

# ANGLO AMERICAN EXTRACTS FROM THE INTERIM FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2016



Scan the code below to go to Anglo American's Interim Financial Results for the period ended 30 June 2016



## KEY FEATURES

[www.angloamerican.co.za](http://www.angloamerican.co.za)

**GROUP UNDERLYING EBIT<sup>(1)</sup> OF \$1.4 BILLION**

(2015: \$1.9 BILLION)

**GROUP UNDERLYING EARNINGS<sup>(2)</sup> OF \$0.7 BILLION**

(2015: \$0.9 BILLION)

**UNDERLYING EARNINGS PER SHARE<sup>(2)</sup> OF \$0.54**

(2015: \$0.70 P/SKARE)

**GROUP REVENUE<sup>(3)</sup> OF \$10.6 BILLION FOR THE YEAR**

(2015: \$13.3 BILLION)

**NET DEBT OF \$11.7 BILLION**

(DEC 2015: \$12.9 BILLION)

**ATTRIBUTABLE ROCE<sup>(6)</sup> OF 8%**

(2015: 8%)

## Balance sheet strengthened through capital and cost discipline – expected to deliver net debt of less than \$10 billion at end 2016.

- Net debt at 30 June 2016 decreased to \$11.7 billion (vs. \$12.9 billion as at 31 December 2015) through cost discipline and working capital and capex reductions
- Group underlying EBIT<sup>(1)</sup> of \$1.4 billion, a 27% decrease, due to lower commodity prices (\$1.2 billion underlying EBIT impact), partially offset by weaker producer country currencies (\$0.9 billion underlying EBIT benefit) and incremental cost reductions
- Operating performance and associated cost and capex reductions mitigating headwinds
- Commodity price-driven impairment of \$1.2 billion relating to Moranbah and Grosvenor coal assets contributing to a loss before tax of \$364 million

## MARK CUTIFANI, CHIEF EXECUTIVE OF ANGLO AMERICAN, SAID:

"The decisive actions we have taken to strengthen the balance sheet put us well on track to achieve our net debt target of less than \$10 billion at the end of 2016 – both through stringent capital and cost discipline and improved operational performance – and assuming the completion of announced non-core asset divestments. We are transforming Anglo American to be a more resilient business, with a core portfolio of world class assets in products where we are developing a sustainable competitive advantage – in De Beers, PGMs and copper.

"Sharply lower prices across our products were mitigated by our self-help actions on costs, volumes, working capital and capital expenditure, together contributing to the \$1.1 billion of attributable free cash flow generated in the first half of 2016. Across the business, our copper equivalent unit costs have reduced by 19% in US dollar terms, representing a 36% total reduction since 2012.

"We have agreed \$1.5 billion of non-core disposals in H1 2016, including the Niobium and Phosphates businesses in Brazil. We will continue to divest non-core assets using strict value thresholds as we continue to reduce our debt levels and position the core business on a foundation to deliver sustainably positive cash flows.

"Keeping our people safe at work has always been my absolute priority. Despite continued good progress across all recordable cases, we have tragically lost six colleagues in five separate incidents in South Africa in the first six months of the year. We are determined that our goal of zero harm is achievable and we are working with every employee to deliver that future."

*This announcement is the responsibility of the directors of the company. The information disclosed is only a summary of the information in the full announcement and does not contain full or complete details. The full interim results announcement should be considered for any investment decisions. The full interim results announcement for Anglo American has been released on SENS and is available on the company's website. The full interim announcement is also available for inspection at the company's registered office and the offices of our sponsors during normal business hours and is available at no charge. Alternatively, copies of the full interim announcement may be requested from the company's investor relations department.*

Anglo American plc (Incorporated in England and Wales Registered number 3564138)  
("Anglo American" or "the Group" or "the Company")  
Registered Office: 20 Carlton House Terrace, London, SW1Y 5AN, England  
UK Registrar: Equiniti, Aspect House, Spencer Road, Lancing West Sussex, BN99 6DA, England  
South African Transfer Secretaries: Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein 2001, South Africa. (PO Box 4844, Johannesburg 2000)  
Sponsor: RAND MERCHANT BANK (A division of FirstRand Bank Limited)

## FINANCIAL HIGHLIGHTS

US\$ million, unless otherwise stated	SIX MONTHS ENDED 30 JUNE 2016	SIX MONTHS ENDED 30 JUNE 2015	% Change
Underlying EBIT <sup>(1)</sup>	1,382	1,883	(27)%
Underlying earnings <sup>(2)</sup>	698	904	(23)%
Group revenue <sup>(3)</sup>	10,617	13,346	(20)%
Underlying EBITDA <sup>(4)</sup>	2,450	3,280	(25)%
Loss before tax <sup>(5)</sup>	(364)	(1,920)	81%
Loss for the financial period attributable to equity shareholders of the Company <sup>(5)</sup>	(813)	(3,015)	73%
Underlying earnings per share (US\$) <sup>(2)</sup>	0.54	0.70	(23)%
Dividend per share (US\$)	–	0.32	–
Attributable ROCE <sup>(6)</sup>	8%	8%	–

(1) Underlying EBIT is operating profit presented before special items and remeasurements, and includes the Group's attributable share of associates' and joint ventures' underlying EBIT. See notes 4 and 6 to the Condensed financial statements for underlying EBIT. For the definition of special items and remeasurements, see note 7 to the Condensed financial statements.

(2) See notes 6 and 10 to the Condensed financial statements for basis of calculation of underlying earnings.

(3) Includes the Group's attributable share of associates' and joint ventures' revenue of \$681 million (H1 2015: \$1,788 million). See note 4 to the Condensed financial statements.

(4) Underlying EBITDA is underlying EBIT before depreciation and amortisation in subsidiaries and joint operations, and includes the Group's attributable share of associates' and joint ventures' underlying EBIT before depreciation and amortisation.

(5) Stated after special items and remeasurements. See note 7 to the Condensed financial statements.

(6) Attributable ROCE is defined as the return on the capital employed attributable to the equity shareholders of Anglo American plc. It is calculated based on achieved prices and foreign exchange.

The full interim results announcement and accompanying notes are available on the company's website: [www.angloamerican.co.za](http://www.angloamerican.co.za)

## RECONCILIATION TO LOSS FOR THE YEAR FROM UNDERLYING EARNINGS

US\$ million, unless otherwise stated	SIX MONTHS ENDED 30 JUNE 2016	SIX MONTHS ENDED 30 JUNE 2015
<b>Underlying earnings</b>	<b>698</b>	904
Operating special items	(1,360)	(3,319)
Operating remeasurements	12	(109)
Non-operating special items	(34)	(155)
Financing special items and remeasurements	(236)	69
Special items and remeasurements tax	72	(413)
Non-controlling interests on special items and remeasurements	24	49
Share of associates' and joint ventures' special items and remeasurements	11	(41)
<b>Loss for the financial period attributable to equity shareholders of the Company</b>	<b>(813)</b>	(3,015)
<b>Underlying earnings per share (US\$)</b>	<b>0.54</b>	0.70