HALF YEAR FINANCIAL REPORT

for the six months ended 30 June 2021

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29 July 2021

Anglo American Interim Results 2021

Strong market demand and operational resilience deliver underlying EBITDA of $12.1 billion

Financial highlights for the six months ended 30 June 2021

- Underlying EBITDA* of $12.1 billion, driven by strong market demand and operational resilience
- Profit attributable to equity shareholders of $5.2 billion
- Net debt* of $2.0 billion (0.1 x annualised underlying EBITDA), reflecting strong cash generation
- $4.1 billion shareholder return, reflecting capital discipline and commitment to return excess cash:
    - $2.1 billion interim dividend, equal to $1.71 per share, consistent with our 40% payout policy
    - $2.0 billion additional return: $1.0 billion special dividend and $1.0 billion share buyback
- Exit from thermal coal operations: Thungela demerger completed and sale of Cerrejón interest announced

Mark Cutifani, Chief Executive of Anglo American, said:

"The first six months of 2021 have seen strong demand and prices for many of our products as economies begin to recoup lost ground, spurred by stimulus measures across the major economies. The platinum group metals and copper – essential to the global decarbonisation imperative as we electrify transport and harness clean, renewable energy – and premium quality iron ore for greener steelmaking, supported by an improving market for diamonds, all contributed to a record half year financial performance, generating underlying EBITDA of $12.1 billion.

"Against a backdrop of ongoing Covid hardships in many countries, our commitment to do everything we can to help protect our people and communities stands firm. It is in this spirit that we have decided to make a special contribution of $100 million to our Anglo American Foundation to fund more ambitious and longer term health, social and environmental projects, aligned with our Sustainable Mining Plan areas of focus, as we look ahead to the post-pandemic recovery phase. With widespread health protocols in place across our operations, workplace safety has never been higher on our agenda. Building on our considerable improvements in recent years, I'm pleased to report no fatal incidents in the first half of this year.

"The resilience of our business through a tough operating environment, supported by the prevailing market conditions, increased our mining EBITDA margin* to 61%. Attributable free cash flow* of $5.4 billion helped reduce net debt to just 0.1 x annualised underlying EBITDA at the end of June. In line with our commitment to disciplined capital allocation, and in addition to our established 40% dividend payout, we will return an additional $2 billion to shareholders, split equally between a special cash dividend and a share buyback, recognising the different preferences of our shareholders, amounting to a $4.1 billion total cash return for the half year.

"Our balanced investment programme is driving margin-enhancing volume growth of 20% over the next three years, including copper production from Quellaveco due to come on stream in 2022, and growth of 25–35% in the medium term. Our business is increasingly geared towards providing the future-enabling metals and minerals for a low carbon economy and to meet global consumer demand trends. Combined with our commitment to carbon neutrality across our operations by 2040, we are working to meet the expectations of our full breadth of stakeholders."

Six months ended

US$ million, unless otherwise stated	**30 June 2021**	30 June 2020	Change
Revenue[1]	**21,779**	10,187	114 %
Underlying EBITDA*	**12,140**	3,350	262 %
Mining EBITDA margin*	**61 %**	38 %	
Attributable free cash flow*	**5,381**	(1,282)	
Profit attributable to equity shareholders of the Company	**5,188**	471	1,001 %
Basic underlying earnings per share* ($)	**4.30**	0.72	497 %
Basic earnings per share ($)	**4.18**	0.38	1,000 %
Interim dividend per share ($)	**1.71**	0.28	511 %
Special dividend per share ($)	**0.80**	—	
Share buyback per share ($)	**0.80**	—	
Total dividend and buyback per share ($)	**3.31**	0.28	1,082 %
Group attributable ROCE*	**49 %**	11 %	

Terms with this symbol * are defined as Alternative Performance Measures (APMs). For more information refer to page 77.

[1] The comparative figure for the six months ended 30 June 2020 has been restated. See note 2 to the Condensed financial statements for further details.

SUSTAINABILITY PERFORMANCE

Key sustainability performance indicators[1]

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

Pillar of Value	Metric	30 June 2021	30 June 2020	Target	Target achieved
Safety and health	Work-related fatal injuries	0	0	Zero	On track
	Total recordable case frequency rate per million hours	2.28	2.10	Year-on-year reduction	In progress
	New cases of occupational disease	8	24	Year-on-year reduction	On track
Environment	Energy consumption (million GJ)[2]	35	32	Improve energy efficiency by 30% by 2030	On track
	GHG emissions - Scope 1 and 2 (Mt CO_2e)[2]	6.2	6.0	Reduce net GHG emissions by 30% by 2030	On track
	Water withdrawals (million m^3)[2]	91	86	Reduce freshwater abstraction by 50% by 2030[3]	On track
	Level 4-5 environmental incidents	0	0	Zero	On track
Socio-political	Social Way implementation (based on updated Social Way 3.0 for 2020)[4]	80% / 23%	96%	Full compliance with Social Way 3.0 by end 2022	On track
	Local procurement spend ($bn)[5]	4.9	4.5		
	Taxes paid ($m)[6]	3,136	1,273		
	Jobs supported by Enterprise and Supplier Development (ESD) initiatives[7]	137,777	132,082		
	Businesses supported by ESD initiatives[7]	66,625	65,548		
People	Women in senior management	28%	25%	To achieve 33% by 2023	On track
	Women in the workforce	23%	22%		

(1) Sustainability performance indicators for six months to 30 June 2021, and the comparative period, are not externally assured.

(2) Energy, GHG savings and water withdrawals data for the current period and prior period is shown to end of May.

(3) Consistent with our ambition towards responsible water stewardship, we will reassess our water targets and their underlying indicators in 2021. The aim is to ensure they are meaningful to all stakeholders and technically appropriate; drive the right behaviours at our operations; reflect the complexity of the socio-political and ecological context of our sites; and embrace our ambition to reduce our water footprint, while creating value for our stakeholders. The 2030 target relates to freshwater abstraction in water scarce regions.

(4) Data presented is for the years ended 31 December 2020 and 2019. In 2020, we launched a new integrated social performance management system (Social Way 3.0), which has raised performance expectations and has resulted in continued improvement in our social performance. Prior to 2020, our target was full compliance against our previous standard. As we implement the new standard, sites have been required to set milestone targets on the way to the requirement of full compliance by end 2022. Data for 2020 and 2019 are, therefore, not comparable. In 2020, 80% of our year-end roll-out milestone targets were met and 23% of the Social Way 3.0 requirements were fulfilled in the first year of the transition to the new standard. Sites are expected to have fully implemented the Social Way 3.0 by the end of 2022.

(5) Local procurement spend relates to spend within the country where an operation is located. Data for the current period and prior period is shown until end of May.

(6) Taxes paid are equivalent to taxes borne and collected and are payments by Anglo American in respect of taxes either directly incurred or paid on behalf of other parties as a result of the Group's economic activity. The six months to 30 June 2020 use assumptions and should be treated as an approximation.

(7) Data presented is for the years ended 31 December 2020 and 2019.

SUSTAINABILITY PERFORMANCE

Safety

Our safety performance has been fundamentally transformed in recent years, though we know there is always more to do and we cannot allow any form of complacency. Our determination to achieve zero harm is our most pressing challenge. Making sure every employee returns home safely at the end of each day drives our thinking and behaviour across the business. It is with this mindset that we have completed the first six months of 2021 without any fatal incidents. Our independently managed joint venture operations have also not reported any fatal incidents in the first half of the year.

We are unconditional about safety and we will not rest until zero harm is achieved and sustained across our business. We have shown it can be done for long stretches of time and now we must make it permanent.

In recognising material progress, the Elimination of Fatalities Taskforce that we launched in 2018 has been central to our improvement and is being stepped up in our quest for zero harm. In 2020, we recorded an all-time-low total recordable safety rate, being a 60% improvement since 2013, though we have regressed marginally in the first half of 2021 and we are giving this our full attention.

Environment

Our environmental performance continues to improve, with no Level 5, 4 or 3 incidents in the first half of 2021. This achievement reflects the improvements to our planning and operating disciplines across the business. We also launched a 'no repeats' challenge to help us learn from low level incidents and prevent repeats of a similar nature across the business, which has led to improvements in controls, specifically helping to prevent significant incidents.

Energy consumption in the first half of 2021 increased in line with production following the operational shutdowns during the first half of 2020 due to the pandemic. However, the increase in GHG emissions is partly offset due to our Copper business in Chile moving to a renewable electricity supply in 2021, thereby reducing its Scope 2 emissions, as well as a reduction in methane emissions from our metallurgical coal mines in Australia. Our operations in both Brazil and Peru have also agreed 100% renewable electricity supply contracts, resulting in an approximately 70% reduction in CO_2 emissions in Brazil, Chile and Peru.

Our Sustainable Mining Plan includes commitments to be a leader in environmental stewardship. By 2030, we aim to: reduce GHG emissions (Scope 1 and 2 emissions) by 30% against a 2016 baseline; improve energy efficiency by 30%; achieve a 50% net reduction in freshwater abstraction; and deliver net-positive impacts in biodiversity wherever we operate. And, by 2040, we have committed to being carbon neutral across our operations (Scope 1 and 2 emissions), including by using 100% renewables for our grid supply across our operations in South America.

WeCare – our global response to the pandemic

Anglo American acted quickly at the onset of the pandemic to support the lives and livelihoods of our workforce and host communities through the health, social and economic effects of the Covid-19 pandemic – through our global "WeCare" response programme. Our mines and host communities, which are also often home to much of our workforce, operate as an ecosystem and both must be healthy to prosper. Across our operational footprint and in those communities that are local to our operations, WeCare provides information and extensive practical support across four pillars of: physical health, mental health, living with dignity, and community response:

Physical health – education and behavioural change to support personal health and hygiene; health screening and testing; PPE and medical equipment and facilities; vaccination information programme; and support for government-led vaccination programmes, including licensing our own medical facilities in South Africa to vaccinate employees.

Mental health – employee support programmes to assist with mental health management, including via our employee app and online events and other digital materials.

Living with dignity – direct employee and community support to combat gender-based and domestic violence; work with health authorities to identify abuse cases and referrals to support mechanisms.

Community response – wide-ranging livelihoods programme to support communities through the social and economic effects of the pandemic, including: public information campaigns aimed at health and hygiene; health screening and Covid-19 testing; support for health service provision; continuation of essential services (e.g. water, energy, accommodation); food package distribution; employee match-giving programme; support for SMEs and entrepreneurs; support for teachers and students; job training for post-pandemic employability; and regional development planning to enhance local economic activity for the long term.

Anglo American Foundation – special endowment of $100 million

Building on the extensive in-kind support and financial contributions as part of the WeCare programme, we will also be making a special contribution of $100 million to the Anglo American Foundation. The Anglo American Foundation is focused on accelerating progress towards the United Nations' Sustainable Development Goals (UNSDGs), placing a particular importance on programmes that empower women, youth and vulnerable groups in Anglo American's host communities and countries of operation. By partnering with non-profit, public and private organisations, the Anglo American Foundation supports health, education, economic and environmental projects aligned with the goals of Anglo American's Sustainable Mining Plan – itself designed to align with the UNSDGs.

This special endowment is an opportunity to accelerate the Anglo American Foundation's work at a critical time for so many of our stakeholders and our planet and will help us take the scale of what the Anglo American Foundation can deliver to an entirely new level, funding more ambitious and longer term projects.

Operational and financial review of Group results for the period ended 30 June 2021

OPERATIONAL PERFORMANCE

Improved operational performances at PGMs, De Beers, Kumba (Iron Ore) and Copper contributed to a 10% production increase on a copper equivalent basis[(1)], driven in part by the easing of Covid-19 related restrictions that impacted production in the first half of 2020, as well as higher throughput at Mogalakwena (PGMs) and strong plant performance at Los Bronces (Copper), Collahuasi (Copper) and Kumba. Production was adversely affected by the suspension of longwall operations at Grosvenor and other operational issues (Metallurgical Coal), unplanned maintenance at Minas-Rio (Iron Ore) and planned lower grades at Nickel. In response to the pandemic, comprehensive safeguarding measures remain in place at operations which has resulted in a return to more normal operating levels, with production at around 95%[(2)] of normal capacity in the first half of 2021.

De Beers' rough diamond production increased by 37% to 15.4 million carats (30 June 2020: 11.3 million carats) in response to the strong recovery in consumer demand, following the impact of Covid-19 in the first half of 2020.

Copper production increased by 5% to 330,000 tonnes (30 June 2020: 313,900 tonnes), driven by a 9% increase in production at Los Bronces to 163,200 tonnes (30 June 2020: 149,400 tonnes), with higher water availability as a result of water management initiatives resulting in an increase in throughput, and a 3% increase in attributable production from Collahuasi to a record 145,900 tonnes (30 June 2020: 142,200 tonnes), due to continued strong plant performance.

PGMs' production (metal in concentrate) increased by 28% to 2,079,100 ounces (30 June 2020: 1,620,000 ounces), reflecting the impact in the first half of 2020 of the temporary shutdown of operations in response to the Covid-19 pandemic, as well as an increase in throughput at Mogalakwena. Refining performance also improved, reflecting the strong performance of the converter plant (ACP) following its rebuild in 2020.

Iron ore production increased by 3% to 31.9 Mt (30 June 2020: 30.8 Mt). At Kumba, production increased by 12% to 20.4 Mt (30 June 2020: 18.2 Mt), owing to the easing of Covid-19 related restrictions that had affected production in the first half of 2020, and improved plant availability. Minas-Rio production decreased by 9% to 11.5 Mt (30 June 2020: 12.6 Mt), due to unplanned maintenance at the beneficiation plant, with the majority of the volumes expected to be recovered during the remainder of the year.

Metallurgical coal production decreased by 20% to 6.2 Mt (30 June 2020: 7.8 Mt), principally due to the suspension of longwall operations at Grosvenor since May 2020 following the underground incident, and the elevated gas levels at Moranbah that resulted in the stoppage of longwall operations from 21 February 2021 until 3 June 2021.

Nickel's production decreased by 5% to 20,700 tonnes (30 June 2020: 21,700 tonnes), reflecting planned lower ore grades, while manganese ore production increased by 13% to 1.8 Mt (30 June 2020: 1.6 Mt).

Thermal coal export production decreased by 12% to 9.3 Mt (30 June 2020: 10.5 Mt). In South Africa, production decreased by 27% to 5.7 Mt (30 June 2020: 7.8 Mt), mainly due to the demerger of operations on 4 June 2021, as well as the Bokgoni pit at Khwezela being placed onto care and maintenance. In Colombia, attributable production increased by 30% to 3.6 Mt (30 June 2020: 2.7 Mt) as the Covid-19 related restrictions imposed in the first half of 2020 were eased.

Group copper equivalent unit costs[(1)] increased by 15% in US dollar terms and 6% in local currency terms, despite higher production, due to stronger producer currencies and input cost increases at most of our operations.

[(1)] Copper equivalent production and unit cost is normalised to reflect the demerger of the South Africa thermal coal operations and the closure of the manganese alloy operations.
[(2)] Production capacity excludes Moranbah and Grosvenor.

FINANCIAL PERFORMANCE

Anglo American's profit attributable to equity shareholders increased significantly to $5.2 billion (30 June 2020: $0.5 billion). Underlying earnings were $5.3 billion (30 June 2020: $0.9 billion), while operating profit was $11.0 billion (30 June 2020: $1.8 billion).

UNDERLYING EBITDA*

Group underlying EBITDA increased by $8.8 billion to $12.1 billion (30 June 2020: $3.4 billion). The Group Mining EBITDA margin* was higher than for the first half of 2020 at 61% (30 June 2020: 38%), due to the increase in the price for the Group's basket of products and improved production at PGMs, Kumba (Iron Ore) and Copper, partly offset by unfavourable exchange rates and higher input costs across the Group. 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*[1]

$ million	**6 months ended 30 June 2021**	6 months ended 30 June 2020
De Beers	**610**	2
Copper	**1,935**	706
PGMs	**4,383**	610
Iron Ore	**4,910**	1,827
Metallurgical Coal	**(94)**	(10)
Nickel and Manganese	**289**	218
Crop Nutrients	**(12)**	4
Corporate and other	**119**	(7)
Total	**12,140**	3,350

[1] Following the demerger of Thungela, the Group has reassessed its reportable segments to include thermal coal operations in Corporate and other. Prior period comparatives have been restated. See note 3 to the Condensed financial statements for further details.

Underlying EBITDA reconciliation for the six months ended 30 June 2020 to six months ended 30 June 2021*

The reconciliation of underlying EBITDA from $3.4 billion in the six months ended 30 June 2020 to $12.1 billion in the six months ended 30 June 2021 shows the controllable factors (e.g. cost and volume), as well as those outside of management control (e.g. price, foreign exchange, inflation and the impact of the pandemic), that drive the Group's performance.

$ billion	
H1 2020 underlying EBITDA*	**3.4**
Price	**7.9**
Foreign exchange	**(0.4)**
Inflation	**(0.2)**
Covid-19 volume recovery	**0.8**
Net cost and volume	**0.5**
Other	**0.1**
H1 2021 underlying EBITDA*	**12.1**

Price

Average market prices for the Group's basket of products increased by 62% compared to the first half of 2020, increasing underlying EBITDA by $7.9 billion. Higher realised prices were achieved across most of our products, with iron ore increasing by 133%; the dollar PGMs basket increasing by 47%, driven mainly by a significantly stronger average rhodium price; and copper increasing by 84%.

Foreign exchange

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

Inflation

The Group's weighted average CPI for the first half of the year was 3.3%, compared with 3.1% in the first six months of 2020. This was principally influenced by an increase in inflation in Brazil, partly offset by a decrease in Australia. The impact of inflation on costs reduced underlying EBITDA by $0.2 billion.

Covid-19 volume recovery

The positive $0.8 billion effect on the Group's underlying EBITDA reflects the easing of the Covid-19 related restrictions that impacted sales in the first half of 2020, as well as a recovering diamond market. This was partly offset, however, by continued disruption to production and the supply chain in the first six months of 2021.

Global consumer demand continued to recover from the impact of Covid-19 during the first half of 2021. In particular, rough diamond demand increased as the midstream pulled through stocks in response to the recovery, which drove a strong sales performance for De Beers during the period.

Operational impacts in the first half of 2021 were driven by safeguarding measures across the Group. At De Beers, production in Canada was affected by a Covid-19 related suspension of operations in February. The second wave in South Africa at the beginning of the year also impacted the Group as comprehensive preventative safety measures including extra testing, social distancing and workplace sanitation between shift changes were implemented to help safeguard the lives and livelihoods of our workforce and host communities.

Net cost and volume

The net effect of cost and volume was a $0.5 billion increase in underlying EBITDA, as strong PGM sales and the impact of PGMs' ACP outage in 2020 more than offset the effect of logistics constraints at Kumba and unplanned maintenance at Minas-Rio.

Metallurgical Coal longwall operations were affected by a suspension at Moranbah from February 2021 to May 2021, as well as the continued suspension of Grosvenor following the incident in May 2020.

Other

The $0.1 billion positive movement in underlying EBITDA from other factors was largely due to higher earnings at Cerrejón owing to the impact of Covid-19 lockdowns in the first half of 2020, and decreases in the environmental restoration provisions at Copper as a result of recent market volatility influencing the discount rate.

UNDERLYING EARNINGS*

Group underlying earnings increased to $5.3 billion (30 June 2020: $0.9 billion), driven by the significantly higher underlying EBITDA, partly offset by an increase in net finance costs and income tax expense and an increase in earnings attributable to non-controlling interests.

Reconciliation from underlying EBITDA to underlying earnings**

$ million	**6 months ended 30 June 2021**	6 months ended 30 June 2020
Underlying EBITDA*	**12,140**	3,350
Depreciation and amortisation	**(1,462)**	(1,266)
Net finance costs and income tax expense	**(3,448)**	(849)
Non-controlling interests	**(1,895)**	(349)
Underlying earnings*	**5,335**	886

Depreciation and amortisation

Depreciation and amortisation increased by 15% to $1.5 billion (30 June 2020: $1.3 billion), reflecting the effect of stronger local currencies.

Net finance costs and income tax expense

Net finance costs, before special items and remeasurements, were $0.4 billion (30 June 2020: $0.3 billion). The increase was principally driven by fair value losses on the revaluation of deferred consideration balances at PGMs relating to the Mototolo acquisition.

The underlying effective tax rate was 29.6% (30 June 2020: 30.9%). The underlying effective tax rate in the first half of 2021 was impacted by the relative levels of profits arising in the Group's operating jurisdictions. In future periods, the underlying effective tax rate is expected to be in the range of 30% to 33%. The tax charge for the period, before special items and remeasurements, was $3.0 billion (30 June 2020: $0.5 billion).

Non-controlling interests

The share of underlying earnings attributable to non-controlling interests of $1.9 billion (30 June 2020: $0.3 billion) principally relates to minority shareholdings in Kumba, PGMs and Copper.

SPECIAL ITEMS AND REMEASUREMENTS

Special items and remeasurements (after tax and non-controlling interests) are a net charge of $0.1 billion (30 June 2020: net charge of $0.4 billion) and include impairment reversals of $1.0 billion, related mainly to Minas-Rio (Iron Ore Brazil), impairment charges of $0.6 billion at Moranbah/Grosvenor, Dawson and Capcoal (Metallurgical Coal), and a loss on disposal of $0.4 billion on the demerger of the South African thermal coal operations.

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

NET DEBT*

$ million	2021	2020
Opening net debt* at 1 January	**(5,575)**	(4,626)
Underlying EBITDA* from subsidiaries and joint operations	**11,740**	3,050
Working capital movements	**(805)**	(1,439)
Other cash flows from operations	**(261)**	(87)
Cash flows from operations	**10,674**	1,524
Capital repayments of lease obligations	**(133)**	(75)
Cash tax paid	**(1,973)**	(451)
Dividends from associates and joint ventures	**83**	132
Net interest[(1)]	**(155)**	(184)
Dividends paid to non-controlling interests	**(832)**	(395)
Sustaining capital expenditure[(2)]	**(1,476)**	(1,171)
Sustaining attributable free cash flow*	**6,188**	(620)
Growth capital expenditure and other[(2)]	**(807)**	(662)
Attributable free cash flow*	**5,381**	(1,282)
Dividends to Anglo American plc shareholders	**(907)**	(557)
Acquisitions	**—**	(515)
Disposals	**—**	187
Foreign exchange and fair value movements	**(102)**	(53)
Other net debt movements[(3)]	**(829)**	(771)
Total movement in net debt*	**3,543**	(2,991)
Closing net debt* at 30 June	**(2,032)**	(7,617)

(1) Includes cash inflows of $78 million (30 June 2020: inflows of $15 million), relating to interest receipts on derivatives hedging net debt, which are included in cash flows from derivatives related to financing activities.

(2) Included within sustaining capital expenditure is $39 million (30 June 2020: $21 million) of capitalised operating cash flows relating to life-extension projects. In addition to Growth capex, 'Growth capital expenditure and other' includes $3 million (30 June 2020: $1 million) of capitalised operating cash flows relating to growth projects and $25 million (30 June 2020: $25 million) of expenditure on non-current intangible assets.

(3) Includes revaluations of shipping lease liabilities and new leases entered into (less capital repayments of lease obligations) of $387 million; Mitsubishi's share of Quellaveco capital expenditure of $226 million; contingent and deferred consideration paid in respect of acquisitions completed in previous years of $111 million; and the purchase of shares for employee share schemes of $174 million. 2020 includes Mitsubishi's share of Quellaveco capital expenditure of $277 million; $253 million of debt recognised on the acquisition of Sirius Minerals Plc; the purchase of shares under a buyback of $223 million; and the purchase of shares for other purposes (including for employee share schemes) of $117 million.

