12. DIVIDENDS

Dividends payable during the year are as follows:

US$ million	2011	2010
Final ordinary dividend for 2010 – 40 US cents per ordinary share (2009: nil)	495	–
Interim ordinary dividend for 2011 – 28 US cents per ordinary share (2010: 25 US cents per ordinary share)	339	302
	834[1]	302[1]

(1) Of this, $561 million (2010: $212 million) was recognised in the parent Company.

Total dividends paid during the year were $818 million (2010: $302 million). The difference to dividends payable arises due to movements in exchange rates between the date of recognition and the date of payment.

The directors are proposing a final dividend in respect of the financial year ended 31 December 2011 of 46 US cents per share. Based on shares eligible for dividends at 31 December 2011, this will result in an estimated distribution of $557 million of shareholders' funds, of which $350 million will be distributed by the parent Company. These financial statements do not reflect this dividend payable as it is still subject to shareholder approval.

As stated in note 29, the employee benefit trust has waived the right to receive dividends on the shares it holds.

13. EARNINGS PER SHARE

US$	2011	2010
Profit for the financial year attributable to equity shareholders of the Company		
Basic earnings per share	5.10	5.43
Diluted earnings per share	4.89	5.18
Headline earnings for the financial year[1]		
Basic earnings per share	4.89	4.27
Diluted earnings per share	4.69	4.09
Underlying earnings for the financial year[1]		
Basic earnings per share	5.06	4.13
Diluted earnings per share	4.85	3.96

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

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

US$ million (unless otherwise stated)	2011	2010
Earnings		
Basic earnings, being profit for the financial year attributable to equity shareholders of the Company	6,169	6,544
Effect of dilutive potential ordinary shares		
Interest payable on convertible bond (net of tax)	50	49
Unwinding of discount on convertible bond (net of tax)	52	47
Diluted earnings	6,271	6,640
Number of shares (million)		
Basic number of ordinary shares outstanding[1]	1,210	1,206
Effect of dilutive potential ordinary shares[2]		
Share options and awards	10	14
Convertible bond	62	61
Diluted number of ordinary shares outstanding[1]	1,282	1,281

(1) Basic and diluted number of ordinary shares outstanding represent the weighted average for the year. The average number of ordinary shares in issue excludes shares held by employee benefit trusts and Anglo American plc shares held by Group companies.

(2) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares.

In the year ended 31 December 2011 there were 270,095 (2010: nil) share options which were potentially dilutive but were not included in the calculation of diluted earnings because they were anti-dilutive.

The Group has $1.7 billion of senior convertible notes in issue (see note 24). The impact of the potential conversion of these notes has been included in diluted earnings and the diluted number of ordinary shares outstanding.

13. EARNINGS PER SHARE continued

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

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

US$ million	2011	2010
Profit for the financial year attributable to equity shareholders of the Company	6,169	6,544
Operating special items	70	14
Operating special items – non-controlling interests	–	(3)
Net profit on disposals	(347)	(1,684)
Net profit on disposals – tax	36	123
Net profit on disposals – non-controlling interests	–	138
Financing special items	9	13
Tax special items	(24)	–
Headline earnings for the financial year	5,913	5,145
Operating special items(1)	103	239
Operating remeasurements	74	(382)
Net loss on disposals(2)	144	86
Financing remeasurements	(205)	(106)
Special items and remeasurements tax(3)	106	(11)
Non-controlling interests on special items and remeasurements	(15)	5
Underlying earnings for the financial year	6,120	4,976

(1) Includes restructuring costs, accelerated depreciation and related charges.
(2) Includes Platinum BEE transactions and related charges (2010: Anglo American Inyosi Coal BEE transaction).
(3) Includes certain tax special items.

14. INTANGIBLE ASSETS

US$ million	2011 Licences and other intangibles	2011 Goodwill(1)	2011 Total	2010 Licences and other intangibles	2010 Goodwill(1)	2010 Total
Net book value						
At 1 January	85	2,231	2,316	82	2,694	2,776
Additions	26	–	26	43	–	43
Disposals and transfer to assets held for sale	–	(25)	(25)	(17)	(339)	(356)
Amortisation charge for the year	(20)	–	(20)	(31)	–	(31)
Impairments	–	(15)	(15)	–	–	–
Adjustments relating to deferred and contingent consideration	–	81	81	–	(90)	(90)
Currency movements	(8)	(33)	(41)	8	(34)	(26)
At 31 December	83	2,239	2,322	85	2,231	2,316
Cost	182	2,239	2,421	168	2,231	2,399
Accumulated amortisation	(99)	–	(99)	(83)	–	(83)

(1) The goodwill balances provided are net of cumulative impairment charges of $337 million at 31 December 2011 (2010: $323 million).

