

ANGLOGOLD ASHANTI LTD

Form 6-K

February 09, 2009

**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 9, 2009

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

76 Jeppe 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 RESULTS FOR THE QUARTER AND YEAR
ENDED 31 DECEMBER 2009 PREPARED IN ACCORDANCE WITH
IFRS**

Quarter 4 2008

Report

for the quarter and year ended 31 December 2008

Group results for the quarter....

- Gold production at 1.268Moz up on the prior quarter's performance and ahead of previous market guidance.
- Obuasi in Ghana delivers second consecutive quarter of production improvement, up 7% on the previous quarter as turnaround strategy starts to take effect.
- Uranium production increases 2% to 353,000 pounds.
- Total cash costs at \$422/oz for the group, 13% better than previous quarter and 8% below market guidance with South African operations total cash costs at \$318/oz, down 23%, while Brazil operations were \$100/oz lower at \$255/oz.
- Adjusted headline loss was \$17m, distorted by annual accounting adjustments which totalled \$48m relating to inventory write-downs, current and deferred tax provisions.
- \$1.0bn term facility secured to re-finance convertible bond.
- Transaction announced to sell interest in Boddington for an aggregate maximum consideration of up to approximately \$1.1bn in January 2009.

... and the year

- Fatalities reduced by 57%, while a 20% improvement has been achieved on all accidents.
- Gold production 4.982Moz – in line with market guidance.
- Total cash costs increased by \$87/oz to \$444/oz, due to lower production and inflationary pressure, offset partially by weaker local currencies for the latter part of the year.
- Hedge commitments reduced by 5.29Moz or 47% to 5.99Moz - company now better positioned to materially participate in higher spot prices going forward.
- Hedge buy-backs results in an adjusted headline loss of \$897m, against an adjusted headline earnings of \$278m in 2007.
- Mineral Resource after depletion increased 16% or 33.4Moz to 241.0Moz, while Ore Reserves after depletion increased 2% to 74.9Moz – prior to Boddington sale.
- Final dividend declared at 50 South African cents per share or 5 US cents per share, resulting in a total dividend of 100 South African cents or 11 US cents per share for the year.

Quarter

Year

Quarter

Year

ended

ended

ended

ended

ended

ended

ended

ended

Dec

Sep

Dec

Dec
Dec
Sep
Dec
Dec
2008
2008
2008
2007
2008
2008
2008
2008
2007
Restated
Restated
SA rand / Metric
US dollar / Imperial
Operating review
 Gold
 Produced
 - kg / oz (000)
39,429
 39,336
 154,958
 170,365
1,268
 1,265
 4,982
 5,477
 Price received
 1
 - R/kg / \$/oz
219,329
 160,127
 130,522
 142,107
687
 644
 485
 629
 Price received normalised for
 accelerated settlement of non-hedge
 derivatives
 1
 - R/kg / \$/oz
219,329
 160,127
 185,887
 142,107
687
 644

702

629

Total cash costs

- R/kg / \$/oz

134,813

121,440

117,462

80,490

422

486

444

357

Total production costs

- R/kg / \$/oz

172,312

152,945

150,149

107,415

540

612

567

476

Financial review

Gross profit (loss)

- Rm / \$m

2,187

851

939

(1,309)

390

186

594

(248)

Gross profit (loss) adjusted for the gain

(loss) on unrealised non-hedge

derivatives and other commodity

contracts

2

- Rm / \$m

1,241

184

(2,945)

5,893

125

28

(384)

835

Adjusted gross profit normalised for

accelerated settlement of non-hedge

derivatives

2

- Rm / \$m

1,241

184

5,072

5,893

125

28

626

835

(Loss) profit attributable to equity
shareholders

- Rm / \$m

(11,869)

(247)

(16,105)

(4,269)

(1,016)

51

(1,195)

(668)

Headline earnings (loss)

3

- Rm / \$m

516

(298)

(4,375)

(4,136)

234

44

(30)

(648)

Headline (loss) earnings adjusted for
the gain (loss) on unrealised non-
hedge derivatives and other commodity
contracts and fair value adjustments on
convertible bond

4

- Rm / \$m

(178)

(956)

(7,197)

1,971

(17)

(119)

(897)

278

Capital expenditure

- Rm / \$m

2,994

2,623

9,905

7,444

302

338

1,201

1,059

(Loss) profit per ordinary share

- cents/share

Basic

(3,335)

(71)

(5,077)

(1,517)

(285)

15

(377)

(237)

Diluted

(3,335)

(71)

(5,077)

(1,517)

(285)

15

(377)

(237)

Headline

3

145

(86)

(1,379)

(1,470)

66

13

(9)

(230)

Headline (loss) earnings adjusted for
the gain (loss) on unrealised non-
hedge derivatives and other commodity
contracts and fair value adjustments on
convertible bond

4

-

cents/share

(50)

(275)

(2,269)

700

(5)

(34)

(283)

99

Notes:

1. Refer to note C "Non-GAAP disclosure" for the definition.
2. Refer to note B "Non-GAAP disclosure" for the definition.
3. Refer to note 9 "Notes" for the definition.
4. Refer to note A "Non-GAAP disclosure" for the definition.

\$ represents US dollar, unless otherwise stated.

Rounding of figures may result in computational discrepancies.

Global Footprint

AngloGold Ashanti is a global company...

...with an extensive portfolio of new and emerging opportunities.

China

DRC

Russia

Operations at a glance
for the quarter ended 31 December 2008

Production

Total cash costs

Gross profit (loss) adjusted

for the gain (loss) on

unrealised non-hedge

derivatives and other

commodity contracts

1

%

%

%

oz (000)

Variance

2

\$/oz

Variance

2

\$m

Variance

2

Mponeng

144

(12)

222

(23)

60

20

AngloGold Ashanti Mineração

83

-

234

(29)

27

50

Kopanang

91

8

310

(26)

24

200

Cripple Creek & Victor

78

24

322

-

20

67

Moab Khotsong

71
4
317
-
12
500
Morila
3, 4
47
24
385
(17)
11
120
Siguiri
3
81
13
478
(9)
10
67
Sunrise Dam
85
(26)
486
(21)
9
190
Great Noligwa
63
(2)
452
(25)
8
367
TauTona
70
(11)
325
(27)
7
(59)
Serra Grande
3
24
20
260
(20)
7
40

Sadiola

3, 4

49

20

386

(3)

5

25

Savuka

18

20

255

(58)

4

100

Iduapriem

57

14

577

2

3

400

Yatela

3, 4

16

(11)

561

(11)

3

100

Cerro Vanguardia

3

56

30

464

(30)

2

113

Tau Lekoa

36

(5)

478

(16)

2

200

Navachab

20

18

512

(5)

2

100
Obuasi
98
7
712
5
(33)
(50)
Geita
52
(30)
921
32
(58)
(32)
Other
27
8
18
100
Sub-total
1,268
-
422
(13)
143
286
Less equity accounted investments
(18)
100
AngloGold Ashanti
125
347
1
Refer to note B "Non-GAAP disclosure" for the definition.
2
Variance December 2008 quarter on September 2008 quarter - increase (decrease).
3
Attributable.
4
Equity accounted investments.
Rounding of figures may result in computational discrepancies.

Financial and **operating review**

**OVERVIEW FOR THE QUARTER AND YEAR
FOURTH QUARTER**

Five employees were fatally injured during the quarter, with four accidents occurring in the South African region and one at Obuasi in Ghana. This brings the total number of fatalities to 14 for 2008, against 34 fatal accidents in 2007. This is equivalent to a fatal injury frequency rate (FIFR) of 0.09 per million hours worked for the year, against 0.21 for 2007, representing a 57% improvement and is the lowest rate that the company has ever recorded.

The LTIFR rate for the year ended 11% lower than that recorded in 2007, while a 20% year-on-year improvement has been achieved on all injuries. AngloGold Ashanti remains committed to a continuing focus on raising safety standards and achieved this quarter, its commitment of having all its mining operations OHSAS 18001 compliant. In addition, its South African metallurgical plants and the Tropicana exploration project in Australia also achieved certification.

Gold production for the fourth quarter was marginally higher than market guidance at 1.27Moz, reflecting improved performance across all assets, with the exception of Geita. Total cash costs at \$422/oz, was 13% lower than the previous quarter, primarily due to once-off ore stock pile movements not repeating during the fourth quarter, weaker local currencies and reduced fuel costs. The South African operations were 3% lower at 16,185kg, primarily due to lower production from Mponeng which was constrained by face-length flexibility and vamping activities. Despite the lower gold production, total cash costs reduced 1% to R101,675/kg following lower summer power tariffs and delivery of cost saving initiatives. Savuka and Kopanang had solid quarters with gold production up 18% and 8% respectively, while Moab Khotsong continues to build-up production flexibility, up 3% for the quarter. The South African operations continue to provide currency leverage to a weakening Rand, and dollar denominated total cash costs closed 23% lower at \$318/oz, with operational free-cashflow increasing significantly from \$52m to \$118m.

Uranium production increased 2% during the quarter to 353,000 pounds, and 629,000 pounds of uranium was on hand and at the converters at year-end. Total uranium production for the year

was 4% higher than the prior year at 1.3m pounds, notwithstanding the power related production stoppages earlier in the year. Following the cancelling of some uranium contracts during the year, the company is poised to achieve greater exposure to spot uranium prices in 2009.

The other African assets also had solid performances. Production from the Ghanaian operations increased by 9% to 155,000oz, with both Obuasi and Iduapriem growing production for the second consecutive quarter.

Siguiri in Guinea saw production 13% higher at 81,000oz following improved plant availability with total cash costs reduced by 9%. The Malian operations increased production by 15% and reduced total cash costs by 12% to \$411/oz.

Production at Navachab in Namibia was 18% higher at 20,000oz and total cash costs 5% lower at \$512/oz. Geita in Tanzania had a difficult quarter, affected by SAG mill breakdowns, which resulted in production reducing 30% to 52,000oz and consequently, total cash costs increasing 32%.

The Americas also delivered solid results, with Cerro Vanguardia in Argentina increasing production by 30% to 56,000oz, consistent with the steps taken in the prior quarter to rectify plant constraints. Total cash costs consequently reduced 30% to \$464/oz, and operational free cashflow increased to \$7m from a loss in the previous quarter of \$10m.

The Brazilian operations saw production 5% higher at 108,000oz, led by Serra Grande with improved gold production, higher throughput and improved grades. Total cash costs for Brazil was significantly lower at \$255/oz, assisted by the higher gold production, improved cost management and a weakening local currency. Operational free-cashflow increased 83% to \$42m for the quarter.

Production at CC&V in the USA was 24% higher at 78,000oz, while total cash costs were flat at \$322/oz, with operational free cashflow increasing 47% to \$25m.

The company continued to execute its hedge reduction strategy and further reduced hedge commitments from 6.30Moz to 5.99Moz at 31 December 2008, while the net delta hedge position reduced 0.57Moz for the quarter to 5.22Moz. This brings the total year's reduction of hedge commitments to 5.29Moz or 47% for the year, while the net delta reduced by 5.17Moz or 46%. The company is now better positioned to participate in higher spot prices going forward. During the quarter the received price of \$687/oz was 7% higher than the previous quarter and 13.6% below the average spot price. This compares favourably with the previous quarter where the discount to spot was 26%. The adjusted headline loss was \$17m, distorted by annual accounting adjustments (net of tax) aggregating \$48m which included write-downs of Geita stockpiles (\$19m) and stores in Continental Africa (\$21m) and current and deferred tax provision (\$8m).

During the quarter, the company recorded exceptional asset impairment charges aggregating \$1.25bn (net of tax) in relation to the former Ashanti assets (comprising Obuasi, Geita and Iduapriem) and certain other investments and sundry assets. This adjustment which is of a non-cash nature is based on assumptions relating to market conditions which include the lower gold forward curve, higher discount rates, higher power tariffs in Ghana and reduced reserves at Geita. The asset impairment charges are excluded from both headline and adjusted headline earnings.

On 21 November 2008, AngloGold Ashanti announced the signing of a \$1bn term facility agreement with Standard Chartered Bank to refinance its convertible bond. The Term Facility is available to be drawn during February 2009 for the purpose of repaying the \$1bn convertible bond due on 27 February 2009. The Term Facility is for an initial one year period from the date of the first drawdown in February 2009 but may be extended, if required, at the option of AngloGold Ashanti until 30 November 2010. The covenant terms of the Term Facility are similar to those of AngloGold Ashanti's existing \$1.15bn Revolving Credit Facility, save that the amounts drawn under the Term Facility will bear an interest margin of 4.25% for the first six months after the first drawdown and 5.25% thereafter.

On 15 December 2008 the company announced the purchase of São Bento Gold Company Limited ("SBG") and its wholly-owned subsidiary, São Bento Mineração S.A. ("SBMSA") from Eldorado Gold Corporation ("Eldorado") for a consideration of \$70m. The purchase price was settled through the issuance of 2,701,660 AngloGold Ashanti shares. The purchase of SBG and SBMSA gives AngloGold Ashanti access to the São Bento mine, a gold operation located in the immediate vicinity of AngloGold Ashanti's proposed Córrego do Sítio mine in Brazil. The acquisition of the São Bento mine provides AngloGold Ashanti with the potential to double the scale of the proposed Córrego do Sítio mine, which once developed will significantly enhance AngloGold Ashanti's Brazilian asset base.

YEAR

The company's total Mineral Resource before depletion increased by 40.5Moz for the year. After depletion, this represents an increase of 33.4Moz, from 207.6Moz in 2007 to 241.0Moz in 2008. The largest single resource increase came at La Colosa in Colombia, where 12.3Moz were delineated by the exploration team. Significant other additions include 7.9Moz at Mponeng, 3.9Moz at Obuasi following exploration work below 50 level, 1.6Moz at Boddington, 1.8Moz at Savuka, 1.4Moz at Iduapriem, 1.2Moz at CC&V following successful exploration and work completed on the mine life extension project, and 1.2Moz at Sadiola.

In 2008, AngloGold Ashanti recorded an increase in total ore reserves before depletion of 7.7Moz. After depletion, this represents a 2.5% increase year-on-year, from 73.1Moz in 2007 to 74.9Moz in 2008. Significant additions included 2.8Moz at Mponeng, 1.3Moz at Obuasi due to revised mine design and schedule, 1.1Moz at Boddington due to successful drilling and at Siguiro 0.6Moz, where the resources were upgraded from inferred to indicated at the Seguelen NW and Sintroko deposits due to improved mining efficiencies.

Production for 2008 declined 9% to 4.98Moz, but within market guidance. South African production declined 230,000oz, primarily as a result of the power shortages experienced in South Africa and safety stoppages. Post the January 2008 power shortage incident, no further constraints were experienced during the year and the company is now operating at 100% capacity, while utilising 93% of its original power allocation in South Africa.

Production at Sunrise Dam was 167,000oz lower as anticipated following the completion of mining the high grade zone in the MegaPit, and production at Geita was 63,000oz lower following mill breakdowns. Cerro Vanguardia also had a difficult year with production 50,000oz lower, due to lower feed grades and problems associated with the agitators in the leach tanks in the first half of the year. Encouragingly, Ghana posted a 6% increase in production, while the Brazil operations maintained their solid performance.

Total cash costs for 2008 increased by \$87/oz to \$444/oz, primarily as a result of the 9% lower gold production and cost escalation on wages and consumables, offset partially by weaker local currencies during the latter part of the year.