Net debt (including related derivatives) of $2.0 billion has decreased by $3.5 billion since 31 December 2020, driven by robust cash flows from operations of $10.7 billion. The Group generated strong sustaining attributable free cash inflows of $6.2 billion, used in part to fund growth capital expenditure of $0.8 billion and dividends paid to Anglo American plc shareholders of $0.9 billion. New leases entered into, including for the Group's new London head office, and upwards revaluation of shipping lease liabilities, added $0.5 billion to net debt.

Net debt at 30 June 2021 represented gearing of 5% (31 December 2020: 15%) and comprised cash and cash equivalents of $10.9 billion (31 December 2020: $7.5 billion) and gross debt (including related derivatives) of $13.0 billion (31 December 2020: $13.1 billion).

CASH FLOW

Cash flows from operations

Cash flows from operations increased to $10.7 billion (30 June 2020: $1.5 billion), reflecting an increase in underlying EBITDA from subsidiaries and joint operations, partly offset by a price-driven build-up in working capital of $0.8 billion (30 June 2020: outflows of $1.4 billion). Cash outflows on inventories of $0.7 billion were driven by higher PGMs prices increasing the cost of purchased concentrate and a build-up in copper inventory purchased from external sources to be sold in the second half of the year. Receivables increased by $0.7 billion, mainly owing to increased iron ore, base metals and PGMs prices, offset by a payables increase of $0.6 billion, driven by a higher customer pre-payment within PGMs reflecting increased metal prices.

Capital expenditure*

$ million	**6 months ended 30 June 2021**	6 months ended 30 June 2020
Stay-in-business	808	622
Development and stripping	412	390
Life-extension projects	217	141
Proceeds from disposal of property, plant and equipment	—	(3)
Sustaining capital	**1,437**	1,150
Growth projects	779	636
Total	**2,216**	1,786
Capitalised operating cash flows	42	22
Total capital expenditure	**2,258**	1,808

Capital expenditure increased to $2.3 billion for the first six months of the year (30 June 2020: $1.8 billion), as comprehensive response plans mitigated the impact of the Covid-19 pandemic to a large degree and ensured business continuity.

Sustaining capital expenditure increased to $1.4 billion (30 June 2020: $1.2 billion), driven by the effect of stronger local currencies in our countries of operation and the roll-over of deferred expenditure from 2020 owing to Covid-19 related restrictions.

Growth capital expenditure increased to $0.8 billion (30 June 2020: $0.6 billion), largely due to higher expenditure incurred at the Woodsmith polyhalite project of $0.3 billion (30 June 2020: $0.1 billion) following the acquisition of the project in the first half of 2020.

Attributable free cash flow*

The Group’s attributable free cash flow increased to an inflow of $5.4 billion (30 June 2020: outflow of $1.3 billion) due to higher cash flows from operations of $10.7 billion (30 June 2020: $1.5 billion). This was partially offset by increased capital expenditure of $2.3 billion (30 June 2020: $1.8 billion), higher tax payments of $2.0 billion (30 June 2020: $0.5 billion) and increased dividends paid to non-controlling interests of $0.8 billion (30 June 2020: $0.4 billion).

Shareholder returns

In line with the Group’s established dividend policy to pay out 40% of underlying earnings, the Board has proposed a dividend of $1.71 per share (30 June 2020: $0.28 per share), equivalent to $2.1 billion (30 June 2020: $0.3 billion).

The Group has made significant progress in deleveraging and strengthening the balance sheet and, given the current levels of cash generated in the business, along with the further value potential in Anglo American, the directors consider it appropriate at this point in time to return excess cash to shareholders. As a result, the Board also approved a special dividend of $0.80 per share, equivalent to $1.0 billion, as well as the establishment of a $1.0 billion on-market share buyback programme to be executed concurrently on both the London Stock Exchange (LSE) and Johannesburg Stock Exchange (JSE).

Acquisitions

The Group completed no material acquisitions in the six months to 30 June 2021. In the previous corresponding period, on 17 March 2020, the Group completed the acquisition of Sirius Minerals Plc for a cash consideration of $0.5 billion.

Disposals

On 4 June 2021, the Group demerged its thermal coal operations in South Africa into a newly incorporated company, Thungela Resources Limited, that was subsequently admitted to trading on both the Johannesburg and London stock exchanges on 7 June 2021. The demerged assets included net cash of $0.2 billion. Following the demerger of the South Africa thermal coal operations, no further production will be reported by Anglo American. Anglo American's marketing business will continue to support Thungela in the sale and marketing of its products, and sales and purchases under the offtake agreement will be reported on a net basis, together with the Group's other third-party trading activities.

In 2021, the Group received $0.2 billion (30 June 2020 $0.2 billion) of deferred and contingent consideration in respect of previous divestments by PGMs and Copper (30 June 2020: PGMs), offsetting the net cash disposed in 2021 through the demerger of the Group's South African thermal coal operations.

BALANCE SHEET

Net assets increased by $4.9 billion to $37.7 billion (31 December 2020: $32.8 billion), reflecting the profit for the period, offset by dividend payments to Company shareholders and non-controlling interests.

ATTRIBUTABLE ROCE*

Attributable ROCE increased to 49% (30 June 2020: 11%). Annualised attributable underlying EBIT was higher at $15.7 billion (30 June 2020: $3.2 billion), reflecting the impact of significantly higher realised prices achieved for most of the Group's products and the easing of Covid-19 related restrictions that impacted sales in the first half of 2020. Average attributable capital employed increased to $32.1 billion (30 June 2020: $29.8 billion), primarily due to growth capital expenditure, largely at Quellaveco (Copper) and Woodsmith (Crop Nutrients), as well as working capital build.

LIQUIDITY AND FUNDING

Group liquidity remains conservative at $19.2 billion (31 December 2020: $17.5 billion), comprising $10.9 billion of cash and cash equivalents (31 December 2020: $7.5 billion) and $8.3 billion of undrawn committed facilities (31 December 2020: $10.0 billion).

In March 2021, the Group issued $500 million 2.250% Senior Notes due 2028, and $500 million 2.875% Senior Notes due 2031, as part of the Group's routine financing activities.

In June 2021, the Group bought back US dollar denominated bonds with maturities in 2025. The Group used $1.0 billion of cash to retire $0.9 billion of contractual repayment obligations (including derivatives hedging the bonds).

The bond issuances and the buyback transactions increased the weighted average maturity on the Group's bonds to 6.7 years (31 December 2020: 6.3 years).

The Group has an undrawn $4.5 billion revolving credit facility and an undrawn $0.2 billion bilateral credit facility, both due to mature in March 2025.

In April 2020, the Group signed a new $2.0 billion revolving credit facility with an initial maturity date of April 2021. After the Group's $1.0 billion bond issuance in March 2021, the Group issued a notice of cancellation for the facility, which became effective in March 2021 and, accordingly, this facility is no longer available.

PORTFOLIO UPGRADE

Anglo American continues to evolve its portfolio of competitive, world class assets towards those future-enabling products that are fundamental to enabling a low carbon economy and that cater to global consumer demand trends. Aligned to this strategy, in the first half of 2021, the Group commenced or completed several transactions.

In April 2021, Anglo American reached a significant milestone in delivering our sustainability commitments, securing 100% renewable electricity supply for all our operations in South America by signing an agreement with Engie Energía Perú to provide 100% renewable electricity for the Quellaveco copper operation in Peru, which is expected to begin production in 2022, having already met our objective to source electricity entirely from renewables in Chile from 2021, and Brazil from 2022.

In June 2021, we completed the demerger of our thermal coal operations in South Africa through the creation of a new stand-alone company, Thungela Resources Limited ('Thungela'), which has a primary listing on the Johannesburg Stock Exchange, and a standard listing on the London Stock Exchange.

In June 2021, we also entered into an agreement for the sale of our 33.3% interest in Cerrejón to Glencore plc. The agreement is effective on 31 December 2020 and, therefore, economic benefits from 1 January 2021 onwards will not accrue to Anglo American should the transaction complete. The transaction is subject to competition authority and other regulatory approvals and is expected to complete in the first half of 2022.

Both the Thungela demerger and Cerrejón sale represent the final stage of Anglo American's previously announced responsible transition from thermal coal operations, being a transition that seeks to balance the needs and expectations of all stakeholders.

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

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

Operation	Scope	Capex $bn	Remaining Capex $bn	First production	Progress
Copper					
Quellaveco	New copper mine in Moquegua, Peru producing 300 ktpa (100% basis, 180 ktpa our share) over the first 10 years in Q1 cost curve position.	2.7–2.8 (Anglo American 60% share)	1.1–1.2 (Anglo American 60% share)	2022	Construction began in 2018. Strong progress continues, with the project currently tracking against its original schedule, despite the impact of Covid-19 related disruptions, as execution was ahead of schedule prior to the pandemic. Refer to the Technology projects table below for Coarse Particle Recovery at Quellaveco.
Collahuasi	Phase 1 expansion focused on near-term P101 optimisation opportunities, the implementation of a fifth ball mill and a restart of leaching activities to add c.50 ktpa (44% basis). Additional debottlenecking options to further increase throughput remain under study. Further phase expansions are in early stage study to increase production by up to an additional 100 ktpa (44% basis).	Studies ongoing	c. 0.3 in total, with 5th ball mill c.0.1 (44% basis). Additional expansion studies ongoing. Subject to permitting and approvals.	2023	As part of the routine environmental approval (EIA) cycle a nominal expansion of throughput to 210 ktpd has been submitted as part of this application. EIA approval is expected in H2 2021.
Diamonds					
Marine Namibia	New mining vessel, adding 0.5 Mctpa (100% basis) of some of the highest value diamonds in the portfolio.	c.0.2 (Anglo American 50% share)	0.1 (Anglo American 50% share)	2022	Construction began in 2019 and is progressing to schedule with the vessel platform expected in Cape Town in Q3 2021 for the fitting of the mining and plant equipment.

Crop Nutrients					
Woodsmith	New polyhalite (natural mineral fertiliser) mine being developed in Yorkshire, UK. Expected to produce up to 10 Mtpa of POLY4 – a premium quality, low carbon fertiliser certified for organic use.	Subject to development timeline review	Subject to development timeline review	Subject to development timeline review	c.$0.5 bn expected to be spent in 2021 while a project review is ongoing to optimise development timeline and design. Refer to page 30 for a full update on progress and 2021 priorities.
Iron Ore					
Sishen	Implementation of Ultra High Dense Media Separation (UHDMS) technology at Kumba's Sishen operation will enable an increase in premium product production and the beneficiation of lower grade materials by reducing the current cut-off grade of <48% Fe to <40% Fe. In addition, the project contributes an additional 3–4 years to Sishen's life of mine to 2039.	0.2	0.2	2023	Project execution approved in Feb 2021.
PGMs					
Mogalakwena	Evaluating various options to expand PGM production of the mine by 0.3–0.6 moz, through technology development and deployment and the optimal mine plan to deliver feed to the concentrators.	0.8–1.4 (Studies ongoing)	Not yet approved	2025	Feasibility studies on the future of Mogalakwena are expected to be completed by the end of 2021, with decisions on the pathway forward shortly thereafter. Current key milestones include progressing an underground exploration decline; engagement with communities on resettlements; integrating the bulk ore sorting plant into planning; and construction of the coarse particle recovery plant, which should be complete by the end of the year.
Metallurgical Coal					
Moranbah-Grosvenor	Expansion of the processing facilities to increase ROM capacity of high-quality metallurgical coal by c. 3.5 Mtpa (Anglo American share 88%).	c.0.3 (Anglo American 88% share)	Not yet approved	2024/2025	Project approval expected 2023, dependent on progress of longwall operations post-restart.

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

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

Operation	Scope	Capex $bn	Remaining spend $bn	Expected first production	Progress
Diamonds					
Venetia	5 Mctpa underground replacement for the existing open pit. The project is expected to add an estimated 95 million carats and extend the life of the mine to 2045.	2.1	1.2	2023	Open-pit mining at Venetia is planned to end in H2 2022, with the transition to underground mining starting thereafter.
Jwaneng	9 Mctpa replacement (100% basis) for cuts 7 and 8. The Cut-9 expansion of Jwaneng will extend the life of the mine to 2036 and is expected to yield approximately 51 million carats of rough diamonds.	0.3 (Anglo American 19.2% share)	0.2 (Anglo American 19.2% share)	2027	Project progressing on schedule.
Metallurgical Coal					
Aquila	3.5 Mtpa (70% basis), 6 year extension of Capcoal's underground operations with Grasstree approaching end of life. Aquila will be a longwall operation leveraging the existing Grasstree infrastructure and producing high quality hard coking coal. The project will extend the life of the Capcoal underground operations to 2028.	0.2 (Anglo American 70% share)	0.1 (Anglo American 70% share)	2022	Development work began in September 2019 and first longwall production is expected in 2022.
Iron Ore					
Kolomela	4 Mtpa high grade iron ore replacement project. The development of a new pit, Kapstevel South, and associated infrastructure at Kolomela to help sustain output of c.13 Mtpa and extend the remaining life of mine to 2032.	0.4	0.4	2024	Approved in July 2020. Pit establishment and waste stripping has commenced in 2021, with first ore expected in 2024.
PGMs					
Mototolo/Der Brochen	Development of infrastructure to access the Der Brochen ore body, replacing declining production from Mototolo, and extending the life of mine by more than 30 years.	0.2 (studies ongoing)	Not yet approved	2024	Project approval expected in 2021.

Technology projects(1)

The Group is spending $0.2–0.5 billion per annum on technology programmes over the next three years to support the FutureSmart Mining™ programme (metrics presented on a 100% basis unless otherwise indicated):

Initiative	Scope	Progress
Copper, PGMs and Nickel		
Bulk ore sorting	Deliver improved feed grade to plants through early rejection of waste, improving energy efficiencies.	– Full scale solution option being reviewed at El Soldado (Copper). – Testing complete at Mogalakwena (PGMs). Commissioned full scale North Concentrator unit H1 2021 (~70% of complex feed). – Testing complete at Barro Alto (Nickel). c.$35 million capex to scale up to 100% throughput through 2022–23. – Phase 1 testing at Los Bronces (Copper) during 2021. c.$10 million capex for initial deployment (up to c.60% of throughput). Phase 2 study work under way.
Copper, PGMs and Iron Ore		
Coarse particle recovery (CPR)	Innovative flotation process allows material to be crushed to a larger particle size, rejecting coarse gangue and allowing water to release from coarser ore particles, improving energy efficiencies and water savings.	– Full scale demo plant commissioned at El Soldado (Copper) with ramp up to full capacity expected in H2 2021. – Full scale system under construction at Mogalakwena North concentrator (PGMs). Commissioning expected in Q4 2021. – CPR approved at Quellaveco (Copper) to treat flotation tails, improving recoveries by c.3% over the life of mine. Commissioning expected in 2022. – Feasibility work continues at Los Bronces (Copper) and Minas-Rio (Iron Ore).
Copper, PGMs and Iron Ore		
Hydraulic dry stack	Engineering of geotechnically stable tailings facilities that dry out in weeks, facilitating up to 85% water recovery.	– El Soldado (Copper) unit under construction, due to complete in Q4 2021. – Sequencing and application of future roll-outs to be determined.
Portfolio-wide		
Hydrogen mine haul trucks and associated renewables infrastructure	Developing the world's first hydrogen powered mining truck to decarbonise high power transport, using renewable energy.	– On-site testing and validation programme at Mogalakwena (PGMs) will commence in Q4 2021, with 40 truck roll-out planned to start in 2024, powered by a local solar plant.

(1) Capital expenditure relating to technology projects is included within Growth capital expenditure.

THE BOARD

Changes during 2021 to the composition of the Board are set out below.

On 1 March 2021, Elisabeth Brinton joined the Board as a non-executive director and will join the Sustainability Committee in September 2021.

On 1 June 2021, Hilary Maxson joined the Board as a non-executive director and member of the Audit Committee.

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

The principal risks and uncertainties facing the Group relate to the following:

- Catastrophic and natural catastrophe risks
- Product prices
- Cyber security
- Safety
- Climate change
- Community and social relations
- Operational stability
- Pandemic
- Political, regulatory and permitting
- Corruption
- Water
- Future demand

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

The principal risks and uncertainties facing the Group at the 2020 year end are set out in detail in the strategic report section of the Integrated Annual Report 2020 on the Group's website www.angloamerican.com.

DE BEERS

Financial and operational metrics[1]

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	EBITDA margin*[6]	Underlying EBIT*	Capex*	ROCE*
	'000 cts	'000 cts[2]	$/ct[3]	$/ct[4]	$m[5]	$m		$m	$m	
De Beers	**15,409**	**19,161**	**135**	**59**	**2,900**	**610**	**42 %**	**377**	**205**	**6 %**
Prior year	*11,277*	*8,547*	*119*	*62*	*1,223*	*2*	*49 %*	*(179)*	*159*	*(4)%*
Botswana	**10,687**	**n/a**	**131**	**35**	**n/a**	**226**	**n/a**	**203**	**29**	**n/a**
Prior year	*7,469*	—	*124*	*36*	—	*83*	—	*57*	*29*	—
Namibia	**676**	**n/a**	**578**	**374**	**n/a**	**43**	**n/a**	**25**	**23**	**n/a**
Prior year	*869*	—	*477*	*208*	—	*28*	—	*14*	*30*	—
South Africa	**2,437**	**n/a**	**107**	**48**	**n/a**	**113**	**n/a**	**34**	**122**	**n/a**
Prior year	*1,306*	—	*94*	*71*	—	*26*	—	*(20)*	*58*	—
Canada	**1,609**	**n/a**	**55**	**42**	**n/a**	**35**	**n/a**	**5**	**17**	**n/a**
Prior year	*1,633*	—	*56*	*39*	—	*36*	—	*12*	*12*	—
Trading	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**279**	**11 %**	**276**	**1**	**n/a**
Prior year	—	—	—	—	—	*(17)*	*(2)%*	*(20)*	*1*	—
Other[7]	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**(86)**	**n/a**	**(166)**	**13**	**n/a**
Prior year	—	—	—	—	—	*(154)*	—	*(222)*	*29*	—

[1] Prepared on a consolidated accounting basis, except for production, which is stated on a 100% basis except for the Gahcho Kué joint operation in Canada, which is on an attributable 51% basis.
[2] Total sales volumes on a 100% basis were 20.8 million carats (30 June 2020: 9.2 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.
[3] Pricing for the mining business units is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost.
[4] Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.
[5] Includes rough diamond sales of $2.6 billion (30 June 2020: $1.0 billion).
[6] Total De Beers EBITDA margin shows mining EBITDA margin on an equity basis, which excludes the impact of non-mining activities, third-party sales, purchases, trading downstream and corporate.
[7] Other includes Element Six, downstream, acquisition accounting adjustments and corporate.

Markets

Global consumer demand for diamonds continued to recover from the impact of Covid-19, supported by fiscal stimulus in the US and the roll-out of Covid-19 vaccines. Restrictions on international travel and entertainment over the course of the pandemic resulted in higher discretionary spending on luxury goods, including diamond jewellery.

In the first six months of 2021, the cutting centres achieved strong sales of polished diamonds in response to the ongoing recovery of consumer demand. However, the severe Covid-19 wave in India during April and May reduced capacity at cutting and polishing operations within the key Indian midstream sector, which was further exacerbated by polished diamond grading backlogs in key markets. The relative shortage of polished supply contributed to a positive polished price trend in the first half of 2021.

The recovery of demand in all parts of the pipeline enabled rough diamond producers to destock at the start of 2021. This robust demand, combined with supply constraints arising from production challenges, created a favourable dynamic in the first half of 2021 that also supported higher rough diamond prices.

Financial and operational overview

Total revenue increased significantly to $2.9 billion[1] (30 June 2020: $1.2 billion), with rough diamond sales rising to $2.6 billion[1] (30 June 2020: $1.0 billion), driven by robust rough diamond demand as the midstream pulled through stocks in response to the recovery in consumer demand, with rough diamond sales volumes significantly higher at 19.2 million carats (30 June 2020: 8.5 million carats). The average realised price rose by 13% to $135/ct (30 June 2020: $119/ct), driven by a larger proportion of higher value rough diamonds. The closing price index was 14% above the opening index over the first six months of 2021, reflecting positive consumer demand for diamond jewellery as well as tightness in inventories across the diamond value chain.

Underlying EBITDA increased to $610 million (30 June 2020: $2 million), broadly returning to 2019 levels, owing to the recovery in sales. Unit costs were lower than in the first half of 2020 at $59/ct (30 June 2020: $62/ct), as the benefit of higher production was primarily offset by unfavourable exchange rates.

Capital expenditure increased by 29% to $205 million (30 June 2020: $159 million), largely due to a reduction of sustaining projects during 2020 in response to Covid-19. The Venetia Underground and Jwaneng Cut-9 life-extension projects continued to progress and the new AMV3 vessel for Namibia remains on track for commissioning in 2022.

(1) Total revenue and rough diamond sales for the six months to 30 June 2019 were $2.6 billion and $2.3 billion respectively.

Operational performance

Mining and manufacturing

Rough diamond production increased by 37% to 15.4 million carats (30 June 2020: 11.3 million carats) primarily due to the lower levels of production in the first half of 2020 resulting from Covid-19 related shutdowns and the response to the resultant reduced demand owing to the pandemic.

In Botswana, production was 43% higher at 10.7 million carats (30 June 2020: 7.5 million carats) as production was increased in response to stronger prevailing demand. Production at Jwaneng increased by 44% to 6.3 million carats (30 June 2020: 4.3 million carats), and production at Orapa increased by 41% to 4.4 million carats (30 June 2020: 3.1 million carats), despite the impact of heavy rainfall at the beginning of the year.

In Namibia, production decreased by 22% to 0.7 million carats (30 June 2020: 0.9 million carats) due to planned maintenance of the Mafuta crawler vessel and the continued demobilisation of another vessel.

In South Africa, production increased by 87% to 2.4 million carats (30 June 2020: 1.3 million carats), owing to the impact of the Covid-19 shutdown in the first half of 2020, as well as planned processing of higher grade ore from the final cut of the open pit while the mine transitions to underground operations, where first production is expected in 2023.

In Canada, production was broadly in line at 1.6 million carats (30 June 2020: 1.6 million carats) due to a Covid-19 related temporary shutdown being offset by higher grade and plant throughput.

Brands and consumer markets

The first half of 2021 saw a strong recovery in consumer demand for De Beers' branded diamond jewellery from both De Beers Jewellers and De Beers Forevermark.

Online jewellery sales continued to show strong growth, reflecting the strong e-commerce growth trend over recent years as consumer buying habits continue to evolve into the digital age.

Operational and market outlook

The strong recovery in consumer demand is expected to continue, as the global economy recovers from the impact of Covid-19. In addition, midstream capacity is expected to increase during the second half of the year, subject to the Covid-19 situation in India.

The longer term transformation of the diamond value chain continues, including a sustained focus on stock level optimisation and distribution of polished diamonds and diamond jewellery, increased online purchasing, and greater focus on the provenance and sustainability credentials of companies and their products. The long term outlook for diamond jewellery demand remains positive, while the lack of new diamond projects means supply is likely to be flat or declining for the foreseeable future.

Full year production guidance is 32–33 million carats (100% basis), subject to trading conditions and the extent of any further Covid-19 related disruptions. Full year unit cost guidance is revised to c.$62/ct (previously c.$55/ct), reflecting the impact of exchange rates, marginally reduced production volumes and Covid-19 related disruptions.

