ANGLOGOLD ASHANTI LTD
Form 6-K
February 07, 2008

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated February 7, 2008
Commission File Number 1-14846
AngloGold Ashanti Limited
(Translation of registrant's name into English)
76 Diagonal Street
Newtown, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):
Yes No X
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):
Yes No X
Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes No X

Enclosure: Press release ANGLOGOLD ASHANTI REPORT FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2007, PREPARED IN ACCORDANCE WITH IFRS

Quarter 4 2007
Report
for the quarter and year ended 31 December 2007
Group results for the quarter ….

· Gold production decreases 5% to 1.37Moz, following safety interventions in South Africa and operational difficulties at Geita.

· Total cash costs at $404/oz, primarily as a result of lower production, local currency appreciation, and the purchase of uranium to meet contractual obligations.

· Adjusted headline earnings similar to previous quarter at $82m, before year-end adjustments amounting to $64m. Including year-end accounting adjustments, adjusted headline earnings at $18m.

.... and for the year

· Gold production declines 3% to 5.48Moz.

· Total cash costs increased by 16% to $357/oz, due to lower production, stronger local currencies and inflationary pressure.

· Adjusted headline earnings for the year at $278m.

· Mineral Resource increases by 34.1Moz, before depletion for the year, with 6.95Moz (attributable) from Greenfields discoveries.

Ore Reserves increases 13Moz, before depletion to 73.1Moz.

· Final dividend declared at 53 South African cents per share or 7 US cents per share, resulting in total dividend of 143 South African cents or 20 US cents per share for the year.

Quarter
Year
Quarter
Year
ended
Dec
2007
ended
Sept
2007
ended
Dec
2007
ended
Dec
2006
ended
Dec
2007
ended
Sept
2007
ended
Dec
2007
ended
Dec
2006

SA rand / Metric
US dollar / Imperial
Operating review
Gold
Produced
- kg / oz (000)
42,556
44,611 170,365 175,253
1,368
1,434
5,477
5,635
Price received
1
- R/kg / $/oz
149,312
141,400 142,107 126,038
687
621
629
577
Total cash costs
- R/kg / $/oz
87,744
81,186 80,490 67,133
404
357
357
308
Total production costs
- R/kg / $/oz
122,344
107,239 107,415 90,345
563
471
476
414
Financial review
Gross (loss) profit
- Rm / $m
(2,354)
(879)
(524)
2,700
(355)
(159) (136) 443
Gross profit adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts
2
- Rm / $m

1,309
1,761 6,590 7,207
195
249
935
1,058
Loss attributable to equity
shareholders
- Rm / $m
(3,199)
(2,003)
(4,269)
(587)
(482)
(316) (668) (44)
Headline loss [3]
- Rm / $m
(3,095)
(1,972)
(4,136)
(850)
(466)
(312) (648) (82)
Headline earnings adjusted for the loss on
unrealised non-hedge derivatives, other
commodity contracts and fair value adjustments
on convertible bond
4
- Rm / $m
117
575 1,971
2,777
18
81
278
411
Capital expenditure
- Rm / $m
2,315
1,733 7,444
5,533
339
245
1,059
817
Loss per ordinary share
- cents/share
Basic
(1,136)
(712)
(1,516)

(215)
(171)
(112) (237) (16)
Diluted
(1,136)
(712)
(1,516)
(215)
(171)
(112) (237) (16)
Headline ³
(1,099)
(701)
(1,470)
(312)
(165)
(111) (230) (30)
Headline earnings adjusted for the loss on
unrealised non-hedge derivatives and other
commodity contracts and fair value adjustments
on convertible bond
4
- cents/share
42
204 700
1,018
6
29
99
151
Dividends
- cents/share
53
143 450
7
20
62
Notes:
1.
Refer to note D Non-GAAP disclosure for the definition.
2.
Refer to note B on Non-GAAP disclosure for the definition.
3.
Refer to note 8 of Notes for the definition.
4.
Refer to note A of Non-GAAP disclosure.
$ represents US dollar, unless otherwise stated.
Rounding of figures may result in computational discrepancies.