Combined with the hedge buy-backs during the year, the adjusted headline earnings reduced from \$278m in 2007 to a loss of \$897m for 2008.

A dividend of 50 South African cents (5 US cents) per share was declared for the six months ended 31

December 2008. This represents a similar dividend payout as per the interim year declaration, resulting in a total dividend for the year of 100

South African cents (approximately 11 US cents) per share.

Post quarter end, on the 27 January 2009 the company announced the sale of its 33.33% interest in Boddington Mine to Newmont Mining Corporation for an aggregate consideration of up to approximately \$1.1 billion. The transaction includes a cash payment of \$750m upon closing; \$240m due on 31 December 2009 in either cash or shares and quarterly royalty payments to a maximum of \$100m based on a specified cash operating margin being achieved. All capital expenditure incurred from 1 January 2009 is also to be reimbursed.

Boddington Mine was under development during the course of 2008 and is scheduled to come into production during the course of 2009. As at the 31 December 2008, Boddington had attributable reserves of 6.7Moz and Mineral Resources of 11.9Moz.

Production for 2009 is expected to be within a range of 4.9Moz to 5.0Moz, and total cash costs are anticipated to be between \$435/oz and \$450/oz, based on the following exchange rate assumptions: R9.75/\$, A\$/\$0.675, BRL2.25/\$ and the Argentinean peso 3.65/\$. Capital expenditure

for the year is estimated to be approximately \$840m, and will be managed in line with profitability and cashflow.

Production for the first quarter of 2009 is estimated to be 1.13Moz at an average total cash costs of between \$440/oz and \$450/oz, assuming the following exchange rates: R9.75/\$, A\$/0.66, BRL2.25/\$ and Argentinean peso 3.50/\$. Capital expenditure is estimated at \$220m.

The table below provides guidance for the year in respect of forecast ounces and total cash costs for 2009.

Forecast

Production

Ounces

(000)*

Expected

Cash

Cost

\$/oz**

Great Noligwa

220

460 - 480

Kopanang

400

275

- 295

Tau Lekoa

150

455 - 475

Moab

300

280

- 300

VR Surface

115

360 - 380

TauTona

295

330

- 350

Savuka

65

440

- 460

Mponeng

530

260

- 280

Navachab

70

430

- 450

Morila

130

550

- 570

Yatela

90

440	
- 460	
Sadiola	130
495	
- 515	
Siguiri	300
495	
- 515	
Obuasi	400
620	
- 640	
Iduapriem	200
540	
- 560	
Geita	315
800	
- 820	
Cripple Creek	
280	
350 - 370	
Serra Grande	
80	
340 - 360	
AngloGold Ashanti Brazil	
320	
280 - 300	
Cerro Vanguardia	
160	
410 - 430	
Sunrise Dam	
410	
530 - 550	
Total	
4.9 – 5.0	
435 - 450	

* Attributable production

** Assumes the following exchange rates to the US dollar: R9.75/\$, A\$/0.675, BRL2.25/\$ and the Argentinean peso 3.65/\$

OPERATING RESULTS FOR THE QUARTER

SOUTH AFRICA

At **Great Noligwa**, following the transfer of the upper level high-grade SV4 section to Moab Khotsong during the third quarter, production remained steady at 1,969kg (63,000oz). However, total cash costs were 4% lower at R144,190/kg (\$452/oz), primarily due to higher by-product contribution and lower power tariffs.

The adjusted gross profit was R78m (\$8m) against a loss of R28m (\$3m) in the previous quarter. This was mainly as a result of the higher gold price received.

The Lost-Time Injury Frequency Rate (LTIFR) improved to 12.11 lost-time injuries per million hours worked (12.52 for the previous quarter)

Kopanang had a solid quarter with gold production up 8% to 2,827kg (91,000oz), following increased mining volumes resulting from improved face length and higher grade tonnage delivered to the plant.

Total cash costs were 5% lower at R99,050/kg (\$310/oz) on the back of higher gold production. The adjusted gross profit was R240m (\$24m), compared with the R57m (\$8m) in the previous quarter, due to the higher price received and higher gold production.

The LTIFR was 12.25 (11.86).

The build-up at **Moab Khotsong** continues with gold production up 3% at 2,194kg (71,000oz), following increased tonnage throughput, partially offset by mining mix which adversely affected the grade.

Total cash costs were 28% higher at R101,180/kg (\$317/oz), primarily due to lower underground inventory lock-ups, partially offset by the higher gold production. The adjusted gross profit was R114m against a loss of R27m in the prior quarter, primarily due to the higher gold price received and improved production.

The LTIFR improved 28% to 9.18 (12.83).

Regrettably, there was one fatal accident during the quarter.

At **Tau Lekoa**, gold production was 6% lower at 1,105kg (36,000oz), following the loss of three production shifts to safety stoppages and maintenance. As a result, total cash costs increased 7% to R152,541/kg (\$478/oz), while the adjusted gross profit was R22m (\$2m) against a loss of R16m (\$2m) in the previous quarter. The favourable movement is attributed to an improved gold price received, partially offset by the lower gold production.

The LTIFR improved 16% to 12.38 (14.82).

Gold production from the **Vaal River Surface Operations** was the highest achieved for the year, with production of 848kg (27,000oz), 10% higher quarter-on-quarter mainly due to increased tonnage throughput to ensure maximum plant capacity. On the back of the higher gold production, total cash costs were 9% lower at R116,749/kg (\$366/oz).

Adjusted gross profit was R62m (\$5m) higher at R81m (\$8m), mainly as a result of a higher gold price received and improved total cash costs.

The LTIFR was 0.56 (1.08).

Gold production at **Mponeng** was 12% lower at 4,492kg (144,000oz) against the prior quarter, but the mine has for the fourth consecutive quarter exceeded its plan. Gold production decreased quarter-on-quarter due to reduced mining volume constrained by face length and lower vamping activities.

Despite the lower gold production, total cash costs improved 2% to R71,022/kg (\$222/oz), primarily due to the lower power tariffs and a favourable inventory adjustment due to an increase in lock-up tonnes.

The adjusted gross profit was R212m higher than the previous quarter at R594m (\$60m). This was due to higher gold price received, partially offset by lower gold production.

The operation regrettably recorded one fatality for the quarter and the LTIFR was 12.66 (12.21).

Savuka had a solid quarter with gold production 18% higher at 566kg (18,000oz), mainly due to improved drilling and blasting, vamping and improved mining mix. Total cash costs reduced significantly to R81,339/kg (\$255/oz), the result of higher gold production, lower operating costs following savings initiatives and lower power tariffs.

The adjusted gross profit was R24m (\$2m) higher at R42m (\$4m), due to the higher gold price received, improved production and lower total cash costs.

The LTIFR improved to 12.35 (14.27).

Gold production at **TauTona** was 11% lower at 2,184kg (70,000oz) following reduced mining volume due to safety concerns. Despite the lower gold production, total cash costs decreased 6% to R103,961/kg (\$325/oz), the result of lower power tariffs and costs saving initiatives.

The adjusted gross profit reduced to R72m (\$7m), against R130m (\$17m) in the prior quarter.

The LTIFR was 15.44 (12.49). Regrettably, there were two fatal accidents during the quarter.

ARGENTINA

At **Cerro Vanguardia** (92.5% attributable) production rose 30% to 56,000oz due to higher yield and increased volume, both the consequence of action taken to resolve plant constraints experienced during 2008. Total cash costs decreased 30% to \$464/oz as a result of local currency depreciation, higher gold produced, higher silver by-product contribution, as well as lower costs in respect of equipment maintenance and contractors.

The adjusted gross profit was \$2m, against a loss of \$15m in the prior quarter, as a result of higher gold sold, improved received price and lower costs. The LTIFR was 3.49 (1.56).

AUSTRALIA

Gold production at **Sunrise Dam** reduced 26% as anticipated to 85,000oz, following the completion of mining in the MegaPit during the previous quarter. Total cash costs, however, only increased 3% to A\$721/oz (\$486/oz), with lower handling costs partially offsetting the reduced gold production. The adjusted gross profit was A\$13m (\$9m), against a loss of A\$12m (\$10m) in the prior quarter.

The LTIFR remained 0.00 (0.00).

BRAZIL

Gold production at **AngloGold Ashanti Brasil Mineraç o** was steady at 83,000oz. Total cash costs decreased 29% to \$234/oz primarily due to local currency depreciation and lower fuel costs. The adjusted gross profit was \$27m, against \$18m in the previous quarter, reflecting the higher received price and lower costs.

The LTIFR was 3.24 (2.67).

At **Serra Grande**, (50% attributable) gold production increased 20% to 24,000oz, resulting from improved throughput and grade. Total cash costs decreased 20% to \$260/oz, primarily due to local currency depreciation and higher gold production.

The adjusted gross profit was \$7m, against the previous quarter's \$5m.

The LTIFR was 1.46 (1.60).

GHANA

Obuasi, for the second consecutive quarter, increased gold production to 98,000oz, 7% higher than the previous quarter. The turnaround project continues with an increase in development metres to improve mining flexibility and improved metallurgical recoveries, resulting in both

throughput and yield improving. Total cash costs increased by 5% to \$712/oz, due to once-off consumable write-offs, partly offset by lower fuel prices and reduced power consumption.

The adjusted gross loss was \$33m, resulting from the increase in cash operating costs.

The LTIFR was 4.40 (1.18). Regrettably, there was one fatal accident during the quarter.

At **Iduapriem** gold production increased for the second consecutive quarter, up 14% to 57,000oz, following improved plant availability that increased tonnage throughput 10% and yield was 2% higher following improved mining mix. Total cash costs increased by 2% to \$577/oz mainly as a result of an increase in waste stripping costs in line with the mining plan, partially offset by the higher gold production.

An adjusted gross profit of \$3m was achieved, against a loss of \$1m in the previous quarter.

LTIFR was 3.33 (1.46)

REPUBLIC OF GUINEA

At **Siguiri** (85% attributable) production increased 13% to 81,000oz as a result of improved plant availability and utilisation. Total cash costs decreased to \$478/oz as a result of the higher production, lower fuel prices and local currency depreciation.

The adjusted gross profit increased to \$10m as a result of the increase in production, higher gold price received and decrease in total cash costs.

LTIFR was 0.58 (0.57)

MALI

Gold production at **Morila** (40% attributable) was 24% higher than the previous quarter at 47,000oz due to a 24% increase in recovered grade, following higher grade material available from Pit 4N. Total cash costs were 17% lower at \$385/oz, on the back of the higher gold production, lower reagent and fuel costs.

Adjusted gross profit of \$11m was double that of the previous quarter.

The LTIFR was 0.00 (0.00).

At **Sadiola** (38% attributable), production was 20% higher at 49,000oz due to a combination of increases in both tonnage throughput and yield.

Tonnage throughput was favourable as a result of improved plant availability, while better feed grades improved yield, as a result of processing a higher percentage of sulphide ore. Total cash costs decreased to \$386/oz as a result of lower fuel prices and increased production, partly offset by a once-off mining contractor expenses.

Adjusted gross profit increased to \$5m primarily as a result of the increased production and lower fuel prices.

The LTIFR was 0.83 (0.91).

Production at **Yatela** (40% attributable) decreased by 11% to 16,000oz due to a decrease in recovered grade, as a result of stacking lower grade marginal ore in the previous quarter. Despite the lower gold production, total cash costs decreased by 11% as a result of lower fuel prices, reduced reagents consumption and a stronger US dollar, offsetting the impact of the lower gold production.

The adjusted gross profit was \$3m, against break-even in the previous quarter, primarily due to the higher received price and lower total cash costs.

The LTIFR was 0.00 (4.76).

NAMIBIA

Gold production at **Navachab** increased 18% to 20,000oz, as both throughput and yield improved.

Tonnage throughput was higher following the implementation of continuous shifts, while improved grade control allowed for improved delineation of higher grade blocks from the North pit 2 area. Consequently, total cash costs reduced 5% to \$512/oz.

The adjusted gross profit was \$2m, against \$1m in the previous quarter.

The LTIFR remained 0.00 (0.00).

TANZANIA

At **Geita**, gold production was 30% lower than the previous quarter at 52,000oz due to a reduction in grade and tonnage throughput following the breakdown of the SAG mill. Total cash costs were consequently 32% higher at \$921/oz.

Adjusted gross loss was \$14m lower at \$58m.

The LTIFR was 0.80 (1.63).

NORTH AMERICA

At **Cripple Creek & Victor**, (100% ownership effective 1 July 2008) gold production increased 24% to 78,000oz due to pad phase timing. Total cash costs were on par with that of the previous quarter at \$322/oz, with higher production and lower royalties offsetting increased lime requirements.

The adjusted gross profit was \$20m against \$12m in the prior quarter.

The LTIFR was 9.81 (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.
- Rounding of figures may result in computational discrepancies.

Review of the gold market

The 'deleveraging' that started with the collapse of Lehman Brothers continued into the fourth quarter as financial markets struggled to come to terms with the extent of the crisis and its global impact.

Continued liquidation took place across all metals and commodities including gold. Having peaked at \$910/oz in early October, the liquidation on the COMEX over the ensuing month of almost 8Moz took the price down to the lows of the quarter of \$710/oz by early November. It is possible that the extent of this decline was exacerbated by market participants who took advantage of the ease with which gold can be used as a short-term funding mechanism.

Despite falling over \$200/oz during the quarter, gold outperformed all of the other metals and oil. The sell off to around \$700/oz represented a decline of just over 30% from the year's high, whereas on a similar basis, platinum lost 68%, copper 67%, nickel 73% and the oil price plunged 77%.

In November speculative interest returned to gold, partly due to another wave of US dollar weakness but also on hopes that another cut in production from OPEC would lift the oil price and that this would in turn support the gold price.

This rally was sustained through December when commodities in general started to stage a recovery.

In addition, gold started to benefit from safe haven buying once again as analysts began to highlight the potential inflationary impact of all of the coordinated global activities of liquidity injections, stimulus packages and interest rate cuts. During the month of December the gold price rallied 14%, ending the year at \$878/oz.

The gold price averaged \$872/oz in 2008, 24% higher than the average for 2007 of \$703/oz. The average price during the fourth quarter was \$795/oz, marginally higher than the average price during the fourth quarter of 2007 of \$788/oz.

Investment Market

ETF holdings continued to grow during the period under review, against the general trend in other investment vehicles. This is indicative of the fact that ETF investors tend not to be driven by short-term price movements or speculative opportunities but are rather longer-term investors who see gold as a hedge against inflation or a portfolio diversifier.

Total holdings at year end were some 38Moz.

Holdings increased during the quarter by some 3Moz, including over 600,000oz invested in a new

exchange traded fund listed on the German Stock Exchange.

Producer Hedging

Very little activity took place in this area during the quarter and in comparison to the volatility experienced in international markets, the relatively small movements in the global hedge book were not a significant driver of price or market sentiment.

Physical Demand

The retail sector and particularly the luxury goods market suffered globally as a result of the credit squeeze and fears of recession. The gold jewellery market, which accounts for some 70% of physical demand, was affected by this trend, particularly in the US and in Europe, where jewellery is purchased as an adornment, rather than as an investment product.

The exception to this trend was China, where jewellery sales continued at similar level as the comparable period in 2007. However many Chinese exporters of consumer goods have seen a drop in sales and it is likely that the internal consumption market for jewellery will suffer as the effects of this decline filter into the Chinese economy. The first quarter of the year, in particular the Chinese New Year period in late January, is typically a period of peak demand, but it is likely that consumption will slow down in March as retailers restock cautiously.