Impairment tests for goodwill

Goodwill is allocated for impairment testing purposes to cash generating units (CGUs) or groups of CGUs which reflect how it is monitored for internal management purposes. This allocation largely represents the Group's segments. Any goodwill associated with CGUs subsumed within these segments is not significant when compared to the goodwill of the Group, other than in Iron Ore and Manganese and Other Mining and Industrial where the material components of goodwill are split out. The allocation of goodwill to CGUs or groups of CGUs is as follows:

US$ million	2011	2010
Iron Ore and Manganese		
Iron Ore Brazil	1,123	1,148
Thermal Coal	88	88
Copper	124	124
Nickel	10	10
Platinum	230	230
Other Mining and Industrial		
Tarmac	456	504
Other	208	127
	2,239	2,231

For the purposes of goodwill impairment testing, the recoverable amount of a CGU is determined based on a fair value less costs to sell basis, with the exception of Tarmac which is determined on a value in use basis.

Value in use is based on the present value of future cash flows expected to be derived from the CGU or reportable segment in its current state. Fair value less costs to sell is normally supported by observable market data (in the case of listed subsidiaries, market share price at 31 December of the respective entity) or discounted cash flow models taking account of assumptions that would be made by market participants.

14. INTANGIBLE ASSETS continued

Expected future cash flows are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including ore reserves and production estimates, together with economic factors such as commodity prices, discount rates, exchange rates, estimates of costs to produce reserves and future capital expenditure. Management believes that any reasonably possible change in a key assumption on which the recoverable amounts are based would not cause the carrying amounts to exceed their recoverable amounts.

Cash flow projections are based on financial budgets and mine life plans or non-mine production plans, incorporating key assumptions as detailed below:

Reserves and resources

Ore reserves and, where considered appropriate, mineral resources are incorporated in projected cash flows, based on ore reserves and mineral resource statements and exploration and evaluation work undertaken by appropriately qualified persons. Mineral resources are included where management has a high degree of confidence in their economic extraction, despite additional evaluation still being required prior to meeting the requirements of reserve classification. For further information refer to the Ore Reserves and Mineral Resources section of the Annual Report.

Commodity prices

Commodity prices are based on latest internal forecasts for commodity prices, benchmarked with external sources of information, to ensure they are within the range of available analyst forecasts. Where existing sales contracts are in place, the effects of such contracts are taken into account in determining future cash flows.

Operating costs and capital expenditure

Operating costs and capital expenditure are based on financial budgets covering a three year period. Cash flow projections beyond three years are based on mine life plans or non-mine production plans as applicable, and internal management forecasts. Cost assumptions incorporate management experience and expectations, as well as the nature and location of the operation and the risks associated therewith.

Non-commodity based businesses

For non-commodity based businesses, margin and revenue are based on financial budgets covering a three year period. Beyond the financial budget, revenue is forecast using a steady growth rate consistent with the markets in which those businesses operate, and for those periods five years or more from the balance sheet date, at a rate not exceeding the long term growth rate for the country of operation. Where existing sales contracts are in place, the effects of such contracts are taken into account in determining future cash flows.

Discount rates

Cash flow projections used in fair value less costs to sell impairment models are discounted based on a real post-tax discount rate of 6% (2010: 6%). The discount rate for Tarmac is a real pre-tax rate of 8% (2010: 8%). Adjustments to the rate are made for any risks that are not reflected in the underlying cash flows.

Foreign exchange rates

Foreign exchange rates are based on latest internal forecasts for foreign exchange, benchmarked with external sources of information for relevant countries of operation.