Operations **at a glance**
for the quarter ended 31 December 2007
Production
Total cash costs
Cash gross profit
(loss)
1
Gross profit (loss)
adjusted for the loss
on unrealised non-
hedge derivatives
and other
commodity
contracts
2
oz (000)
%
Variance
3
$/oz
%
Variance
3
$m
%
Variance
3
$m
%
Variance
3
Mponeng
136
(12)
304
20
52
(12)
39
(15)
Sunrise Dam
150
(2)
348
25
47
(11)
34
(17)
AngloGold Ashanti Mineração
91

5
251
14
37
19
26
24
Kopanang
104
(11)
329
8
36
(3)
27
(4)
Cripple Creek & Victor J.V.
89
48
277
(10)
36
50
28
87
TauTona
97
(17)
357
12
32
(11)
12
(43)
Morila
4
52
-
351
15
20
54
16
78
Great Noligwa
116
(2)
543
37
16
(41)

5
(67)
Cerro Vanguardia
4
51
2
310
7
14
(13)
8
(20)
Siguiri
4
83
36
439
(15)
14
100
4
500
Serra Grande
4
21
(9)
292
9
9
13
7
17
Sadiola
4
40
14
419
5
8
14
7
17
Tau Lekoa
40
(7)
516
7
7
17
1
-

Iduapriem
4
45
(13)
414
15
5
(64)
2
(78)
Savuka
17
(15)
422
4
5
25
4
100
Navachab
20
(5)
527
22
4
-
3
50
Yatela
4
22
(27)
547
43
2
(71)
1
(83)
Moab Khotsong
23
35
693
-
(6)
(500)
(22)
(214)
Geita
58
(47)
722

80
(8)
(131)
(16)
(223)
Obuasi
84
-
489
(5)
(12)
(300)
(23)
(229)
Other
30
-
41
141
33
136
AngloGold Ashanti
1,368
(5)
404
13
358
(11)
195
(22)
1
Refer to note F "Non-GAAP disclosure" for the definition.
2
Refer to note B of Non-GAAP disclosure for the definition.
3
Variance December 2007 quarter on September 2007 quarter – increase (decrease).
4
Attributable.
Rounding of figures may result in computational discrepancies.

Financial and **operating review**

OVERVIEW FOR THE QUARTER AND YEAR

FOURTH QUARTER

On 8 November 2007 the company launched its *"Safety is our first value"* campaign in South Africa, in collaboration with trade unions and government representatives. Combined with the launch, safety interventions were undertaken at each operation to re-emphasize the company's safety principles and standards, with the key focus on leadership behaviours and improving compliance to operating standards at the shop floor.

Prior to the launch on 8 November 2007, eight employees lost their lives at the South African operations during the quarter, with one fatality at Obuasi in Ghana. Following the launch, there were no fatalities for the remaining 53 days of the quarter and year. The South African operations reduced their fatal injury rate by 17% year-on-year, while there was an increase in the fatality rate at operations outside of South Africa.

AngloGold Ashanti remains committed to a continuing focus on raising safety standards, and there is a commitment to use OHSAS 18001 and OHSAS 18002 as the templates for the safety management framework. At the end of the year, half of the operations were certified OHSAS 18001 compliant, with the balance on schedule for certification during 2008.

Gold production for the quarter was 5% lower at 1.37Moz, mainly as a result of the safety interventions in South Africa and operational difficulties at Geita. Total cash costs at $404/oz, was 13% higher than the previous quarter, which was impacted by lower production, appreciation of local currencies, and the purchase of uranium to meet contractual obligations.

Adjusted headline earnings for the quarter were $18m, compared with $81m in the third quarter. Adjusted headline earnings were adversely distorted by annual accounting adjustments which totalled $64m and included adjustments on rehabilitation, inventory, and current and deferred tax provisions. This was further exacerbated by stronger local operating currencies, higher exploration expenditure and lower production, specifically in South Africa, Ghana and Tanzania.

In South Africa, gold production dropped 9% to 17,503kg, following safety interventions, stoppages and the one-day NUM strike. Total cash costs increased 14% to R87,949/kg on the back of lower production and adverse by-products contribution, following the decision to take advantage of weaker uranium prices in October 2007 when 300,000 pounds of uranium were purchased. Excluding the purchase of additional uranium, total cash costs increased 4% quarter-on-quarter.

The other African assets had a mixed quarter, with significant operational improvements from Siguiri and Sadiola, which posted increased gold production of 36% and 14% respectively. Morila and Obuasi were on par with the previous quarter. Iduapriem was affected by power outages, with gold production declining 13%, while Yatela and Navachab declined 27% and 5% respectively. Geita was adversely affected by discharge pump failures and the treatment of hard ore, resulting in gold production being 47% lower.

The international operations remained steady during the quarter, with Cerro Vanguardia and AngloGold Ashanti Brasil Mineração improving their gold production by 2% and 5% respectively, while Sunrise Dam was marginally lower, as the operation continued to mine the higher grade area. Gold production at CC&V improved 48% quarter-on-quarter, as delays from improved leach pad stacking depths were rectified. Consequently, total cash costs at CC&V reduced by 10% and adjusted gross profit improved 87% to $28m for the quarter.