Investment demand, in the form of bars and coins, has increased dramatically in China over the recent period and 2008 is likely to show an increase of over 100% year-on-year when official figures are released later in the year. The reasons for the increase relate to concern over other investment vehicles, particularly housing and the stock exchange, but also the traditional view of gold as a hedge against inflation and a safe haven in times of economic uncertainty.

The US market was hard hit by concerns over the economy and sales were down in all sectors of the market. In parallel, higher gold prices have driven retailers to stock alternative jewellery products, using for example gold plating or gold and silver in combination, in order to maintain price points. Sales during the fourth quarter, which typically account for around 40% of jewellery sales annually, were at significantly lower levels, even in comparison to the lacklustre fourth quarter experienced in 2007. However, stocks are also at record low levels, and it is possible that there will be some revival in demand in the early part of 2009 as retailers restock.

Economic uncertainty also affected the Middle Eastern market, particularly in tourist destinations such as Dubai. The local retail trade in the Gulf Region declined as well as the tourist sector. As consumer spending slowed and the impact of stock exchange falls took its toll, spending on discretionary and luxury goods including jewellery, was affected.

Egyptian demand remained healthy despite high local gold prices (as the Egyptian Lira weakened against the US dollar). In contrast, demand in Turkey, where local gold prices also rose significantly but where the effects of the global economic crisis were more apparent, experienced significant weakness during the quarter, in both the jewellery as well as the coin sector. Fabrication demand in Turkey declined (Turkey is a major exporter of gold jewellery to the US and as such was affected by the downturn in US jewellery sales).

In India, where jewellery purchases have a quasi-investment characteristic, the third quarter had shown some revival in jewellery sales, after dampened demand in the first half of the year, due to the lower and more stable price as well as expectations of an eventual gold price increase. In the fourth quarter, however, buying slowed as prices rose once again. Fabrication demand

(jewellery manufactured for export as well as for local consumption) also showed a slight decrease in comparison to the preceding period. If the second half of the year is viewed as a whole, however, fabrication demand still shows a significant increase, in the order of approximately 50%, over the same period in 2007.

Official Sector Sales

The current Central Bank Gold Agreement (CBGA) entered its fifth and final year in September 2008. Central Bank sales in the first quarter of the final year of the agreement however reached only 50t, against a quota of 500t for the full year, which seemed unlikely to be met.

Currencies

The Rand, Australian dollar and Brazilian Real all came under pressure from the deleveraging that occurred across other asset classes. In the case of the Rand and the Australian dollar, the decline was particularly severe in October, when they lost 34% and 26% respectively against the US dollar. Both of these currencies recovered somewhat during the remainder of the quarter but never regained their initial levels. The Rand closed the quarter at \$/R9.455 which represents a depreciation of 14% over the quarter and the Australian dollar closed at A\$/0.69, a depreciation of 14%. The Brazilian Real experienced the same sell off during October as did all emerging market currencies, however unlike the Rand, it did not stage any form of sustained recovery through the balance of the quarter. The Real closed at \$/BRL 2.34 which represented a decline over the quarter of 21%.

Hedge position**HEDGE POSITION**

As at 31 December 2008, the net delta hedge position was 5.22Moz or 162t (at 30 September 2008: 5.79Moz or 180t), representing a further reduction of 0.57Moz for the quarter. The total commitments of the hedge book as at 31 December 2008 was 5.99Moz or 187t, a reduction of 0.31Moz from the position as at 30 September 2008.

The marked-to-market value of all hedge transactions making up the hedge positions was a negative \$2.68bn (negative R25.36bn), decreasing by \$0.29bn (R0.80bn increase) over the quarter. The marked-to-market value after the credit risk adjustment of all hedge transactions making up the hedge positions was a negative \$2.46bn (negative R23.25bn). This value was based on a gold price of \$872.15/oz, exchange rates of R9.455/\$ and A\$/0.6947 and the prevailing market interest rates and volatilities at that date.

The company's received price for the fourth quarter was \$687/oz, 13.6% below the average spot price for the same period.

During the course of 2008, the hedge book has been reduced by 5.17Moz on a delta basis and the committed ounces have reduced by 5.29Moz.

As at 6 February 2009, the marked-to-market value before the credit risk adjustment of the hedge position was a negative \$2.94bn (negative R28.97bn), based on a gold price of \$913.50/oz and exchange rates of R9.840/\$ and A\$/0.6528 and the prevailing market interest rates and volatilities.

These marked-to-market valuations are in no way predictive of the future value of the hedge position, nor of future impact on the revenue of the company. The valuation represents the theoretical cost of closing all hedge contracts at the time of valuation, using prevailing market prices and rates.

The following table indicates the group's commodity hedge position at 31 December 2008.

Year**2009****2010****2011****2012****2013****2014-2016****Total**

DOLLAR GOLD

Forward contracts

Amount (kg)

*(5,960)

8,354

11,765

11,944

9,518

2,845

38,466

US\$/oz

\$1,199 \$204

\$383

\$404

\$408 \$510 \$467

Put options sold

Amount (kg)

4,043

4,226

3,048

1,882

1,882

1,882

16,963

US\$/oz

\$671 \$708

\$533

\$430

\$440 \$450 \$579

Call options sold

Amount (kg)

14,805

33,394

38,312

24,461

17,857

22,067

150,896

US\$/oz

\$442 \$537

\$530

\$622

\$601 \$606 \$557

RAND GOLD

Forward contracts

Amount (kg)

*(1,866)

*

(1,866)

Rand per kg

R157,213

R157,213

A DOLLAR GOLD

Forward contracts

Amount (kg)

280

3,110

3,390

A\$ per oz

A\$852

A\$652

A\$669

Call options purchased

Amount (kg)

1,244

3,110

4,354

A\$ per oz

A\$694

A\$712

A\$707

Delta

(kg)

(4,501) (36,523)

(44,466)

(31,629)

(24,106) (20,998) (162,223)

** Total net gold:

Delta (oz)

(144,720)

(1,174,250)

(1,429,620)

(1,016,910)

(775,040)

(675,070)

(5,215,610)

*

Indicates a net long position resulting from forward purchase contracts.

**

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 2008.

Rounding of figures may result in computational discrepancies.

The following table indicates the group's currency hedge position at 31 December 2008

Year
2008
2009
2010
2011
2012
2013-2016
Total
RAND DOLLAR (000)
Put options purchased
Amount (\$)
30,000
30,000
US\$/R
R11.56
R11.56
Put options sold
Amount (\$)
50,000
50,000
US\$/R
R9.52
R9.52
Call options sold
Amount (\$)
50,000
50,000
US\$/R
R11.61
R11.61
A DOLLAR (000)
Forward contracts
Amount (\$)
450,000
450,000
A\$/US\$
\$0.65
\$0.65
Put options purchased
Amount (\$)
10,000
10,000
A\$/US\$
\$0.69
\$0.69
Put options sold
Amount (\$)
10,000
10,000
A\$/US\$

\$0.76

\$0.76

Call options sold

Amount (\$)

10,000

10,000

A\$/US\$

\$0.64

\$0.64

BRAZILIAN REAL (000)

Forward contracts

Amount (\$)

62,340

62,340

US\$/BRL

BRL 1.86

BRL 1.86

Fair value of derivative analysis by accounting designation as at 31 December 2008

Normal sale

exempted

Cash flow

hedge

accounted

Non-hedge

accounted

Total

US Dollar (millions)

Commodity option contracts

(534)

-

(1,255)

(1,789)

Foreign exchange option contracts

-

-

1

1

Forward sale commodity contracts

(748)

(146)

178

(716)

Forward foreign exchange contracts

-

(1)

16

15

Interest rate swaps

(24)

-

15

(9)

Total derivatives

(1,306)

(147)

(1,045)

(2,498)

Credit risk adjustment

(68)

(2)

(157) **(227)**

Total derivatives - before credit risk adjustment

(1,374)

(149)

(1,202)

(2,725)

Rounding of figures may result in computational discrepancies.

Exploration

Total exploration expenditure inclusive of expenditure at equity accounted joint ventures during the fourth quarter of 2008 amounted to \$38m (\$16m brownfields, \$22m greenfields), compared to \$47m (\$25m brownfields, \$22m greenfields).

Total exploration spend for the year was \$183m (\$87m brownfields, \$96m greenfields) compared to \$167m (\$75m brownfields, \$92m greenfields) in 2007.

The company's total Mineral Resource before depletion increased by 40.5Moz for the year. After depletion, this represents an increase of 32.5Moz, from 207.6Moz in 2007 to 240.1Moz in 2008. The largest single resource increase came at La Colosa in Colombia, where 12.3Moz were delineated by the exploration team. Significant other additions include 7.9Moz at Mponeng, 3.9Moz at Obuasi following exploration work below 50 level, 1.6Moz at Boddington, 1.8Moz at Savuka, 1.4Moz at Iduapriem, 1.2Moz at CC&V following successful exploration and work completed on the mine life extension project, and 1.2Moz at Sadiola.

In 2008, AngloGold Ashanti recorded an increase in total ore reserves before depletion of 7.7Moz. After depletion, this represents a 2.5% increase year-on-year, from 73.1Moz in 2007 to 74.9Moz in 2008. Significant additions included 2.8Moz at Mponeng, 1.3Moz at Obuasi due to revised mine design and schedule, 1.1Moz at Boddington due to successful drilling and at Siguiri 0.6Moz, where the resources were upgraded from inferred to indicated at the Seguelen NW and Sintroko deposits due to improved mining efficiencies.

BROWNFIELDS EXPLORATION

In **South Africa**, surface drilling continued in the Project Zaaiploats area, with technical issues delaying borehole MZA9 and MMB5 reaching a depth of 3,172m. The Vaal Reef was faulted out by a minor fault at a depth of 3,132m. Borehole MGR8 has now advanced to a depth of 1,596m and surface drilling in the Moab North area continued with the long deflection of borehole MCY4 intersecting C Reef at 2,883m. The hole is currently at a depth of 3,003m.

At Iduapriem in **Ghana**, Mineral Resource conversion drilling at Ajopa was completed, with an additional 23 Reverse Circulation (RC) (1,828m) holes and 26 Diamond drill holes (DDH) (3,127m) being drilled. At Obuasi, exploration continued with 3,055m of DDH drilling below 50 level and 524m of

DDH Drilling above 50 Level.

In **Argentina** at Cerro Vanguardia, the exploration programme continued with 1,742m of recognisance drilling. A further 8,372m of DDH drilling was completed on accessing the underground mining potential. Geological mapping commenced at El Volcan in anticipation of geophysical surveys in 2009.

In **Australia** at Boddington, there were three rigs employed on the Mineral Resource conversion and near mine exploration diamond drilling program. During the quarter, approximately 16,569 metres were drilled in 27 holes, bringing year to date drilling totals to 101,700 metres in 141 holes

At Sunrise Dam, 5,378m of underground DDH (44 holes) was completed during the quarter. Drilling continued to target the extensions to the high-grade gold mineralisation in GQ, Dolly and Cosmo in positions adjacent to the current development. Additional targeting of the Carey Shear, 1km below the mine continued to intersect broad gold zones and granite-hosted mineralisation.

In **Brazil**, at the Córrego do Sítio Sulphide Project, drilling continued with 10,810m being drilled. At the Lamego project a further 7,380m of drilling was completed, while exploration drilling started at the Nova Lima South project with 2,032m being drilled on targets defined by IP surveys and surface mapping.

At Serra Grande, exploration was completed at Pequizão and Pequizão east with 3,082m being drilled. A further 4,632m of Mineral Resource definition drilling was also completed during the quarter.

At Siguiri in **Guinea**, exploration focused on the final interpretation of the Sintroko South deposit (situated 8km south of the mine). Diamond drilling to acquire additional geological information, density data and to validate RC results were completed, and evaluation of the data resulted in a significant increase in the Indicated Mineral Resource. Mining will commence in the first quarter of 2009.

Drilling, based on anomalous soil sampling results on the extensions to the north, east and west of the main Sintroko deposit, was carried out. Good results from the north and western extensions, indicating potential new Mineral Resources close to the main Sintroko deposit, were received.

Also in Guinea, geochemical soil sampling programs were conducted in the Corridor Block (14km northwest of the mine) and in Block 1 to the north and north east of current mining operations, east of Setiguia village and south of the Sintroko Project. Encouraging results were obtained from this sampling in the northwest, north and northeast of the Kintinian-Setiguia villages. These will be drill tested in 2009.

At Geita in **Tanzania**, exploration activities were focused on Star & Comet, Nyankanga, Area 3 and Nyamalembo projects. RC drilling was completed along the northern extension of Star and Comet. A total of 5 RC holes (696m) were drilled during the quarter and further exploration will be planned after completion of geological interpretation.

DDH drilling was completed at Geita Hill and Nyankanga to test the potential for gold mineralisation beyond the limit of the open pit; for future underground mining. A total of 3 holes (1,813m) were drilled during the quarter.

RC infill and strike extension drilling to test for potential oxide Mineral Resources commenced in the Area 3 West-Kukuluma Gap. Currently 11 holes (1,577m) have been completed.

Reconnaissance RC drilling to follow up on grab sample anomalies was completed at Nyamalembo Hill and current results show significant potential. The high resolution airborne magnetic survey was completed in November.

At Morila in **Mali**, a revised geological model including lithological overview, tectonic setting and magmatism has been put forward. A revised exploration program proposal is now under consideration.

At Sadiola, Mineral Resource modelling is underway for Sekokoto Main. The Phase 10 diamond core drill

programme for metallurgical testing of the deep sulphide orebody was completed at the end of November.

A Mineral Resource conversion drilling program commenced in the FE3S-FE4 gap. The program is aimed at oxide mineralisation in the western closure of pushback 3 and sulphide mineralisation in pushback 2. A total of 38 RC holes amounting to 5,506m were completed.

At Sekokoto SE an infill drilling program of 81 RC holes amounting to 1,562m was completed. This programme was drilled to verify the continuity of mineralisation intersected in a 2006 Air Core drilling campaign.

At Yatela, infill drilling was completed at Dinguilou with a total of 6,214m being drilled. In December drilling started at Niamboulama Hill (1,460m) and along the gravity low to the South of the pit (210m).

At Navachab in **Namibia**, two geochemical soil sampling grids over favourable structural and lithological targets on the farms Okakoara and Okatji (Townlands EPL 3275) have been established, and sampling is underway.

Drilling during the last quarter of 2008 focused on the Gecko and Steenbok-Starling targets. 2,200m of RC drilling has been conducted at Gecko since October 2008. Drilling focused on the down plunge extension of the ore body as well as infill.

At Steenbok-Starling, 1,440m of RC drilling comprising 24 holes was completed. Sampling of the Zebra soil grid was completed in December and samples were submitted.

In November, Spectrem Air Limited conducted an airborne electromagnetic survey over the Navachab area, and individual zones for follow up work were identified. At Anomaly 16, a planned 14,606m of the exploration infill and advanced grade control holes were completed.

On mine exploration focused on sterilising lateral extensions and closing information gaps to reduce amount of Inferred Mineral Resource within the conceptual super pit. Drilling was done in and around the Main Pit with DDH rigs deployed on relatively deeper holes (2,871m) and RC rigs completing shallower holes (4,669m).