15. PROPERTY, PLANT AND EQUIPMENT

					2011					2010
US$ million	Mining properties and leases[1]	Land and buildings	Plant and equipment	Other[2]	Total	Mining properties and leases[1]	Land and buildings	Plant and equipment	Other[2]	Total
Net book value										
At 1 January	15,376	2,004	10,839	11,591	39,810	14,776	1,807	10,003	8,612	35,198
Additions	352	76	287	5,834	6,549	296	48	237	5,205	5,786
Disposal of assets	(2)	(7)	(39)	(28)	(76)	(5)	(4)	(36)	(4)	(49)
Disposal of businesses	(39)	(4)	(13)	(1)	(57)	(260)	(5)	(39)	(110)	(414)
Depreciation charge for the year[3]	(414)	(113)	(1,501)	(42)	(2,070)	(465)	(89)	(1,392)	(39)	(1,985)
Net impairment (charge)/reversal	–	–	(61)	–	(61)	2	–	12	–	14
Reclassifications[4]	532	826	6,408	(7,929)	(163)	583	268	1,765	(2,616)	–
Reversal of contingent consideration[5]	–	–	–	–	–	(293)	–	–	–	(293)
Transfer to assets held for sale	–	–	–	–	–	(84)	(125)	(491)	(24)	(724)
Currency movements	(1,162)	(162)	(1,098)	(961)	(3,383)	826	104	780	567	2,277
At 31 December	14,643	2,620	14,822	8,464	40,549	15,376	2,004	10,839	11,591	39,810
Cost	19,532	3,450	24,116	8,648	55,746	20,289	2,792	19,651	11,863	54,595
Accumulated depreciation	(4,889)	(830)	(9,294)	(184)	(15,197)	(4,913)	(788)	(8,812)	(272)	(14,785)

(1) Includes amounts in relation to deferred stripping.
(2) Includes $8,088 million (2010: $11,190 million) of assets in the course of construction, which are not depreciated.
(3) Includes $1,947 million (2010: $1,888 million) of depreciation within operating profit, $84 million (2010: $97 million) of accelerated depreciation (see note 5) and $39 million (2010: nil) of pre-commercial production depreciation which has been capitalised. See note 2 for a split of depreciation, and amortisation for intangibles, by segment.
(4) Relates mainly to amounts transferred from assets in the course of construction. The net amount of $163 million (2010: nil) relates to federal tax credits on qualifying capital projects in Brazil. These credits have been reclassified, as appropriate, to reflect the expected realisation.
(5) Relates to Iron Ore Brazil.

Included in the additions above is $321 million (2010: $247 million) of net interest expense incurred on borrowings funding the construction of qualifying assets which has been capitalised during the year.

Assets held under finance leases relate to plant and equipment with a net book value of $25 million (2010: $18 million). Depreciation charges in the year amounted to $9 million (2010: $7 million).

15. PROPERTY, PLANT AND EQUIPMENT continued

The net book value of land and buildings comprises:

US$ million	2011	2010
Freehold	2,604	1,989
Leasehold – long	8	6
Leasehold – short (less than 50 years)	8	9
	2,620	2,004

16. 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, primarily in South Africa. The funds comprise the following investments:

US$ million	2011	2010
Equity	146	121
Bonds	130	147
Cash	84	111
	360	379

These assets are primarily rand denominated. Cash is held in short term fixed deposits or earns interest at floating inter-bank rates. Bonds earn interest at a weighted average fixed rate of 6% (2010: 6%) for an average period of four years (2010: six years). Equity investments are recorded at fair value through profit and loss whilst other assets are treated as loans and receivables.

These funds are not available for the general purposes of the Group. All income from these assets is reinvested to meet specific environmental obligations. These obligations are included in provisions (see note 26).

17. INVESTMENTS IN ASSOCIATES

US$ million	2011	2010
At 1 January	4,900	3,312
Net income from associates	977	822
Dividends received	(344)	(255)
Transfer from subsidiary/joint venture[(1)]	–	643
Share of expense recognised directly in equity, net of tax	(32)	(41)
Other equity movements	–	(140)
Investment in equity and capitalised loans[(2)]	47	632
Interest on capitalised loans	23	16
Repayment of capitalised loans	(4)	(33)
Transfer to available for sale investments	(66)	(100)
Disposals and transfer to assets held for sale	–	(126)
Other movements	(1)	19
Currency movements	(260)	151
At 31 December[(3)]	5,240	4,900

(1) Year ended 31 December 2010 represents the transfer to investments in associates of Anglo American Platinum Limited's retained 33% holding in Bafokeng-Rasimone Platinum mine.
(2) Year ended 31 December 2010 includes $450 million to subscribe to the Group's share of De Beers' rights issue.
(3) The fair value of the Group's investment in Anooraq Resources Corporation at 31 December 2011 was $51 million (2010: $179 million).