During the quarter, following a review process, a regional operating structure was established with Robbie Lazare (Africa), Ron Largent (Americas) and Graham Ehm (Australasia) appointed as Executive Vice Presidents accountable for their respective operating regions, reporting directly to the CEO. This restructuring is designed to further strengthen the focus on delivering improved operational performance and safety improvement. Two teams have also been established in the Africa region, with Johan Viljoen appointed Regional Head for Southern Africa, and Christian Rampa Luhembwe appointed Regional Head for West Africa. Following the disappointing recent performance from Geita, Richard Le Seur has been appointed as the new Managing Director at Geita, reporting directly to Robbie Lazare.

YEAR

The company's total Mineral Resource before depletion increased by 34.1Moz for the year. After depletion, this represents an increase of 26.0Moz, from 181.6Moz in 2006 to 207.6Moz in 2007, of which 6.95Moz (attributable) were delineated by AngloGold Ashanti's greenfields exploration teams for the year, at three key prospects, namely Tropicana (Western Australia), Mongbwalu (DRC) and Gramalote (Colombia). Significant other additions include 17.1Moz at Mponeng and 4.7Moz at CC&V, both due to improved economics and revised methodologies.

In 2007, AngloGold Ashanti recorded an increase in total ore reserves before depletion of 13.0Moz. After depletion, this represents a 9% increase year-on-year, from 66.9Moz in 2006 to 73.1Moz in 2007. Significant additions included 3.8Moz at Moab Khotsong, due to the inclusion of Project Zaaiplaats, a deepening of Moab Khotsong to access deeper Vaal Reef blocks to the South West of the current mine, and 3.4Moz at Mponeng, due to the inclusion of the Carbon Leader Reef project below 120 Level.

Production for 2007 declined by 3% or 158,000oz against the previous year, with Great Noligwa and TauTona showing production declines of 132,000oz and 65,000oz respectively, affected by mining redesign following safety concerns at TauTona and by lower grades at Great Noligwa, as mining moves into the lower grade SV3 area. Both Sunrise Dam in Australia and Siguiri in Guinea achieved record production levels of 600,000oz and 280,000oz (attributable), respectively, for the year.

Total cash costs increased by 16% to $357/oz, due to lower production, stronger local currencies, higher by-product losses (uranium purchases), higher royalty payments (higher gold price), increased maintenance activities and inflationary pressure. Combined with a higher spend on exploration activities year-on-year to the value of $59m, adjusted headline earnings reduced from $411m in 2006 to $278m.

A dividend of 53 South African cents (7 US cents) per share was declared for the six months ended 31 December 2007. This represents a similar dividend payout level to adjusted headline earnings, as per the interim year declaration, resulting in a total dividend for the year of 143 South African cents (20 US cents) per share.

On 14 January 2008, AngloGold Ashanti agreed to acquire 100% of Golden Cycle Gold Corporation (GCGC), for an aggregate consideration of approximately $149m. GCGC, which is listed and trades on the NYSE Arca Exchange, is a Colorado-based holding company with its primary investment being its joint venture interest in CC&V and which is majority owned by AngloGold Ashanti. The successful completion of the acquisition, will allow AngloGold Ashanti to consolidate 100% interest in CC&V. Under the terms of the CC&V joint venture agreement, AngloGold Ashanti was entitled to 100% of the net proceeds from the CC&V mine until GCGC has repaid its initial loans.

On 24 January 2008, AngloGold Ashanti entered into agreements to sell its royalty interests in El Chanate (Sonaro, Mexico) and Marigold (Nevada, USA) to Royal Gold for $13.75m. The transaction is subject to due diligence and is expected to be completed by the end of the first quarter.

On 25 January 2008, the South African national power supplier, Eskom, communicated that it could not guarantee power supply to the local operations. Precautionary steps were immediately taken for the safety of all employees, with no employees transported underground to carry-out mining activities, together with the cessation of milling activities. Following extensive discussions with Eskom and government, a power supply of 90% has been offered, although at the time of writing, this was still to be attained, which means that first quarter 2008 production from South African operations has been severely disrupted. The company is still reviewing a scenario in which only 90% of power is available to its South African operations.

Equally important is Eskom’s ability to maintain a continuous power supply, at a 90% level, given that since 25 January 2008, the company has experienced daily fluctuations in available power which in turn has further disrupted the attempt to return to normal production levels and milling rates.

Since 2004, Eskom and AngloGold Ashanti have been working to improve energy efficiencies and reduce consumption, with both organisations committing funds and resources to the programme. These combined efforts have achieved a 17% improvement in energy efficiencies by the Company during this period.