At Cripple Creek & Victor in the **United States**, drilling continued in the Main Cresson area, Schist Island, Squaw Gulch and near the old Victor Pads with a total of 15,690m being drilled.

GREENFIELDS

Greenfields exploration activities continued in six countries (Australia, Colombia, the DRC, China, the Philippines, and Russia) during the fourth quarter of 2008. A total of 44,264m of diamond drilling (DDH), reverse circulation (RC), and aircore (AC) drilling was completed during the fourth quarter of 2008, at existing priority targets and delineating new targets in Australia, the DRC, Russia and Colombia.

In **SE Asia**, the grant of the Mapawa title in the Philippines is being awaited with all requirements completed and submitted to the relevant government agency. Project generation activities and evaluation of opportunities are ongoing in a number of other areas in the region.

In the **Democratic Republic of Congo**, exploration activities over the 7,495km

2

Concession 40 licence

(AngloGold Ashanti 86.22% and OKIMO 13.78%), were suspended in November 2008, following the deteriorating security situation which led to a precautionary withdrawal of most non-essential staff from the concession. Prior to the withdrawal, a total of 1,253m of diamond drilling was completed within the high-grade part of the Mongbwalu resource area, bringing the total metres drilled during 2008 to 8,824m. The best results received were 7.3m @ 5.597g/t from the Mongbwalu resource area, and an intersection of 10.26m @ 3.395g/t (399.48-409.74m) 4km along strike at the Issuru prospect.

Regional exploration around Bunia West, Pesti, Mont Tsi-Nizi, Camp 3 and Lodjo areas, included soil sampling, regolith mapping and trenching. Results from infill soil sampling from the Pesti prospect defined an anomaly, approximately 450m wide and 300m long, while other regional results received were generally poor. Interpretation of the regional airborne EM and aeromagnetic surveys completed in third quarter is underway.

In **China**, a program of diamond drilling and trenching was completed at the Jinchanggou project. The work was designed to test the 16km long gold-in-soil anomaly identified in early 2008. A total of 18 holes were drilled for 4,280 metres, together with a total volume of 548m

3

trenching were completed. Despite intersecting significant intervals of intense alteration and shearing in drilling, analytical results to date have been disappointing and a review of the project will be undertaken early in the first quarter 2009.

Greenfields exploration in the **America's** region during the quarter was undertaken primarily in Colombia, whilst opportunities reviews were completed in other areas. In Colombia, Greenfield's work was completed by AngloGold Ashanti and by joint venture partners B2Gold Corp., Mineros S.A. and Glencore International. AngloGold Ashanti's component focused upon reconnaissance exploration to drill target preparation on 39 target areas in Colombia in addition to on-going preparatory work and La Colosa. B2Gold Corp. continued drilling at Gramalote and at La Quebradona. Mineros S.A. continued with exploration work including drilling programs on one target. Glencore International remained focused on early stage exploration and conducted airborne geophysical surveys within the JV areas. With respect to Colombian geological, technical and field teams, a daily average of approximately 633 field employees (including an average of 78 geologist) and contractors were active in all phases of Colombian exploration during the quarter. Drill meterage from all Colombian drilling during the fourth quarter, including that of JV partners, was 9,522 metres, bringing the year to a total of 52,752 metres completed on four projects. AngloGold Ashanti activities during the year includes flying in-house airborne magnetometry and radiometric surveys. During the fourth quarter 1,064 line kilometers were completed, bring the year's total to 11,463 line kilometers completed. AngloGold Ashanti has 408 mineral tenement contracts in Colombia totalling 743,420 ha.

At the La Colosa (100% AGA) Project, drilling remained suspended throughout the quarter due to environmental permitting issues. Whilst a resource of 12.3Moz was declared during the year, the La Colosa mineral system remains open to the north, south and east, and various additional targets immediately surround the known La Colosa mineralisation. Four of these targets are drill ready.

At Gramalote (51% B2Gold, 49% AGA, B2 Earning-In), Phase IV (pre-feasibility) diamond drilling at Gramalote Ridge, and Phase III drilling on various satellite targets was undertaken with 4,505

metres drilled, totalling 30,131 metres for the year on the global Gramalote project, including drill investigations at Gramalote Ridge (mostly resource

infill work), La Trinidad (7,019 metres in 20 holes), El Balzal, La Reina, El Topazio and La Malasia. Drilling was completed on the Gramalote project during December and are being analyzed.

In the La Quebradona porphyry Au (Cu) district (51% B2Gold, 49% AGA) a total of 4,151 metres were completed on various Au (Cu) porphyry targets during the quarter, including 1,556 metres at El Chaquiro and 590 metres at El Tenador. Thus, during 2008, B2Gold has completed 13,686 metres of core drilling on all targets within the La Quebradona district. Once all results has been returned for the AGA/ B2Gold JV Quebradona drilling program, AngloGold Ashanti will have 30 days to assimilate information and decide on it's future level of participation in the project (complete withdrawal, 49%, 51% or 65% interest).

Tropicana JV (AGA 70%, IGO 30%) Prefeasibility studies on the Tropicana Gold Project are continuing and completion of the study is scheduled for the second quarter of 2009.

A new resource estimate for Tropicana and Havana has been completed, while the emphasis of drilling activities has been to increase the confidence to provide Measured and Indicated Resources, the total resource has grown by nearly 1Moz (100% basis). The new estimate, (on a 100% basis) reported at a 0.6 g/t and 0.7g/t cut-off grade for weathered and fresh rock and constrained within a pit optimisation shell at an assumed long term gold price and A\$/ exchange rate of \$1,000/oz and A\$/0.80 is summarised below.

Tropicana Gold Project

Classification

Mt

Grade g/t

Moz

Measured	19.94
----------	-------

2.38

1.53

Indicated	31.05
-----------	-------

2.06

2.06

Inferred	24.27
----------	-------

1.83

1.43

Total

75.26

2.07

5.01

AngloGold Ashanti's total attributable gold resource is 3.51Moz. A new mining plan and schedule is being developed to incorporate the increase in the resource.

The assessment for alternative lower cost power options for the project is ongoing. The assessment is considering conventional on site diesel and gas generation, grid reticulation, solar thermal power and number of other innovative alternatives.

Submittal of formal environmental impact assessment documents is anticipated during the first half of 2009, with the Western Australian Public Environmental Review process typically taking approximately 12 months.

In parallel with the pre-feasibility study, exploration in the Tropicana JV has focussed on high priority exploration targets within trucking distance of the Tropicana Gold Project.

During the quarter a total of 633 aircore holes were drilled for 29,209 metres (2,079 holes and 104,782m YTD) and 97 RC holes for 13,752m (144 holes and 19,828m YTD).

RC drilling has returned significant results from Rusty Nail, 5m @ 7.64 g/t Au, Screaming Lizard 4.0 m @ 2.69 g/t Au and Havana South 10m 3.74 g/t Au, 5m @ 22.5 g/t and 10m @ 10.1 g/t Au. The results from Havana South suggest the potential for extensions to the resource and pit designs in this area.

Aircore drilling has identified anomalous results from Black Dragon (8m @ 0.17 g/t Au), Kamikaze (2m @ 0.57 g/t Au), Tumbleweed (1m @ 1.4 g/t Au) and Havana South (3m @ 0.76 g/t Au and 4m @ 0.3 g/t Au).

Bronco Plains JV (AGA Earning 50.4%) The Bronco Plains farm-in and joint venture agreement between the Tropicana JV and Image Resources' covers approximately 230 square kilometres and abuts the western margin of the Tropicana JV. Under the agreement, AngloGold Ashanti and Independence Group can earn a combined 72% in the project by spending \$2m. Aircore drilling of approximately 10 kilometre long gold-in-soil anomaly will commence in 2009, once regulatory approvals have been obtained.

In **Russia**, where AngloGold Ashanti operates in joint venture alliance with Russian miner "OOO Polymetal", exploration and review work was continued during the quarter.

Mineral Resource and Ore Reserve

Mineral Resources and Ore Reserves are reported in accordance with the minimum standard described by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2004 Edition), and also conform to the standards set out in the South African Code for the Reporting of Mineral Resources and Ore Reserves (the SAMREC 2000 Code). Mineral Resources are inclusive of the Ore Reserve component unless otherwise stated.

Mineral Resources

The 2008 Mineral Resource increased by 40.5Moz before the subtraction of depletion. After a depletion of 7.2Moz, the net increase is 33.4Moz to give a total Mineral Resource of 241.0Moz. Mineral Resources were estimated at a gold price of \$1,000/oz (2007: \$700/oz). The increased gold price resulted in 13.3Moz of added Mineral Resource while successful exploration and revised modelling resulted in a further increase of 27.5Moz. The remaining loss of 0.3Moz is the result of various other reasons.

Moz

December 2007 Mineral Resource

207.6

Reductions

TauTona

Transfer to Mponeng

(1.9)

Great Noligwa

Transfer of SV4 to Moab Khotsong

(1.2)

Tau Lekoa

Significant structure and facies changes to the north of Tau Lekoa

(1.2)

Other

Total of non significant changes

(1.4)

Additions

La Colosa

Successful Greenfields exploration.

12.3

Mponeng

Granting of the WUDL's licence and transfers from TauTona

7.9

Moab Khotsong

Transfer of SV4 to Moab Khotsong

4.4

Obuasi

Exploration below 50 level

3.9

Savuka

Improved economic outlook as a result of an increase in the gold price

1.8

Boddington

Growth in Mineral Resources: Successful near mine exploration drilling and higher gold price

1.6

Iduapriem

Due to increase in Mineral Resource gold price and remodelling of Block

7&8

1.4

Cripple Creek & Victor

Successful exploration

1.2

Sadiola

Increase in resource gold price, increase in deep sulphides project

1.2

Siguiri

Due to increase in Mineral Resource gold price and increases in the Mineral Resource at Sintroko and Foulata

1.0

Other

Total of non significant changes

2.4

December 2008 Mineral Resource

241.0

Ore Reserves

The 2008 Ore Reserve increased by 7.7Moz before the subtraction of depletion. After a depletion of 5.9Moz, the net increase is 1.8Moz to give a total Ore Reserve of 74.9Moz.

A gold price of \$720/oz was used for Ore Reserve estimates (2007: \$600/oz). The change in economic assumptions made from 2007 to 2008 resulted in the Ore Reserve increasing by 2.7Moz while exploration and modelling resulted in an additional increase of 5.0Moz.

Moz

December 2007 Ore Reserves

73.1

Reductions

TauTona

Carbon Leader ground between 123-126 levels was transferred to Mponeng. As a change to scattered grid mining, lower value estimates resulting from increased sampling and drilling resulted in reductions. These were partially offset by a higher Mine Call Factor and inclusion of the Carbon Leader Eastern block.

(1.5)

Geita

Mineral Resource model changes and the application of grade factors to mitigate low model confidence; Cost increases

(1.4)

Great Noligwa

Transfer of SV4 section to Moab Khotsong

(1.3)

Other

Total of non significant changes

(1.1)

Additions

Mponeng

Increased grades, the additional ground from TauTona 123-126 level and improved economics which allowed for the mining of Block 3&5

2.8

Obuasi

The increase is due to a revised mine design and schedule.

1.3

Boddington

The growth in Ore Reserve is due to successful drilling and a higher gold price

1.1

Siguiri

The Seguelen NW and Sintroko deposits were upgraded from Inferred to Indicated Mineral Resource and the mining efficiency increased

0.6

Other

Total of non significant changes

1.3

December 2008 Ore Reserves

74.9

By-products

A number of by-products are recovered as a result of the processing of gold Ore Reserves.

These include 0.19Mt of uranium from the South African operations, 0.29Mt of copper from Australia, 0.44Mt of sulphur from Brazil and 35.7Moz of silver from Argentina. Details of the by-product Mineral Resources and Ore Reserves are given in the 2008 Mineral Resource and Ore Reserve Report which is available on the corporate website, www.AngloGoldAshanti.com.

External audit of Mineral Resource and Ore Reserve statements

During the course of the year and as part of the rolling audit programme, AngloGold Ashanti 2008 Mineral Resources and Ore Reserves for the following operations were submitted for external audit:

Mponeng

Tau Tona

Vaal River Surface Sources

Iduapriem

Navachab

Sadiola

Yatela

The company has been informed that the audit identified no material shortcomings in the process by which AngloGold Ashanti's Mineral Resources and Ore Reserves were evaluated. It is the company's intention to continue this process so that its operations will be audited every three years on average.

Competent persons

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by the Competent Persons. These individuals are identified in the report entitled, "Mineral Resource and Ore Reserve 2008 Report". The Competent Persons consent to the inclusion of Exploration Results, Mineral Resources and Ore Reserves information in this report, in the form and context in which it appears.

During the past decade, the company has developed and implemented a rigorous system of internal and external reviews of Exploration Results, Mineral Resources or Ore Reserves. A documented chain of responsibility exists from the Competent Persons at the operations to the company's Mineral Resource and Ore Reserve Steering Committee. Accordingly, the Chairman of the Mineral Resource and Ore Reserve Steering Committee, Mr VA Chamberlain, MSc (Mining Engineering), BSc (Hons) (Geology), MAusIMM, assumes responsibility for the Mineral Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

Notes

A detailed breakdown of the Mineral Resources and Ore Reserves is provided in the report entitled, "Mineral Resource and Ore Reserve 2008 Report", which will be available in the annual report section of the AngloGold Ashanti website (www.AngloGoldAshanti.com) on or about 23 March 2009, and may be downloaded as a PDF file using Adobe Acrobat Reader. This information is also available on request from the AngloGold Ashanti offices at the addresses given at the back of this report.