The Group's total investments in associates comprise:

US$ million	2011	2010
Equity	4,593	4,194
Loans[(1)]	647	706
	5,240	4,900

(1) The Group's total investments in associates include long term debt which in substance forms part of the Group's investment. These loans are not repayable in the foreseeable future.

The Group's attributable share of the summarised income statement information of associates is shown in note 2. Summarised balance sheet information of associates is as follows:

US$ million	2011	2010
Non-current assets	6,111	6,923
Current assets	2,188	1,805
Current liabilities	(742)	(738)
Non-current liabilities	(2,317)	(3,090)
Group's share of associates' net assets	5,240	4,900

17. INVESTMENTS IN ASSOCIATES continued

Segmental information is provided as follows:

US$ million	Share of net income 2011	Share of net income 2010	Aggregate investment 2011	Aggregate investment 2010
By segment				
Iron Ore and Manganese	**142**	287	**936**	880
Metallurgical Coal	**141**	84	**294**	223
Thermal Coal	**317**	220	**932**	749
Platinum	**(65)**	(44)	**848**	1,112
Diamonds	**442**	270	**2,230**	1,936
Other Mining and Industrial	**–**	5	**–**	–
	977	822	**5,240**	4,900

US$ million	Aggregate investment 2011	Aggregate investment 2010
By geography		
South Africa	**1,950**	2,334
Other Africa	**996**	1,220
South America	**917**	729
North America	**343**	376
Australia and Asia	**794**	698
Europe	**240**	(457)
	5,240	4,900

The Group's share of associates' contingent liabilities incurred jointly by investors is $112 million (2010: $75 million).

Details of principal associates are set out in note 37.

18. JOINT VENTURES

The Group's share of the summarised financial information of joint venture entities that are proportionately consolidated in the Group financial statements is as follows:

US$ million	2011	2010
Non-current assets	**2,546**	2,308
Current assets	**572**	872
Current liabilities	**(434)**	(516)
Non-current liabilities	**(703)**	(869)
Group's share of joint venture entities' net assets	**1,981**	1,795
Revenue	**1,932**	2,014
Operating costs	**(944)**	(761)
Net finance costs	**(44)**	(61)
Income tax expense	**(230)**	(272)
Group's share of joint venture entities' profit for the financial year	**714**	920

The Group's share of joint venture entities' contingent liabilities incurred jointly with other venturers is $32 million (2010: $33 million) and its share of capital commitments is $74 million (2010: $12 million).

Within the Metallurgical Coal segment, the Group also holds interests in a number of proportionately consolidated jointly controlled operations. The Group's share of net assets of such operations is $1,538 million (2010: $1,693 million) and its share of profit for the financial year is $615 million (2010: $593 million). The Group's share of these operations' contingent liabilities incurred jointly with other venturers is $19 million (2010: $19 million) and its share of capital commitments is $80 million (2010: $65 million).

Details of principal joint ventures are set out in note 37.

19. FINANCIAL ASSET INVESTMENTS

US$ million	2011 Loans and receivables	2011 Available for sale investments	2011 Total	2010 Loans and receivables	2010 Available for sale investments	2010 Total
At 1 January	**1,920**	**1,300**	**3,220**	1,595	1,131	2,726
Additions	**4**	**84**	**88**	124	187	311
Interest receivable	**76**	**–**	**76**	84	–	84
Net repayments	**(22)**	**–**	**(22)**	(15)	–	(15)
Disposals	**–**	**(14)**	**(14)**	–	(440)	(440)
Movements in fair value	**(10)**	**115**	**105**	(5)	316	311
Currency movements	**(278)**	**(279)**	**(557)**	137	106	243
At 31 December	**1,690**	**1,206**	**2,896**	1,920	1,300	3,220

No provision for impairment is recorded against financial assets classified as Loans and receivables (2010: nil).