COPPER

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*(2)	Underlying EBIT*	Capex*	ROCE*
	kt	kt(1)	c/lb(2)	c/lb(3)	$m(4)	$m		$m	$m	
Copper	**330**	**305**	**460**	**116**	**2,974**	**1,935**	**66 %**	**1,630**	**768**	**38 %**
Prior year	*314*	*294*	*250*	*107*	*1,589*	*706*	*45 %*	*378*	*729*	*13 %*
Los Bronces(5)	**163**	**155**	**n/a**	**155**	**1,431**	**920**	**64 %**	**768**	**189**	**n/a**
Prior year	*149*	*136*	—	*140*	*669*	*221*	*33 %*	*44*	*133*	—
Collahuasi(6)	**146**	**133**	**n/a**	**58**	**1,238**	**1,048**	**85 %**	**928**	**197**	**n/a**
Prior year	*142*	*135*	—	*69*	*752*	*546*	*73 %*	*428*	*153*	—
Quellaveco(7)	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**331**	**n/a**
Prior year	—	—	—	—	—	—	—	—	*415*	—
Other operations(8)	**21**	**17**	**n/a**	**n/a**	**305**	**(33)**	**16 %**	**(66)**	**51**	**n/a**
Prior year	*22*	*23*	—	*n/a*	*168*	*(61)*	*20 %*	*(94)*	*28*	—

(1) Excludes 157 kt third-party sales (30 June 2020: 207 kt).
(2) Excludes impact of third-party sales. Price represents realised price.
(3) C1 unit cost includes by-product credits.
(4) Group revenue is shown after deduction of treatment and refining charges (TC/RCs). Total Copper and Other operations prior year comparatives have been restated. See note 2 to the Condensed financial statements for more details.
(5) Figures on a 100% basis (Group's share: 50.1%).
(6) 44% share of Collahuasi production, sales and financials.
(7) Figures on a 100% basis (Group's share: 60%), except capex which represents the Group's share after deducting direct funding from non-controlling interests. H1 2021 capex on a 100% basis is $551 million, of which the Group's share is $331 million. H1 2020 capex on a 100% basis was $692 million, of which the Group's share was $415 million.
(8) Other operations includes El Soldado and Chagres (figures on a 100% basis, Group's share: 50.1%), third-party sales and purchases, projects and corporate costs.

Financial and operational overview

Underlying EBITDA increased to $1,935 million (30 June 2020: $706 million), driven by record copper prices and a 5% increase in production.

The increase in production to 330,000 tonnes (30 June 2020: 313,900 tonnes) was mainly attributable to continued strong plant performance at Collahuasi and planned improved water availability at Los Bronces as a result of water management initiatives. Unit costs increased by 8%, reflecting the stronger Chilean peso, cost inflation and a rise in water management costs, partly offset by an increase in waste stripping capitalised, increased production and higher by-product credits.

Capital expenditure increased by 5% to $768 million (30 June 2020: $729 million), reflecting the adverse movement in the Chilean peso, higher capitalised waste stripping, increased investment in technology projects and routine capital replacement.

Markets

	30 June 2021	30 June 2020
Average market price (c/lb)	**413**	249
Average realised price (c/lb)	**460**	250

The differences between the market price and realised price are largely a function of provisional pricing adjustments, with 181,072 tonnes of copper provisionally priced at 425 c/lb (30 June 2020: 124,800 tonnes provisionally priced at 273 c/lb), and the timing of sales across the period.

The average LME copper price increased by 66% compared with the same period in 2020, largely reflecting the strong recovery in economic activity following the impact of the Covid-19 pandemic in the first half of 2020, with demand rebounding sharply in China, ahead of other regions. Demand has been positively affected by the implementation of vaccination programmes, reinforced by government stimulus measures in advanced economies, as well as a renewed focus on global decarbonisation, where copper is key to the transition to a greener infrastructure and energy mix.

Constraints on mine supply growth, evidenced by multi-year lows for smelter copper concentrate treatment terms, have underpinned copper's fundamentals, attracting fund interest. Prices reached a record high of 470c/lb in May 2021, although concerns around inflation and potential interest rate rises have tempered further advances.

Operational performance

Production increased by 5% to 330,000 tonnes (30 June 2020: 313,900 tonnes).

At Los Bronces, production increased by 9% to 163,200 tonnes (30 June 2020: 149,400 tonnes) due to higher water availability owing to water management initiatives, partially offset by planned lower grades (0.70% vs. 0.90%). Chile´s central zone, where the operation is located, continues to face severe climatic conditions. However, the impact on production has been fully mitigated by successful implementation of the water management initiatives. C1 unit costs increased by 11% to 155 c/lb (30 June 2020: 140 c/lb), with the benefit of higher production more than offset by the stronger Chilean peso, inflation and other cost increases associated with water management.

At Collahuasi, Anglo American's attributable share of copper production increased by 3% to 145,900 tonnes (30 June 2020: 142,200 tonnes), a record for the operation, principally driven by continued strong plant performance. C1 unit costs decreased by 16% to 58 c/lb (30 June 2020: 69 c/lb), reflecting the higher by-product credits and increased production, partially offset by the stronger Chilean peso and inflation.

Production at El Soldado decreased by 6% to 20,900 tonnes (30 June 2020: 22,300 tonnes) due to planned lower grades (0.73% vs. 0.87%). C1 unit costs increased by 5% to 213 c/lb (30 June 2020: 202 c/lb), as a result of lower production volumes, the stronger Chilean peso and inflation.

Operational outlook

Full year production guidance is 650,000–680,000 tonnes, subject to water availability and the extent of any Covid-19 related disruption. Full year C1 unit cost guidance is unchanged at c.120 c/lb.

Quellaveco update

Construction has continued to progress to plan during the first half of 2021, despite the severe restrictions in place in Peru throughout this time owing to Covid-19. Significant progress has been made in the construction of the primary crusher and breakthrough was achieved in the ore transport conveyor tunnel. At the processing plant, the flotation cells and the shells and motors for the SAG and ball mills are placed and are in the process of being mechanically and electrically prepared for pre-commissioning. Construction work at the Vizcachas dam – part of the infrastructure that will provide water to both the operation and local communities – is complete and the tailings starter dam has now been built to its full elevation.

Pre-stripping began in April, as planned, including the use of automated haul trucks and drills, a first for the mining industry in Peru. The first graduates from our pioneering truck operating programme, which has trained women with no previous mining experience from the local community as truck operators, are now operating in the field.

In April 2021, Quellaveco announced an agreement with Engie Energía Perú to provide 100% renewable electricity during operations, reducing carbon dioxide emissions by approximately 70% compared with the original project baseline projections.

Capital expenditure (on a 100% basis) was $0.6 billion and full year guidance is expected to be towards the lower end of the $1.3–1.6 billion range (100% basis), of which the Group's share is $0.8–1.0 billion.

Key activities ahead of commissioning during 2022 include progressing construction of the primary crusher; completing construction of the ore transport conveyor tunnel; finishing steel and concrete placement and installation of the shells and motors for both milling lines at the processing plant; completing the c.95-kilometre freshwater pipeline that will deliver water from the water source area to the Quellaveco site; and progressing construction of the tailings system.

Despite the ongoing impacts of the pandemic, the project remains on track to deliver first production in 2022 and within the total project capital expenditure estimate of $5.3–5.5 billion (100% basis; Group share $2.7–2.8 billion). All guidance remains subject to the extent of any further Covid-19 related disruption. Quellaveco expects to deliver around 300,000 tonnes per annum of copper equivalent production on average in its first 10 years of operation.

PLATINUM GROUP METALS

Financial and operational metrics

	Production volume PGMs	Sales volume PGMs	Basket price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*(6)	Underlying EBIT*	Capex*	ROCE*
	koz(1)	koz(2)	$/PGM oz(3)	$/PGM oz(4)	$m(5)	$m		$m	$m	
PGMs	**2,079**	**2,568**	**2,884**	**866**	**7,414**	**4,383**	**71 %**	**4,211**	**363**	**160%**
Prior year	*1,620*	*1,229*	*1,956*	*753*	*2,541*	*610*	*26 %*	*476*	*200*	*24%*
Mogalakwena	**637**	**712**	**2,748**	**690**	**1,958**	**1,403**	**72 %**	**1,330**	**189**	**n/a**
Prior year	*560*	*343*	*2,018*	*547*	*683*	*386*	*57 %*	*330*	*90*	—
Amandelbult	**341**	**441**	**3,247**	**1,178**	**1,432**	**965**	**67 %**	**938**	**34**	**n/a**
Prior year	*218*	*229*	*2,103*	*1,238*	*475*	*137*	*29 %*	*116*	*14*	—
Other operations(7)	**425**	**521**	**3,054**	**880**	**1,547**	**1,116**	**72 %**	**1,059**	**140**	**n/a**
Prior year	*307*	*249*	*1,998*	*804*	*556*	*(69)*	*(12)%*	*(115)*	*96*	—
Processing and trading(8)	**675**	**894**	**n/a**	**n/a**	**2,477**	**899**	**36 %**	**884**	**n/a**	**n/a**
Prior year	*535*	*408*	—	—	*827*	*156*	*19 %*	*145*	*n/a*	—

(1) Production reflects own-mined production and purchase of metal in concentrate. PGMs includes 5E metals and gold.
(2) Sales volumes exclude the sale of refined metal purchased from third parties and toll material. PGMs includes 5E metals and gold.
(3) Average US$ realised 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) per own mined PGM ounce of production.
(5) Total PGMs and Processing and trading prior year comparatives have been restated. See note 2 to the Condensed financial statements for more details.
(6) The total PGMs mining EBITDA margin excludes the impact of the sale of refined metal purchased from third parties, purchase of concentrate and tolling.
(7) Includes Unki, Mototolo and PGMs' share of joint operations. Other operations margin includes unallocated market development, care and maintenance, and corporate costs.
(8) Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.

Financial and operational overview

Underlying EBITDA increased to $4,383 million (30 June 2020: $610 million), as a result of a 47% increase in the PGM basket price, driven mainly by the higher average rhodium price, as well as by sales volumes more than doubling. Unit costs increased by 15% to $866/PGM ounce (30 June 2020: $753/PGM ounce), reflecting a stronger South African rand and input cost inflation, partly offset by higher production volumes following the Covid-19 related shutdowns in the first half of 2020.

Capital expenditure increased by 82% to $363 million (30 June 2020: $200 million) due to lower capital expenditure in the first half of 2020 as a consequence of Covid-19, as well as the adverse impact of the stronger South African currency.

Markets

	30 June 2021	30 June 2020
Average platinum market price ($/oz)	**1,170**	848
Average palladium market price ($/oz)	**2,592**	2,136
Average rhodium market price ($/oz)	**24,662**	9,254
US$ realised basket price ($/PGM oz)	**2,884**	1,956

PGM prices strengthened during the first six months of 2021 as a recovering global economy and continued strong automotive demand, driven by tighter emission standards, boosted demand, while supply was disrupted by the temporary closure of two Russian mines. Rhodium and palladium set new all-time highs of c.$30,000/oz and c.$3,000/oz respectively, while platinum hit a six-year high of more than $1,300/oz. Strong industrial buying drove the average market prices for the minor PGMs significantly higher, with iridium more than tripling to reach an all-time high and ruthenium almost doubling to a 14-year high. Consequently, the average realised PGM basket price increased by 47% to $2,884/PGM oz, reflecting the strong pricing, particularly for rhodium and the minor metals, partly offset by higher than normal sales volumes of lower priced ruthenium during the first half of 2021.

Operational performance

Total PGM production increased by 28% to 2,079,100 ounces (30 June 2020: 1,620,000 ounces), reflecting the impact in the first half of 2020 of the temporary shutdown of operations in response to the Covid-19 pandemic, as well as strong production from Mogalakwena.

Own-mined production

PGM production from own-managed mines (Mogalakwena, Amandelbult, Unki and Mototolo) and equity share of joint operations increased by 29% to 1,404,100 ounces (30 June 2020: 1,084,800 ounces) following a robust recovery from the Covid-19 related shutdowns in the first half of 2020.

Mogalakwena PGM production increased by 14% to 637,400 ounces (30 June 2020: 559,900 ounces), largely driven by higher throughput and recoveries at the concentrators.

Amandelbult PGM production increased by 57% to 341,300 ounces (30 June 2020: 217,800 ounces), reflecting the impact of Covid-19 related shutdowns in the first half of 2020. Production was impacted in the first quarter of 2021 due to the stringent employee back to work health and safety protocols.

Production from other operations increased by 39% to 425,400 ounces (30 June 2020: 307,100 ounces), due to the effects of Covid-19 related shutdowns in the first half of 2020.

Purchase of concentrate

Purchase of concentrate, excluding tolling, increased by 26% to 675,000 ounces (30 June 2020: 535,200 ounces), reflecting the higher production from joint operations and third-parties.

Refined production and sales volumes

Refined PGM production (excluding toll-treated metal) more than doubled to 2,326,700 ounces (30 June 2020: 1,019,200 ounces) reflecting the strong recovery in the ACP Phase A performance following its successful rebuild in 2020, and despite planned maintenance at the Base Metals Refinery in the first quarter of 2021.

The ACP Phase B unit rebuild is on schedule for completion in the second half of 2021.

The ACP stoppages during 2020 resulted in an increase of work-in-progress inventory of 1.0 million ounces, which is expected to be drawn down over 2021 and 2022. In the first six months of 2021, approximately 200,000 PGM ounces of work-in-progress inventory was refined.

PGM sales volumes increased to 2,568,200 ounces (30 June 2020: 1,229,300 ounces), due to the higher refined production and the drawdown of refined inventory from minor metals to supplement sales.

Operational outlook

Full year production guidance (metal in concentrate) is 4.2–4.4 million ounces, with own-mined output accounting for c.65%. Refined PGM production guidance is 4.8–5.0 million ounces, subject to the impact of Eskom load-shedding. Both are subject to the extent of further Covid-19 related disruption. Full year unit cost guidance is revised to c.$870/PGM ounce (previously c.$700/PGM ounce), reflecting the stronger South African rand, marginally reduced production volume expectations and inflation outlook for the remainder of 2021.

IRON ORE

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt[1]	Mt[1]	$/t[2]	$/t[3]	$m[4]	$m[4]		$m[5]	$m	
Iron Ore	**31.9**	**30.7**	**210**	**33**	**6,935**	**4,910**	**70 %**	**4,661**	**278**	**88 %**
Prior year	*30.8*	*31.8*	*90*	*25*	*3,279*	*1,827*	*56 %*	*1,606*	*235*	*34 %*
Kumba Iron Ore[6]	**20.4**	**19.6**	**216**	**40**	**4,412**	**3,033**	**69 %**	**2,860**	**210**	**211 %**
Prior year	*18.2*	*19.1*	*91*	*29*	*1,914*	*1,028*	*54 %*	*881*	*174*	*69 %*
Iron Ore Brazil (Minas-Rio)	**11.5**	**11.1**	**200**	**22**	**2,523**	**1,877**	**73 %**	**1,801**	**68**	**59 %**
Prior year	*12.6*	*12.7*	*88*	*19*	*1,365*	*799*	*59 %*	*725*	*61*	*25 %*

(1) Production and sales volumes are reported as wet metric tonnes. The comparative has been restated as Kumba previously reported on a dry basis. Product is shipped with c.9% moisture from Minas-Rio and c.1.6% moisture from Kumba. Total iron ore is the sum of Kumba and Minas-Rio.
(2) Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha) (wet basis) and the comparative has been restated as Kumba previously reported on a dry basis. Prices for Minas-Rio are the average realised export basket price (FOB Açu) (wet basis). Prices for total iron ore are a blended average.
(3) Unit costs are reported on an FOB wet basis. The comparative has been restated as Kumba previously reported on a dry basis. Unit costs for total iron ore are a blended average.
(4) Total iron ore and Iron Ore Brazil prior year comparatives have been restated. See note 2 to the Condensed financial statements for more details.
(5) Kumba Iron Ore segment includes $48 million projects and corporate costs (30 June 2020: $28 million). Iron Ore Brazil segment includes $40 million projects and corporate costs (30 June 2020: $26 million).
(6) Sales volumes, stock and realised price differ to Kumba's stand-alone reported results due to sales to other Group companies.

Financial and operational overview

Kumba

Underlying EBITDA increased significantly to $3,033 million (30 June 2020: $1,028 million), driven by a higher average realised iron ore price of $216/tonne (30 June 2020: $91/tonne), partly offset by the stronger South African rand and higher unit costs of $40/tonne (30 June 2020: $29/tonne).

Total sales volumes increased by 3% to 19.6 Mt (30 June 2020: 19.1 Mt) due to a strong 12% increase in production following the Covid-19 related shutdowns in the first half of 2020, partly offset by rail constraints, inclement weather and bottlenecks at the port.

Capital expenditure increased by 21% to $210 million (30 June 2020: $174 million), owing to the effect of the stronger South African rand and planned higher spend related to the Kapstevel South pit life-extension project at Kolomela and the Ultra High Dense Media Separation (UHDMS) technology growth project at Sishen.

Minas-Rio

Underlying EBITDA more than doubled to $1,877 million (30 June 2020: $799 million), reflecting a higher average realised price and the impact of the weaker Brazilian real, despite lower volumes resulting from unplanned maintenance at the beneficiation plant. Unit costs increased by 16% to $22/tonne (30 June 2020: $19/tonne), as higher input costs, principally consumables and electricity, increased maintenance costs and lower volumes more than offset the benefit of the weaker Brazilian real.

Capital expenditure was 11% higher at $68 million (30 June 2020: $61 million), as the benefit of the weaker Brazilian real was partly offset by higher expenditure, including P101 initiatives.

Markets

	30 June 2021	30 June 2020
Average market price (IODEX 62% Fe CFR China – $/tonne)	**183**	91
Average market price (MB 66% Fe Concentrate CFR – $/tonne)	**209**	104
Average realised price (Kumba export – $/tonne) (FOB wet basis)	**216**	91
Average realised price (Minas-Rio – $/tonne) (FOB wet basis)	**200**	88

Kumba's FOB realised price of $216/wet metric tonne was 33% higher than the equivalent IODEX 62% Fe FOB Saldanha market price of $163/wet metric tonne, principally reflecting the higher iron content at 64.1% and relatively high proportion (approximately 69%) of lump in the product portfolio (which helps steel mills reduce emissions). There was also a $22/tonne timing benefit (30 June 2020: $1/tonne negative timing impact), principally related to the pricing of our products on the date of delivery.

Minas-Rio's pellet feed product is also higher grade (higher iron content of 67% and lower impurities) than the reference product used for the IODEX 62% Fe CFR China index. The Metal Bulletin (MB) 66 index, therefore, is used when referring to Minas-Rio product. Adjusting for moisture, the Minas-Rio realised price of $200/wet metric tonne (30 June 2020: $88/wet metric tonne) was 21% higher than the average MB 66 FOB Açu index, again reflecting the premium quality of the product in terms of high iron content, as well as a $22/tonne timing benefit (30 June 2020: $1/tonne) related to the pricing of our products on the date of delivery.

Operational performance

Kumba

Despite logistical capacity constraints, production increased by 12% to 20.4 Mt (30 June 2020: 18.2 Mt) relative to the first half of 2020, which was impacted by Covid-19 related disruptions. The increase was partly driven by improved plant availability following good progress made on scheduled plant maintenance. Sishen's production increased by 11% to 13.9 Mt (30 June 2020: 12.6 Mt) and Kolomela's increased by 14% to 6.4 Mt (30 June 2020: 5.7 Mt).

Minas-Rio

Production decreased by 9% to 11.5 Mt (30 June 2020: 12.6 Mt), owing to unplanned maintenance at one of the two ball mills in the beneficiation plant, with the majority of the volumes expected to be recovered during the remainder of the year.

Operational outlook

Kumba

Full year production guidance is 40.5–41.5 Mt, subject to the extent of further Covid-19 related disruption and rail performance.

Full year unit cost guidance is revised to c.$40/tonne (previously c.$34/tonne), reflecting the stronger South African rand and inflation outlook for the remainder of 2021.

Minas-Rio

Full year production guidance is 24–25 Mt, subject to the extent of further Covid-19 related disruption.

Full year unit cost guidance is revised to c.$23/tonne (previously $22/tonne), reflecting the stronger Brazilian real, marginally reduced volumes and inflation outlook for the remainder of 2021.

METALLURGICAL COAL

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
	Mt[1]	Mt[2]	$/t[3]	$/t[4]	$m	$m[5]		$m[5]	$m	
Metallurgical Coal	**6.2**	**6.0**	**115**	**124**	**736**	**(94)**	**(13)%**	**(383)**	**257**	**(26)%**
Prior year	*7.8*	*7.8*	*120*	*97*	*962*	*(10)*	*(1)%*	*(230)*	*287*	*(16)%*

(1) Production volumes are saleable tonnes, excluding thermal coal production of 0.9 Mt (30 June 2020: 0.9 Mt).
(2) Sales volumes exclude thermal coal sales of 1.1 Mt (30 June 2020: 1.1 Mt).
(3) Realised price is the weighted average hard coking coal and PCI sales price achieved at managed operations.
(4) FOB cost per saleable tonne, excluding royalties and study costs.
(5) Metallurgical Coal segment includes $28 million projects and corporate costs (30 June 2020: $30 million).

Financial and operational overview

Underlying EBITDA decreased, resulting in a $94 million loss (30 June 2020: $10 million loss), driven by 23% lower sales volumes, an associated 28% increase in unit costs to $124/tonne (30 June 2020: $97/tonne) and a 4% reduction in the weighted average realised price for metallurgical coal. The volume and cost performances were principally affected by the impact of the underground incident at Grosvenor in May 2020, where production is expected to resume towards the end of 2021, as well as the temporary suspension at Moranbah during the first half of 2021 in response to elevated gas levels.

Capital expenditure decreased by 10% to $257 million (30 June 2020: $287 million) due to a reduction in capital and development work at Moranbah and Grosvenor resulting from the suspension of underground activities in response to the operational incidents, partly offset by increased activity at the Aquila life-extension project.

Markets

	30 June 2021	30 June 2020
Average benchmark price - hard coking coal ($/tonne)[1]	**132**	137
Average benchmark price - PCI ($/tonne)[1]	**110**	83
Average realised price - hard coking coal ($/tonne)[2]	**117**	123
Average realised price - PCI ($/tonne)[2]	**103**	98

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

Average realised prices differ from the average market price owing to differences in material grade and timing of contracts. Hard coking coal price realisation marginally decreased to 89% of benchmark (30 June 2020: 90%), as sales consisted of a lower proportion of premium quality hard coking coal from Moranbah and Grosvenor.

Market prices decreased in the first half of 2021 as the ban on Australian-originated coal into Chinese ports remained in place and sentiment was negatively affected by the spread of Covid-19 in India. Market prices started to recover towards the end of the first half of 2021, as buyers of North American coal looked to swap out contracted volumes with lower priced Australian coal.

Operational performance

Production decreased by 20% to 6.2 Mt (30 June 2020: 7.8 Mt), principally due to the suspension of longwall operations at Grosvenor since May 2020 following the underground gas incident, and the elevated gas levels at Moranbah North that resulted in the stoppage of longwall operations from 21 February 2021 until 3 June 2021. Open cut operations are starting to return towards pre-Covid-19 production levels, having been scaled back at Dawson and Capcoal since mid-2020 in response to reduced demand for lower quality metallurgical coal. At Grosvenor, development activities safely resumed in early June 2021, as part of the staged approach to restarting the longwall mining operations towards the end of the year.

Operational outlook

Full year export metallurgical coal production guidance is 14–16 Mt, following a reduction earlier in 2021. Full year unit cost guidance is revised to c.$105/tonne (previously c.$75/tonne), reflecting the lower volumes and the stronger Australian dollar. Both are subject to the extent of any Covid-19 related disruption.

NICKEL AND MANGANESE

Financial and operational metrics

	Production volume(1)	Sales volume(1)	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
			c/lb(2)	c/lb(3)	$m(4)	$m(5)		$m(5)	$m	
Nickel and Manganese	**n/a**	**n/a**	**n/a**	**n/a**	**695**	**289**	**42 %**	**227**	**10**	**32 %**
Prior year	—	—	—	—	*563*	*218*	*39 %*	*132*	*12*	*12 %*
Nickel	**20,700**	**20,000**	**721**	**350**	**325**	**135**	**41 %**	**106**	**10**	**18 %**
Prior year	*21,700*	*20,400*	*502*	*336*	*228*	*64*	*28 %*	*9*	*12*	*1 %*
Manganese(6)	**1.8**	**1.9**	**n/a**	**n/a**	**370**	**154**	**42 %**	**121**	**n/a**	**112 %**
Prior year	*1.7*	*1.7*	—	—	*335*	*154*	*46 %*	*123*	—	*79 %*

(1) Nickel production and sales are tonnes (t). Manganese production and sales are million tonnes (Mt).
(2) Realised price.
(3) C1 unit cost.
(4) Nickel prior year revenue has been restated. See note 2 to the Condensed financial statements for more details.
(5) Nickel segment includes $10 million projects and corporate costs (30 June 2020: $5 million).
(6) Production, sales and financials include ore and alloy.