Subject to the power stability and availability at the 90% level, the production for the 2008 year is expected to be within the range of 4.8Moz to 5.0Moz. Total cash costs are anticipated to be between $425/oz and $435/oz, based on the following exchange rate assumptions: R7.35/$, A$/$0.88, BRL1.81/$ and Argentinean peso 3.10/$. Capital expenditure for the year is estimated to be $1,259m, and will be managed in line with profitability and cash flow.

Production for the first quarter of 2008, based on 90% stabilising power supply and associated operating recovery, is estimated to be 1.10Moz at an average total cash cost of $467/oz , assuming the following exchange rates: R7.35/$, A$/$0.89, BRL1.81/$ and Argentinean peso 3.10/$. Capital expenditure is estimated at $328m.

The table below provides guidance for the year in respect of forecast ounces, total cash costs and capital expenditure, taking into consideration the impact of a 90% power supply in South Africa, as well as the current operational constraints at Geita.

Operational forecast for 2008

Operation	**Forecast Production Ounces (000)**	**Expected Cash Cost US$/oz***	**Forecast Capital Expenditure US$m****
South Africa	1,800 - 1,900	395 - 415	383
Argentina	200 - 205	310 - 320	22
Australia	400 - 420	595 - 605	411
Brazil	400 - 415	290 - 300	113
Ghana	580 - 620		

420 - 430
172
Guinea
260 - 270
475 - 485
16
Mali
400 - 420
410 - 420
8
Namibia
75 - 80
520 - 530
34
Tanzania
330 - 340
595 - 605
64
North America
290 - 300
310 - 320
28
Other
8
AngloGold Ashanti
4,800 - 5,000
425 - 435
1,259

* Assumes the following exchange assumptions to the US dollar: R7.35/$, A$/$0.88, BRL1.81/$ and Argentinean peso3.10/$.

** Capital expenditure is managed in line with earnings and cash flow, and may fluctuate accordingly.

OPERATING RESULTS FOR THE QUARTER
SOUTH AFRICA

At **Great Noligwa,** gold production was down 2% to 3,613kg (116,000oz), as a result of a 4% lower yield, partially offset by a 2% higher volume.
Volume improved despite the loss of production shifts due to safety training interventions, stoppages and the one-day NUM safety strike.
Although overall mining costs reduced, a higher by-product loss was incurred, following the purchase of uranium in October 2007, when the company took advantage of a dip in uranium prices to meet contractual obligations, resulting in total cash costs increasing 31% to R117,918/kg ($543/oz).
Consequently, adjusted gross profit was 70% lower at R32m ($5m). Total cash costs was marginally lower at R86,580/kg excluding the purchase of uranium.
The Lost-Time Injury Frequency Rate (LTIFR) was 13.24 lost-time injuries per million hours worked (12.72 for the previous quarter).
Gold production at **Kopanang** reduced 11% to 3,229kg (104,000oz), following unexpected geological structure changes, safety training interventions and the one-day NUM safety strike, resulting in a 5% decrease in yield and a 7% lower volume.
Despite the 11% lower production, total cash costs only increased by 3% to R71,498/kg ($329/oz), partially off-setting the adverse impact of the lower volume and grade, with improved efficiencies. The adjusted gross profit was 10% lower at R180m ($27m).
The LTIFR improved to 11.13 (11.30).
The build up at **Moab Khotsong** continues with both volume treated and values mined increasing, up 14% and 3% respectively, resulting in gold production being 39% higher at 726kg (23,000oz), while total cash costs were 4% lower at R150,648/kg ($693/oz). The adjusted gross loss increased to R151m ($22m) due to an adjustment in amortisation cost and an increase in the rehabilitation provision.
The LTIFR improved to 12.16 (15.03).
At **Tau Lekoa**, despite an increased yield of 7%, volumes were down 13%, due to the safety training intervention, mining activity stoppages following a fatal accident due to a gravity-induced fall of ground accident and the one- day NUM strike.
As a result, gold production was down 7% to 1,247kg (40,000oz), and consequently total cash

costs increased 2% to R112,042/kg ($516/oz).
Adjusted gross profit increased to R6m ($1m), against the previous quarter's breakeven position.
The LTIFR improved to 15.57 (19.88).

Gold production at **Mponeng** was down 12% to 4,223kg (136,000oz) following the loss of five shifts as a result of fatal accidents, safety interventions and the one-day NUM strike. Total cash costs consequently increased by 14% to R66,025/kg ($304/oz) and the adjusted gross profit decreased 19% to R263m ($39m).

The LTIFR improved to 11.57 (13.45) and the mine had four fatalities relating to fall of ground accidents.