**Mineral Resources by country (attributable)
as at 31 December 2008**

Category

Tonnes

million

Grade

g/t

Contained

gold

tonnes

Contained

gold

Moz

South Africa

Measured

25.56

13.80

352.57 11.34

Indicated

739.87

3.27

2,416.79

77.70

Inferred

56.35

10.47

590.06

18.97

Total

821.77

4.09

3,359.42

108.01

Argentina

Measured

11.01

1.73

19.04 0.61

Indicated

22.00

3.48

76.49

2.46

Inferred

4.97

4.11

20.45

0.66

Total

37.99

3.05

115.98

3.73

Australia

Measured

101.25

1.19

120.77 3.88

Indicated

404.49

0.84

340.15

10.94

Inferred

154.79

0.89

138.43

4.45

Total

660.53

0.91

599.35

19.27

Brazil

Measured

11.1

7.01

77.80 2.50

Indicated

13.46

6.49

87.36

2.81

Inferred

28.51

6.76

192.59

6.19

Total

53.07

6.74

357.75

11.50

Colombia

Measured

-

-

- -

Indicated

-

-

-

-
 Inferred
 409.77
 1.01
 415.45
 13.36
Total
409.77
1.01
415.45
13.36

Democratic Republic of Congo

Measured

-
 -
 -

Indicated

-
 -
 -
 -

Inferred

29.25
 2.69
 78.53
 2.52

Total
29.25
2.69
78.53
2.52

Ghana

Measured

94.21
 5.21
 490.68 15.78

Indicated

138.91
 2.86
 397.31
 12.77

Inferred

100.10
 4.25
 425.27
 13.67

Total
333.23
3.94
1,313.26
42.22

Guinea

Measured	
33.53	
0.63	
21.25	0.68
Indicated	
125.22	
0.84	
105.53	
3.39	
Inferred	
64.08	
0.90	
57.85	
1.86	

Total

222.82

0.83

184.63

5.94

Mali

Measured	
19.40	
1.64	
31.86	1.02
Indicated	
26.39	
2.48	
65.32	
2.10	
Inferred	
11.10	
2.30	
25.49	
0.82	

Total

56.89

2.16

122.68

3.94

Namibia

Measured	
13.83	
0.74	
10.25	0.33
Indicated	
61.94	
1.26	
78.05	
2.51	
Inferred	

42.31

1.09

46.25

1.49

Total

118.08

1.14

134.55

4.33

Tanzania

Measured

-

-

-

Indicated

83.84

3.63

304.10

9.78

Inferred

25.12

3.81

95.77

3.08

Total

108.97

3.67

399.87

12.86

United States of America

Measured

255.90

0.87

223.31 7.18

Indicated

183.75

0.73

134.97

4.34

Inferred

83.61

0.66

55.60

1.79

Total

523.26

0.79

413.88

13.31

Total

Measured

565.80	
2.38	
1,347.53	43.32
Indicated	
1,799.87	
2.23	
4,006.08	
128.80	
Inferred	
1,009.96	
2.12	
2,141.75	
68.86	
Total	
3,375.63	
2.22	
7,495.36	
240.98	

**Ore Reserves by country (attributable)
as at 31 December 2008**

Category

Tonnes

million

Grade

g/t

Contained

gold

tonnes

Contained

gold

Moz

South Africa

Proved

13.72

7.81

107.13 3.44

Probable

215.10

4.37

939.79

30.21

Total

228.82

4.58

1,046.92

33.66

Argentina

Proved

9.99

1.39

13.90 0.45

Probable

12.29

3.52

43.24

1.39

Total

22.27

2.56

57.13

1.84

Australia

Proved

67.82

1.10

74.54 2.40

Probable

214.50

0.90

192.57	
6.19	
Total	
282.33	
0.95	
267.11	
8.59	
Brazil	
Proved	
7.77	
6.44	
50.06	1.61
Probable	
7.02	
5.82	
40.87	
1.31	
Total	
14.79	
6.15	
90.93	
2.92	
Ghana	
Proved	
56.85	
4.24	
240.89	7.74
Probable	
36.43	
3.82	
139.10	
4.47	
Total	
93.28	
4.07	
379.98	
12.22	
Guinea	
Proved	
56.13	
0.56	
31.48	1.01
Probable	
67.11	
1.04	
69.64	
2.24	
Total	
123.24	
0.82	
101.12	

3.25	
Mali	
Proved	
9.29	
1.87	
17.33	0.56
Probable	
6.65	
2.26	
15.02	
0.48	
Total	
15.94	
2.03	
32.35	
1.04	
Namibia	
Proved	
7.21	
0.89	
6.39	0.21
Probable	
27.58	
1.28	
35.19	
1.13	
Total	
34.78	
1.20	
41.58	
1.34	
Tanzania	
Proved	
-	
-	
-	-
Probable	
54.30	
2.93	
159.06	
5.11	
Total	
54.30	
2.93	
159.06	
5.11	
United States	
Proved	
112.57	
0.93	
104.60	3.36

Probable

55.70

0.87

48.59

1.56

Total

168.27

0.91

153.19

4.93

Total

Proved

341.35

1.89

646.31 20.78

Probable

696.67

2.42

1,683.07

54.11

Total

1,038.02

2.24

2,329.38

74.89

Group **operating results**

Dec

Sep

Dec

Dec

Dec

Dec

Sep

Dec

Dec

Dec

2008

2008

2007

2008

2007

2008

2008

2007

2008

2007

OPERATING RESULTS

UNDERGROUND OPERATION

Milled

- 000 tonnes

/ - 000 tons

3,227

3,178

3,236

12,335

13,112

3,557

3,503

3,567

13,597

14,454

Yield

- g / t

/ - oz / t

6.72

6.84

6.96

6.89

6.99

0.196

0.200

0.203

0.201

0.204

Gold produced

- kg

/ - oz (000)

21,679

21,737

22,505

85,025

91,684

697

699

723

2,734

2,948

SURFACE AND DUMP RECLAMATION

Treated

- 000 tonnes

/ - 000 tons

3,092

3,078

2,987

11,870

12,429

3,408

3,393

3,293

13,085

13,701

Yield

- g / t

/ - oz / t

0.44

0.40

0.45

0.42

0.49

0.013

0.012

0.013

0.012

0.014

Gold produced

- kg

/ - oz (000)

1,362

1,229

1,339

5,009

6,142

44

40

43

161

197

OPEN-PIT OPERATION

Mined

- 000 tonnes

/ - 000 tons

40,332

44,777

47,549

175,999

172,487

44,458

49,358

52,414

194,006

190,134

Treated

- 000 tonnes

/ - 000 tons

6,575

6,318

6,455

25,388

25,312

7,248

6,964

7,115

27,985

27,901

Stripping ratio

- t (mined total - mined ore) / t mined ore

4.65

6.24

4.62

5.24

4.48

4.65

6.24

4.62

5.24

4.48

Yield

- g / t

/ - oz / t

2.01

2.15

2.33

2.12

2.34

0.059

0.063

0.068

0.062

0.068

Gold in ore

- kg

/ - oz (000)

18,394

4,089

13,711

47,160

55,463

591

131

441

1,516

1,783

Gold produced

- kg

/ - oz (000)

13,240

13,573

15,047

53,930

59,227

426

436

484

1,734

1,904

HEAP LEACH OPERATION

Mined

- 000 tonnes

/ - 000 tons

13,712

13,475

14,965

54,754

59,720

15,115

14,854

16,496

60,356

65,830

Placed

1

- 000 tonnes

/ - 000 tons

5,861

6,026

5,852

23,462

22,341

6,460

6,642

6,450

25,863

24,627

Stripping ratio

- t (mined total - mined ore) / t mined ore

1.47

1.38

1.61

1.43

1.77

1.47

1.38

1.61

1.43

1.77

Yield

2

- g / t

/ - oz / t

0.61

0.56

0.70

0.62

0.73

0.018

0.016

0.021

0.018

0.021

Gold placed

3

- kg

/ - oz (000)

3,577

3,376

4,115

14,496

16,242

115

109

132

466

522

Gold produced

- kg

/ - oz (000)

3,148

2,797

3,665

10,994

13,312

101

90

118

353

428

TOTAL

Gold produced

- kg

/ - oz (000)

39,429

39,336

42,556

154,958

170,365

1,268

1,265

1,368

4,982

5,477

Gold sold

- kg

/ - oz (000)

39,249

40,902

42,278

155,954

170,265

1,262

1,315

1,359

5,014

5,474

Price received

- R / kg

/ - \$ / oz

- sold

219,329

160,127

149,312

130,522

142,107

687

644

687

485

629

Price received normalised for
accelerated settlement of non-
hedge derivatives

- R / kg

/ - \$ / oz

- sold

219,329

160,127

149,312

185,887

142,107

687

644

687

702

629

Total cash costs

- R / kg

/ - \$ / oz

- produced

134,813

121,440

87,744

117,462

80,490

422

486

404

444

357

Total production costs

- R / kg

/ - \$ / oz

- produced

172,312

152,945

122,344

150,149

107,415

540

612

563

567

476

PRODUCTIVITY PER EMPLOYEE

Target

- g

/ - oz

342

346

404

333

396

11.00

11.12

12.99

10.70

12.74

Actual

- g

/ - oz

295

321

342

309

349

9.48

10.32

10.99

9.94

11.23

CAPITAL EXPENDITURE

- Rm

/ - \$m

2,994

2,623

2,315

9,905

7,444

302

338

339

1,201

1,059

1

Tonnes (tons) placed on to leach pad.

2

Gold placed / tonnes (tons) placed.

3

Gold placed into leach pad inventory.

Rounding of figures may result in computational discrepancies.

Quarter ended

Quarter ended

Unaudited

Rand / Metric

Unaudited

Dollar / Imperial

Year

ended

Year

ended

Group **income statement**

Quarter

Quarter

Quarter

Year

Year

ended

ended

ended

ended

ended

December

September

December

December

December

2008

2008

2007

2008

2007

Restated

Restated

SA Rand million

Notes

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Revenue

2

8,771

7,205

5,472

30,790

21,876

Gold income

8,517

6,851

5,249

29,774

21,101

Cost of sales

3

(6,928)

(6,148)

(4,943)

(22,558)

(17,241)

Gain (loss) on non-hedge derivatives and other commodity contracts

4	
598	
148	
(2,927)	
(6,277)	
(5,169)	
Gross profit (loss)	
2,187	
851	
(2,621)	
939	
(1,309)	
Corporate administration and other expenses	
(363)	
(255)	
(211)	
(1,090)	
(894)	
Market development costs	
(41)	
(25)	
(40)	
(113)	
(115)	
Exploration costs	
(298)	
(205)	
(232)	
(1,037)	
(824)	
Other operating income (expenses)	
5	
61	
(73)	
22	
(29)	
(134)	
Operating special items	
6	
(15,855)	
121	
(233)	
(15,379)	
(84)	
Operating (loss) profit	
(14,309)	
415	
(3,315)	
(16,709)	
(3,360)	
Dividend received from other investments	

-
-
-
-
16
Interest received
108
248
87
536
302
Exchange gain (loss)
8
51
19
33
(6)
Fair value adjustment on option component of convertible bond
2
-
115
185
333
Finance costs and unwinding of obligations
(225)
(235)
(227)
(926)
(845)
Share of associates' and equity accounted joint ventures (loss) profit
(381)
(98)
132
(1,177)
240
(Loss) profit before taxation
(14,797)
381
(3,189)
(18,058)
(3,320)
Taxation
7
2,978
(577)
(4)
2,078
(734)
Loss after taxation from continuing operations
(11,819)
(196)

(3,193)

(15,980)

(4,054)

Discontinued operations

Profit from discontinued operations

8

4

6

41

198

7

Loss for the period

(11,815)

(190)

(3,152)

(15,782)

(4,047)

Allocated as follows:

Equity shareholders

(11,869)

(247)

(3,199)

(16,105)

(4,269)

Minority interest

54

57

47

323

222

(11,815)

(190)

(3,152)

(15,782)

(4,047)

Basic loss per ordinary share (cents)

1

Loss from continuing operations

(3,336)

(73)

(1,150)

(5,140)

(1,519)

Profit from discontinued operations

1

2

15

63

3

Loss

(3,335)

(71)
 (1,136)
 (5,077)
 (1,516)
Diluted loss per ordinary share (cents)

2
 Loss from continuing operations
 3
(3,336)
 (73)
 (1,150)
 (5,140)
 (1,519)
 Profit from discontinued operations

3
1
 2
 15
 63
 3
 Loss
 3
(3,335)

(71)
 (1,136)
 (5,077)
 (1,516)

Dividends

4
 - Rm
 324
 919
 - cents per Ordinary share
 103
 330
 - cents per E Ordinary share
 52
 165

1
 Calculated on the basic weighted average number of ordinary shares.

4
 Represents the dividend declared per ordinary share.
Rounding of figures may result in computational discrepancies.

2
 The impact of the diluted loss per share is anti-dilutive and therefore equal to the basic loss per share.

3
 Calculated on the diluted weighted average number of ordinary shares.

Group **income statement**

Quarter

Quarter

Quarter

Year

Year

ended

ended

ended

ended

ended

December

September

December

December

December

2008

2008

2007

2008

2007

Restated

Restated

US Dollar million

Notes

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Revenue

2

884

930

810

3,743

3,113

Gold income

858

885

777

3,619

3,002

Cost of sales

3

(698)

(790)

(731)

(2,728)

(2,458)

Gain (loss) on non-hedge derivatives and other commodity contracts

4	
230	
92	
(441)	
(297)	
(792)	
Gross profit (loss)	
390	
186	
(395)	
594	
(248)	
Corporate administration and other expenses	
(37)	
(33)	
(31)	
(131)	
(128)	
Market development costs	
(4)	
(3)	
(6)	
(13)	
(16)	
Exploration costs	
(30)	
(26)	
(35)	
(126)	
(117)	
Other operating income (expenses)	
5	
6	
(9)	
3	
(6)	
(20)	
Operating special items	
6	
(1,600)	
16	
(34)	
(1,538)	
(13)	
Operating (loss) profit	
(1,275)	
130	
(498)	
(1,220)	
(542)	
Dividend received from other investments	

-	
-	
-	
-	
2	
Interest received	
11	
32	
13	
66	
43	
Exchange gain (loss)	
1	
6	
3	
4	
(1)	
Fair value adjustment on option component of convertible bond	
-	
-	
17	
25	
47	
Finance costs and unwinding of obligations	
(23)	
(30)	
(34)	
(114)	
(120)	
Share of associates' and equity accounted joint ventures (loss) profit	
(39)	
(12)	
20	
(138)	
35	
(Loss) profit before taxation	
(1,324)	
126	
(479)	
(1,377)	
(536)	
Taxation	
7	
313	
(69)	
(1)	
197	
(101)	
(Loss) profit after taxation from continuing operations	
(1,011)	
57	

(481)

(1,180)

(637)

Discontinued operations

Profit from discontinued operations

8

-

1

6

25

1

(Loss) profit for the period

(1,011)

58

(475)

(1,155)

(636)

Allocated as follows:

Equity shareholders

(1,016)

51

(482)

(1,195)

(668)

Minority interest

5

7

7

40

32

(1,011)

58

(475)

(1,155)

(636)

Basic (loss) earnings per ordinary share (cents)

1

(Loss) profit from continuing operations

(285)

15

(173)

(385)

(237)

Profit from discontinued operations

-

-

2

8

-

(Loss) profit

(285)

15
 (171)
 (377)
 (237)
Diluted (loss) earnings per ordinary share (cents)

2
 (Loss) profit from continuing operations
 3
(285)

15
 (173)
 (385)
 (237)
 Profit from discontinued operations

3
 -
 -
 2
 8
 -
 (Loss) profit

3
(285)
 15
 (171)
 (377)
 (237)

Dividends

4
 - \$m
 41
 125
 - cents per Ordinary share
 13
 45
 - cents per E Ordinary share

7
 22
 1
 Calculated on the basic weighted average number of ordinary shares.

4
 Represents the dividend declared per ordinary share. Dividends are translated at actual rates on date of payment.
Rounding of figures may result in computational discrepancies.

2
 The impact of the diluted earnings (loss) per share is anti-dilutive and therefore equal to the basic earnings (loss) per share.