Financial and operational overview

Nickel

Underlying EBITDA increased to $135 million (30 June 2020: $64 million), reflecting higher realised nickel prices, continued operational stability and favourable foreign exchange movements.

Capital expenditure decreased by 17% to $10 million (30 June 2020: $12 million), attributable primarily to the weaker Brazilian real.

Manganese (Samancor)

Underlying EBITDA was in line with the same period in the prior year at $154 million (30 June 2020: $154 million), benefiting from a 15% increase in manganese ore sales, driven by higher South African production, offset by increased costs due to the stronger South African rand and Australian dollar.

Markets

Nickel

	30 June 2021	30 June 2020
Average market price (c/lb)	**793**	566
Average realised price (c/lb)	**721**	502

Ferronickel is traded based on discounts or premiums to the LME nickel 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 average LME nickel price of 793 c/lb was 40% higher than for the same period in 2020, as demand outstripped supply with demand benefiting from the easing of Covid-19 restrictions globally, with particularly robust consumption in stainless steel and batteries (electric vehicles and energy storage).

Manganese

The average benchmark price for manganese ore (Metal Bulletin 44% manganese ore CIF China) was broadly in line with the same period in the prior year at $5.03/dmtu (30 June 2020: $5.07/dmtu).

Operational performance

Nickel

Nickel production decreased by 5% to 20,700 tonnes (30 June 2020: 21,700 tonnes), reflecting planned lower ore grades.

Manganese

Attributable manganese ore production increased by 13% to 1.8 Mt (30 June 2020: 1.6 Mt), reflecting the impact of Covid-19 lockdowns in South Africa in the second quarter of 2020.

Operational outlook

Nickel

Full year production guidance is 42,000–44,000 tonnes, subject to the extent of further Covid-19 related disruption.

Full year C1 unit cost guidance is unchanged at c.360 c/lb.

CROP NUTRIENTS

Financial and operational metrics

	Production volume	Sales volume	Price	Unit cost	Group revenue*	Underlying EBITDA*	Mining EBITDA margin*	Underlying EBIT*	Capex*	ROCE*
			c/lb	c/lb	$m	$m		$m	$m	
Crop Nutrients	**n/a**	**n/a**	**n/a**	**n/a**	**53**	**(12)**	**n/a**	**(12)**	**279**	**n/a**
Prior year	—	—	—	—	*22*	*4*	—	*4*	*91*	—
Woodsmith project	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**279**	**n/a**
Prior year	—	—	—	—	—	—	—	—	*91*	—
Other[1]	**n/a**	**n/a**	**n/a**	**n/a**	**53**	**(12)**	**n/a**	**(12)**	**n/a**	**n/a**
Prior year	—	—	—	—	*22*	*4*	—	*4*	—	—

[1] Other comprises projects and corporate costs as well as the share in associate results from Cibra, a fertiliser distributor based in Brazil.

Crop Nutrients

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

The Woodsmith mine is being constructed approximately 3 km south of Whitby, where polyhalite ore will be extracted via two 1.6 km deep mine shafts and transported to the port at Teesside on an underground conveyor belt system in a 37 km tunnel, thereby minimising impact on the surface above. It will then be granulated at a materials handling facility to produce a low-carbon footprint fertiliser product – known as POLY4 – that will be exported to a network of customers overseas from our dedicated port facility.

Woodsmith project

Development of the project has continued to progress, with capital expenditure of $279 million during the first half of the year. Excavation of the conveyor tunnel had passed 15 km at the end of June, beyond the intermediate shaft location at Lockwood Beck. At Lockwood Beck, shaft sinking is complete, having reached the target depth of 383 m, and shaft lining is under way. At the mine head, shaft boring has started in the services shaft, while good progress is also being made on the production shaft infrastructure.

Expected capital expenditure in 2021 is unchanged at c.$0.5 billion, while the detailed technical review of the project's development plan is completed, with the objectives of optimising the project and aligning it with Anglo American's technical and other standards. The review and subsequent finalisation of design and timing are expected to be complete by the end of the year, including final capital and schedule estimates. As previously indicated, the investment in additional ventilation to increase early production flexibility is likely to be brought forward, and we are also working through the detailed scheduling of the two shaft installations.

Market development – POLY4

Supply agreements with a global customer base are in place, including with a number of well-established counterparties such as Archer Daniels Midland Company, BayWa AG, Cibra, IFFCO and Wilmar Group. Many of these agreements have price levels benchmarked against the market prices of the underlying key nutrients within POLY4.

The ongoing focus of the market development activities is now around developing and implementing detailed sales and marketing strategies for each region and supporting customers with their own market development activities in order to further promote POLY4 to the end-users of the product.

The number of commercial scale on-farm demonstrations has accelerated, with around 550 now in progress or complete.The demonstrations continue to validate the efficacy of the product and potential improvements it can deliver to farmers in terms of crop yield, quality or both. In addition, POLY4 has been shown in studies to enhance soil health through resilience to compaction, erosion and run-off, as well as improving nutrient availability to crops, helping to reduce nutrient waste into watercourses. POLY4 offers farmers a sustainable solution to agricultural challenges as it is certified[1] for organic use and generates up to 85% fewer carbon emissions than the equivalent conventional nutrient products, with little to no waste generated in its production.

[1] Currently certified for organic use in EU and North America with other certification pending for approval.

CORPORATE AND OTHER

Financial metrics

	Production volume	Sales volume	Price	Unit cost*	Group revenue*	Underlying EBITDA*	Underlying EBIT*	Capex*
	Mt[(1)]	Mt[(2)]	$/t[(3)]	$/t[(4)]	$m[(5)]	$m[(6)]	$m[(6)]	$m
Segment	**n/a**	**n/a**	**n/a**	**n/a**	**907**	**119**	**(33)**	**98**
Prior year	*—*	*—*	*—*	*—*	*756*	*(7)*	*(103)*	*95*
Exploration	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**(42)**	**(43)**	**n/a**
Prior year	*—*	*—*	*—*	*—*	*n/a*	*(43)*	*(44)*	*—*
Corporate activities and unallocated costs	**n/a**	**n/a**	**n/a**	**n/a**	**135**	**(27)**	**(103)**	**17**
Prior year	*—*	*—*	*—*	*—*	*91*	*3*	*(18)*	*7*
Thermal Coal – South Africa[(7)]	**5.7**	**5.3**	**77**	**46**	**553**	**101**	**70**	**81**
Prior year	*7.8*	*7.2*	*61*	*39*	*520*	*20*	*(8)*	*88*
Thermal Coal – Colombia[(8)]	**3.6**	**3.4**	**65**	**34**	**219**	**87**	**43**	**n/a**
Prior year	*2.7*	*3.2*	*46*	*35*	*145*	*13*	*(33)*	*—*

(1) Production volumes are saleable tonnes. South African production volumes include export primary production, secondary production sold into export markets, production sold domestically at export parity pricing and excludes other domestic production of 5.6 Mt (30 June 2020: 6.4 Mt).
(2) South African sales volumes include export primary production, secondary production sold into export markets and production sold domestically at export parity pricing and exclude domestic sales of 5.3 Mt (30 June 2020: 6.0 Mt) and third-party sales of 6.4 Mt (30 June 2020: 5.6 Mt).
(3) Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales from locations other than Richards Bay.
(4) Thermal Coal – South Africa FOB cost per saleable tonne from the trade operations, excluding royalties and study costs.
(5) Total segment and Thermal Coal – South Africa prior year comparatives have been restated. See notes 2 and 3 to the Condensed financial statements for more details.
(6) Thermal Coal – South Africa includes $19 million projects and corporate costs (30 June 2020: $24 million).
(7) Thermal Coal – South Africa mining activity included until the demerger on 4 June 2021, with prior year comparison up to 30 June 2020.
(8) Represents the Group's attributable share from its 33.3% interest in Cerrejón. The sale of Anglo American's interest in Cerrejón is expected to complete in H1 2022, subject to regulatory approvals. The agreement is effective 31 December 2020 and, therefore, economic benefits from 1 January 2021 will not accrue to Anglo American, should the transaction complete.

Financial overview

Exploration

Exploration's underlying EBITDA loss was $42 million (30 June 2020: $43 million loss), reflecting decreased exploration activities across most product groups owing to the ongoing impact of Covid-19 related restrictions.

Corporate activities and unallocated costs

Underlying EBITDA was a $27 million loss (30 June 2020: $3 million gain), driven primarily by an increase in corporate costs across various technical and strategic projects, partially offset by an increase in profits on third-party shipping.

Thermal Coal – South Africa

Underlying EBITDA increased to $101 million (30 June 2020: $20 million), driven primarily by a 26% increase in the realised export thermal coal price, partly offset by lower export sales volumes of 5.3 Mt (30 June 2020: 7.2 Mt), mainly due to the demerger of operations on 4 June 2021. Unit costs increased by 18% to $46/tonne (30 June 2020: $39/tonne) due to the stronger South African rand and inflationary pressures, partly offset by placing the Bokgoni pit at Khwezela onto care and maintenance, as well as productivity improvements and cost savings.

Capital expenditure decreased by 8% to $81 million (30 June 2020: $88 million), principally as a result of the demerger of the operations and completion of the Navigation life-extension project at Khwezela, offset to some extent by the stronger South African rand.

Thermal Coal – Colombia

Underlying EBITDA increased to $87 million (30 June 2020: $13 million), benefiting from a 41% increase in the average realised price and a 6% increase in sales volumes, principally as a result of Covid-19 related restrictions affecting production during the first half of 2020. Unit costs decreased by 3% to $34/tonne (30 June 2020: $35/tonne), reflecting the higher production volumes and cost saving initiatives.

Markets

Thermal coal

	30 June 2021	30 June 2020
Average market price ($/tonne, FOB South Africa)(1)	**95**	67
Average market price ($/tonne, FOB Colombia)	**71**	46
Average realised price ($/tonne, FOB South Africa)(2)	**77**	61
Average realised price ($/tonne, FOB Colombia)	**65**	46

(1) The average market price until the demerger of the South Africa thermal coal operations effective 4 June 2021.
(2) Realised price is the weighted average export thermal coal price achieved. Excludes third-party sales from locations other than Richards Bay.

The average realised price for export thermal coal differs from the average market price, due principally to quality discounts relative to the industry benchmark and timing differences.

The average market price for South African export thermal coal increased by 42% in the first half of 2021, compared with the same period in 2020. Recovering demand from the Covid-19 pandemic was supported by a cold snap in north Asia in the first quarter of 2021, as well as a heatwave in June across parts of the US and Europe. Prices were also helped by significant increases in oil, gas and power prices, as well as supply constraints owing to heavy rains in Indonesia and logistical bottlenecks across the other main thermal coal supply regions.

The average market price for Colombian export thermal coal increased by 54%, as demand recovered following the easing of Covid-19 related restrictions.

Operational performance

Thermal Coal – South Africa

Export production decreased by 27% to 5.7 Mt (30 June 2020: 7.8 Mt), mainly due to the demerger of operations on 4 June 2021, as well as the Bokgoni pit at Khwezela being placed onto care and maintenance.

Thermal Coal – Colombia

Anglo American’s attributable production from its 33.3% ownership of Cerrejón increased by 30% to 3.6 Mt (30 June 2020: 2.7 Mt) owing to the impact of Covid-19 related restrictions on production in the first half of 2020.

Operational outlook

Export thermal coal

Following the demerger of the South Africa thermal coal operations on 4 June 2021, no further production will be reported by Anglo American. Anglo American’s marketing business will continue to support Thungela in the sale and marketing of its products, and sales and purchases under the offtake agreement will be reported on a net basis together with the Group’s other third-party trading activities.

The sale of Anglo American’s 33% interest in Cerrejón is expected to complete in the first half of 2022, subject to regulatory approvals. The agreement is effective on the 31 December 2020 and, therefore, economic benefits from 1 January 2021 onwards will not accrue to Anglo American, should the transaction complete.

GUIDANCE SUMMARY

Production and unit costs

	Unit costs 2021F	Production volumes			
		Units	2021F	2022F	2023F
Diamonds[1]	c.$62/ct *(previously c.$55/ct)*	Mct	32–33	30–33	30–33
Copper[2]	c.120 c/lb	kt	650–680	680–790	890–1,000
PGMs - metal in concentrate[3]	c.$870/PGM ounce *(previously c.$700/PGM oz)*	Moz	4.2–4.4	4.2–4.6	4.2–4.6
Platinum		Moz	1.9–2.0	1.9–2.1	1.9–2.1
Palladium		Moz	1.35-1.4	1.4–1.5	1.4–1.5
Other		Moz	0.95-1.0	0.9–1.0	0.9–1.0
PGMs - refined[4]		Moz	4.8–5.0	4.7–5.1	4.2–4.6
Iron ore[5]	c.$34/tonne *(previously c.$29/t)*	Mt	64.5–66.5	65.5–68.5 *(previously 65–68)*	66.5–69.5 *(previously 66–69)*
Metallurgical coal[6]	c.$105/tonne *(previously c.$75/t)*	Mt	14–16	22–24	23–25
Nickel[7]	c.360 c/lb	kt	42–44	42–44	47–49

Note: Unit costs exclude royalties, depreciation and include direct support costs only. FX rates for revised 2021 costs: ~14.3 ZAR:USD, ~1.3 AUD:USD, ~5.0 BRL:USD, ~728 CLP:USD (previously: ~16 ZAR:USD, ~1.4 AUD:USD, ~5.3 BRL:USD, ~760 CLP:USD). Production volumes are subject to the extent of further Covid-19 related disruption.

(1) Unit cost is based on De Beers' share of production. Unit cost revision reflects the impact of exchange rates, marginally reduced production volumes and Covid-19 related disruptions. Production on a 100% basis except for the Gahcho Kué joint operation, which is on an attributable 51% basis, subject to trading conditions and ongoing operational challenges. Lower volumes in 2022 than 2021 as Venetia continues transition to underground operations.

(2) Copper business unit only. On a contained-metal basis. 2022 total production volumes consist of Chile 580-640kt and Peru 100-150kt. 2023 total production volumes consist of Chile 590-650kt and Peru 300-350kt. Decrease in Chile production from 2022 driven by lower expected grades at Collahuasi and Los Bronces.

(3) Unit cost is per own mined 5E + gold PGMs metal in concentrate ounce. Unit cost revision reflects the stronger South African rand, marginally reduced volumes and inflation outlook for the remainder of 2021. Production is 5E + gold produced metal in concentrate ounces. Includes own mined production (~65%) and purchased concentrate volumes (~35%).

(4) 5E + gold produced refined ounces. Includes own mined production and purchased concentrate volumes. Higher refined volumes in 2021 and 2022 owing to release of work-in-progress inventories. 2021 Pt: 2.2-2.3Moz; Pd: 1.55-1.6Moz; Other PGMs & Au: 1.05-1.1Moz. 2022 Pt: 2.2-2.4Moz; Pd: 1.5-1.6Moz; Other PGMs & Au: 1.0-1.1Moz. 2023 Pt: 1.9-2.1Moz; Pd: 1.4-1.5Moz; Other PGMs & Au: 0.9-1.0Moz.

(5) Wet basis. Total iron ore is the sum of Kumba and Minas-Rio. Unit cost total is a weighted average based on the mid-point of production guidance. 2021 Kumba: 40.5-41.5 Mt; Minas-Rio: 24-25 Mt. 2022 Kumba: 41.5-42.5 Mt; Minas-Rio: 24-26 Mt. 2023 Kumba: 41.5-42.5 Mt; Minas-Rio: 25-27 Mt. Volumes revision in 2022 and 2023 reflects the conversion of Kumba volumes to a wet basis as previously reported dry. Kumba volumes are subject to rail and port performance. Kumba unit cost revision to c.$40/tonne (previously c.$34/tonne) reflects the stronger South African rand and inflation outlook for the remainder of 2021. Minas-Rio unit cost revision to c.$23/tonne (previously c.$22/tonne) reflects the stronger Brazilian real, marginally reduced volumes and inflation outlook for the remainder of 2021.

(6) Metallurgical Coal FOB/t unit cost comprises managed operations and excludes royalties and study costs. Unit cost guidance revision reflects the lower volumes (revised earlier in H1 2021) and the stronger Australian dollar. Volumes excludes thermal coal production in Australia. Lower production in 2020 and 2021 principally owing to Grosvenor stoppage (restart expected in H2 2021) as well as Moranbah suspension in H1 2021. 2022–2023 guidance subject to review.

(7) Nickel business unit only. 2023 volumes dependent on bulk ore sorting technology and briquetting.

Capital expenditure[1]

	2021F	2022F	2023F
Growth	$1.9-2.4bn Includes ~$0.5bn Woodsmith capex *(previously $2.0-2.5bn)*	$1.5–2.0bn	$1.5–2.0bn
Sustaining	~$3.6bn *(previously ~$3.7bn)* Reflects ~$3.0bn baseline plus ~$0.6bn lifex projects *(previously ~$0.7bn)*	~$4.2bn Reflects ~$3.0bn baseline plus ~$0.9bn lifex projects and ~$0.3bn Collahuasi desalination plant[2]	~$4.1bn Reflects ~$3.0bn baseline plus ~$0.8bn lifex projects and ~$0.3bn Collahuasi desalination plant[2]
Total	**$5.5–6.0bn** *(previously $5.7-6.2bn)*	**$5.7–6.2bn**	**$5.6–6.1bn**

Further details on Anglo American's high quality growth and life-extension projects, including details of the associated volumes benefit, are disclosed on pages 13-16.

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

Other guidance

- **2021 depreciation:** $3.0–3.2 billion (previously $3.2–3.4 billion)
- **2021 effective tax rate:** 30–32%[3]
- **Long term effective tax rate:** 30–33%[3]
- **Dividend pay-out ratio:** 40% of underlying earnings
- **Net debt:EBITDA:** <1.5x at the bottom of the cycle

(1) Cash expenditure on property, plant and equipment including related derivatives, net of proceeds from disposal of property, plant and equipment and includes direct funding for capital expenditure from non-controlling interests and reimbursement of capital expenditure. Shown excluding capitalised operating cash flows. Consequently, for Quellaveco, reflects attributable share of capex. Guidance includes unapproved projects and is, therefore, subject to progress of growth project studies and Woodsmith is excluded after 2021 pending completion of technical review. Refer to the H1 2021 results presentation slides 45 to 50 for further detail on the breakdown of the capex guidance at project level. Revision to 2021 capex guidance reflects impact of Covid-19.

(2) Attributable share of capex.

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

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

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

Webcast of presentation:
A live webcast of the results presentation, starting at 9.00am UK time on 29 July 2021, can be accessed through the Anglo American website at www.angloamerican.com

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

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

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

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Anglo American plc
17 Charterhouse Street London EC1N 6RA United Kingdom
Registered office as above. Incorporated in England and Wales under the Companies Act 1985.
Registered Number: 3564138 Legal Entity Identifier: 549300S9XF92D1X8ME43

The Company has a primary listing on the Main Market of the London Stock Exchange and secondary listings on the Johannesburg Stock Exchange, the Botswana Stock Exchange, the Namibia Stock Exchange and the SIX Swiss Exchange.

CONDENSED FINANCIAL STATEMENTS

for the six months ended 30 June 2021

CONTENTS

Consolidated income statement
for the six months ended 30 June 2021

US$ million	Note	**6 months ended 30.06.21** Before special items and remeasurements	Special items and remeasurements (note 9)	Total	6 months ended 30.06.20 (restated)[1] Before special items and remeasurements	Special items and remeasurements (note 9)	Total
Revenue	3	**21,754**	**25**	**21,779**	10,187	—	10,187
Operating costs		**(11,387)**	**602**	**(10,785)**	(8,320)	(101)	(8,421)
Operating profit	3	**10,367**	**627**	**10,994**	1,867	(101)	1,766
Non-operating special items	9	**—**	**23**	**23**	—	41	41
Net income from associates and joint ventures	3 12	**205**	**(10)**	**195**	122	(77)	45
Profit before net finance costs and tax		**10,572**	**640**	**11,212**	1,989	(137)	1,852
Investment income		**62**	**—**	**62**	55	—	55
Interest expense		**(244)**	**(116)**	**(360)**	(302)	(1)	(303)
Other net financing (losses)/gains		**(206)**	**(10)**	**(216)**	(54)	5	(49)
Net finance costs	5	**(388)**	**(126)**	**(514)**	(301)	4	(297)
Profit before tax		**10,184**	**514**	**10,698**	1,688	(133)	1,555
Income tax expense	6	**(2,955)**	**(564)**	**(3,519)**	(455)	(283)	(738)
Profit for the financial period		**7,229**	**(50)**	**7,179**	1,233	(416)	817
Attributable to:							
Non-controlling interests	16	**1,894**	**97**	**1,991**	347	(1)	346
Equity shareholders of the Company		**5,335**	**(147)**	**5,188**	886	(415)	471
Earnings per share (US$)							
Basic	4	**4.30**	**(0.12)**	**4.18**	0.72	(0.34)	0.38
Diluted	4	**4.25**	**(0.12)**	**4.13**	0.71	(0.33)	0.38

[1] The Group has changed its accounting policy to amend the presentation of third-party purchases and related commodity sales which are made by the Group's marketing function to earn a trading margin. These sales and purchases were previously shown on a gross basis and are now shown net within revenue from other sources. There was no impact on operating profit as a result of this change in accounting policy for which the comparatives have been restated. See note 2 for further details.