At **Savuka**, despite a 7% improvement in yield due to reduced grade dilution from lower development and improved stoping widths, volume was down 19%, following lower face advances, safety interventions and the one-day NUM strike. As a result, gold production was 13% lower at 540kg (17,000oz).

Total cash costs were marginally lower at R91,613/kg ($422/oz), largely offsetting the adverse impact of the lower volume, by improved cost efficiencies and lower power charges. The adjusted gross profit increased to R29m ($4m) from R15m ($2m) in the previous quarter, mainly due to the lower amortisation charge and improved price, partially offset by the lower volume impact.

The LTIFR improved significantly to 17.23 (34.15).

TauTona had a challenging quarter. Increased geological risk from seismicity activity has required re-planning and together with the three fatal accidents, resulted in mining stoppages, and combined with safety interventions and the one day NUM strike, resulted in volume and yield being lower. Gold production was 18% down to 3,005kg (97,000oz) and consequently, total cash costs rose by 7% to R77,572/kg ($357/oz), which was partially offset by various cost interventions to counter the lower production, as well as the lower power tarriffs.

The adjusted gross profit was 43% lower at R83m ($12m).

The LTIFR was 17.82 (14.66). The mine experienced three fatalities during the quarter, two incidents from a fall of ground, and the third from an ore pass accident.

ARGENTINA

At **Cerro Vanguardia** (92.5% attributable), gold production increased 2% to 51,000oz, due to the higher feed grade. Total cash costs rose 7% to $310/oz as a result of the lower silver by-product sales and higher services costs. Gold sales were 31% lower due to on-going discussions with the government of Argentina, regarding its proposed tax changes, and consequently the adjusted gross profit decreased 20% to $8m.

The LTIFR improved significantly to 1.79 (7.14).

AUSTRALIA

Sunrise Dam continued to perform in accordance with the planned production schedule, producing 150,000oz for the quarter, culminating in a record annual production of 600,000oz. Yield was 6% lower as mining passed through the high-grade GQ lode, but was partially offset by the 4% higher tonnage throughput. Total cash costs, however, increased by 19% to A$392/oz ($348/oz), owing to the marginally lower production, higher fuel costs and inventory and stockpile movements. As a result of the higher costs and lower production, the adjusted gross profit decreased by 21% to A$38m ($34m).

During the quarter, production from underground mining continued from the Sunrise Shear, Western Shear and Mako lodes, while mine development focused on the Cosmo lode. A total of 729m of underground capital development and 1,055m of operational development were completed during the quarter.

The LTIFR was 2.59 (2.63).

BRAZIL

At **AngloGold Ashanti Brasil Mineração**, production increased 5% to 91,000oz with operating performance improvements in both volume and grade. Total cash costs rose 14% to $251/oz, primarily due to higher transport costs resulting from mill plant downtime (gearbox breakdown) and higher chemical usage, spares and services cost. Adjusted gross profit rose 24% to $26m mainly due to 2% higher gold sold and 11% higher received price, offsetting the higher costs.

The LTIFR was 1.96 (2.70).

At **Serra Grande** (50% attributable), gold production decreased 9% to 21,000oz as planned, due to low grade material and feed from the open-pit and Nova mine. Total cash costs were 9%

higher at $292/oz, due to local currency appreciation and lower grades, partially offset by movements in stockpiles. The adjusted gross profit rose 17% to $7m, mainly due to the higher received price, partially reduced by the lower gold sold and higher costs.

The LTIFR was 1.90 (0.00).

GHANA

At **Iduapriem,** tonnage throughput was adversely affected by power cuts following the failure of the main Volta River Authority (VRA) transformer, with tonnage 16% lower and gold production declined 13% to 45,000oz.

Total cash costs, increased by 15% to $414/oz, due to the lower gold production, and consequently the adjusted gross profit declined to $2m from $9m in the previous quarter, combined with a higher rehabilitation charge.

LTIFR was 0.72 (0.00)

OBUASI

In the prior quarter, tonnage throughput at Obuasi was adversely affected by a plant shut down for eleven-days for both maintenance and testing and development of processes to reduce environmental impacts of ore treatment. In the fourth quarter, power outages reduced the ability for the operation to recover from the production loss in the previous quarter, and gold production remained steady at 84,000oz.

Total cash costs reduced 5% to $489/oz, following cost savings from restructuring the operation by approximately 200 employees. Following the re-setting of the environmental liability and higher retrenchment cost, the adjusted gross loss increased to $23m from the previous quarter's loss of $7m.

LTIFR was 3.97 (3.51). One person died in a machinery related accident.

REPUBLIC OF GUINEA

A significant improvement was achieved at **Siguiri** (85% attributable), with a 9% increase in tonnage throughput and a 26% increase in grade, resulting in production increasing by 36% to 83,000oz in the quarter.