3
 Calculated on the diluted weighted average number of ordinary shares.

Group **balance sheet**

As at

As at

As at

December

September

December

2008

2008

2007

Restated

SA Rand million

Notes

Unaudited

Unaudited

Unaudited

ASSETS

Non-current assets

Tangible assets

41,081

55,085

45,095

Intangible assets

1,403

3,287

2,859

Investments in associates and equity accounted joint ventures

2,814

2,846

2,183

Other investments

625

663

699

Inventories

2,710

2,389

1,807

Trade and other receivables

585

531

387

Deferred taxation

475

111

430

Other non-current assets

32

88

278

49,725

65,000

53,738

Current assets

Inventories

5,663

5,342

3,753

Trade and other receivables

2,076

2,076

1,384

Derivatives

5,386

3,851

3,516

Current portion of other non-current assets

2

2

2

Cash restricted for use

415

499

264

Cash and cash equivalents

5,438

4,585

3,246

18,980

16,355

12,165

Non-current assets held for sale

7,497

10

210

26,477

16,365

12,375

TOTAL ASSETS

76,202

81,365

66,113

EQUITY AND LIABILITIES

Share capital and premium

11

37,336

36,525

22,371

Retained earnings and other reserves

12

(14,380)

(6,579)

(6,167)
Shareholders' equity
22,956
29,946
16,204
Minority interests
12
790
655
429
Total equity
23,746
30,601
16,633
Non-current liabilities
Borrowings
13
8,224
6,865
10,416
Environmental rehabilitation and other provisions
3,860
3,805
3,176
Provision for pension and post-retirement benefits
1,293
1,257
1,208
Trade, other payables and deferred income
99
72
79
Derivatives
14
235
313
1,110
Deferred taxation
5,838
8,170
7,100
19,549
20,483
23,089
Current liabilities
Current portion of borrowings
13
10,046
8,581
2,173
Trade, other payables and deferred income

4,946

4,857

4,318

Derivatives

14

16,426

15,998

18,763

Taxation

1,033

846

1,137

32,451

30,282

26,391

Non-current liabilities held for sale

456

-

-

32,907

30,282

26,391

Total liabilities

52,456

50,764

49,480

TOTAL EQUITY AND LIABILITIES

76,202

81,365

66,113

Net asset value - cents per share

6,643

8,628

5,907

Rounding of figures may result in computational discrepancies.

Group **balance sheet**

As at

As at

As at

December

September

December

2008

2008

2007

Restated

US Dollar million

Notes

Unaudited

Unaudited

Unaudited

ASSETS

Non-current assets

Tangible assets

4,345

6,663

6,621

Intangible assets

148

398

420

Investments in associates and equity accounted joint ventures

298

344

321

Other investments

66

80

103

Inventories

287

289

265

Trade and other receivables

62

64

57

Deferred taxation

50

13

63

Other non-current assets

3

11

41

5,259

7,863
7,891
Current assets
Inventories
599
646
551
Trade and other receivables
220
251
203
Derivatives
570
466
516
Current portion of other non-current assets
-
-
-
Cash restricted for use
44
60
39
Cash and cash equivalents
575
555
477
2,008
1,978
1,786
Non-current assets held for sale
793
1
31
2,801
1,979
1,817
TOTAL ASSETS
8,060
9,842
9,708
EQUITY AND LIABILITIES
Share capital and premium
11
3,949
4,418
3,285
Retained earnings and other reserves
12
(1,521)
(796)

(906)	
Shareholders' equity	
2,428	
3,622	
2,379	
Minority interests	
12	
83	
79	
63	
Total equity	
2,511	
3,702	
2,442	
Non-current liabilities	
Borrowings	
13	
870	
830	
1,529	
Environmental rehabilitation and other provisions	
408	
460	
467	
Provision for pension and post-retirement benefits	
137	
152	
177	
Trade, other payables and deferred income	
11	
9	
12	
Derivatives	
14	
25	
38	
163	
Deferred taxation	
617	
988	
1,042	
2,068	
2,478	
3,390	
Current liabilities	
Current portion of borrowings	
13	
1,063	
1,038	
319	
Trade, other payables and deferred income	

524
587
635
Derivatives
14
1,737
1,935
2,755
Taxation
109
102
167
3,433
3,663
3,876
Non-current liabilities held for sale
48
-
-
3,481
3,663
3,876
Total liabilities
5,549
6,140
7,266
TOTAL EQUITY AND LIABILITIES
8,060
9,842
9,708
Net asset value - cents per share
702
1,044
867

Rounding of figures may result in computational discrepancies.

Group
cash flow statement

Quarter

Quarter

Quarter

Year

Year

ended

ended

ended

ended

ended

December

September

December

December

December

2008

2008

2007

2008

2007

Restated

Restated

Restated

SA Rand million

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Cash flows from operating activities

Receipts from customers

8,772

6,818

5,376

30,117

21,595

Payments to suppliers and employees

(6,210)

(6,193)

(3,744)

(24,429)

(14,676)

Cash generated from operations

2,562

625

1,632

5,688

6,919

Cash (utilised) generated by discontinued operations

(4)	
9	
10	
(11)	
(14)	
Cash utilised for hedge book settlements	
(10)	
(7,755)	
-	
(8,514)	
-	
Dividend received from equity accounted investments	
257	
141	
107	
739	
444	
Taxation paid	
(127)	
(129)	
(568)	
(1,029)	
(1,264)	
Net cash inflow (outflow) from operating activities	
2,678	
(7,108)	
1,181	
(3,127)	
6,085	
Cash flows from investing activities	
Capital expenditure	
(2,964)	
(2,615)	
(2,259)	
(9,846)	
(7,138)	
Acquisition of assets	
-	
-	
3	
-	
(284)	
Proceeds from disposal of tangible assets	
33	
25	
24	
301	
197	
Proceeds from disposal of assets of discontinued operations	
-	
1	

-
79
9
Other investments acquired
(197)
(228)
(207)
(769)
(190)
Associate loans, acquisitions and disposals
-
(44)
-
377
1
Proceeds from disposal of investments
203
214
69
729
174
Dividend received from other investments
-
-
-
-
16
Decrease (increase) in cash restricted for use
94
24
37
(49)
(177)
Interest received
98
256
72
538
247
Net loans repaid
1
1
-
-
3
Net cash outflow from investing activities
(2,733)
(2,366)
(2,261)
(8,640)
(7,142)

Cash flows from financing activities

Proceeds from issue of share capital

12

13,494

88

13,592

247

Share issue expenses

(11)

(410)

-

(421)

(4)

Proceeds from borrowings

1,622

2,305

4,205

7,034

5,918

Repayment of borrowings

(477)

(4,402)

(3,194)

(5,066)

(3,652)

Finance costs paid

(266)

(242)

(34)

(788)

(502)

Advanced proceeds from rights offer

-

(6)

-

-

-

Dividends paid

-

(254)

(17)

(455)

(1,050)

Net cash inflow from financing activities

879

10,486

1,048

13,896

957

Net increase (decrease) in cash and cash equivalents

824

1,011
(31)
2,129
(100)
Translation
29
(87)
(10)
63
49
Cash and cash equivalents at beginning of period
4,585
3,661
3,287
3,246
3,297
Net cash and cash equivalents at end of period
5,438
4,585
3,246
5,438
3,246
Cash generated from operations
(Loss) profit before taxation
(14,797)
381
(3,189)
(18,058)
(3,320)
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
(1,046)
(821)
3,645
3,169
7,112
Amortisation of tangible assets
1,387
1,111
1,063
4,620
3,980
Finance costs and unwinding of obligations
225
235
227
926
845
Environmental, rehabilitation and other expenditure
(75)
54

252
38
266
Operating special items
15,855
(121)
233
15,379
84
Amortisation of intangible assets
9
4
3
21
14
Deferred stripping
(140)
(124)
(84)
(418)
(489)
Fair value adjustment on option components of convertible bond
(2)
-
(115)
(185)
(333)
Interest receivable
(108)
(248)
(87)
(536)
(302)
Other non-cash movements
747
393
66
1,953
141
Movements in working capital
507
(238)
(250)
(1,221)
(1,079)
2,562
625
1,632
5,688
6,919

Movements in working capital

Increase in inventories

(1,162)

(310)

(429)

(3,588)

(1,410)

Decrease (increase) in trade and other receivables

135

(241)

(141)

(618)

(404)

Increase (decrease) in trade and other payables

1,533

312

321

2,985

(735)

507

(238)

(250)

(1,221)

(1,079)

Rounding of figures may result in computational discrepancies.

Group cash flow statement

Quarter

Quarter

Quarter

Year

Year

ended

ended

ended

ended

ended

December

September

December

December

December

2008

2008

2007

2008

2007

Restated

Restated

Restated

US Dollar million

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Cash flows from operating activities

Receipts from customers

892

884

795

3,672

3,071

Payments to suppliers and employees

(681)

(765)

(554)

(3,040)

(2,088)

Cash generated from operations

210

119

241

632

983

Cash generated (utilised) by discontinued operations

-

1	
2	
(1)	
(2)	
Cash utilised for hedge book settlements	
(1)	
(1,018)	
-	
(1,113)	
-	
Dividend received from equity accounted investments	
20	
15	
16	
78	
65	
Taxation paid	
(7)	
(16)	
(82)	
(125)	
(180)	
Net cash inflow (outflow) from operating activities	
221	
(899)	
176	
(529)	
866	
Cash flows from investing activities	
Capital expenditure	
(298)	
(337)	
(330)	
(1,194)	
(1,015)	
Acquisition of assets	
-	
-	
-	
-	
(40)	
Proceeds from disposal of tangible assets	
3	
3	
4	
39	
29	
Proceeds from disposal of assets of discontinued operations	
-	
-	
-	

10	
1	
Other investments acquired	
(19)	
(29)	
(30)	
(93)	
(27)	
Associate loans, acquisitions and disposals	
(3)	
(1)	
-	
48	
-	
Proceeds from disposal of investments	
20	
28	
10	
88	
25	
Dividend received from other investments	
-	
-	
-	
-	
2	
Decrease (increase) in cash restricted for use	
14	
3	
5	
(6)	
(25)	
Interest received	
10	
33	
11	
67	
35	
Net loans advanced	
-	
-	
-	
-	
-	
Net cash outflow from investing activities	
(274)	
(300)	
(330)	
(1,041)	
(1,015)	

Cash flows from financing activities

Proceeds from issue of share capital

1

1,710

12

1,722

34

Share issue expenses

-

(54)

-

(54)

-

Proceeds from borrowings

149

298

602

853

843

Repayment of borrowings

(17)

(573)

(455)

(614)

(520)

Finance costs paid

(25)

(31)

(6)

(93)

(72)

Advanced proceeds from rights offer

-

(1)

-

-

-

Dividends paid

-

(33)

(2)

(58)

(144)

Net cash inflow from financing activities

108

1,317

150

1,756

141

Net increase (decrease) in cash and cash equivalents

55

117
(4)
186
(8)
Translation
(35)
(30)
2
(88)
14
Cash and cash equivalents at beginning of period
555
467
478
477
471
Net cash and cash equivalents at end of period
575
555
477
575
477
Cash generated from operations
(Loss) profit before taxation
(1,324)
126
(479)
(1,377)
(536)
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
(276)
(178)
547
(88)
1,071
Amortisation of tangible assets
140
143
157
560
567
Finance costs and unwinding of obligations
23
30
34
114
120
Environmental, rehabilitation and other expenditure
(8)
7

37
6
39
Operating special items
1,600
(16)
34
1,538
13
Amortisation of intangible assets
1
-
-
2
2
Deferred stripping
(14)
(16)
(13)
(51)
(72)
Fair value adjustment on option components of convertible bond
-
-
(17)
(25)
(47)
Interest receivable
(11)
(32)
(13)
(66)
(43)
Other non-cash movements
75
49
(9)
225
21
Movements in working capital
5
5
(38)
(206)
(152)
210
119
241
632
983

Movements in working capital

(Increase) decrease in inventories

(1)

14

(70)

(151)

(224)

Decrease (increase) in trade and other receivables

47

(17)

(23)

(9)

(64)

(Decrease) increase in trade and other payables

(40)

7

55

(46)

136

5

5

(38)

(206)

(152)

Rounding of figures may result in computational discrepancies.

Statement of **recognised income and expense**

Year

Year

ended

ended

December

December

2008

2007

Restated

SA Rand million

Unaudited

Unaudited

Actuarial loss on pension and post-retirement benefits

(364)

(99)

Net loss on cash flow hedges removed from equity and reported in gold sales

1,782

1,421

Net loss on cash flow hedges

(721)

(1,173)

Hedge ineffectiveness

64

69

Realised losses on capital hedges

(18)

-

(Loss) gain on available-for-sale financial assets

(83)

8

Deferred taxation on items above

(119)

36

Translation

8,634

(169)

Net income recognised directly in equity

9,175

93

Loss for the year

(15,782)

(4,047)

Total recognised expense for the year

(6,607)

(3,954)

Attributable to:

Equity shareholders

(7,093)

(4,169)

Minority interest

486
215
(6,607)
(3,954)
US Dollar million
Actuarial loss on pension and post-retirement benefits
(44)
(14)
Net loss on cash flow hedges removed from equity and reported in gold sales
216
202
Net loss on cash flow hedges
(87)
(168)
Hedge ineffectiveness
8
10
Realised losses on capital hedges
(2)
-
(Loss) gain on available-for-sale financial assets
(10)
1
Deferred taxation on items above
(12)
5
Translation
645
6
Net income recognised directly in equity
714
42
Loss for the year
(1,155)
(636)
Total recognised expense for the year
(441)
(594)
Attributable to:
Equity shareholders
(477)
(627)
Minority interest
36
33
(441)
(594)

Rounding of figures may result in computational discrepancies.

Notes

for the quarter and year ended 31 December 2008

1. Basis of preparation

The financial statements in this quarterly report have been prepared in accordance with the historic cost convention except for certain financial instruments which are stated at fair value. Except for the change in accounting policy described below and detailed in note 20, the group's accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2007 and revised International Financial Reporting Standards (IFRS) which are effective 1 January 2008, where applicable.

The group changed its accounting policy regarding accounting for incorporated joint ventures to provide more relevant financial data as returns from these investments are limited to dividends which is more representative of the income flows. Incorporated joint ventures were previously accounted for under the proportionate consolidation method. Comparative figures have been restated to conform to the changes in accounting policy.

The financial statements of AngloGold Ashanti Limited have been prepared in compliance with IAS34, JSE Listings Requirements and in the manner required by the South African Companies Act, 1973 for the preparation of financial information of the group for the quarter and year ended 31 December 2008.

2. Revenue

Quarter ended

Year ended

Quarter ended

Year ended

Dec

Sep

Dec

Dec

Dec

Dec

Sep

Dec

Dec

Dec

2008

2008

2007

2008

2007

2008

2008

2007

2008

2007

Restated

Restated

Restated

Restated

Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited

SA Rand million

US Dollar million

Gold income

8,517

6,851
5,249
29,774
21,101

858

885
777
3,619
3,002

By-products (note 3)

147

106
136
480
457

15

14
20
58
66

Dividend received from other
investments

-
-
-
-
16

-
-
-
-
2

Interest received

108

248
87
536
302

11

32
13
66
43

8,771

7,205
5,472
30,790
21,876

884

930
810

3,743

3,113

3. Cost of sales

Quarter ended

Year ended

Quarter ended

Year ended

Dec Sep Dec

Dec

Dec

Dec

Sep Dec Dec Dec

2008 2008 2007

2008

2007

2008

2008 2007 2008 2007

Restated

Restated

Restated

Restated

Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited

SA Rand million

US Dollar million

Cash operating costs

(4,948)

(4,540)

(3,234) (16,865) (12,379)

(498)

(584)

(478)

(2,045)

(1,764)

By-products revenue (note 2)

147

106

136

480

457

15

14

20

58

66

By-products cash operating costs

(65)

(57)

(228)

(286)

(420)

(7)

(8)
 (34)
 (36)
 (60)
(4,866)
 (4,491)
 (3,326) (16,671) (12,342)
(490)
 (578)
 (492)
 (2,023)
 (1,758)
 Other cash costs
(196)
 (177)
 (143)
 (734)
 (547)
(20)
 (23)
 (21)
 (90)
 (78)
 Total cash costs
(5,062)
 (4,668)
 (3,469) (17,405) (12,889)
(510)
 (601)
 (513)
 (2,113)
 (1,836)
 Retrenchment costs
(16)
 (14)
 (88)
 (72)
 (131)
(2)
 (2)
 (13)
 (9)
 (19)
 Rehabilitation and other non-cash
 costs
2
 (102)
 (302)
 (218)
 (422)
 -

(13)
(44)
(28)
(61)
Production costs
(5,076)
(4,784)
(3,859) (17,695) (13,442)
(511)
(616)
(570)
(2,150)
(1,916)
Amortisation of tangible assets
(1,387)
(1,111)
(1,063)
(4,620)
(3,980)
(140)
(143)
(158)
(560)
(567)
Amortisation of intangible assets
(9)
(4)
(3)
(21)
(14)
(1)
-
-
(2)
(2)
Total production costs
(6,472)
(5,899)
(4,925) (22,336) (17,436)
(652)
(759)
(728)
(2,712)
(2,485)
Inventory change
(456)
(249)
(18)
(222)
195
(47)

(32)

(3)

(16)

27

(6,928)

(6,148)

(4,943) (22,558) (17,241)

(698)

(790)

(731)

(2,728)

(2,458)

Rounding of figures may result in computational discrepancies.