Consolidated statement of comprehensive income

for the six months ended 30 June 2021

US$ million	**6 months ended 30.06.21**	6 months ended 30.06.20
Profit for the financial period	**7,179**	817
Items that will not be reclassified to the income statement (net of tax)		
Remeasurement of net retirement benefit obligation	**1**	107
Net revaluation (loss)/gain on equity investments	**(53)**	46
Items that have been or may subsequently be reclassified to the income statement (net of tax)		
Net exchange differences:		
Net gain/(loss) (including associates and joint ventures)	**253**	(2,254)
Cumulative loss transferred to the income statement on disposal of foreign operations	**363**	4
Other comprehensive income/(loss) for the financial period (net of tax)	**564**	(2,097)
Total comprehensive income/(loss) for the financial period (net of tax)	**7,743**	(1,280)
Attributable to:		
Non-controlling interests	**2,059**	(161)
Equity shareholders of the Company	**5,684**	(1,119)

Consolidated balance sheet
as at 30 June 2021

US$ million	Note	30.06.21	31.12.20
ASSETS			
Non-current assets			
Intangible assets		**3,105**	3,103
Property, plant and equipment		**38,271**	36,419
Environmental rehabilitation trusts		**114**	301
Investments in associates and joint ventures		**1,238**	1,258
Financial asset investments	15	**348**	371
Inventories		**622**	599
Trade and other receivables		**1,068**	987
Deferred tax assets		**616**	639
Derivative financial assets	15	**395**	637
Pension asset surplus and other non-current assets		**771**	725
Total non-current assets		**46,548**	45,039
Current assets			
Inventories		**6,637**	5,970
Trade and other receivables		**4,623**	3,886
Current tax assets		**17**	13
Derivative financial assets	15	**300**	105
Current financial asset investments	15	**21**	—
Cash and cash equivalents	13	**10,951**	7,521
Total current assets		**22,549**	17,495
Total assets		**69,097**	62,534
LIABILITIES			
Current liabilities			
Trade and other payables		**(7,586)**	(6,692)
Short term borrowings	13 14	**(1,346)**	(1,194)
Provisions for liabilities and charges		**(579)**	(595)
Current tax liabilities		**(1,181)**	(383)
Derivative financial liabilities	15	**(233)**	(214)
Total current liabilities		**(10,925)**	(9,078)
Non-current liabilities			
Trade and other payables		**(344)**	(321)
Medium and long term borrowings	13 14	**(11,751)**	(12,317)
Royalty liability	15	**(360)**	(340)
Retirement benefit obligations		**(635)**	(643)
Deferred tax liabilities		**(4,576)**	(3,804)
Derivative financial liabilities	15	**(255)**	(192)
Provisions for liabilities and charges		**(2,562)**	(3,073)
Total non-current liabilities		**(20,483)**	(20,690)
Total liabilities		**(31,408)**	(29,768)
Net assets		**37,689**	32,766
EQUITY			
Called-up share capital		**749**	749
Share premium account		**2,558**	4,358
Own shares		**(6,066)**	(6,107)
Other reserves		**(9,949)**	(10,368)
Retained earnings		**42,428**	37,192
Equity attributable to equity shareholders of the Company		**29,720**	25,824
Non-controlling interests	16	**7,969**	6,942
Total equity		**37,689**	32,766

The Condensed financial statements of Anglo American plc, registered number 03564138, were approved by the Board of directors on 28 July 2021 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 2021

US$ million	Note	**6 months ended 30.06.21**	6 months ended 30.06.20
Cash flows from operating activities			
Profit before tax		**10,698**	1,555
Net finance costs including financing special items and remeasurements	5	**514**	297
Net income from associates and joint ventures	12	**(195)**	(45)
Non-operating special items	9	**(23)**	(41)
Operating profit		**10,994**	1,766
Revenue and operating special items and remeasurements	9	**(627)**	101
Cash element of special items		**(6)**	(85)
Depreciation and amortisation		**1,373**	1,183
Share-based payment charges		**93**	79
Decrease in provisions and net retirement benefit obligations		**(158)**	(70)
Increase in inventories		**(663)**	(1,180)
Increase in operating receivables		**(715)**	(221)
Increase/(decrease) in operating payables		**573**	(38)
Other adjustments		**(190)**	(11)
Cash flows from operations		**10,674**	1,524
Dividends from associates and joint ventures	12	**83**	132
Income tax paid		**(1,973)**	(451)
Net cash inflows from operating activities		**8,784**	1,205
Cash flows from investing activities			
Expenditure on property, plant and equipment	11	**(2,475)**	(2,088)
Cash flows used in derivatives related to capital expenditure	11	**(9)**	—
Proceeds from disposal of property, plant and equipment	11	**—**	3
Investments in associates and joint ventures		**(3)**	(6)
Expenditure on intangible assets[(1)]		**(25)**	(25)
Net redemption of financial asset investments held at amortised cost		**5**	42
Interest received and other investment income		**27**	51
Net cash outflow on acquisitions	19	**—**	(515)
Net cash inflow on disposals	19	**—**	187
Other investing activities		**80**	(9)
Net cash used in investing activities		**(2,400)**	(2,360)
Cash flows from financing activities			
Interest paid		**(260)**	(250)
Cash flows from derivatives related to financing activities		**16**	113
Dividends paid to Company shareholders		**(907)**	(557)
Dividends paid to non-controlling interests	16	**(832)**	(395)
Proceeds from issuance of bonds		**996**	1,490
Proceeds from other borrowings		**767**	1,948
Capital repayment of lease obligations		**(133)**	(75)
Repayments of bonds and borrowings		**(2,362)**	(621)
Purchase of shares by Group companies		**(174)**	(340)
Other financing activities		**(107)**	(2)
Net cash (used in)/from financing activities		**(2,996)**	1,311
Net increase in cash and cash equivalents		**3,388**	156
Cash and cash equivalents at start of period	13	**7,508**	6,335
Cash movements in the period		**3,388**	156
Effects of changes in foreign exchange rates		**45**	(179)
Cash and cash equivalents at end of period	13	**10,941**	6,312

[(1)] Expenditure on intangible assets was previously included in Other investing activities.

Consolidated statement of changes in equity
for the six months ended 30 June 2021

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 2020	5,111	(6,195)	36,274	(10,965)	570	24,795	6,590	31,385
Profit for the period	—	—	471	—	—	471	346	817
Other comprehensive income/(loss)	—	—	96	(1,724)	38	(1,590)	(507)	(2,097)
Dividends payable	—	—	(557)	—	—	(557)	(407)	(964)
Equity settled share-based payment schemes	—	101	(55)	—	(62)	(16)	(23)	(39)
Shares cancelled during the period	(5)	—	—	—	5	—	—	—
Share buyback	—	—	(223)	—	—	(223)	—	(223)
Other	—	—	(12)	—	—	(12)	6	(6)
At 30 June 2020	5,106	(6,094)	35,994	(12,689)	551	22,868	6,005	28,873
Profit for the period	—	—	1,617	—	—	1,617	893	2,510
Other comprehensive income/(loss)	—	—	(95)	1,685	11	1,601	472	2,073
Dividends payable	—	—	(347)	—	—	(347)	(403)	(750)
Equity settled share-based payment schemes	—	(12)	(40)	—	83	31	24	55
Change in ownership	—	—	44	—	—	44	(58)	(14)
Other	1	(1)	19	—	(9)	10	9	19
At 31 December 2020	**5,107**	**(6,107)**	**37,192**	**(11,004)**	**636**	**25,824**	**6,942**	**32,766**
Profit for the period	**—**	**—**	**5,188**	**—**	**—**	**5,188**	**1,991**	**7,179**
Other comprehensive income/(loss)	**—**	**—**	**3**	**541**	**(48)**	**496**	**68**	**564**
Dividends payable	**—**	**—**	**(907)**	**—**	**—**	**(907)**	**(1,011)**	**(1,918)**
Equity settled share-based payment schemes	**—**	**4**	**(15)**	**—**	**(69)**	**(80)**	**1**	**(79)**
Change in ownership	**—**	**—**	**(72)**	**—**	**—**	**(72)**	**88**	**16**
In specie return of capital relating to Thungela demerger (note 19)	**(1,800)**	**—**	**1,081**	**—**	**—**	**(719)**	**(106)**	**(825)**
Other	**—**	**37**	**(42)**	**1**	**(6)**	**(10)**	**(4)**	**(14)**
At 30 June 2021	**3,307**	**(6,066)**	**42,428**	**(10,462)**	**513**	**29,720**	**7,969**	**37,689**

[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, capital redemption reserve, legal reserve and other reserves.

1. BASIS OF PREPARATION

Basis of Preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted international accounting standards on 1 January 2021 and accordingly the Group's annual Consolidated financial statements for the year ending 31 December 2021 will be prepared under UK-adopted international accounting standards. There was no impact or changes in accounting policies from the transition.

The Condensed financial statements for the six months ended 30 June 2021 have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority ('DTR').

The Condensed financial statements represent a 'condensed set of financial statements' as referred to in the DTR. Accordingly, they do not include all of the information required for a full annual financial report and are to be read in conjunction with the annual financial statements for the year ended 31 December 2020 which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, IFRS Interpretations Committee (IFRS IC) interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The Condensed financial statements are unaudited and do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the year to 31 December 2020 included in this report was derived from the statutory accounts for the year ended 31 December 2020, 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 2021 on pages 6 to 12. The Group's net debt (including related hedges) at 30 June 2021 was $2.0 billion (31 December 2020: $5.6 billion) representing a gearing level of 5% (31 December 2020: 15%). The Group's liquidity position (defined as cash and cash equivalents and undrawn committed facilities) of $19.2 billion at 30 June 2021 remains strong. Further analysis of net debt is set out in note 13 and details of borrowings and facilities are set out in note 14.

The directors have considered the Group's cash flow forecasts for the period to the end of 31 December 2022 under base and downside scenarios, with consideration given to uncertainty in respect of the macro-economic environment and its possible impact on demand for the Group's products and realised prices. As part of this the directors considered the potential impact of Covid-19 on the Group's operations, including its production levels. In all of the scenarios modelled, the Group maintains sufficient liquidity throughout the period of assessment without the use of mitigating actions.

The Board is satisfied that the Group's forecasts and projections, taking 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 77.

Other

On 26 April 2021 the Group changed its registered address to: 17 Charterhouse Street, London, EC1N 6RA, United Kingdom.

2. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND DISCLOSURES

The accounting policies applied are materially consistent with those adopted and disclosed in the Group financial statements for the year ended 31 December 2020 with the exception of the change in the Group's revenue and operating costs recognition policy for physical commodity trades. New accounting pronouncements, principally minor amendments to existing standards, also became effective on 1 January 2021 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 adopted amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: *Interest Rate Benchmark Reform – Phase 2* with no significant impact.

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

Change in accounting policy for trading of physically settled contracts

The Group has amended its accounting policy in respect of certain physically-settled contracts relating to the purchase and sale of material produced by third-parties (third-party sales). These contracts are entered into and managed collectively to generate a trading margin as part of the Group's Marketing function and are accounted for as derivatives prior to settlement as they meet the definition of net settlement as defined in IFRS 9 *Financial Instruments*. Due to the demerger of the Group's South African thermal coal business and the continued growth of the Group's trading activities, presentation of the margin arising on these transactions on a net basis will provide more relevant information about the impact of these activities on the Group's financial performance.

Revenue and operating costs for the six months ended 30 June 2021 are both $3.1 billion lower than would have been reported under the Group's previous accounting policy, with no impact on operating profit or reported cashflows. The prior period comparative has been restated for this change in accounting policy. Revenue and operating costs for the six months ended 30 June 2020 have both reduced by $2.3 billion compared to the previously reported values, with no impact on operating profit or reported cashflows.

Change in accounting estimate

Due to changes in PGM prices, demand and trading conditions, the classification of iridium and ruthenium has been amended from waste products to by-products with effect from 1 January 2021. This prospective change in estimate has increased the carrying value of inventory at 30 June 2021 by $130 million.

FINANCIAL PERFORMANCE

Profit attributable to equity shareholders for the six months ended 30 June 2021 is $5,188 million (six months ended 30 June 2020: $471 million). Underlying earnings for the six months ended 30 June 2021 are $5,335 million (six months ended 30 June 2020: $886 million). Underlying earnings increased by 502%.

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

3. FINANCIAL PERFORMANCE BY SEGMENT

Overview

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

Following the demerger of Thungela (see note 19), the Group has reassessed its reportable segments. The Thermal Coal (South Africa and Cerrejón) operating segment, which was previously aggregated with Metallurgical Coal within the 'Coal' reportable segment, has been presented within the 'Corporate and other' reportable segment as it is no longer part of the Group's core business due to the commitment to exit from the production of thermal coal. The results of the Group's metallurgical coal businesses are now disclosed separately as the 'Metallurgical Coal' reportable segment. Comparative information has been restated to reflect this change.

Shipping revenue related to shipments of the Group's products is shown within the relevant operating segment. Revenue from other shipping arrangements, primarily relating to third-party carriage services, is presented within the 'Corporate and other' segment, which also includes unallocated corporate costs, exploration costs and the results of the Group's Thermal Coal (South Africa and Cerrejón) operations.

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 77.

Segment results

							30.06.21
US$ million	Group revenue	Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	**2,900**	**610**	**(233)**	**377**	**(67)**	**(43)**	**267**
Copper	**2,974**	**1,935**	**(305)**	**1,630**	**(666)**	**(272)**	**692**
Platinum Group Metals	**7,414**	**4,383**	**(172)**	**4,211**	**(1,452)**	**(586)**	**2,173**
Iron Ore	**6,935**	**4,910**	**(249)**	**4,661**	**(1,129)**	**(995)**	**2,537**
Metallurgical Coal	**736**	**(94)**	**(289)**	**(383)**	**115**	**—**	**(268)**
Nickel and Manganese	**695**	**289**	**(62)**	**227**	**(63)**	**(1)**	**163**
Crop Nutrients	**53** (1)	**(12)**	**—**	**(12)**	**3**	**—**	**(9)**
Corporate and other	**907**	**119**	**(152)**	**(33)**	**(189)**	**2**	**(220)**
	22,614	**12,140**	**(1,462)**	**10,678**	**(3,448)** (2)	**(1,895)**	**5,335**
Less: associates and joint ventures	**(860)**	**(400)**	**89**	**(311)**	**105**	**1**	**(205)**
Subsidiaries and joint operations	**21,754**	**11,740**	**(1,373)**	**10,367**	**(3,343)**	**(1,894)**	**5,130**
Reconciliation:							
Net income from associates and joint ventures				**195**			**195**
Special items and remeasurements	**25**			**650**			**(137)**
Revenue	**21,779**						
Profit before net finance costs and tax				**11,212**			
Profit attributable to equity shareholders of the Company							**5,188**

See next page for footnotes.

3. FINANCIAL PERFORMANCE BY SEGMENT (continued)

	30.06.20 (restated)						
US$ million	Group revenue[3]	Underlying EBITDA	Depreciation and amortisation	Underlying EBIT	Net finance costs and income tax expense	Non-controlling interests	Underlying earnings
De Beers	1,223	2	(181)	(179)	(79)	44	(214)
Copper	1,589	706	(328)	378	(140)	(2)	236
Platinum Group Metals	2,541	610	(134)	476	(135)	(77)	264
Iron Ore	3,279	1,827	(221)	1,606	(256)	(312)	1,038
Metallurgical Coal	962	(10)	(220)	(230)	45	—	(185)
Nickel and Manganese	563	218	(86)	132	(58)	(2)	72
Crop Nutrients	22 [1]	4	—	4	(4)	—	—
Corporate and other	756	(7)	(96)	(103)	(222)	—	(325)
	10,935	3,350	(1,266)	2,084	(849) [2]	(349)	886
Less: associates and joint ventures	(748)	(300)	83	(217)	93	2	(122)
Subsidiaries and joint operations	10,187	3,050	(1,183)	1,867	(756)	(347)	764
Reconciliation:							
Net income from associates and joint ventures				45			45
Special items and remeasurements	—			(60)			(338)
Revenue	10,187						
Profit before net finance costs and tax				1,852			
Profit attributable to equity shareholders of the Company							471

(1) Group revenue in respect of Crop Nutrients relates to revenue from its associate, The Cibra Group, a fertiliser distributor based in Brazil.
(2) Comprises net finance costs of $401 million (2020: $298 million) and income tax expense of $3,047 million (2020: $551 million).
(3) Third-party trading amounts restated from a gross to a net presentation. See note 2 for further details.

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

Further information

Group revenue by product

Segments predominantly derive revenue as follows – De Beers: rough and polished diamonds; Copper: copper; Platinum Group Metals: platinum group metals and nickel; Iron Ore: iron ore; Metallurgical Coal: metallurgical coal; Nickel and Manganese: nickel, manganese ore and alloys. Corporate and other revenue includes thermal coal revenue from the South African thermal coal operations prior to the demerger, the Group's share of thermal coal revenue from its associate Cerrejón and the margin from the Group's thermal coal marketing activity, as well as shipping revenue which predominantly relates to the Iron Ore, Platinum Group Metals and Copper segments. The revenue analysis on the next page includes the Group's share of revenue in equity accounted associates and joint ventures, see note 12.

3. FINANCIAL PERFORMANCE BY SEGMENT (continued)

US$ million	30.06.21 Revenue from contracts with customers	30.06.21 Revenue from other sources	30.06.21 Group revenue	30.06.20 (restated)[1] Revenue from contracts with customers	30.06.20 (restated)[1] Revenue from other sources	30.06.20 (restated)[1] Group revenue
Diamonds	**2,894**	**6**	**2,900**	1,220	3	1,223
Copper	**2,619**	**244**	**2,863**	1,497	(1)	1,496
Platinum	**1,278**	**1**	**1,279**	382	1	383
Palladium	**1,896**	**2**	**1,898**	889	5	894
Rhodium	**3,343**	**36**	**3,379**	851	12	863
Iron ore	**5,363**	**1,169**	**6,532**	2,722	156	2,878
Metallurgical coal	**495**	**151**	**646**	741	166	907
Thermal coal	**596**	**262**	**858**	538	176	714
Nickel	**532**	**4**	**536**	340	(3)	337
Manganese ore and alloys	**—**	**370**	**370**	—	335	335
Other	**1,235**	**118**	**1,353**	822	83	905
	20,251	**2,363**	**22,614**	10,002	933	10,935
Reconciliation:						
Less: Revenue from associates and joint ventures	**—**	**(860)**	**(860)**	—	(748)	(748)
Special items and remeasurements	**—**	**25**	**25**	—	—	—
Revenue	**20,251**	**1,528**	**21,779**	10,002	185	10,187

[1] Third-party trading amounts restated from a gross to a net presentation. See note 2 for further details.

Revenue from other sources for subsidiaries and joint operations of $1,528 million (six months ended 30 June 2020: restated (see note 2): $185 million) includes net fair value gains relating to derivatives of $633 million, net fair value gains relating to provisionally priced contracts of $870 million and revenue remeasurements of $25 million (six months ended 30 June 2020 restated (see note 2): $126 million gain, $59 million gain and nil respectively). Derivative net gains include both financial derivatives and the net margin arising on contracts for the physical sale and purchase of third-party material (third-party sales) where these contracts are accounted for as derivatives prior to settlement and are entered into to generate a trading margin.

Group revenue by destination

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

	30.06.21 US$ million	**30.06.21** %	30.06.20 (restated)[1] US$ million	30.06.20 (restated)[1] %
China	**5,668**	**25%**	3,802	35%
India	**1,033**	**5%**	719	7%
Japan	**3,387**	**15%**	1,754	16%
Other Asia	**4,315**	**19%**	1,714	16%
South Africa	**458**	**2%**	224	2%
Other Africa	**832**	**4%**	361	3%
Brazil	**276**	**1%**	214	2%
Chile	**412**	**2%**	256	2%
Other South America	**60**	**—**	8	—
North America	**834**	**4%**	282	3%
Australia	**15**	**—**	10	—
United Kingdom[2]	**1,707**	**8%**	356	3%
Other Europe	**3,617**	**15%**	1,235	11%
	22,614	**100%**	10,935	100%

[1] Third-party trading amounts restated from a gross to a net presentation. See note 2 for further details.
[2] United Kingdom is Anglo American plc's country of domicile.

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 77.

US$	**6 months ended 30.06.21**	6 months ended 30.06.20
Earnings per share		
Basic	**4.18**	0.38
Diluted	**4.13**	0.38
Underlying earnings per share		
Basic	**4.30**	0.72
Diluted	**4.25**	0.71
Headline earnings per share		
Basic	**4.22**	0.49
Diluted	**4.17**	0.49

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 30.06.21	6 months ended 30.06.20	**6 months ended 30.06.21**	6 months ended 30.06.20	**6 months ended 30.06.21**	6 months ended 30.06.20
Earnings (US$ million)						
Basic and diluted earnings	**5,188**	471	**5,335**	886	**5,233**	606
Weighted average number of shares (million)						
Basic number of ordinary shares outstanding	**1,240**	1,238	**1,240**	1,238	**1,240**	1,238
Effect of dilutive potential ordinary shares	**15**	11	**15**	11	**15**	11
Diluted number of ordinary shares outstanding	**1,255**	1,249	**1,255**	1,249	**1,255**	1,249

The weighted average number of ordinary shares in issue is the weighted number of shares in issue throughout the period, and excludes shares held by employee benefit trusts and Anglo American plc shares held by Group companies. The 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 2021 there were 132,349 (six months ended 30 June 2020: 9,192) share options 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 profit attributable to equity shareholders of the Company as follows:

US$ million	**30.06.21**	30.06.20
Profit attributable to equity shareholders of the Company	**5,188**	471
Special items and remeasurements	**147**	415
Underlying earnings for the financial period	**5,335**	886
Revenue remeasurements	**24**	—
Operating remeasurements	**(98)**	(22)
Non-operating special items – remeasurement of deferred consideration	**343**	21
Non-operating special items – disposals	**(49)**	—
Financing special items and remeasurements	**(125)**	5
Tax special items and remeasurements	**(169)**	(292)
Associates' and joint ventures' special items and remeasurements	**(10)**	(18)
Other reconciling items	**(18)**	26
Headline earnings for the financial period	**5,233**	606

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

Other reconciling items principally relate to adjustments in respect of business combinations in prior years (six months ended 30 June 2020: relate to disposals of property, plant and equipment and investments).

5. NET FINANCE COSTS

US$ million	6 months ended 30.06.21	6 months ended 30.06.20
Investment income		
Interest income from cash and cash equivalents	**23**	39
Interest income from associates and joint ventures	**4**	7
Other interest income	**28**	3
Net interest income on defined benefit arrangements	**7**	7
	62	56
Less: Interest income capitalised	**—**	(1)
Investment income	**62**	55
Interest expense		
Interest and other finance expense	**(267)**	(320)
Net interest cost on defined benefit arrangements	**(20)**	(20)
Unwinding of discount relating to provisions and other liabilities	**(38)**	(41)
	(325)	(381)
Less: Interest expense capitalised	**81**	79
Interest expense before special items and remeasurements	**(244)**	(302)
Financing special items	**(116)**	(1)
Interest expense	**(360)**	(303)
Other net financing losses		
Net foreign exchange (losses)/gains	**(23)**	46
Other net fair value losses	**(183)**	(100)
Other net financing losses before special items and remeasurements	**(206)**	(54)
Financing remeasurements	**(10)**	5
Other net financing losses	**(216)**	(49)
Net finance costs	**(514)**	(297)

Further information

Other net fair value losses are $183 million (six months ended 30 June 2020: $100 million) in respect of the revaluation of deferred consideration balances relating to the Mototolo acquisition. Revaluation of deferred consideration balances are classified as special items and remeasurements only when the original gain or loss on disposal or acquisition has been classified as a special item.

6. INCOME TAX EXPENSE

Overview

	6 months ended 30.06.21		
	Profit before tax US$ million	**Tax charge US$ million**	**Effective tax rate**
Calculation of effective tax rate (statutory basis)	**10,698**	**(3,519)**	**32.9%**
Adjusted for:			
Special items and remeasurements	**(514)**	**564**	
Associates' and joint ventures' tax and non-controlling interests	**93**	**(92)**	
Calculation of underlying effective tax rate	**10,277**	**(3,047)**	**29.6%**

The underlying effective tax rate was 29.6% for the six months ended 30 June 2021. This is lower than the underlying effective tax rate of 30.9% for the six months ended 30 June 2020. The underlying effective tax rate in 2021 was mainly impacted by the relative level of profits arising in the Group's operating jurisdictions.

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

As previously disclosed, as a result of increased uncertainty due to the status of the Covid-19 pandemic at that time, the tax charge for the six months ended 30 June 2020 was calculated based on the actual tax charge for that period. This was in accordance with the requirements of IAS 12 *Income Taxes* and considered to be the best estimate of the average annual effective income tax rate.