As a result of the higher production, total cash costs reduced by 15% to $439/oz. The adjusted gross profit of $4m for the quarter was $5m higher than the loss of $1m in the previous quarter, due to the increased gold production and improved gold price, which was partially offset by higher royalties, and increased rehabilitation and amortisation charges.

LTIFR was 0.50 (1.02)

MALI

Gold production at **Morila** (40% attributable) was consistent with that of the previous quarter at 52,000oz. Total cash costs, however, increased by 15% to $351/oz due to increased royalty charges, higher fuel prices, a weaker US dollar and higher mining contractor costs. Despite the steady production profile, gold sales for the quarter increased by 10,000oz due to the timing of the final gold shipments carried over from the previous quarter, and combined with a higher gold price, resulted in a 78% increase in adjusted gross profit to $16m.

The LTIFR was 0.00 (2.38).

At **Sadiola** (38% attributable), production was 14% higher at 40,000oz, with increases in both recovered grade and tonnage throughput. Total cash costs increased by 5% to $419/oz with the impact of higher gold production being negated by higher fuel prices, a weaker US dollar and increased royalty charges. The adjusted gross profit of $7m was 17% higher than the previous quarter with the increased production and higher gold price, being partially offset by higher total cash costs and an increased rehabilitation charge.

The LTIFR was 1.71 (0.00).

Production at **Yatela** (40% attributable) decreased by 27% to 22,000oz despite tonnage stacked being 35% higher, following the end of the wet season. The lower gold production was due to the release of low grade ore that had been stacked in the previous quarter, and consequently total cash costs were 43% higher at $547/oz, combined with a weaker US dollar. The adjusted gross profit decreased 83% to $1m due to the decline in production and higher cash costs.

The LTIFR was 0.00 (0.00).

NAMIBIA

Gold production at **Navachab** decreased by 5% to 20,000oz as planned, due to a lower feed grade. Total cash costs at $527/oz, were 22% higher due to the weaker US dollar and higher stores, drilling and fuel costs. Adjusted gross profit was 50% higher at $3m, due primarily to the improved gold price.

The LTIFR was 3.36 (3.44).

TANZANIA

Geita experienced a disappointing quarter with gold production 47% lower at 58,000oz, due to an 8% decrease in tonnage throughput together with a 43% decrease in recovered grade. Tonnage throughput was adversely affected in November by discharge pump failures on both mills and a large build up of mill scats due to the treatment of hard banded iron formation (BIF) ore from the Nyankanga pit. In early December a dramatic drop in gold recovery occurred, and was attributed to the refractive nature of ore from the Geita Hill pit. Processing of Geita Hill ore was consequently suspended and replaced with lower grade stockpiled material, resulting in reduced production for the quarter.

Total cash costs were 80% higher at $722/oz, primarily due to the lower gold production. An adjusted gross loss of $16 million was recorded for the quarter as opposed to a profit of $13 million in the previous quarter, due to the lower production and an increased rehabilitation provision.

The LTIFR was 0.44 (0.00).

NORTH AMERICA

At **Cripple Creek & Victor** (67% ownership with 100% interest in production until initial loans are repaid), gold production increased 48% to 89,000oz, attributable to the partial recovery of delayed production from increased leach pad stacking levels. Total cash costs decreased 10% to $277/oz, due to a reduced royalty expense and improved production.

Adjusted gross profit increased 87% to $28m as a result of the lower total cash costs, increased sales ounces and improved gold price.

The LTIFR was 4.93 (0.00).

Notes:

- All references to price received includes realised non-hedge derivatives.
- In the case of joint venture and operations with minority holdings, all production and financial results are attributable to AngloGold Ashanti.
- Adjusted gross profit is gross profit (loss) adjusted to exclude unrealised non-hedge derivatives and other commodity contracts.
- Adjusted headline earnings is headline earnings before unrealised non-hedge derivatives and other commodity contracts, fair value adjustments on the option component of the convertible bond and deferred tax thereon.
- Rounding of figures may result in computational discrepancies.

Review of the gold market

Gold exhibited exceptional trading strength in the fourth quarter, with dollar prices reaching a high of $845/oz in early November, on the back of US credit concerns and fears that the US economy may stagnate or enter a recession. The first two months of the quarter were also characterised by highly volatile US dollar gold prices, with gold trading in a range of $728/oz to $841/oz.

The average US dollar gold price for the quarter was $788/oz, 16% higher than the previous quarter's average price of $680/oz. The rand gold price saw record highs of some R187,000/kg and averaged R171,334/kg for the quarter, some 10% higher than the previous quarter's average of R155,005/kg.