29

4. Gain (loss) on non-hedge derivatives and other commodity contracts

Quarter ended

Year ended

Quarter ended

Year ended

Dec Sep Dec

Dec

Dec

Dec

Sep Dec Dec Dec

2008 2008 2007

2008

2007

2008

2008 2007 2008 2007

Restated

Restated

Restated

Restated

Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited

SA Rand million

US Dollar million

(Loss) gain on realised non-hedge derivatives

(348)

(519)

740

(2,145)

2,033

(35)

(66)

110

(264)

291

Realised loss on other commodity contracts

-

-

-

(253)

-

-

-

-

(32)

-

Loss on accelerated settlement of non-hedge derivatives

-

-

-

(7,764)

-

-

-

-

(979)

-

Gain (loss) on unrealised non-hedge
derivatives

898

666

(3,829)

3,774

(7,305)

260

158

(575)

965

(1,099)

Unrealised gain (loss) on other
commodity physical borrowings

48

1

(4)

74

23

5

-

(1)

8

3

Provision reversed (accrued) for gain
(loss) on future deliveries of other
commodities

-

-

167

37

80

-

-

25

5

13

598

148

(2,927)

(6,277)

(5,169)

230

92

(441)

(297)

(792)

5. Other operating income (expenses)

Quarter ended

Year ended

Quarter ended

Year ended

Dec Sep Dec

Dec

Dec

Dec

Sep Dec Dec Dec

2008 2008 2007

2008

2007

2008

2008 2007 2008 2007

Restated

Restated

Restated

Restated

Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited

SA Rand million

US Dollar million

Pension and medical defined benefit

provisions

80

(24)

52

8

(23)

8

(3)

7

(2)

(3)

Claims filed by former employees in

respect of loss of employment,

work-related accident injuries and

diseases, governmental fiscal

claims and costs of old tailings

operations

(20)

(49)

(30)

(37)

(97)

(2)

(6)

(4)
 (4)
 (15)
 Miscellaneous

1
 -
 -
 -
 (14)

-
 -
 -
 (2)

61
 (73)
 22
 (29)
 (134)

6
 (9)
 3
 (6)
 (20)

6. Operating special items

Quarter ended

Year ended

Quarter ended

Year ended

Dec Sep Dec

Dec

Dec

Dec

Sep Dec Dec Dec

2008

2008

2007

Dec

2008

2007

2008

2008

2007

2008

2007

Restated

Restated

Restated

Restated

Unaudited

Unaudited

Unaudited Unaudited Unaudited Unaudited Unaudited

Unaudited

Unaudited

Unaudited

SA Rand million

US Dollar million

Reimbursement (under provision) of
indirect tax expenses

148

1

(102)

198

(136)

15

-

(14)

22

(19)

Siguiri royalty payment calculation
dispute with the Guinean
Administration

(26)

-

(27)

(26)

(27)

(3)

-

(4)

(3)

(4)

ESOP and BEE costs resulting from
rights offer

-

-

-

(76)

-

-

-

-

(10)

-

Contractor termination costs at
Iduapriem

(10)

-

-

(10)

-

(1)

-

-

(1)

-

Impairment net of reversals of tangible
assets (note 9)

(14,786)

(3)

(5) (14,792)

(6)

(1,492)

-

(1)

(1,493)

(1)

Impairment of goodwill (note 9)

(1,080)

-

-

(1,080)

-

(109)

-

-

(109)

-

Recovery of exploration costs

-

34

(20)

35

29

-

4

(3)

5

4

(Loss) profit on disposal and
abandonment of land, mineral
rights, tangible assets and
exploration properties (note 9)

(55)

82

(55)

381

79

(4)

11

(9)

52

10

Impairment of investments (note 9)

(42)

-

-

(42)

-

(6)

-

-

(6)

-

(Loss) profit on disposal of investment
in Nufcor International Limited

(note 9)

(4)

(12)

-

14

-

-

(2)

-

2

-

Nufcor Uranium trust contributions by
other members (note 9)

-

19

-

19

-

-

3

-

3

-

Buildings located at Siguri destroyed
by fire (note 9)

-

-

(23)

-

(23)

-

-

(3)

-

(3)

(15,855)

121

(233) (15,379)

(84)

(1,600)

16

(34)

(1,538)

(13)

Rounding of figures may result in computational discrepancies.

30

7. Taxation

Quarter ended

Year ended

Quarter ended

Year ended

Dec Sep Dec

Dec

Dec

Dec

Sep Dec Dec Dec

2008 2008 2007

2008

2007

2008

2008 2007 2008 2007

Restated

Restated

Restated

Restated

Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited

SA Rand million

US Dollar million

Current tax

Normal taxation

(44)

(103)

(293)

(524)

(1,269)

(4)

(15)

(44)

(71)

(181)

Disposal of tangible assets (note 9)

(3)

(2)

(9)

(10)

(40)

-

-

(1)

(1)

(6)

Over (under) provision prior year

18

(4)

-

(1)

(22)

1

-

-

-

(2)

(29)

(109)

(302)

(535)

(1,331)

(3)

(15)

(45)

(72)

(189)

Deferred taxation

Temporary differences

(610)

(446)

(71)

(210)

(45)

(61)

(57)

(11)

(13)

(7)

Unrealised non-hedge derivatives and
other commodity contracts

(254)

(9)

337

(1,219)

681

(14)

4

50

(132)

100

Disposal and impairment of tangible
assets (note 9)

3,933

(13)

(2)

3,915

18

397

(2)

-

395

3

Change in estimated deferred tax rate

(62)

-

34

(62)

(57)

(6)

-

5

(6)

(8)

Change in statutory tax rate

1

-

-

190

-

-

-

-

25

-

3,008

(468)

298

2,614

597

316

(55)

44

269

88

Total taxation

2,978

(577)

(4)

2,078

(734)

313

(69)

(1)

197

(101)

8. Discontinued Operations

The Ergo surface dump reclamation, which forms part of the South Africa operations, has been discontinued as the operation has reached the end of its useful life. The results of Ergo are presented below:

Quarter ended

Year ended

Quarter ended

Year ended

	Dec	Sep	Dec	
Dec				
Dec				
Dec				
Dec				
Sep	Dec	Dec	Dec	
2008	2008	2007		
2008				
2007				
2008				
2008	2007	2008	2007	
Restated				
Restated				
Restated				
Restated				
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
SA Rand million				
US Dollar million				
Gold income				
-				
-				
-				
-				
5				
-				
-				
-				
-				
1				
Cost of sales				
4				
(4)				
31				
(17)				
15				
-				
(1)				
5				
(2)				
2				
Gross profit (loss)				
4				
(4)				
31				
(17)				
20				
-				
(1)				
5				
(2)				
3				
Other (expenses) income				

(4)
8
10
9
10
-
1
2
1
2
Profit (loss) before taxation
-
4
41
(8)
30
-
1
6
(1)
5
Normal taxation
4
1
-
(17)
(2)
-
-
-
(2)
-
Deferred tax
-
-
(1)
(1)
(21)
-
-
-
-
(4)
Net profit (loss) after tax
4
5
40
(26)
7
-
1

6
 (3)
 1
 Profit on disposal of assets (note 9)

-
 1
 -
 218

-
 -
 -
 -
 27

Deferred tax on disposal of assets
 (note 9)

-
 -
 -
 6
 -
 -
 -
 -
 1
 -

Profit from discontinued operations

4
 6
 41
 198
 7
 -
 1
 6
 25
 1

The Ergo reclamation surface operation, which formed part of the South African operations and was included under South Africa for segmental reporting, reached the end of its useful life on 1 February 2005 and mining operations ceased on 31 March 2005. The site restoration activities continued after the mining operation was discontinued.

On 8 June 2007, AngloGold Ashanti sold the remaining assets of Ergo, the surface reclamation operation east of Johannesburg, to a consortium of Mintails

South Africa (Pty) Limited / DRD South African operations (Pty) Limited. The Competition Commissioner approved the transaction on 5 May 2008 without conditions. One of the main resolute conditions which is still outstanding, is the approval by the Minister of the cession of the mining rights from

AngloGold Ashanti to ERGO Mining (Pty) Limited currently owned by Mintails South Africa (Pty) Limited and DRD South African Operations (Pty) Limited.

The environmental rehabilitation liability remains with AngloGold Ashanti until all the resolute sale conditions have

been met.

Rounding of figures may result in computational discrepancies.

1

9. Headline earnings (loss)

Quarter ended

Year ended

Quarter ended

Year ended

Dec Sep

Dec

Dec

Dec

Dec

Sep Dec Dec Dec

2008 2008

2007

2008

2007

2008

2008 2007 2008 2007

Restated

Restated

Restated

Restated

Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited Unaudited

SA Rand million

US Dollar million

The (loss) profit attributable to equity shareholders has been adjusted by the following to arrive at headline earnings (loss):

(Loss) profit attributable to equity shareholders

(11,869)

(247)

(3,199) (16,105)

(4,269)

(1,016)

51

(482)

(1,195)

(668)

Impairment net of reversals of tangible assets (note 6)

14,786

3

5

14,792

6

1,492

-

1

1,493

1

Impairment of goodwill (note 6)

1,080

-

-

1,080

-

109

-

-

109

-

Impairment of investments (note 6)

42

-

-

42

-

6

-

-

6

-

Profit on disposal and abandonment of
assets (note 6)

55

(101)

78

(400)

(56)

4

(14)

12

(55)

(7)

Loss (profit) on disposal of investment in
associate (note 6)

4

12

-

(14)

-

-

2

-

(2)

-

Profit on disposal of discontinued assets
(note 8)

-

(1)

-

(218)

-

-

-

-

(27)

-

Impairment of investment in associate

347

21

10

389

161

35

3

1

39

23

Profit on disposal of assets in associate

-

-

-

(30)

-

-

-

-

(3)

-

Taxation on items above - current portion

(note 7)

3

2

9

10

40

-

-

1

1

6

Taxation on items above - deferred portion

(note 7)

(3,933)

13

2

(3,915)

(18)

(397)

2

-

(395)

(3)

Discontinued operations taxation on items
above (note 8)

-

-

-

(6)

-

-

-

(1)

-

Headline earnings (loss)

516

(298)

(3,095)

(4,375)

(4,136)

234

44

(466)

(30)

(648)

Cents per share

(1)

Headline earnings (loss)

145

(86)

(1,099)

(1,379)

(1,470)

66

13

(165)

(9)

(230)

(1)

Calculated on the basic weighted average number of ordinary shares.

10. Shares

Quarter ended

Year ended

Dec

Sep

Dec

Dec **Dec**

2008

2008

2007

2008 **2007**

Unaudited	
Unaudited	
Unaudited	
Unaudited	Audited
Authorised:	
Ordinary shares of 25 SA cents each	
400,000,000	
400,000,000	
400,000,000	
400,000,000	400,000,000
E ordinary shares of 25 SA cents each	
4,280,000	
4,280,000	
4,280,000	
4,280,000	4,280,000
A redeemable preference shares of 50 SA cents each	
2,000,000	
2,000,000	
2,000,000	
2,000,000	2,000,000
B redeemable preference shares of 1 SA cent each	
5,000,000	
5,000,000	
5,000,000	
5,000,000	5,000,000
Issued and fully paid:	
Ordinary shares in issue	
353,483,410	
350,677,750	
277,457,471	
353,483,410	277,457,471
E ordinary shares in issue	
3,966,941	
4,002,887	
4,140,230	
3,966,941	
4,140,230	
Total ordinary shares:	
357,450,351	
354,680,637	
281,597,701	
357,450,351	281,597,701
A redeemable preference shares	
2,000,000	
2,000,000	
2,000,000	
2,000,000	2,000,000
B redeemable preference shares	
778,896	

778,896

778,896

778,896 778,896

In calculating the diluted number of ordinary shares outstanding for the period, the following were taken into consideration:

Ordinary shares

351,517,689

342,692,446

277,119,778

312,610,124 276,805,309

E ordinary shares

3,980,034

4,018,901

4,080,713

4,046,364 4,117,815

Fully vested options

440,430

405,584

457,601

547,460 531,983

Weighted average number of shares

355,938,153

347,116,931

281,658,092

317,203,948 281,455,107

Dilutive potential of share options

-

786,816

-

-

-

Diluted number of ordinary shares

(1)

355,938,153

347,903,747

281,658,092

317,203,948 281,455,107

(1)

The basic and diluted number of ordinary shares is the same for the December 2008 quarter, December 2007 quarter, and year ended December 2008

and year ended December 2007 as the effects of shares for performance related options are anti-dilutive.

Rounding of figures may result in computational discrepancies.

32

11. Share capital and premium

As at

As at

Dec

Sep

Dec

Dec Sep

Dec

2008

2008

2007

2008

2008

2007

Restated

Restated

(1)

Restated

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

SA Rand million

US Dollar million

Balance at beginning of period

23,322

23,322

23,045

3,425

3,425

3,292

Ordinary shares issued

14,946

14,140

283

1,875

1,794

40

E ordinary shares cancelled

(22)

(17)

(6)

(2)

(2)

(1)

Translation

-

-

-

(1,253)

(687)

94

Sub-total

38,246

37,445

23,322

4,045

4,530

3,425

Redeemable preference shares held within the group

(312)

(312)

(312)

(33)

(38)

(46)

Ordinary shares held within the group

(273)

(278)

(292)

(29)

(34)

(43)

E ordinary shares held within group

(325)

(330)

(347)

(34)

(40)

(51)

Balance at end of period

37,336

36,525

22,371

3,949

4,418

3,285

(1)

The September 2008 quarter has been restated to reflect the shares issued for Golden Cycle Corporation and the rights issue at the rate prevailing on the transaction date.