Uncertainty and changes to tax regimes can materialise in any country in which we operate and the Group has no control over political acts, actions of regulators, or changes in local tax regimes. Global and local economic and social conditions can have a significant influence on governments' policy decisions and these have the potential to change tax and other political risks faced by the Group. The Group actively monitors tax developments at a national level, as well as global themes and international policy trends, on a continuous basis, and has active engagement strategies with governments, regulators and other stakeholders within the countries in which we operate, or plan to operate, as well as at an international level. We assess portfolio capital investments against political risks and avoid or minimise exposure to jurisdictions with unacceptable risk levels.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

a) Analysis of charge for the period

US$ million	**6 months ended 30.06.21**	6 months ended 30.06.20
United Kingdom corporation tax	**55**	36
South Africa tax	**1,971**	406
Other overseas tax	**621**	251
Prior year adjustments	**31**	(5)
Current tax	**2,678**	688
Deferred tax	**277**	(233)
Income tax expense before special items and remeasurements	**2,955**	455
Special items and remeasurements tax	**564**	283
Income tax expense	**3,519**	738

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 30.06.21	6 months ended 30.06.20
Profit before tax	**10,698**	1,555
Less: Net income from associates and joint ventures	**(195)**	(45)
Profit before tax (excluding associates and joint ventures)	**10,503**	1,510
Tax calculated at United Kingdom corporation tax rate of 19%	**1,996**	287
Tax effects of:		
Items non-deductible/taxable for tax purposes	**35**	16
Temporary difference adjustments	**99**	(25)
Functional currency remeasurements (note 9)	**192**	295
Special items and other remeasurements	**272**	(1)
Special items and remeasurements	**464**	294
Other adjustments		
Dividend withholding taxes	**101**	57
Effect of differences between local and United Kingdom tax rates	**792**	112
Prior year adjustments to current tax	**31**	(5)
Other adjustments	**1**	2
Income tax expense	**3,519**	738

The special items and remeasurements reconciling charge of $464 million (six months ended 30 June 2020: $294 million) relates to the net tax impact of total special items and remeasurements before tax calculated at the United Kingdom corporation tax rate less the associated tax recorded against these items and tax special items and remeasurements.

Associates' and joint ventures' tax included within Net income from associates and joint ventures for the six months ended 30 June 2021 is a charge of $102 million (six months ended 30 June 2020: $96 million). Excluding special items and remeasurements, this becomes a charge of $92 million (six months ended 30 June 2020: $96 million).

7. DIVIDENDS

	6 months ended 30.06.21	6 months ended 30.06.20
Proposed interim ordinary dividend per share (US cents)	**171**	28
Proposed interim ordinary dividend (US$ million)	**2,132**	349
Proposed interim special dividend per share (US cents)	**80**	—
Proposed interim special dividend (US$ million)	**997**	—

As at the dividend record date, there are forecasted to be 1,246,701,431 (six months ended 30 June 2020: 1,247,746,030) dividend bearing shares in issue.

SIGNIFICANT ITEMS

8. SIGNIFICANT ACCOUNTING MATTERS

The critical judgements and sources of estimation uncertainty affecting the results for the six months ended 30 June 2021 are consistent with those disclosed in the Group's Integrated Annual Report for the year ended 31 December 2020.

Minas-Rio (Iron Ore)

An impairment reversal of $1.0 billion was recognised at Minas-Rio in 2019 based on a recoverable amount of $5.3 billion. Prior to that date, cumulative impairments had been recognised totalling $11.3 billion.

The market outlook over the short and medium term has improved and as a result the valuation of Minas-Rio has been re-assessed and a further partial reversal of $1.4 billion ($0.9 billion after tax) has been recognised to a recoverable amount of $7.1 billion, when applying a discount rate of 7.3%.

The valuation is inherently sensitive to changes in economic assumptions, with forecast iron ore prices that fall within the analyst range throughout the model. The long term price in the model from 2032 onwards falls within the third quartile of the analyst price range of $65/tonne to $70/tonne (Platts 62% CFR reference basis, 2021 real basis). In addition to the base case valuation, alternative scenarios have been considered to assess the impact of changes in key assumptions, including decreases in the long term iron ore price. If the long term price assumptions used in the model were changed by $5/tonne in each year, with all other assumptions remaining the same, this would change the valuation by $0.5 billion.

Metallurgical Coal

As a result of changes to forecast economic parameters, including commodity prices and foreign exchange rates, impairment triggers were identified for the Moranbah-Grosvenor, Dawson and Capcoal CGUs (cash generating units) within the Metallurgical Coal segment and impairments of $0.4 billion, $0.2 billion and $0.2 billion ($0.3 billion, $0.1 billion and $0.1 billion after tax), respectively, were recorded at 30 June 2021 based on discounted cash flow models using a discount rate of 6.6%.

The Moranbah-Grosvenor and Capcoal valuations are sensitive to changes in input assumptions including future metallurgical coal prices and foreign exchange rates. The forecast metallurgical coal prices used within the model fall within the analyst range throughout. The hard coking coal price (2021 real basis) in the model from 2027 onwards falls within the top quartile of the analyst price range of $147/tonne to $160/tonne. The model uses a forecast for the average Australian dollar to US dollar nominal exchange rate which falls within the analyst range of 0.67 AUD/$ to 0.94 AUD/$.

In addition to the base case valuation, alternative scenarios have been considered to assess the impact of changes in key assumptions, principally price and foreign exchange forecasts, including the potential impact and timing of the transition towards a low carbon economy on the metallurgical coal price.

For Moranbah-Grosvenor, if the future metallurgical coal prices were reduced by $10/tonne from 2027 onwards with all other valuation assumptions remaining the same, this would result in an incremental impairment of $0.5 billion. A 10% appreciation of the Australian dollar compared to the valuation assumptions would result in an incremental impairment of $0.9 billion.

For Capcoal, if the future metallurgical coal prices were reduced by $10/tonne from 2027 onwards with all other valuation assumptions remaining the same, this would result in an incremental impairment of $0.2 billion. A 10% appreciation of the Australian dollar compared to the valuation assumptions would result in an incremental impairment of $0.5 billion.

For Dawson, the remaining carrying value of $0.1 billion is not material and therefore the valuation is not considered to be a key source of estimation uncertainty as no reasonably possible change in assumptions would materially change the carrying value.

9. SPECIAL ITEMS AND REMEASUREMENTS

Overview

US$ million	Before tax	Tax	Non-controlling interests	6 months ended 30.06.21 Net	6 months ended 30.06.20 Net
Revenue remeasurements	**25**	**(2)**	**1**	**24**	—
Impairment reversals	**1,482**	**(500)**	**(21)**	**961**	—
Impairments	**(793)**	**238**	**—**	**(555)**	—
Other operating special items	**(3)**	**—**	**—**	**(3)**	(55)
Operating remeasurements	**(84)**	**(14)**	**—**	**(98)**	(22)
Operating special items and remeasurements	**602**	**(276)**	**(21)**	**305**	(77)
Disposals of businesses	**(374)**	**(35)**	**—**	**(409)**	—
Adjustments relating to business combinations	**(18)**	**—**	**—**	**(18)**	—
Adjustments relating to former operations	**514**	**(80)**	**(80)**	**354**	26
Other non-operating special items	**(99)**	**—**	**—**	**(99)**	—
Non-operating special items	**23**	**(115)**	**(80)**	**(172)**	26
Financing special items and remeasurements	**(126)**	**—**	**1**	**(125)**	5
Tax special items and remeasurements	**—**	**(171)**	**2**	**(169)**	(292)
Total	**524**	**(564)**	**(97)**	**(137)**	(338)
Associates' and joint ventures' special items and remeasurements				**(10)**	(77)
Total special items and remeasurements				**(147)**	(415)

Special items and remeasurements

Special items are those items of financial performance that, due to their size and nature, the Group believes should be separately disclosed on the face of the income statement. Remeasurements are items that are excluded from underlying earnings in order to reverse timing differences in the recognition of gains and losses in the income statement in relation to transactions that, whilst economically linked, are subject to different accounting measurement or recognition criteria. Refer to note 8 of the Group's 2020 Integrated Annual Report for further details on classification of special items.

Special items and remeasurements, along with related tax and non-controlling interests, are excluded from underlying earnings, which is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Revenue remeasurements

The gain of $25 million ($24 million after tax and non-controlling interests) relates to remeasurements on derivatives, presented in revenue from other sources.

Operating special items

Impairment reversals

Impairment reversals of $1,482 million ($961 million after tax and non-controlling interests) for the six months ended 30 June 2021 comprise of $1,421 million ($940 million after tax) at Minas-Rio (Iron Ore) and $61 million ($21 million after tax and non-controlling interests) at El Soldado (Copper).

2020

There were no impairment reversals in the six months ended 30 June 2020.

Impairments

Impairments of $793 million ($555 million after tax) for the six months ended 30 June 2021 comprise impairments within Metallurgical Coal.

9. SPECIAL ITEMS AND REMEASUREMENTS (continued)

2020

There were no impairments in the six months ended 30 June 2020.

Operating remeasurements

Operating remeasurements reflect a net loss of $84 million ($98 million after tax and non-controlling interests) which relates to a $46 million ($59 million after tax) depreciation and amortisation charge arising due to the fair value uplift on the Group's pre-existing 45% shareholding in De Beers, which was required on acquisition of a controlling stake and a loss of $38 million in respect of derivatives.

2020

Operating remeasurements for the six months ended 30 June 2020 were a net loss of $22 million after tax and non-controlling interests.

Non-operating special items

Disposals of businesses

The $374 million loss ($409 million after tax and non-controlling interests) relates to the demerger of the South African thermal coal operations, for further information please see note 19.

2020

There were no disposals recorded in the six months ended 30 June 2020.

Adjustments relating to business combinations

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

2020

There were no adjustments relating to business combinations in the six months ended 30 June 2020.

Adjustments relating to former operations

The net gain of $514 million ($354 million after tax and non-controlling interests) principally relates to deferred consideration adjustments in respect of disposals of the Group's interest in Rustenburg and Union (Platinum Group Metals) and contingent consideration in respect of Anglo American Norte (Copper). For further detail with respect to deferred consideration balances, see note 15.

2020

The net gain of $26 million after tax and non-controlling interests related to adjustments in respect of disposals completed in prior years.

Other non-operating special items

On 28 June 2021, the Group announced that it had agreed the sale of its 33% shareholding in the Cerrejón associate to Glencore. As the associate's carrying value was higher than the estimated $294 million due on completion, an impairment of $99 million ($99 million after tax) has been recorded to bring the associate's carrying value into line with its fair value less costs of disposal. The sale is expected to complete in the first half of 2022, subject to regulatory approvals.

2020

There were no other non-operating special items in the six months ended 30 June 2020.

Financing special items and remeasurements

Financing special items and remeasurements principally comprise a loss of $116 million in respect of bond buybacks completed in the period and a net fair value loss on derivatives hedging net debt of $9 million (six months ended 30 June 2020: gain of $4 million in respect of derivatives hedging net debt).

9. SPECIAL ITEMS AND REMEASUREMENTS (continued)

Tax associated with special items and remeasurements

Tax associated with special items and remeasurements includes a tax remeasurement charge of $192 million principally arising on Brazilian deferred tax (six months ended 30 June 2020: tax remeasurements charge of $295 million principally arising on Brazilian deferred tax).

Of the total tax charge of $564 million (six months ended 30 June 2020: charge of $283 million), there is a net current tax charge of $48 million (six months ended 30 June 2020: charge of $4 million) and a net deferred tax charge of $516 million (six months ended 30 June 2020: charge of $279 million).

Associates' and joint ventures' special items and remeasurements

Associates' and joint ventures' special items and remeasurements relate to tax remeasurements of $10 million within Cerrejón (Corporate and other).

2020

Associates' and joint ventures' special items and remeasurements principally related to Samancor (Nickel and Manganese) and Cerrejón (Corporate and other).

CAPITAL BASE

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

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

The Group uses attributable return on capital employed (ROCE) to monitor how efficiently assets are generating profit on invested capital for the equity shareholders of the Company. Attributable ROCE is an Alternative Performance Measure (APM). For more information on the APMs used by the Group, including definitions, please refer to page 77.

	Attributable ROCE %	
	6 months ended 30.06.21	6 months ended 30.06.20
De Beers	**6**	(4)
Copper	**38**	13
Platinum Group Metals	**160**	24
Iron Ore	**88**	34
Metallurgical Coal	**(26)**	(16)
Nickel and Manganese	**32**	12
Crop Nutrients	**n/a**	n/a
Corporate and other	**n/a**	n/a
	49	11

Attributable ROCE increased to 49% in the six months ended 30 June 2021 (six months ended 30 June 2020: 11%). Average attributable capital employed has increased to $32.1 billion (six months ended 30 June 2020: $29.8 billion), primarily due to growth capital expenditure, largely at Quellaveco (Copper) and Woodsmith (Crop Nutrients), as well as working capital build.

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 77.

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 30.06.21**	Year ended 31.12.20 (restated)[(1)]
De Beers	**8,699**	8,967
Copper	**10,305**	9,128
Platinum Group Metals	**4,947**	4,967
Iron Ore	**8,971**	8,472
Metallurgical Coal	**2,799**	3,196
Nickel and Manganese	**1,405**	1,395
Crop Nutrients	**1,292**	988
Corporate and other	**930**	857
Capital employed	**39,348**	37,970
Reconciliation to the Consolidated balance sheet:		
Net debt	**(2,032)**	(5,575)
Debit valuation adjustment attributable to derivatives hedging net debt	**4**	—
Financial asset investments	**369**	371
Net assets	**37,689**	32,766

(1) Restated in line with the Group reassessment of its reportable segments, see note 3 for further details.

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 77.

Capital expenditure by segment

US$ million	**6 months ended 30.06.21**	6 months ended 30.06.20 (restated)[1]
De Beers	**205**	159
Copper	**768**	729
Platinum Group Metals	**363**	200
Iron Ore	**278**	235
Metallurgical Coal	**257**	287
Nickel and Manganese	**10**	12
Crop Nutrients	**279**	91
Corporate and other	**98**	95
Capital expenditure	**2,258**	1,808
Reconciliation to the Consolidated cash flow statement:		
Cash flows from derivatives related to capital expenditure	**(9)**	—
Proceeds from disposal of property, plant and equipment	**—**	3
Direct funding for capital expenditure received from non-controlling interests	**226**	277
Expenditure on property, plant and equipment	**2,475**	2,088

[1] Restated in line with the Group reassessment of its reportable segments, see note 3 for further details.

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

Capital expenditure by category

US$ million	**6 months ended 30.06.21**	6 months ended 30.06.20
Growth projects	**779**	636
Life-extension projects	**217**	141
Stay-in-business	**808**	622
Development and stripping	**412**	390
Proceeds from disposal of property, plant and equipment	**—**	(3)
Capitalised operating cash flows	**42**	22
	2,258	1,808

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

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Overview

Investments in associates and joint ventures represent businesses the Group does not control, but over which the Group instead exercises significant influence or joint control. These include (within the respective reportable segments) the associates Cerrejón (thermal coal production in the Corporate and other segment) and Jellinbah (metallurgical coal production in the Metallurgical coal segment) and the joint ventures Ferroport (port operations in the Iron Ore segment) and Samancor (manganese mining and smelting in the Nickel and Manganese segment). The Group's other investments in associates and joint ventures arise primarily in the Platinum Group Metals segment and Crop Nutrients segment.

The 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 77.

Income statement

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

US$ million	**6 months ended 30.06.21**	6 months ended 30.06.20
Revenue	**860**	748
Operating costs (before special items and remeasurements)	**(549)**	(531)
Associates' and joint ventures' underlying EBIT	**311**	217
Net finance (costs)/income	**(13)**	3
Income tax expense	**(92)**	(96)
Non-controlling interests	**(1)**	(2)
Net income from associates and joint ventures (before special items and remeasurements)	**205**	122
Special items and remeasurements	**—**	(77)
Special items and remeasurements tax	**(10)**	—
Net income from associates and joint ventures	**195**	45

Further information

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

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

					30.06.20
US$ million	Revenue	Underlying EBITDA	Underlying EBIT	Share of net income	Dividends received
Samancor	335	154	123	4	103
Cerrejón	145	13	(33)	(48)	—
Jellinbah	170	71	64	47	29
Ferroport	72	63	64	47	—
Other	26	(1)	(1)	(5)	—
	748	300	217	45	132

NET DEBT AND FINANCIAL RISK MANAGEMENT

Net debt decreased from $5.6 billion to $2.0 billion during the period, driven by robust cash flows from operations of $10.7 billion. The Group generated strong sustaining attributable free cash inflows of $6.2 billion, used in part to fund growth capital expenditure of $0.8 billion and dividends paid to Anglo American plc shareholders of $0.9 billion. Gearing has decreased from 15% at 31 December 2020 to 5% at 30 June 2021.

US$ million	**30.06.21**	31.12.20
Net assets	**37,689**	32,766
Net debt including related derivatives (note 13)	**2,032**	5,575
Total capital	**39,721**	38,341
Gearing	**5%**	15%

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

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 77.

Movement in net debt

US$ million	Short term borrowings	Medium and long term borrowings	Total financing activity liabilities	Cash and cash equivalents	Derivatives hedging net debt	Net debt including derivatives
At 1 January 2020	(978)	(9,744)	(10,722)	6,335	(239)	(4,626)
Acquired through business combinations	(1)	(252)	(253)	—	—	(253)
Cash flow[1]	(32)	(2,459)	(2,491)	156	(113)	(2,448)
Interest accrued on borrowings	(226)	(29)	(255)	—	—	(255)
Reclassifications	(1,047)	1,047	—	—	—	—
Movement in fair value	(10)	(313)	(323)	—	397	74
Other movements	(57)	60	3	—	—	3
Currency movements	15	52	67	(179)	—	(112)
At 30 June 2020	(2,336)	(11,638)	(13,974)	6,312	45	(7,617)
Acquired through business combinations	(4)	(1)	(5)	—	—	(5)
Cash flow	1,519	(289)	1,230	1,006	133	2,369
Interest accrued on borrowings	(267)	(29)	(296)	—	—	(296)
Reclassifications	(8)	8	—	—	—	—
Movement in fair value	13	116	129	—	237	366
Other movements	(9)	(101)	(110)	—	—	(110)
Currency movements	(89)	(383)	(472)	190	—	(282)
At 31 December 2020	**(1,181)**	**(12,317)**	**(13,498)**	**7,508**	**415**	**(5,575)**
Cash flow	**824**	**168**	**992**	**3,388**	**(75)**	**4,305**
Interest accrued on borrowings	**(221)**	**(31)**	**(252)**	**—**	**—**	**(252)**
Reclassifications	**(552)**	**552**	**—**	**—**	**—**	**—**
Movement in fair value	**(8)**	**223**	**215**	**—**	**(247)**	**(32)**
Other movements	**(201)**	**(306)**	**(507)**	**—**	**21**	**(486)**
Currency movements	**3**	**(40)**	**(37)**	**45**	**—**	**8**
At 30 June 2021	**(1,336)**	**(11,751)**	**(13,087)**	**10,941**	**114**	**(2,032)**

[1] In the six months ended 30 June 2020, Cash flow includes $250 million interest paid previously presented on a net basis against $255 million of interest accrued within Other movements.

13. NET DEBT (continued)

Other movements include $459 million relating to leases entered into in the six months ended 30 June 2021 (six months ended 30 June 2020: $97 million).

Other information

Reconciliation to the Consolidated balance sheet

	Cash and cash equivalents			Short term borrowings			Medium and long term borrowings		
US$ million	**30.06.21**	30.06.20	31.12.20	**30.06.21**	30.06.20	31.12.20	**30.06.21**	30.06.20	31.12.20
Balance sheet	**10,951**	6,321	7,521	**(1,346)**	(2,345)	(1,194)	**(11,751)**	(11,638)	(12,317)
Bank overdrafts	**(10)**	(9)	(13)	**10**	9	13	**—**	—	—
Net cash/(debt) classifications	**10,941**	6,312	7,508	**(1,336)**	(2,336)	(1,181)	**(11,751)**	(11,638)	(12,317)

Cash and cash equivalents includes $529 million (31 December 2020: $357 million) which is restricted. This primarily relates to cash which is required to cover initial margin on trading exchanges and cash and cash equivalents which are held in joint operations where the timing of dividends is jointly controlled by the joint operators.

BORROWINGS

Overview

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

In March 2021, the Group issued $500 million 2.250% Senior Notes due 2028 and $500 million 2.875% Senior Notes due 2031 as part of the Group's routine financing activities.

In April 2021, following the maturity of the last outstanding notes, the Group discontinued its South African Domestic Medium Term Note (DMTN) programme.

In June 2021, the Group bought back US dollar denominated bonds with maturities in 2025. The Group used $1.0 billion of cash to retire $0.9 billion of contractual repayment obligations (including derivatives hedging the bonds).

At 30 June 2021 and 31 December 2020, the following bonds were retained as fixed rate exposures: $193 million 5.375% due April 2025, $750 million 5.625% due April 2030, $500 million 3.95% due September 2050 and $99 million 5% due May 2027. Prior to the bond buy back transaction, a further $557 million 5.375% due April 2025 was retained as a fixed rate exposure at 31 December 2020. All other bonds at 30 June 2021 and 31 December 2020 were swapped to floating interest rate exposures.

Further information

US$ million	**30.06.21** Short term borrowings	Medium and long term borrowings	Total borrowings	31.12.20 Short term borrowings	Medium and long term borrowings	Total borrowings
Secured						
Bank loans and overdrafts	**19**	**51**	**70**	25	33	58
Leases	**301**	**625**	**926**	179	364	543
	320	**676**	**996**	204	397	601
Unsecured						
Bank loans and overdrafts	**124**	**115**	**239**	252	553	805
Bonds	**526**	**9,711**	**10,237**	563	10,400	10,963
Mitsubishi facility	**—**	**1,249**	**1,249**	—	967	967
Interest payable and other loans	**376**	**—**	**376**	175	—	175
	1,026	**11,075**	**12,101**	990	11,920	12,910
Total borrowings	**1,346**	**11,751**	**13,097**	1,194	12,317	13,511

Undrawn committed borrowing facilities

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

US$ million	**30.06.21**	31.12.20
Expiry date		
Within one year	**295**	2,228
Greater than one year, less than two years	**1,432**	615
Greater than two years, less than three years	**1,102**	1,453
Greater than three years, less than four years	**5,399**	916
Greater than four years, less than five years	**27**	4,718
Greater than five years	**27**	47
	8,282	9,977

The Group has an undrawn $4.5 billion revolving credit facility and an undrawn $0.2 billion bilateral credit facility, both due to mature in March 2025.

In April 2020, the Group signed a new $2.0 billion revolving credit facility with an initial maturity date of April 2021. After the Group's $1.0 billion bond issuance in March 2021 the Group issued a notice of cancellation for the facility which became effective in March 2021 and accordingly this facility is no longer available.

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.

						30.06.21
US$ million	**At fair value through profit and loss**	**Financial assets at amortised cost**	**At fair value through other comprehensive income**	**Designated into hedges**	**Financial liabilities at amortised cost**	**Total**
Financial assets						
Trade and other receivables	**3,058**	**1,182**	**—**	**—**	**—**	**4,240**
Derivative financial assets	**337**	**—**	**—**	**358**	**—**	**695**
Cash and cash equivalents	**7,598**	**3,353**	**—**	**—**	**—**	**10,951**
Financial asset investments	**32**	**186**	**151**	**—**	**—**	**369**
	11,025	**4,721**	**151**	**358**	**—**	**16,255**
Financial liabilities						
Trade and other payables	**(705)**	**—**	**—**	**—**	**(5,186)**	**(5,891)**
Derivative financial liabilities	**(423)**	**—**	**—**	**(65)**	**—**	**(488)**
Royalty liability	**—**	**—**	**—**	**—**	**(360)**	**(360)**
Borrowings	**—**	**—**	**—**	**(8,785)**	**(4,312)**	**(13,097)**
	(1,128)	**—**	**—**	**(8,850)**	**(9,858)**	**(19,836)**
Net financial assets/(liabilities)	**9,897**	**4,721**	**151**	**(8,492)**	**(9,858)**	**(3,581)**

						31.12.20
US$ million	At fair value through profit and loss	Financial assets at amortised cost	At fair value through other comprehensive income	Designated into hedges	Financial liabilities at amortised cost	Total
Financial assets						
Trade and other receivables	2,173	1,121	—	—	—	3,294
Derivative financial assets	175	—	—	567	—	742
Cash and cash equivalents	6,336	1,185	—	—	—	7,521
Financial asset investments	33	207	131	—	—	371
	8,717	2,513	131	567	—	11,928
Financial liabilities						
Trade and other payables	(723)	—	—	—	(4,774)	(5,497)
Derivative financial liabilities	(380)	—	—	(26)	—	(406)
Royalty liability	—	—	—	—	(340)	(340)
Borrowings	—	—	—	(8,953)	(4,558)	(13,511)
	(1,103)	—	—	(8,979)	(9,672)	(19,754)
Net financial assets/(liabilities)	7,614	2,513	131	(8,412)	(9,672)	(7,826)

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

15. FINANCIAL INSTRUMENTS (continued)

In addition to the financial instruments disclosed on the previous page, the Group has financial instruments in respect of assets held in environmental rehabilitation trusts. The Group makes contributions to controlled funds that were established to meet the cost of some of its restoration and environmental rehabilitation liabilities in South Africa. As at 30 June 2021, the balance held within these trusts was $114 million (31 December 2020: $301 million). The majority of the funds held within environmental rehabilitation trusts are held in unit trusts and recorded at fair value through profit and loss. Investments in unit trusts with a fair value of nil (31 December 2020: $198 million) are at level 1 in the fair value hierarchy, as defined in IFRS 13. Amounts of $93 million (31 December 2020: $86 million) held in unit trusts are held at level 2 in the fair value hierarchy. These funds are not available for the general purposes of the Group. All income from these assets is reinvested to meet specific environmental obligations.