JEWELLERY DEMAND

Having performed well in the first half of the year, jewellery demand suffered from price volatility exhibited in the fourth quarter, particularly in traditional markets such as the Middle East and India.

Gold jewellery demand in the Gulf countries was particularly affected by this period of price volatility, as local currencies are linked to the dollar and so the full effect of US dollar gold price volatility was felt by local consumers. This came at a time of inflationary concerns and escalating rents, which dampened gold purchases considerably, and it is likely that the region's consumption will show a reduction in tonnage terms for the fourth quarter, compared to the same period in 2006.

Both the Egyptian and Turkish markets performed well, owing to increased economic stability as well as good consumption from the tourist sector. These markets were also protected against the worst impact of US dollar price volatility, as local currencies performed strongly against the dollar.

In India, demand was adversely impacted by price volatility and the lack of seasonal buying opportunities during the fourth quarter. However, over the year as a whole, consumption is expected to show an increase, due to record demand levels in tonnage and value terms achieved in the first half of the year.

Chinese consumption remained steady despite high and volatile prices. While there was good demand for 18 carat gold jewellery at the top end of the US market, middle and mass market retailers were negatively impacted by a general downturn in retail sales.

Looking forward to 2008, a major concern is that retailers, particularly those in price sensitive markets, will only re-stock slowly, amidst concerns that gold prices may continue to show the volatility exhibited in the first part of the fourth quarter. In China, manufacturers have reported orders at only one third of typical levels for this time of year. High absolute price levels will also act as a constraint on demand, as manufacturers will have access to reduced levels of gold working inventory finance.

CENTRAL BANK SALES

The second Central Bank Gold Agreement entered its third period in September 2007. Sales occurring to date in this new period of the agreement are estimated to be approximately 135t, and have taken place without any disruption to the market.

INVESTMENT MARKET

The fourth quarter was an active period in the investment sector. On the exchanges, the average net long position during the quarter of some 24Moz.

Investment in Exchange Traded Funds (ETFs) continued the strong performance exhibited in the third quarter into the period under review. Total holdings at year end stood at close to 28Moz, with a total value of over $23bn, of which some $17bn is held in the US-listed ETF, StreetTracks.

INDUSTRIAL DEMAND

The industrial sector accounts for 12% of physical demand, of which the electronics industry accounts for some 70% of demand, and continues to show growth over the previous period.

PRODUCER HEDGING

Producer de-hedging slowed in the fourth quarter from the exceptional levels of previous quarters, particularly the first half of the year. No new gold hedges of any significant proportions were reported during the quarter.

CURRENCIES

The US dollar continued its sharp depreciation against the Euro and reached a new low of Euro/US$1.49 in late November. This was as a consequence of the ongoing credit crisis and the perceived need for further interest rate cuts in order to stimulate the economy. US dollar woes were further exacerbated by a rising oil price, which was continuing to trade through its own record highs of around US$90/bbl and peaked at US$ 96/bbl.

In South Africa, expectations of higher interest rates saw the Rand strengthen during the first month of the quarter. Sentiment was further buoyed as the single largest foreign investment in a South African company was announced, when the Investment and Commercial Bank of China announced their intention to purchase a 20% stake in Standard Bank South Africa. Risk aversion in international markets once again caused a reversal of the Rand’s fortunes in November, however this was not sustained and the Rand closed the quarter unchanged.

The Australian dollar and Brazilian Real both strengthened marginally over the quarter, gaining 1% and 3% respectively.

Hedge position

As at 31 December 2007, the total net delta tonnage of the hedge was 10.39Moz or 323t (at 30 September 2007: 10.58Moz or 329t). The reduction in the hedge book from deliveries and maturing contracts was mostly offset by an increase in the hedge delta due to the higher gold price.

The marked-to-market value of all hedge transactions making up the hedge positions was a negative $4.27bn (negative R29.10bn), of which $2.4bn (R16.2bn) is on balance sheet as at 31 December 2007 (at 30 September 2007: negative $3.52bn or R24.17bn). This value was based on a gold price of $836.30/oz, exchange rates of R6.84/$ and A$/$0.88 and the prevailing market interest rates and volatilities at that date. The increase in the negative marked-to-market value was primarily due to the higher spot gold price. For the quarter, the company's received price of $687/oz, was 13% lower than the average spot price of $788/oz for 2008, the gap in the received and spot prices is likely to be between 18% to 20% going forward, provided that gold trades in a price range of $700/oz and $900/oz.

As at 6 February 2008, the marked-to-market value of the hedge book was a negative $4.69bn (negative R36.02bn), based on a gold price of $887.10/oz and exchange rates of R7.69/$ and A$/$0.89 and the prevailing market interest rates and volatilities at the time.

