

# Anglo exceeds its debt-busting target

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Anglo American reduced its net debt by a third during 2016, far exceeding its target, and said dividends could be resumed at the end of the year as it said it would hold onto a range of assets and suggested it could keep Kumba Iron Ore and its South African export-focused coal mines.



Source: Investing in African Mining Indaba

Anglo had embarked on a radical strategy of selling a large number of assets to repay debt and narrow its focus to just platinum, diamond and copper, but on Tuesday CEO Mark Cutifani said it would not sell its nickel mines in Brazil nor two big coal mines in Australia.

## May retain SA assets

He also suggested the company may retain SA's largest iron ore miner, which has turned into a cash machine in the high iron ore price environment after extensive restructuring of its assets in the Northern Cape.

"In SA, we continue to work through all the potential options for our export thermal coal and iron ore interests, recognising the high quality and performance of these businesses and ensuring that value is optimised for all our shareholders," Cutifani said.

"The retention of these assets remains a viable position given our recent operational and other improvements and our focus on continuing improvements as we go forward," he said.

Anglo is in talks to dispose of its coal mines that supply power utility Eskom.

## **Swing to profit**

Net debt fell 34% during the year to \$8,5bn against a target of \$10bn and the company said it would resume dividend payments at the end of 2017.

Anglo swung to a net attributable profit of \$1,6bn for the year to end-December 2016 compared with a loss of \$5,6bn the year before despite a 3% drop in commodity prices.

**Source:** *BDPro*

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