In 2020, when the Group acquired the Woodsmith project, the Hancock royalty liability and related embedded derivative were recognised. At 30 June 2021, the embedded derivative had nil value. The royalty liability does not form part of borrowings on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of Anglo American Woodsmith Limited's insolvency). Refer to note 33 of the Group's 2020 Integrated Annual Report for further information about the Hancock royalty liability.

Fair value hierarchy

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

				30.06.21				31.12.20
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	**—**	**2,120**	**—**	**2,120**	—	1,547	—	1,547
Other receivables	**—**	**—**	**938**	**938**	—	—	626	626
Financial asset investments	**—**	**29**	**3**	**32**	—	31	2	33
Derivatives hedging net debt	**—**	**48**	**—**	**48**	—	79	—	79
Other derivatives	**—**	**289**	**—**	**289**	8	88	—	96
Cash and cash equivalents	**7,598**	**—**	**—**	**7,598**	6,336	—	—	6,336
Designated into hedges								
Derivatives hedging net debt	**—**	**358**	**—**	**358**	—	567	—	567
At fair value through other comprehensive income								
Financial asset investments	**128**	**—**	**23**	**151**	108	—	23	131
	7,726	**2,844**	**964**	**11,534**	6,452	2,312	651	9,415
Financial liabilities								
At fair value through profit and loss								
Provisionally priced trade payables	**—**	**(177)**	**—**	**(177)**	—	(288)	—	(288)
Other payables	**—**	**—**	**(528)**	**(528)**	—	—	(435)	(435)
Derivatives hedging net debt	**—**	**(227)**	**—**	**(227)**	—	(205)	—	(205)
Other derivatives	**—**	**(173)**	**(23)**	**(196)**	(1)	(174)	—	(175)
Designated into hedges								
Derivatives hedging net debt	**—**	**(65)**	**—**	**(65)**	—	(26)	—	(26)
Debit valuation adjustment to derivative liabilities	**—**	**4**	**—**	**4**	—	—	—	—
	—	**(638)**	**(551)**	**(1,189)**	(1)	(693)	(435)	(1,129)
Net assets carried at fair value	**7,726**	**2,206**	**413**	**10,345**	6,451	1,619	216	8,286

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

15. FINANCIAL INSTRUMENTS (continued)

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

US$ million	Assets	Liabilities
At 1 January 2021	**651**	**(435)**
Net profit/(loss) recorded in the income statement	**440**	**(196)**
Net loss recorded in the statement of comprehensive income	**(1)**	**—**
Reclassification to level 3 financial assets and liabilities	**17**	**(23)**
Settlement and disposals	**(166)**	**112**
Currency movements	**23**	**(9)**
At 30 June 2021	**964**	**(551)**

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

Level 3 fair value sensitivities

Rustenburg Mine (Platinum Group Metals)

Deferred consideration receivable of $642 million (31 December 2020: $474 million) is calculated as 35% of the distributable free cash flows generated by Sibanye-Stillwater's Rustenburg Mine over a six-year period from inception in November 2016. The discount rate used in the calculation is 9.16% (31 December 2020: 8.49%). The movement for the current period relates to changes in the forecast cash flows driven by the fluctuations in PGM prices and in the ZAR:USD exchange rate.

Union Mine (Platinum Group Metals)

Deferred consideration receivable of $250 million (31 December 2020: $120 million) is calculated as 35% of the distributable free cash flows generated by Union Mine over an eleven year period from inception in February 2018. If the cumulative deferred consideration is negative at the end of the eleven year period, Anglo American Platinum will be obligated to repay Siyanda Resources Proprietary Limited the cumulative deferred consideration received. Based on forecasts the cumulative deferred consideration is positive. The discount rate used in the calculation is 15.72% (31 December 2020: 15.16%). The movement for the period relates to increases in PGM prices and fluctuations in the ZAR:USD exchange rate.

Mototolo Mine (Platinum Group Metals)

Deferred consideration payable of $432 million (31 December 2020: $357 million) is payable monthly over a period of 72 months from the effective date of acquisition in November 2018. The deferred consideration is remeasured based on the actual PGM 4E prices realised over the deferred consideration period. The maximum amount payable is limited to ZAR 22 billion ($1.5 billion). The discount rate used in the calculation is 7.56% (31 December 2020: 6.70%). The movement for the period relates to increases in PGM prices and fluctuations in the ZAR:USD exchange rate.

15. FINANCIAL INSTRUMENTS (continued)

US$ million	**30.06.21**	31.12.20
Deferred consideration/financial assets		
Rustenburg deferred consideration		
10% change in exchange rates		
Reduction to profit or loss	**116**	71
Increase to profit or loss	**116**	71
10% change in PGM prices		
Reduction to profit or loss	**116**	71
Increase to profit or loss	**116**	71
Union mine deferred consideration		
10% change in exchange rates		
Reduction to profit or loss	**50**	46
Increase to profit or loss	**32**	51
10% change in PGM prices		
Reduction to profit or loss	**50**	46
Increase to profit or loss	**32**	51
Deferred consideration/financial liabilities		
Mototolo deferred consideration		
10% change in exchange rates		
Reduction to profit or loss	**52**	45
Increase to profit or loss	**52**	45
10% change in PGM prices		
Reduction to profit or loss	**52**	45
Increase to profit or loss	**52**	45

Further information

Borrowings designated in fair value hedges represent listed debt which is held at amortised cost, adjusted for the fair value of the hedged interest rate risk. The fair value of these borrowings is $9,162 million (31 December 2020: $9,340 million), which is measured using quoted indicative broker prices and consequently categorised as level 2 in the fair value hierarchy. The carrying value of the remaining borrowings at amortised cost includes bonds which are not designated into hedge relationships, bank borrowings and lease liabilities. The carrying value of these bonds is $1,552 million (31 December 2020: $2,150 million) and the fair value is $1,808 million (31 December 2020: $2,606 million). The carrying value of the remaining borrowings at amortised cost are considered to approximate the fair value.

EQUITY

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

Total equity has increased from $32.8 billion to $37.7 billion in the period, principally reflecting profit for the period, partially offset by dividends to Company shareholders and non-controlling interests and the return of capital to shareholders.

NON-CONTROLLING INTERESTS

Overview

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

- De Beers plc (De Beers), which is a company incorporated in Jersey. It is the world's leading diamond company with operations across all key parts of the diamond value chain. Non-controlling interests hold a 15.0% (31 December 2020: 15.0%) interest in De Beers, which represents the whole of the Diamonds reportable segment.
- Anglo American Sur S.A. (Anglo American Sur), which is a company incorporated in Chile. Its principal operations are the Los Bronces and El Soldado copper mines and the Chagres smelter, which are located in Chile. Non-controlling interests hold a 49.9% (31 December 2020: 49.9%) interest in Anglo American Sur.
- Anglo American Platinum Limited (Anglo American Platinum), which is a company incorporated in South Africa and listed on the Johannesburg Stock Exchange (JSE). Its principal mining operations are the Mogalakwena and Amandelbult platinum group metals mines which are located in South Africa. Non-controlling interests hold an effective 20.8% (31 December 2020: 19.2%) interest in the operations of Anglo American Platinum, which represents the whole of the Platinum Group Metals reportable segment.
- Kumba Iron Ore Limited (Kumba Iron Ore), which is a company incorporated in South Africa and listed on the JSE. Its principal mining operations are the Sishen and Kolomela iron ore mines which are located in South Africa. Non-controlling interests hold an effective 46.6% (31 December 2020: 46.6%) interest in the operations of Kumba Iron Ore, comprising the 30.0% (31 December 2020: 30.0%) interest held by other shareholders in Kumba Iron Ore and the 23.7% (31 December 2020: 23.7%) of Kumba Iron Ore's principal operating subsidiary, Sishen Iron Ore Company Proprietary Limited, that is held by shareholders outside the Group.

The disclosures in this note include certain Alternative Performance Measures (APMs). For more information on the APMs used by the Group, including definitions, please refer to page 77.

Further information

US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total
						30.06.21
Underlying earnings attributable to non-controlling interests	**42**	**281**	**587**	**987**	**(3)**	**1,894**
Profit attributable to non-controlling interests	**39**	**302**	**667**	**986**	**(3)**	**1,991**
Dividends paid to non-controlling interests	**(3)**	**(131)**	**(136)**	**(554)**	**(8)**	**(832)**
Equity attributable to non-controlling interests	**1,399**	**1,500**	**1,681**	**2,413**	**976**	**7,969**

US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total
						30.06.20
Underlying earnings attributable to non-controlling interests	(45)	8	77	308	(1)	347
Profit attributable to non-controlling interests	(49)	8	81	307	(1)	346
Dividends paid to non-controlling interests	(5)	(38)	(147)	(201)	(4)	(395)

US$ million	De Beers	Anglo American Sur	Anglo American Platinum	Kumba Iron Ore	Other	Total
						31.12.20
Equity attributable to non-controlling interests	1,364	1,525	1,035	1,937	1,081	6,942

UNRECOGNISED ITEMS AND UNCERTAIN EVENTS

EVENTS OCCURRING AFTER THE PERIOD END

The Board has approved the establishment of a $1 billion on-market share buyback programme to be executed concurrently on both the London Stock Exchange (LSE) and Johannesburg Stock (JSE).

With the exception of the declaration of the 2021 interim and special dividend, there have been no other reportable events since 30 June 2021.

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.

Contingent liabilities

Anglo American South Africa Proprietary Limited (AASA)

On 21 October 2020, an application was initiated against Anglo American South Africa Proprietary Limited (AASA). The application seeks the certification of class action litigation to be brought on behalf of community members residing in the Kabwe area in Zambia in relation to alleged lead-related health impacts.

AASA has noted its intention to oppose the class certification application, and will defend itself against the allegations made. It is currently investigating the detailed allegations and will file its substantive response to the application in August 2021. The class certification hearing is likely to take place in the first half of 2022.

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

ACQUISITIONS AND DISPOSALS

Acquisitions

There were no acquisitions in the period ended 30 June 2021.

2020

On 17 March 2020 the Group acquired a 100% interest in Sirius Minerals Plc (Crop Nutrients) for cash consideration of $496 million (£405 million). As a result of the acquisition the Group acquired control of the Woodsmith project, which once developed will mine the world’s largest known source of high grade polyhalite (a premium multi-nutrient fertiliser).

Disposals

On 4 June 2021, the Group completed the demerger of its South African thermal coal assets into a newly incorporated company, Thungela Resources Limited (Thungela), that on 7 June 2021 was admitted to trading on both the Johannesburg and London Stock Exchanges (JSE and LSE). The demerger was comprised of the Goedehoop, Greenside, Khwezela, Zibulo, Isibonelo and Butsanani coal mining operations, 23.2% shareholding in Richards Bay Coal Terminal and the 50:50 Mafube Colliery joint operation. The demerger was executed by means of an in specie return of capital valued at an amount equal to the fair value of the disposed operations. Share premium decreased by $1,800 million and the difference between this and the fair value demerged was credited to retained earnings.

19. ACQUISITIONS AND DISPOSALS (continued)

The fair value of the in specie return of capital at the date of the demerger and retained financial asset investment is a level 3 fair value measurement based on a discounted cash flow model with a real post-tax discount rate of 9.5%. The model used forecast thermal coal prices that fall within the analyst range throughout the forecast period. The forecast long-term price from 2027 onwards falls within the interquartile range of analyst prices of $65/tonne to $72/tonne (API4 FOB Richards Bay real 2021 basis).

Details of the net loss on demerger of Thungela are shown below:

US$ million	4 June 2021
Property, plant and equipment	770
Environmental rehabilitation trust	223
Other non-current assets	87
Current assets	547
Current liabilities	(210)
Provisions	(485)
Non-current liabilities	(121)
Thungela net assets and liabilities	**811**
Non-controlling interest	(106)
Less: Retained financial asset investments (see Further information below)	(64)
Net assets demerged	**641**
Net cash and cash equivalents demerged	(200)
Net cash outflow from demerger of Thungela	**(200)**

US$ million	4 June 2021
Share premium reduction	1,800
Capital reduction returned to distributable reserves	(1,081)
In specie return of capital relating to Thungela demerger	**719**
Net assets demerged	(641)
Retained financial asset investments (see Further information below)	(64)
Revaluation gain on retained financial asset investments (see Further information below)	(1)
Gain on demerger of Thungela	**13**
Transaction costs	(24)
Withholding taxes	(35)
Reclassification of foreign currency translation reserve	(363)
Loss on demerger of Thungela net of tax and transaction costs (see note 9)	**(409)**

Further information

On completion of the demerger, the Group retained an 8.9% interest in Thungela through the Tenon/Epoch investment companies, together with Thungela shares allocated in respect of Anglo American own shares held by subsidiaries and employee benefit trusts. A financial asset at fair value through other comprehensive income of $64 million was recognised on the Group's Consolidated balance sheet in respect of this interest, with a revaluation gain, representing the difference between the previous carrying value of the 8.9% interest in the net assets and their fair value, also recognised within special items in the Consolidated income statement. Subsequently, 0.3% of the retained interest was used to settle share schemes relating to Thungela executives. Following the listing of Thungela on the JSE and LSE, the retained investment in Thungela is accounted for as a level 1 financial instrument.

Anglo American's marketing business will continue to support Thungela in the sale and marketing of its products for a three-year period with an additional six-month transitional period thereafter. Sales and purchases under the offtake agreement will be reported on a net basis within revenue from other sources together with the Group's other third-party trading activities.

Other

Other cash received in respect of disposals principally relates to $160 million on the settlement of deferred consideration balances relating to the sale of the Rustenburg operations (Platinum Group Metals) completed in November 2016 and $50 million contingent consideration in respect of disposal of the Group's interest in Anglo American Norte (Copper) completed in 2015.

19. ACQUISITIONS AND DISPOSALS (continued)

2020

Disposals in the six months ended 30 June 2020 principally related to the settlement of deferred consideration balances relating to the sale of the 33% interest in the Bafokeng Rasimone Platinum Mine (Platinum Group Metals) completed in 2018.

Responsibility statement

We confirm that to the best of our knowledge:

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

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

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

By order of the Board

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

INDEPENDENT REVIEW REPORT TO ANGLO AMERICAN PLC

Report on the condensed financial statements

Our conclusion

We have reviewed Anglo American plc's condensed financial statements (the "interim financial statements") in the half year financial report of Anglo American plc for the 6 month period ended 30 June 2021 (the "period").

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

What we have reviewed

The interim financial statements comprise:

- the consolidated balance sheet as at 30 June 2021;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

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

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

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

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

What a review of interim financial statements involves

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 enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

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

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

PricewaterhouseCoopers LLP
Chartered Accountants
London
28 July 2021

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 77.

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

								30.06.21
US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1]	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	'000 cts	$/ct	$/ct					
De Beers	**19,161** [2]	**135** [3]	**59** [4]	**2,900** [5]	**610**	**377**	**267**	**205**
Mining								
Botswana	**n/a**	**131** [3]	**35** [4]	**n/a**	**226**	**203**	**n/a**	**29**
Namibia	**n/a**	**578** [3]	**374** [4]	**n/a**	**43**	**25**	**n/a**	**23**
South Africa	**n/a**	**107** [3]	**48** [4]	**n/a**	**113**	**34**	**n/a**	**122**
Canada	**n/a**	**55** [3]	**42** [4]	**n/a**	**35**	**5**	**n/a**	**17**
Trading	**n/a**	**n/a**	**n/a**	**n/a**	**279**	**276**	**n/a**	**1**
Other[6]	**n/a**	**n/a**	**n/a**	**n/a**	**(86)**	**(166)**	**n/a**	**13**
	kt	c/lb	c/lb					
Copper	**305** [7]	**460** [8]	**116** [9]	**2,974**	**1,935**	**1,630**	**692**	**768**
Los Bronces[10]	**155**	**n/a**	**155** [9]	**1,431**	**920**	**768**	**n/a**	**189**
Collahuasi[11]	**133**	**n/a**	**58** [9]	**1,238**	**1,048**	**928**	**586**	**197**
Quellaveco[12]	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**331**
Other[13]	**17**	**n/a**	**n/a**	**305**	**(33)**	**(66)**	**n/a**	**51**
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	**2,568** [14]	**2,884** [15]	**866** [16]	**7,414**	**4,383**	**4,211**	**2,173**	**363**
Mogalakwena	**712** [14]	**2,748** [15]	**690** [16]	**1,958**	**1,403**	**1,330**	**n/a**	**189**
Amandelbult	**441** [14]	**3,247** [15]	**1,178** [16]	**1,432**	**965**	**938**	**n/a**	**34**
Processing and trading[17]	**894** [14]	**n/a**	**n/a**	**2,477**	**899**	**884**	**n/a**	**—**
Other[18]	**521**	**3,054**	**880**	**1,547**	**1,116**	**1,059**	**n/a**	**140**
	Mt	$/t	$/t					
Iron Ore[19]	**30.7**	**210**	**33** [21]	**6,935**	**4,910**	**4,661**	**2,537**	**278**
Kumba Iron Ore[20]	**19.6** [19]	**216** [19]	**40** [21]	**4,412**	**3,033** [22]	**2,860** [22]	**1,069** [22]	**210**
Iron Ore Brazil (Minas-Rio)	**11.1** [19]	**200** [19]	**22** [21]	**2,523**	**1,877** [22]	**1,801** [22]	**1,468** [22]	**68**
	Mt	$/t	$/t					
Metallurgical Coal	**6.0** [23]	**115** [24]	**124** [25]	**736**	**(94)** [26]	**(383)** [26]	**(268)** [26]	**257**
Nickel and Manganese	**n/a**	**n/a**	**n/a**	**695**	**289**	**227**	**163**	**10**
Nickel	**20,000 t**	**721 c/lb**	**350 c/lb** [27]	**325**	**135** [28]	**106** [28]	**102** [28]	**10**
Manganese (Samancor)[29]	**1.9 Mt**	**n/a**	**n/a**	**370**	**154**	**121**	**61**	**—**
Crop Nutrients	**n/a**	**n/a**	**n/a**	**53**	**(12)**	**(12)**	**(9)**	**279**
Woodsmith	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**279**
Other[30]	**n/a**	**n/a**	**n/a**	**53**	**(12)**	**(12)**	**(9)**	**—**
	Mt	$/t	$/t					
Corporate and other	**n/a**	**n/a**	**n/a**	**907**	**119**	**(33)**	**(220)**	**98**
Exploration	**n/a**	**n/a**	**n/a**	**—**	**(42)**	**(43)**	**(39)**	**—**
Corporate activities and unallocated costs	**n/a**	**n/a**	**n/a**	**135**	**(27)**	**(103)**	**(270)**	**17**
Thermal Coal – South Africa[31]	**5.3** [32]	**77** [33]	**46** [34]	**553**	**101** [35]	**70** [35]	**61** [35]	**81**
Thermal Coal – Colombia[36]	**3.4**	**65**	**34**	**219**	**87**	**43**	**28**	**—**
	n/a	**n/a**	**n/a**	**22,614**	**12,140**	**10,678**	**5,335**	**2,258**

See page 76 for footnotes.

Summary by operation (continued)

								30.06.20 (restated)
US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1] (restated)	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
	'000 cts	$/ct	$/ct					
De Beers	8,547 [2]	119 [3]	62 [4]	1,223 [5]	2	(179)	(214)	159
Mining								
Botswana	n/a	124 [3]	36 [4]	n/a	83	57	n/a	29
Namibia	n/a	477 [3]	208 [4]	n/a	28	14	n/a	30
South Africa	n/a	94 [3]	71 [4]	n/a	26	(20)	n/a	58
Canada	n/a	56 [3]	39 [4]	n/a	36	12	n/a	12
Trading	n/a	n/a	n/a	n/a	(17)	(20)	n/a	1
Other[6]	n/a	n/a	n/a	n/a	(154)	(222)	n/a	29
	kt	c/lb	c/lb					
Copper	294 [7]	250 [8]	107 [9]	1,589	706	378	236	729
Los Bronces[10]	136	n/a	140 [9]	669	221	44	n/a	133
Collahuasi[11]	135	n/a	69 [9]	752	546	428	316	153
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	415
Other[13]	23	n/a	n/a	168	(61)	(94)	n/a	28
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	1,229 [14]	1,956 [15]	753 [16]	2,541	610	476	264	200
Mogalakwena	343 [14]	2,018 [15]	547 [16]	683	386	330	n/a	90
Amandelbult	229 [14]	2,103 [15]	1,238 [16]	475	137	116	n/a	14
Processing and trading[17]	408 [14]	n/a	n/a	827	156	145	n/a	n/a
Other[18]	249	1,998	804	556	(69)	(115)	n/a	96
	Mt	$/t	$/t					
Iron Ore[19]	31.8	90	25 [21]	3,279	1,827	1,606	1,038	235
Kumba Iron Ore[20]	19.1	91 [19]	29 [21]	1,914	1,028 [22]	881 [22]	315 [22]	174
Iron Ore Brazil (Minas-Rio)	12.7	88 [19]	19 [21]	1,365	799 [22]	725 [22]	723 [22]	61
	Mt	$/t	$/t					
Metallurgical Coal	7.8 [23]	120 [24]	97 [25]	962	(10) [26]	(230) [26]	(185) [26]	287
Nickel and Manganese	n/a	n/a	n/a	563	218	132	72	12
Nickel	20,400 t	502 c/lb	336 c/lb [27]	228	64 [28]	9 [28]	6 [28]	12
Manganese (Samancor)[29]	1.7 Mt	n/a	n/a	335	154	123	66	—
Crop Nutrients	n/a	n/a	n/a	22	4	4	—	91
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	91
Other[30]	n/a	n/a	n/a	22	4	4	—	—
	Mt	$/t	$/t					
Corporate and other	n/a	n/a	n/a	756	(7)	(103)	(325)	95
Exploration	n/a	n/a	n/a	—	(43)	(44)	(41)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	91	3	(18)	(227)	7
Thermal Coal – South Africa	7.2 [32]	61 [33]	39 [34]	520	20 [35]	(8) [35]	(22) [35]	88
Thermal Coal – Colombia[36]	3.2	46	35	145	13	(33)	(35)	—
	n/a	n/a	n/a	10,935	3,350	2,084	886	1,808

See page 76 for footnotes.