These marked-to-market valuations are not predictive of the future value of the hedge position, nor of future impact on the revenue of the company. The valuation represents the cost of buying all hedge contracts at the time of valuation, at market prices and rates available at the time.

Year
2008
2009
2010
2011
2012
2013-2015
Total
DOLLAR
GOLD

Forward contracts Amount

(kg)	22,817	21,738	14,462	12,931	11,944	12,364	96,256

US$/oz

$314	$316	$347	$397	$404	$432	$357

Restructure Longs

Amount

(kg)
*11,304
*11,304
US$/oz $647
$647
Put options sold
Amount (kg)
25,962
3,748
1,882
1,882
1,882
3,764
39,120
US$/oz
$682 $530 $410 $420 $430 $445 $607
Call options purchased
Amount (kg)
9,813
9,813
US$/oz $427
$427
Call options sold Amount (kg) 58,570 45,950 36,804 39,385 24,460
39,924 245,093
US$/oz
$521 $498 $492 $517 $622 $604 $535
RAND GOLD
Forward contracts
Amount (kg)
933
933
Rand per kg
R116,335
R116,335
Call options sold
Amount (kg)
2,986
2,986
2,986
8,958
Rand per kg
R202,054
R216,522
R230,990
R216,522
A DOLLAR GOLD
Forward contracts
Amount (kg)
16,018
3,390
3,110

22,518
A$ per oz
A$848
A$644
A$685
A$795
Put options sold
Amount (kg)
7,465
7,465
A$
per
oz
A$882
A$882
Call options purchased
Amount (kg)
3,110
1,244
3,110
7,464
A$ per oz
A$680
A$694
A$712
A$696
Call
options
sold
Amount
(kg)
5,599
5,599
A$
per
oz
A$954
A$954

Delta (kg)	(69,805)	(70,154)	(51,200)	(51,137)	(33,123)	(47,702)	(323,121)
** Total net gold:							
Delta (oz)	(2,244,280)	(2,255,500)	(1,646,116)	(1,644,090)	(1,064,928)	(1,533,653)	(10,388,567)

*
Indicates a long position resulting from forward purchase contracts. The group enters into forward purchase contracts as part of its strategy to actively manage and reduce the size of the hedge book.
**
The Delta of the hedge position indicated above is the equivalent gold position that would have the same marked-to-market sensitivity for a small change in the gold price. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities as at 31 December 2007.

Rounding of figures may result in computational discrepancies.

Year
2008
2009
2010
2011
2012
2013-2015
Total
DOLLAR
SILVER

Put options purchased
Amount (kg)
43,545
43,545
$ per oz $7.66
$7.66
Put options sold
Amount (kg)
43,545
43,545
$ per oz $6.19
$6.19
Call
options
sold
Amount
(kg)
43,545
43,545
$ per oz $8.64
$8.64

The following table indicates the group's currency hedge position at 31 December 2007

Year
2008
2009
2010
2011
2012
2013-2015
Total
RAND DOLLAR (000)

Forward contracts
Amount ($)
35,000
35,000
US$/R
R6.94
R6.94
Put options purchased
Amount ($)
120,000

120,000
US$/R
R6.98
R6.98
Put options sold
Amount ($)
120,000
120,000
US$/R
R6.65
R6.65
Call options sold
Amount ($)
135,000
135,000
US$/R
R7.35
R7.35
A
DOLLAR
(000)
Forward
contracts
Amount
($)
190,000
190,000
A$/US$ $0.84
$0.84
Put options purchased
Amount ($)
140,000
140,000
A$/US$ $0.83
$0.83
Put options sold
Amount ($)
140,000
140,000
A$/US$ $0.87
$0.87
Call
options
sold
Amount
($)
140,000
140,000
A$/US$ $0.81
$0.81
BRAZILIAN REAL (000)

Forward
contracts
Amount
($)
31,000
31,000
US$/BRL
BRL
1.99
BRL
1.99
Put options purchased
Amount ($)
24,000
24,000
US$/BRL
BRL
1.87
BRL
1.87
Call
options
sold
Amount
($)
68,000
68,000
US$/BRL
BRL
1.92
BRL
1.92
Derivative analysis by accounting designation as at 31 December 2007
Normal sale
exempted
Cash flow
hedge
accounted
Non-hedge
accounted
Total
US Dollars (millions)
Commodity option contracts
(675)
-
(2,030)
(2,705)
Foreign exchange option contracts
-
-
(6)

(6)
Forward sale commodity contracts
(1,230)
(336)
(50)
(1,616)
Forward foreign exchange contracts
-
4
7
11
Interest