 Mt; year ended 31 December 2017: 7.6 Mt).
(24) Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales.
(25) FOB cost per saleable tonne, excluding royalties. Thermal Coal – South Africa unit cost is for the trade operations.
(26) C1 unit cost.
(27) Sales and financials include ore and alloy.
(28) For Canada, price excludes Gahcho Kué contribution from sales related to pre-commercial production, which were capitalised in the first half of 2017. Unit costs include Gahcho Kué contribution following achievement of commercial production on 2 March 2017. Capital expenditure includes pre-commercial production capitalised operating cash inflows from Gahcho Kué.

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 2017 with the exception of the new accounting pronouncements disclosed in note 2.
- Non-financial APMs: These measures incorporate certain non-financial information that management believes is useful when assessing the performance of the Group.

The table below summarises the Group's financial APMs. 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. Refer to page 194 of the Group's Annual Report for the year ended 31 December 2017 for more information about the purpose and definition of 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	Note 3
Underlying EBIT	Profit/(loss) before net finance income/(costs) and tax	• 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	• 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 period 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
Underlying earnings per share	Earnings per share	• Special items and remeasurements	Notes 3 and 4
Balance sheet			
Net debt	Borrowings less cash and related hedges	• Debit valuation adjustment	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 66
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	Page 7

Alternative performance measures (continued)

Attributable return on capital employed (ROCE)

Attributable ROCE is calculated as attributable underlying EBIT[(1)] 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 below 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 %	
	30.06.18	30.06.17
De Beers[(1)]	**8**	11
Copper	**23**	10
Platinum	**14**	4
Iron Ore	**2**	16
Coal	**77**	63
Nickel and Manganese	**29**	16
Corporate and other	**n/a**	n/a
	19	18

30.06.18

US$ million	**Underlying EBIT**	**Annualised underlying EBIT**	**Less: Non-controlling interests' share of annualised underlying EBIT**	**Attributable annualised 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)]	**412**	**737**	**(115)**	**622**	**7,970**	**8,496**	**(1,209)**	**7,287**	**7,629**
Copper	**668**	**1,336**	**(370)**	**966**	**4,159**	**5,877**	**(1,689)**	**4,188**	**4,173**
Platinum	**328**	**656**	**(155)**	**501**	**3,841**	**4,125**	**(648)**	**3,477**	**3,659**
Iron Ore	**245**	**490**	**(394)**	**96**	**6,345**	**7,257**	**(1,078)**	**6,179**	**6,262**
Coal	**1,300**	**2,600**	**(69)**	**2,531**	**3,287**	**3,395**	**(75)**	**3,320**	**3,304**
Nickel and Manganese	**350**	**700**	**(18)**	**682**	**2,364**	**2,326**	**–**	**2,326**	**2,345**
Corporate and other	**(128)**	**(256)**	**–**	**(256)**	**(241)**	**35**	**–**	**35**	**(103)**
	3,175	**6,263**	**(1,121)**	**5,142**	**27,725**	**31,511**	**(4,699)**	**26,812**	**27,269**

30.06.17

US$ million	Underlying EBIT	Annualised underlying EBIT	Less: Non-controlling interests' share of annualised underlying EBIT	Attributable annualised 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)]	548	982	(153)	829	7,481	8,786	(1,247)	7,539	7,510
Copper	303	606	(186)	420	4,189	5,941	(1,728)	4,213	4,201
Platinum	112	224	(59)	165	3,796	4,373	(649)	3,724	3,760
Iron Ore	759	1,518	(542)	976	6,006	7,024	(1,048)	5,976	5,991
Coal	1,120	2,240	(30)	2,210	3,420	3,679	(91)	3,588	3,504
Nickel and Manganese	192	384	(1)	383	2,432	2,318	–	2,318	2,375
Corporate and other	(103)	(206)	–	(206)	(335)	(238)	–	(238)	(286)
	2,931	5,748	(971)	4,777	26,989	31,883	(4,763)	27,120	27,055

(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.