Summary by operation (continued)

US$ million (unless otherwise stated)	Sales volume	Realised price	Unit cost	Group revenue[1] (restated)	Underlying EBITDA	Underlying EBIT	Underlying earnings	Capital expenditure
								31.12.20 (restated)
	'000 cts	$/ct	$/ct					
De Beers	21,380 [2]	133 [3]	57 [4]	3,378 [5]	417	—	(102)	381
Mining								
Botswana	n/a	124 [3]	35 [4]	n/a	225	178	n/a	66
Namibia	n/a	492 [3]	272 [4]	n/a	113	82	n/a	77
South Africa	n/a	99 [3]	53 [4]	n/a	165	16	n/a	147
Canada	n/a	58 [3]	36 [4]	n/a	92	40	n/a	31
Trading	n/a	n/a	n/a	n/a	80	74	n/a	3
Other[6]	n/a	n/a	n/a	n/a	(258)	(390)	n/a	57
	kt	c/lb	c/lb					
Copper	648 [7]	299 [8]	113 [9]	4,199	1,864	1,227	607	1,443
Los Bronces[10]	325	n/a	149 [9]	2,013	639	294	n/a	272
Collahuasi[11]	278	n/a	62 [9]	1,767	1,308	1,083	735	313
Quellaveco[12]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	788
Other[13]	45	n/a	n/a	419	(83)	(150)	n/a	70
	koz	$/PGM oz	$/PGM oz					
Platinum Group Metals	2,869 [14]	2,035 [15]	713 [16]	6,604	2,555	2,270	1,068	571
Mogalakwena	839 [14]	2,065 [15]	530 [16]	1,720	1,059	944	n/a	273
Amandelbult	501 [14]	2,228 [15]	1,031 [16]	1,108	474	429	n/a	56
Processing and trading[17]	953 [14]	n/a	n/a	2,481	460	436	n/a	n/a
Other[18]	576	2,083	757	1,295	562	461	n/a	242
	Mt	$/t	$/t					
Iron Ore[19]	64.2	111	27 [21]	7,905	4,565	4,091	2,474	517
Kumba Iron Ore[20]	40.4	113 [19]	31 [21]	4,880	2,702 [22]	2,386 [22]	850 [22]	354
Iron Ore Brazil (Minas-Rio)	23.8	107 [19]	21 [21]	3,025	1,863 [22]	1,705 [22]	1,624 [22]	163
	Mt	$/t	$/t					
Metallurgical Coal	16.9 [23]	109 [24]	86 [25]	1,909	50 [26]	(468) [26]	(362) [26]	683
Nickel and Manganese	n/a	n/a	n/a	1,231	510	324	199	33
Nickel	43,000 t	563 c/lb	334 c/lb [27]	534	206 [28]	79 [28]	77 [28]	33
Manganese (Samancor)[29]	3.6 Mt	n/a	n/a	697	304	245	122	—
Crop Nutrients	n/a	n/a	n/a	107	1	1	(11)	292
Woodsmith	n/a	n/a	n/a	n/a	n/a	n/a	n/a	292
Other[30]	n/a	n/a	n/a	107	1	1	(11)	—
	Mt	$/t	$/t					
Corporate and other	n/a	n/a	n/a	1,550	(160)	(395)	(738)	205
Exploration	n/a	n/a	n/a	—	(101)	(102)	(89)	—
Corporate activities and unallocated costs	n/a	n/a	n/a	191	(44)	(129)	(457)	21
Thermal Coal – South Africa	16.6 [32]	57 [33]	38 [34]	1,150	(15) [35]	(81) [35]	(112) [35]	184
Thermal Coal – Colombia[36]	4.5	46	39	209	—	(83)	(80)	—
	n/a	n/a	n/a	26,883	9,802	7,050	3,135	4,125

See page 76 for footnotes.

[1] Group revenue is shown after deduction of treatment and refining charges (TC/RCs). Third-party trading amounts restated from a gross to a net presentation. See note 2 for further details.

[2] Total sales volumes on a 100% basis were 20.8 million carats (six months ended 30 June 2020: 9.2 million carats; year ended 31 December 2020: 22.7 million carats). Total sales volumes (100%) include De Beers Group's joint arrangement partners' 50% proportionate share of sales to entities outside De Beers Group from Diamond Trading Company Botswana and Namibia Diamond Trading Company.

[3] Pricing for the mining business units is based on 100% selling value post-aggregation of goods. Realised price includes the price impact of the sale of non-equity product and, as a result, is not directly comparable to the unit cost.

[4] Unit cost is based on consolidated production and operating costs, excluding depreciation and operating special items, divided by carats recovered.

[5] Includes rough diamond sales of $2.6 billion (six months ended 30 June 2020: $1.0 billion; year ended 31 December 2020: $2.8 billion).

[6] Other includes Element Six, downstream, acquisition accounting adjustments and corporate.

[7] Excludes 157 kt third-party sales (six months ended 30 June 2020: 207 kt; year ended 31 December 2020: 453 kt).

[8] Excludes impact of third-party sales. Price represents realised price.

[9] C1 unit cost includes by-product credits.

[10] Figures on a 100% basis (Group's share: 50.1%).

[11] 44% share of Collahuasi sales and financials.

[12] Figures on a 100% basis (Group's share: 60%), except capex which represents the Group's share after deducting direct funding from non-controlling interests. H1 2021 capex on a 100% basis is $551 million, of which the Group's share is $331 million. H1 2020 capex on a 100% basis was $692 million, of which the Group's share was $415 million. For year ended 31 December 2020, capex on a 100% basis was $1,314 million, of which the Group share is $788 million.

[13] Other operations includes El Soldado and Chagres (figures on a 100% basis, Group's share: 50.1%), third-party sales and purchases, projects and corporate costs.

[14] Sales volumes exclude the sale of refined metal purchased from third parties and toll material. PGMs includes 5E metals and gold.

[15] Average US$ realised basket price. Excludes the impact of the sale of refined metal purchased from third parties.

[16] Total cash operating costs (includes on-mine, smelting and refining costs only) per own mined PGM ounce of production.

[17] Purchase of concentrate from joint operations, associates and third parties for processing into refined metals, tolling and trading activities.

[18] Includes Unki, Mototolo and PGMs' share of joint operations.

[19] Sales volumes are reported as wet metric tonnes. The comparative has been restated as Kumba previously reported on a dry basis. Product is shipped with c.9% moisture from Minas-Rio and c.1.6% moisture from Kumba. Total iron ore is the sum of Kumba and Minas-Rio. Prices for Kumba Iron Ore are the average realised export basket price (FOB Saldanha) (wet basis) and the comparative has been restated as Kumba previously reported on a dry basis. Prices for Minas-Rio are the average realised export basket price (FOB Açu) (wet basis). Prices for total iron ore are a blended average.

[20] Sales volumes and realised price differ to Kumba's stand-alone reported results due to sales to other Group companies.

[21] Unit costs are reported on an FOB wet basis. The comparative has been restated as Kumba previously reported on a dry basis. Unit costs for total iron ore are a blended average.

[22] Kumba Iron Ore segment includes $48 million projects and corporate costs (six months ended 30 June 2020: $28 million; year ended 31 December 2020: $80 million). Iron Ore Brazil segment includes $40 million projects and corporate costs (six months ended 30 June 2020: $26 million; year ended 31 December 2020: $63 million).

[23] Metallurgical Coal sales volumes exclude thermal coal sales of 1.1 Mt (six months ended 30 June 2020: 1.1 Mt; year ended 31 December 2020: 2.3 Mt).

[24] Realised price is the weighted average hard coking coal and PCI sales price achieved at managed operations.

[25] FOB cost per saleable tonne, excluding royalties and study costs.

[26] Metallurgical Coal segment includes $28 million projects and corporate costs (six months ended 30 June 2020: $30 million; year ended 31 December 2020: $74 million).

[27] C1 unit cost.

[28] Nickel segment includes $10 million projects and corporate costs (six months ended 30 June 2020: $5 million; year ended 31 December 2020: $14 million).

[29] Sales and financials include ore and alloy.

[30] Other comprises projects and corporate costs as well as the share in associate results from Cibra, a fertiliser distributor based in Brazil.

[31] Thermal Coal – South Africa mining activity included until the demerger on 4 June 2021, with prior year comparisons up to 30 June 2020 and 31 December 2020.

[32] South African sales volumes include export primary production, secondary production sold into export markets and production sold domestically at export parity pricing and exclude domestic sales of 5.3 Mt (six months ended 30 June 2020: 6.0 Mt; year ended 31 December 2020: 12.4 Mt) and non-equity traded sales of 6.4 Mt (six months ended 30 June 2020: 5.6 Mt; year ended 31 December 2020: 9.4 Mt).

[33] Thermal Coal – South Africa realised price is the weighted average export thermal coal price achieved. Excludes third-party sales from locations other than Richards Bay.

[34] FOB cost per saleable tonne from the trade operations, excluding royalties and study costs.

[35] Thermal Coal – South Africa includes $19 million projects and corporate costs (six months ended 30 June 2020: $24 million; year ended 31 December 2020: $42 million).

[36] Represents the Group's attributable share from its 33.3% interest in Cerrejón. The sale of Anglo American's interest in Cerrejón is expected to complete in H1 2022, subject to regulatory approvals. The agreement is effective 31 December 2020 and, therefore, economic benefits from 1 January 2021 will not accrue to Anglo American, should the transaction complete.

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 2020.

– Non-financial APMs: These measures incorporate certain non-financial information that management believes is useful when assessing the performance of the Group.

The table on the next page 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 246 of the Group's Integrated Annual Report for the year ended 31 December 2020 for more information about the purpose and definition of APMs.

Financial APMs

Group APM	Closest equivalent IFRS measure	Adjustments to reconcile to primary statements	Reconciliation to IFRS measure
Income statement			
Group revenue	Revenue	– Revenue from associates and joint ventures – Excluding special items and remeasurements	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 year attributable to equity shareholders of the Company	– Special items and remeasurements	Note 3
Underlying effective tax rate	Income tax expense	– Tax related to special items and remeasurements – The Group's share of associates' and joint ventures' profit before tax, before special items and remeasurements, and tax expense, before special items and remeasurements	Note 6
Basic underlying earnings per share	Earnings per share	– Special items and remeasurements	Notes 3 and 4
Mining EBITDA margin	Operating profit margin, defined by IFRS	– Revenue from associates and joint ventures – Operating and non-operating special items and remeasurements – Underlying EBIT from associates and joint ventures – Adjustment to Debswana to reflect as a 50/50 joint operation – Exclusion of third-party sales, purchases and trading activity	Page 79
Balance sheet			
Net debt	Borrowings less cash and cash equivalents and related hedges	– Debit valuation adjustment – Borrowings do not include the royalty liability (note 15) on the basis that obligations to make cash payments against this liability only arise when the Woodsmith project generates revenues, and that otherwise the Group is not currently contractually liable to make any payments under this arrangement (other than in the event of the Woodsmith project's insolvency).	Note 13
Attributable ROCE	No direct equivalent	– Non-controlling interests' share of capital employed and underlying EBIT – Average of opening and closing attributable capital employed	Page 79
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 – Reimbursement of capital expenditure	Note 11
Attributable free cash flow	Cash flows from operations	– Capital expenditure – Cash tax paid – Dividends from associates, joint ventures and financial asset investments – Net interest paid – Dividends to non-controlling interests – Capital repayment of lease obligations – Expenditure on non-current intangible assets (excluding goodwill)	Page 9
Sustaining attributable free cash flow	Cash flows from operations	– Cash tax paid – Dividends from associates, joint ventures and financial asset investments – Net interest paid – Dividends to non-controlling interests – Capital repayment of lease obligations – Sustaining capital expenditure – Capitalised operating cash flows relating to life extension projects	Page 9

Mining EBITDA margin

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

US$ million (unless otherwise stated)	**30.06.21**	30.06.20 (restated)
Underlying EBITDA	**12,140**	3,350
Group revenue[1]	**22,614**	10,935
Margin	**54%**	31%
Adjustments for:		
Debswana adjustment to reflect as a 50/50 joint operation	**3%**	3%
Exclude third-party purchases, trading activity and processing[2]	**4%**	4%
Mining EBITDA margin	**61%**	38%

[1] Third-party trading amounts restated from a gross to a net presentation. See note 2 for further details.
[2] Third-party purchases, trading activity and processing consists of Platinum Group Metals' purchase of concentrate, third-party sales and purchases and the impact of third-party trading activity.

Attributable return on capital employed (ROCE)

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

	Attributable ROCE %	
	30.06.21	30.06.20
De Beers	**6**	(4)
Copper	**38**	13
Platinum Group Metals	**160**	24
Iron Ore	**88**	34
Metallurgical Coal	**(26)**	(16)
Nickel and Manganese	**32**	12
Crop Nutrients	**n/a**	n/a
Corporate and other	**n/a**	n/a
	49	11

Alternative performance measures (continued)

US$ million									30.06.21
US$ million	**Underlying EBIT**	**Annualised underlying EBIT**	**Less: Non-controlling interests' share of underlying EBIT**	**Attributable underlying EBIT**	**Opening attributable capital employed**	**Closing capital employed**	**Less: Non-controlling interests' share of closing capital employed**	**Closing attributable capital employed**	**Average attributable capital employed**
De Beers[1]	**377**	**559**	**(83)**	**476**	**7,712**	**8,699**	**(1,201)**	**7,498**	**7,605**
Copper	**1,630**	**3,260**	**(820)**	**2,440**	**5,897**	**10,305**	**(3,409)**	**6,896**	**6,397**
Platinum Group Metals	**4,211**	**8,422**	**(1,784)**	**6,638**	**4,191**	**4,947**	**(833)**	**4,114**	**4,153**
Iron Ore	**4,661**	**9,322**	**(2,726)**	**6,596**	**7,197**	**8,971**	**(1,121)**	**7,850**	**7,524**
Metallurgical Coal	**(383)**	**(766)**	**—**	**(766)**	**3,196**	**2,799**	**—**	**2,799**	**2,998**
Nickel and Manganese	**227**	**454**	**(1)**	**453**	**1,395**	**1,405**	**—**	**1,405**	**1,400**
Crop Nutrients	**(12)**	**(24)**	**—**	**(24)**	**988**	**1,292**	**—**	**1,292**	**1,140**
Corporate and other	**(33)**	**(66)**	**(3)**	**(69)**	**893**	**930**	**—**	**930**	**912**
	10,678	**21,161**	**(5,417)**	**15,744**	**31,469**	**39,348**	**(6,564)**	**32,784**	**32,129**

									30.06.20 (restated)[2]
US$ million	Underlying EBIT	Annualised underlying EBIT	Less: Non-controlling interests' share of underlying EBIT	Attributable underlying EBIT	Opening attributable capital employed	Closing capital employed	Less: Non-controlling interests' share of closing capital employed	Closing attributable capital employed	Average attributable capital employed
De Beers[1]	(179)	(328)	59	(269)	7,566	8,658	(1,231)	7,427	7,497
Copper	378	756	(30)	726	5,400	9,274	(3,203)	6,071	5,736
Platinum Group Metals	476	952	(202)	750	3,405	3,480	(550)	2,930	3,168
Iron Ore	1,606	3,212	(857)	2,355	7,161	7,849	(990)	6,859	7,010
Metallurgical Coal	(230)	(460)	—	(460)	2,895	2,853	—	2,853	2,874
Nickel and Manganese	132	264	(2)	262	2,305	2,119	—	2,119	2,212
Crop Nutrients	4	8	(8)	—	—	840	—	840	420
Corporate and other	(103)	(206)	(3)	(209)	864	1,056	(60)	996	930
	2,084	4,198	(1,043)	3,155	29,596	36,129	(6,034)	30,095	29,847

(1) For half year reporting attributable underlying EBIT is annualised apart from the calculation of De Beers' attributable ROCE, where it is based on the prior 12 months, rather than the annualised half year performance, owing to the seasonality of sales and underlying EBIT profile of De Beers.
(2) The Group has revised the segmental results presentation. Comparative information has been restated to reflect this change. See note 3 for further details.

Attributable free cash flow

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

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

Sustaining attributable free cashflow

Sustaining attributable free cash flow is used to measure the amount of cash available to finance returns to shareholders or growth after servicing debt, providing a return to minority shareholders and meeting the capex commitments needed to sustain the current production base of existing assets. Sustaining attributable free cash flow is also used as an incentive measure in executives' remuneration and in LTIP awards. It is calculated as attributable free cash flow prior to growth capex and expenditure on non-current intangible assets (excluding goodwill). A reconciliation of 'Cash flows from operations', the closest equivalent IFRS measure, is provided on page 9. Growth capital expenditure in 2021 principally relates to Quellaveco and Woodsmith (six months ended 30 June 2020: Quellaveco, Woodsmith and construction of another diamond mining vessel (De Beers)).

Exchange rates and commodity prices

US$ exchange rates		**30.06.21**	30.06.20	31.12.20
Period end spot rates				
South African rand		**14.32**	17.36	14.69
Brazilian real		**4.96**	5.40	5.19
Sterling		**0.72**	0.82	0.73
Australian dollar		**1.33**	1.46	1.30
Euro		**0.84**	0.89	0.81
Chilean peso		**728**	818	712
Botswana pula		**10.92**	11.81	10.80
Peruvian sol		**3.89**	3.53	3.62
Average rates for the period				
South African rand		**14.54**	16.67	16.46
Brazilian real		**5.39**	4.92	5.16
Sterling		**0.72**	0.79	0.78
Australian dollar		**1.30**	1.52	1.45
Euro		**0.83**	0.91	0.88
Chilean peso		**720**	813	792
Botswana pula		**10.88**	11.49	11.42
Peruvian sol		**3.73**	3.42	3.50

Commodity prices		**30.06.21**	30.06.20	31.12.20
Period end spot prices				
Copper[(1)]	US cents/lb	**426**	274	351
Platinum[(2)]	US$/oz	**1,059**	814	1,075
Palladium[(2)]	US$/oz	**2,707**	1,905	2,370
Rhodium[(3)]	US$/oz	**20,100**	8,000	17,000
Iron ore (62% Fe CFR)[(4)]	US$/tonne	**218**	101	159
Iron ore (66% Fe Concentrate CFR)[(5)]	US$/tonne	**241**	110	177
Hard coking coal (FOB Australia)[(4)]	US$/tonne	**194**	116	103
PCI (FOB Australia)[(4)]	US$/tonne	**145**	70	92
Nickel[(1)]	US cents/lb	**837**	580	750
Manganese ore (44% CIF China)[(5)]	US$/dmtu	**5.15**	5.02	4.27
Thermal coal (FOB South Africa)[(6)(7)]	US$/tonne	**113**	50	91
Thermal coal (FOB Australia)[(8)]	US$/tonne	**132**	51	84
Thermal coal (FOB Colombia)[(6)]	US$/tonne	**101**	43	60
Average market prices for the period				
Copper[(1)]	US cents/lb	**413**	249	280
Platinum[(2)]	US$/oz	**1,170**	848	885
Palladium[(2)]	US$/oz	**2,592**	2,136	2,197
Rhodium[(3)]	US$/oz	**24,662**	9,254	11,220
Iron ore (62% Fe CFR)[(4)]	US$/tonne	**183**	91	109
Iron ore (66% Fe Concentrate CFR)[(5)]	US$/tonne	**209**	104	120
Hard coking coal (FOB Australia)[(4)]	US$/tonne	**132**	137	124
PCI (FOB Australia)[(4)]	US$/tonne	**110**	83	78
Nickel[(1)]	US cents/lb	**793**	566	625
Manganese ore (44% CIF China)[(5)]	US$/dmtu	**5.03**	5.07	4.67
Thermal coal (FOB South Africa)[(6)(7)]	US$/tonne	**95**	67	65
Thermal coal (FOB Australia)[(8)]	US$/tonne	**99**	61	60
Thermal coal (FOB Colombia)[(6)]	US$/tonne	**71**	46	48

(1) Source: London Metal Exchange (LME).
(2) Source: London Platinum and Palladium Market (LPPM).
(3) Source: Johnson Matthey/Comdaq.
(4) Source: Platts.
(5) Source: Metal Bulletin.
(6) Source: Argus/McCloskey.
(7) Thermal Coal (FOB South Africa): Period end spot price is as at 4 June 2021. Average market price is for the period 1 January 2021 to 4 June 2021 representing the period until the demerger of the South Africa thermal coal operations.
(8) Source: globalCOAL.

ANGLO AMERICAN plc

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

Notice of Dividend

(Dividend No. 39)

Notice is hereby given that an interim dividend and a special dividend on the Company's ordinary share capital in respect of the year to 31 December 2021 will be paid as follows:

Amount (United States currency) (notes 1 and 3)	251 cents per ordinary share
Amount (South African currency) (notes 2 and 4)	3720.82400 cents per ordinary share
Last day to effect removal of shares between the United Kingdom (UK) and South African (SA) registers	Monday, 16 August 2021
Last day to trade on the JSE Limited (JSE) to qualify for dividend	Tuesday, 17 August 2021
Ex-dividend on the JSE from the commencement of trading (note 5)	Wednesday, 18 August 2021
Ex-dividend on the London Stock Exchange from the commencement of trading	Thursday, 19 August 2021
Record date (applicable to both the UK principal register and SA branch register)	Friday, 20 August 2021
Movement of shares between the UK and SA registers permissible from	Monday, 23 August 2021
Last day for receipt of DRIP mandate forms by Central Securities Depository Participants (CSDPs) (notes 6, 7 and 8)	Wednesday, 1 September 2021
Last day for receipt of DRIP mandate forms by the South African Transfer Secretaries (notes 6, 7 and 8)	Friday, 3 September 2021
Last day for receipt of Dividend Reinvestment Plan (DRIP) mandate forms by the UK Registrars (notes 6, 7 and 8)	Friday, 3 September 2021
Last day for receipt of US$:£/€ currency elections by the UK Registrars (note 3)	Friday, 3 September 2021
Currency conversion US$:£/€ rates announced on (note 9)	Friday, 10 September 2021
Dividend payment date on UK principal register	Friday, 24 September 2021
Dividend payment date on SA branch register	Monday, 27 September 2021

Notes

1. This amount is the aggregate of the interim dividend of 171 US$ cents per ordinary share and the special dividend of 80 US$ cents per ordinary share.
2. This amount is the aggregate of the interim dividend of 2534.90400 Rand cents per ordinary share and the special dividend of 1185.92000 Rand cents per ordinary share.
3. Shareholders on the UK register of members with an address in the UK will be paid in Sterling and those with an address in a country in the European Union which has adopted the Euro will be paid in Euros. Such shareholders may, however, elect to be paid their dividends in US dollars provided the UK Registrars receive such election by Friday, 3 September 2021. Shareholders with an address elsewhere will be paid in US dollars except those registered on the South African branch register who will be paid in South African rand.
4. Dividend Tax will be withheld from the amount of the gross interim dividend of 2534.90400 Rand cents per ordinary share and the gross special dividend of 1185.92000 Rand cents per ordinary share, paid to South African shareholders at the rate of 20% unless a shareholder qualifies for exemption. After the Dividend Tax has been withheld, the net interim dividend will be 2027.92320 Rand cents per ordinary share and the net special dividend will be 948.73600 Rand cents per ordinary share. Anglo American plc had a total of 1,363,118,080 ordinary shares in issue as at 28 July 2021. In South Africa the dividend will be distributed by Anglo American South Africa Proprietary Limited, a South African company with tax registration number 9030010608, or one of its South African subsidiaries, in accordance with the Company's dividend access share arrangements. The interim and special dividends in South African rand is based on an exchange rate of US$1:R14.8240 taken on Wednesday, 28 July 2021, being the currency conversion date.
5. Dematerialisation and rematerialisation of registered share certificates in South Africa will not be effected by CSDPs during the period from the JSE ex-dividend date to the record date (both days inclusive).
6. Those shareholders who already participate in the DRIP need not complete a DRIP mandate form for each dividend as such forms provide an ongoing authority to participate in the DRIP until cancelled in writing. Shareholders who wish to participate in the DRIP should obtain a mandate form from the UK Registrars, the South African Transfer Secretaries or, in the case of those who hold their shares through the STRATE system, their CSDP.
7. In terms of the DRIP, and subject to the purchase of shares in the open market, share certificates/CREST notifications are expected to be mailed and CSDP investor accounts credited/updated on or around Friday, 8 October 2021. CREST accounts will be credited on Wednesday, 29 September 2021.
8. Copies of the terms and conditions of the DRIP are available from the UK Registrars or the South African Transfer Secretaries.
9. The US$:£/€ 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 Friday, 24 September 2021.

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