Exchange rates and commodity prices

US$ exchange rates	**30.06.18**	30.06.17	31.12.17
Period end spot rates			
South African rand	**13.73**	13.08	12.31
Brazilian real	**3.86**	3.30	3.31
Sterling	**0.76**	0.77	0.74
Australian dollar	**1.35**	1.30	1.28
Euro	**0.86**	0.88	0.83
Chilean peso	**650**	665	615
Botswana pula	**10.46**	10.25	9.85
Average rates for the period			
South African rand	**12.30**	13.21	13.31
Brazilian real	**3.43**	3.18	3.19
Sterling	**0.73**	0.79	0.78
Australian dollar	**1.30**	1.33	1.30
Euro	**0.83**	0.92	0.89
Chilean peso	**612**	665	649
Botswana pula	**9.78**	10.41	10.34

Commodity prices		**30.06.18**	30.06.17	31.12.17
Period end spot prices				
Copper[(1)]	US cents/lb	**301**	268	325
Platinum[(2)]	US$/oz	**851**	922	925
Palladium[(2)]	US$/oz	**953**	841	1,057
Rhodium[(3)]	US$/oz	**2,250**	1,035	1,700
Iron ore (62% Fe CFR)[(4)]	US$/tonne	**64**	63	74
Iron ore (66% Fe Concentrate CFR)[(5)]	US$/tonne	**94**	74	96
Hard coking coal (FOB Australia)[(4)]	US$/tonne	**199**	149	262
PCI (FOB Australia)[(4)]	US$/tonne	**136**	103	147
Thermal coal (FOB South Africa)[(6)]	US$/tonne	**104**	77	95
Thermal coal (FOB Australia)[(7)]	US$/tonne	**117**	82	104
Thermal coal (FOB Colombia)[(6)]	US$/tonne	**89**	76	86
Nickel[(1)]	US cents/lb	**676**	421	556
Average market prices for the period				
Copper[(1)]	US cents/lb	**314**	261	280
Platinum[(2)]	US$/oz	**941**	960	950
Palladium[(2)]	US$/oz	**1,007**	793	871
Rhodium[(3)]	US$/oz	**1,987**	929	1,097
Iron ore (62% Fe CFR)[(4)]	US$/tonne	**70**	74	71
Iron ore (66% Fe Concentrate CFR)[(5)]	US$/tonne	**93**	88	87
Hard coking coal (FOB Australia)[(4)]	US$/tonne	**209**	179	188
PCI (FOB Australia)[(4)]	US$/tonne	**145**	117	119
Thermal coal (FOB South Africa)[(6)]	US$/tonne	**97**	79	84
Thermal coal (FOB Australia)[(7)]	US$/tonne	**104**	81	89
Thermal coal (FOB Colombia)[(6)]	US$/tonne	**82**	74	78
Nickel[(1)]	US cents/lb	**629**	443	472

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

ANGLO AMERICAN plc

(Incorporated in England and Wales – Registered number 03564138)

(the Company)

Notice of Interim Dividend

(Dividend No. 33)

Notice is hereby given that an interim dividend on the Company's ordinary share capital in respect of the year to 31 December 2018 will be paid as follows:

Amount (United States currency)	49 cents per ordinary share (note 1)
Amount (South African currency)	R6.49936 per ordinary share (note 2)
Last day to effect removal of shares between the United Kingdom (UK) and South African (SA) registers	Monday 13 August 2018
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Tuesday 14 August 2018
Ex-dividend on the JSE from the commencement of trading on	Wednesday 15 August 2018 (note 3)
Ex-dividend on the London Stock Exchange from the commencement of trading on	Thursday 16 August 2018
Record date (applicable to both the UK principal register and SA branch register)	Friday 17 August 2018
Removal of shares between the UK and SA registers permissible from	Monday 20 August 2018
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 1)	Friday 31 August 2018
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by the UK Registrars (notes 4, 5 and 6)	Friday 31 August 2018
Currency conversion US$:£/€ rates announced on (note 7)	Friday 7 September 2018
Last day for receipt of DRIP mandate forms by Central Securities Depository Participants (CSDPs) (notes 4, 5 and 6)	Friday 14 September 2018
Last day for receipt of DRIP mandate forms by the South African Transfer Secretaries (notes 4, 5 and 6)	Monday 17 September 2018
Payment date of dividend	Friday 21 September 2018

Notes

1. Shareholders on the UK register of members with an address in the UK will be paid in pounds sterling and those with an address in a country in the European Union which has adopted the euro will be paid in euros. Such shareholders may, however, elect to be paid their dividends in US dollars provided the UK Registrars receive such election by Friday, 31 August 2018. Shareholders with an address elsewhere will be paid in US dollars except those registered on the SA branch register who will be paid in South African rand.
2. Dividend Tax will be withheld from the amount of the gross dividend of R6.49936 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 R5.199488 per ordinary share. Anglo American plc had a total of 1,405,465,332 ordinary shares in issue, including 691,922 treasury shares, as at the date hereof. In South Africa the dividend will be distributed by Anglo American South Africa Limited, a South African company with tax registration number 9030010608, in terms of the Company's dividend access share arrangements.
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 Monday 15 October 2018. CREST accounts will be credited on Wednesday 26 September 2018.
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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