12. Retained earnings and other reserves

Foreign

Other Retained

Non-

currency

Actuarial

compre- earnings

Retained distributable translation

(losses)

hensive and other Minority

SA Rand million

earnings

reserves
reserve
gains
income reserves interests
Total
Balance at December 2006
(214)
138
436
(45)
(1,503)
(1,188)
436
(752)
Actuarial loss recognised
(99)
(99)
(99)
Net loss on cash flow hedges removed from
equity and reported in gold sales
1,407
1,407
14
1,421
Net loss on cash flow hedges
(1,161)
(1,161)
(12)
(1,173)
Hedge ineffectiveness
69
69
69
Gain on available-for-sale financial assets
8
8
8
Share-based payment for share awards
190
190
190
Deferred taxation on items above
36
-
36
36
(Loss) profit for the year
(4,269)
(4,269)
222
(4,047)

Dividends

(919)

(919)

(131)

(1,050)

Acquisition of minority interest

(1)

(81)

(81)

(91)

(172)

Transfers to foreign currency translation reserve

(41)

41

-

-

Translation

(139)

-

(21)

(160)

(9)

(169)

Balance at December 2007

(5,524)

138

338

(108)

(1,011)

(6,167)

429

(5,738)

Actuarial losses recognised

(364)

(364)

(364)

Net loss on cash flow hedges removed from

equity and reported in gold sales

1,758

1,758

24

1,782

Net loss on cash flow hedges

(719)

(719)

(2)

(721)

Hedge ineffectiveness

64

64

64

Realised losses on capital hedges	
(18)	
(18)	
(18)	
Loss on available-for-sale financial assets	
(74)	
(74)	
(74)	
Release on disposal of available-for-sale financial assets	
(9)	
(9)	
(9)	
Share-based payment for share awards	
118	
118	
118	
Deferred taxation on items above	
124	
(243)	
(119)	
(119)	
(Loss) profit for the year	
(16,105)	
(16,105)	
323 (15,783)	
Dividends	
(324)	
(324)	
(131)	
(455)	
Acquisition of minority interest	
(1)	
(914)	
(914)	
6	
(908)	
Transfers to foreign currency translation reserve	
(12)	
12	
-	
-	
Translation	
8,713	
1	
(221)	
8,493	
142	
8,634	
Balance at December 2008	
(22,879)	

138

9,063

(347)

(355) (14,380)

790 (13,590)

Rounding of figures may result in computational discrepancies.

33

12. Retained earnings and other reserves

Foreign

Other Retained

**Non-
currency**

Actuarial

compre- earnings

Retained distributable translation

(losses)

hensive and other Minority

US Dollar million

earnings

reserves

reserve

gains

income reserves interests

Total

Balance at December 2006

(209)

20

241

(6)

(215)

(169)

62

(107)

Actuarial loss recognised

(14)

(14)

(14)

Net loss on cash flow hedges removed from
equity and reported in gold sales

200

200

2

202

Net loss on cash flow hedges

(166)

(166)

(2)

(168)

Hedge ineffectiveness

10

10

10

Gain on available-for-sale financial assets

1

1

1

Share-based payment for share awards

27

27
27
Deferred taxation on items above
5
-
5
5
(Loss) profit for the year
(668)
(668)
32
(636)
Dividends
(125)
(125)
(19)
(144)
Acquisition of minority interest
(1)
(12)
(12)
(13)
(25)
Transfers to foreign currency translation reserve
(6)
6
-
-
Translation
-
11
(1)
(5)
5
1
6
Balance at December 2007
(1,020)
20
258
(16)
(148)
(906)
63
(843)
Actuarial losses recognised
(44)
(44)
(44)
Net loss on cash flow hedges removed from equity and reported in gold sales

213
213
3
216
Net loss on cash flow hedges
(87)
(87)
-
(87)
Hedge ineffectiveness
8
8
8
Realised losses on capital hedges
(2)
(2)
(2)
Loss on available-for-sale financial assets
(9)
(9)
(9)
Release on disposal of available-for-sale financial assets
(1)
(1)
(1)
Share-based payment for share awards
14
14
14
Deferred taxation on items above
15
(27)
(12)
(12)
(Loss) profit for the year
(1,195)
(1,195)
40
(1,155)
Dividends
(41)
(41)
(17)
(58)
Acquisition of minority interest
(1)
(111)
(111)
1
(110)

Transfers to foreign currency translation reserve

(1)

1

-

-

Translation

(5)

648

8

1

652

(7)

645

Balance at December 2008

(2,368)

15

907

(37)

(38)

(1,521)

83

(1,438)

(1)

With effect from 1 July 2008, AngloGold Ashanti acquired the remaining 33% shareholding in Cripple Creek and Victor Gold Mining Company from

Golden Cycle Gold Corporation. Effective 1 September 2008, AngloGold Ashanti acquired a 70% interest in the Gansu Joint Venture and on

1 September 2007, AngloGold Ashanti acquired the remaining effective 15% minorities of Iduapriem.

13. Borrowings

On 20 November, 2008, AngloGold Ashanti Holdings plc, a wholly-owned subsidiary of AngloGold Ashanti Limited, entered into a \$1 billion syndicated term loan facility agreement (the "2008 Term Facility"). The 2008 Term Facility is available to be drawn during February 2009 to redeem the \$1 billion convertible bond due 27 February 2009 issued by AngloGold Ashanti Holdings plc upon its maturity, in full and for general corporate purposes.

The 2008 Term Facility is for an initial one year period from the date of first drawdown and is extendible, if required, at the option of AngloGold Ashanti Holdings plc until 30 November 2010. The amounts drawn under the 2008 Term Facility will bear an interest margin over the lenders' cost of funds (subject to a cap of 1.75 times applicable LIBOR) of 4.25% until six months after the date of first drawdown and 5.25% thereafter. Interest is payable quarterly. AngloGold Ashanti Limited, AngloGold Ashanti USA Incorporated and AngloGold Ashanti Australia Limited have each guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc under the 2008 Term Facility.

AngloGold Ashanti's interest expense will increase substantially as a result of the higher interest rates and fees associated with the 2008 Term Facility. These fees will be amortized over the expected term of the 2008 Term Facility.

Rounding of figures may result in computational discrepancies.

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Based on an assumed cost of funds of 100 basis points and assuming that the Term Facility is fully drawn, the effective borrowing cost (including fees and applicable margin) on the Term Facility is estimated at approximately 10% per annum. The actual interest expense in 2009, will depend upon the amount actually drawn under the 2008 Term Facility, the lenders' actual costs of funds and prevailing LIBOR rates and will be partially mitigated by the application of the proceeds from the Boddington transaction that was announced in January 2009.

Amounts outstanding under the 2008 Term Facility may be prepaid at any time prior to the maturity date. AngloGold Ashanti intends to refinance the 2008 Term Facility through one or more of the following: the proceeds of asset sales (which may include the sale of significant assets), long-term debt financing and/or the issuance of an equity linked instrument. The nature and timing of the refinancing of the 2008 Term Facility will depend upon market conditions.

14. Derivatives

The reduction of non-hedge derivatives (fair valued on the balance sheet) during 2008 is as a result of the accelerated hedge close outs implemented during the year and the implementation of FAS157.

15. Exchange rates

Dec 2008	Dec 2007
Unaudited	Unaudited
ZAR/USD average for the year to date	
8.25	
7.69	7.03
ZAR/USD average for the quarter	
9.92	
7.77	6.76
ZAR/USD closing	
9.46	
8.27	6.81
ZAR/AUD average for the year to date	
6.93	
7.02	5.89
ZAR/AUD average for the quarter	
6.67	
6.86	6.00
ZAR/AUD closing	
6.57	
6.66	5.98
BRL/USD average for the year to date	
1.84	
1.69	1.95
BRL/USD average for the quarter	
2.28	
1.67	1.78
BRL/USD closing	
2.34	
1.93	1.78
ARS/USD average for the year to date	
3.16	
3.11	3.12

ARS/USD average for the quarter

3.33

3.04 3.15

ARS/USD closing

3.45

3.12 3.15

16. Capital commitments

Dec

Sep

Dec

Dec Sep Dec

2008

2008

2007

2008 2008 2007

Unaudited

Unaudited

Audited

Unaudited

Unaudited

Audited

SA Rand million

US Dollar million

Orders placed and outstanding on capital contracts at the prevailing rate of exchange

(1)

1,414

2,292 2,968 **162**

277

436

(1)

Includes capital commitments relating to equity accounted joint ventures.

Liquidity and capital resources:

To service the above capital commitments and other operational requirements, the group is dependent on existing cash resources, cash generated from operations and borrowing facilities.

Cash generated from operations is subject to operational, market and other risks. Distributions from operations may be subject to foreign investment and exchange control laws and regulations and the quantity of foreign exchange available in offshore countries. In addition distributions from joint ventures are subject to the relevant board approval.

The credit facilities and other financing arrangements contain financial covenants and other similar undertakings. To the extent that external borrowings are required, the groups covenant performance indicates that existing financing facilities will be available to meet the above commitments. To the extent that any of the financing facilities mature in the near future, the group believes that these facilities can be refinanced.

Rounding of figures may result in computational discrepancies.

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17. Contingent liabilities

AngloGold Ashanti's material contingent liabilities at 31 December 2008 are detailed below:

Groundwater pollution – South Africa – AngloGold Ashanti has identified a number of groundwater pollution sites at its current operations in South Africa, and has investigated a number of different technologies and methodologies that could possibly be used to remediate the pollution plumes. The viability of the suggested remediation techniques in the local geological formation in South Africa is however unknown. No sites have been remediated and present research and development work is focused on several pilot projects to find a solution that will in fact yield satisfactory results in South African conditions. Subject to the technology being developed as a remediation technique, no reliable estimate can be made for the obligation.

Deep groundwater pollution – South Africa – AngloGold Ashanti has identified a flooding and future pollution risk posed by deep groundwater, due to the interconnected nature of operations in the West Wits and Vaal River operations. AGA is involved in Task Teams and other structures to find long term sustainable solutions for this risk, together with industry partners and government. There is too little foundation for the accurate estimate of a liability and thus no reliable estimate can be made for the obligation.

Soil and Sediment Pollution – South Africa – AngloGold Ashanti identified offsite pollution impacts in the West Wits Area. This can be attributable to a long period of gold and uranium mining activity by a number of mining companies, as well as millennia of weathering of natural reef outcrops in the catchment areas. Investigations are underway to confirm, quantify and, if necessary, address these impacts. It is however too early in the process to make an estimate of the liability.

Provision of surety – South Africa – AngloGold Ashanti has provided sureties in favour of a lender on a gold loan facility with its affiliate Oro Africa (Pty) Ltd and one of its subsidiaries to a maximum value of R100m (\$11m). The suretyship agreements have a termination notice period of 90 days.

Sales tax on gold deliveries – Brazil – Mineração Serra Grande S.A. (MSG), the operator of the Crixas mine in Brazil, has received two tax assessments from the State of Goiás related to payments of sales taxes on gold deliveries for export, one for the period between February 2004 and June 2005 and the other for the period between July 2005 and May 2006. The tax authorities maintain that whenever a taxpayer exports gold mined in the state of Goiás, through a branch located in a different Brazilian State, it must obtain an authorisation from the Goiás State Treasury by means of a Special Regime Agreement (Termo de Acordo re Regime Especial – TARE). The MSG operation is co-owned with Kinross Gold Corporation. AngloGold Ashanti Brasil Mineração Ltda. manages the operation and its attributable share of the first assessment is approximately \$34m. Although MSG requested the TARE in early 2004, the TARE, which authorised the remittance of gold to the company's branch in Minas Gerais specifically for export purposes, was only granted and executed in May 2006.

In November 2006 the administrative council's second chamber ruled in favour of MSG and fully cancelled the tax liability related to the first period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. The second assessment was issued by the State of Goiás in October 2006 on the same grounds as the first one, and the attributable share of the assessment is approximately \$21m. The company believes both assessments are in violation of Federal legislation on sales taxes.

VAT Disputes – Brazil – MSG received a tax assessment in October 2003 from the State of Minas Gerais related to sales taxes on gold allegedly returned from the branch in Minas Gerais to the company head office in the State of Goiás. The tax administrators rejected the company's appeal against the assessment. The company is now discussing the case at the judicial sphere. The company's attributable share of the assessment is approximately \$6m.

Tax Disputes – Brazil – Morro Velho, AngloGold Ashanti Brasil Mineração and Mineração Serra Grande are involved in disputes with tax authorities. These disputes involve federal tax assessments including income tax, social contributions and annual property tax based on ownership of properties outside of urban perimeters (ITR). The amount involved is approximately \$12m.

18. Concentration of risk

There is a concentration of risk in respect of reimbursable value added tax and fuel duties from the Malian government:

- Reimbursable value added tax due from the Malian government amount to an attributable \$27m at 31 December 2008 (30 September 2008: attributable \$42m). The last audited value added tax return was for the period ended 30 June 2008 and at the balance sheet date an attributable \$20m was audited and \$7m is still subject to audit. The accounting processes for the unaudited amount are in accordance with the processes advised by the Malian government in terms of the previous audits.
- Reimbursable fuel duties from the Malian government amounts to an attributable \$5m at 31 December 2008 (30 September 2008: attributable \$7m). Fuel duty refund claims are required to be submitted before 31 January of the following year and are subject to authorisation by firstly the Department of Mining and secondly the Custom and Excise authorities. An attributable \$5m is still subject to authorisation by the authorities. The accounting processes for the unauthorised amount are in accordance with the processes advised by the Malian government in terms of the previous authorisations. As from February 2006 all fuel duties have been exonerated.

The government of Mali is a shareholder in all the Malian entities. Management is in negotiations with the Government of Mali to agree a protocol for the repayment of the outstanding amounts due to Sadiola and Yatela. These amounts outstanding at Sadiola and Yatela have been discounted at 18% based on the provisions of the proposed protocol. The amounts outstanding at Morila have been discounted to their present value at a rate of 6.0%.

There is a concentration of risk in respect of reimbursable value added tax and fuel duties from the Tanzanian government:

- Reimbursable value added tax due from the Tanzanian government amounts to \$16m at 31 December 2008 (30 September 2008: \$16m). The last audited value added tax return was for the period ended 30 November 2008 and at the balance sheet date was \$16m. The accounting processes for the unaudited amount are in accordance with the processes advised by the Tanzanian government in terms of the previous audits. The outstanding amounts have been discounted to their present value at a rate of 7.8%.
- Reimbursable fuel duties from the Tanzanian government amounts to \$37m at 30 December 2008 (30 September 2008: \$42m). Fuel duty claims are required to be submitted after consumption of the related fuel and are subject to authorisation by the Customs and Excise authorities. Claims for refund of fuel duties amounting to \$16m have been audited and lodged with the Customs and Excise authorities, whilst claims for refund of \$21m have not yet been lodged. The accounting processes for the unauthorised amount are in accordance with the processes advised by the Tanzanian government in terms of the previous authorisations. The outstanding amounts have been discounted to their present value at a rate of 7.8%.

19. Announcements

On 30 September 2008 AngloGold Ashanti announced that following the publication the unaudited results for the quarter and six months ended 30 June 2008, it reassessed the accounting estimate for income taxes, for the effects and impact of the accelerated non-hedge derivative settlements in accordance with IAS34 – Interim Financial Reporting. Following this reassessment, the income tax expense was reduced by R641 million (US\$81m) for the period. This was as a result of IAS34 requiring that the income tax expense for interim reporting purposes to be calculated by applying to an interim period's pre-tax income, the estimated average annual effective income tax rate that would be applicable to the expected total annual earnings. It should be noted that the overprovision would have been reversed by financial year-end and therefore would not have had any effect on the full year's income tax expense and earnings. Nevertheless, in compliance with IAS34, AngloGold Ashanti decided to revise its results for the quarter and six months ended 30 June 2008. It is anticipated that the audit report for the year ended on 31 December 2008 will include a reference to the above.

On 17 October 2008, AngloGold Ashanti announced that it had been notified of an unsolicited below-market "mini-tender offer" by TRC Capital Corporation of Toronto, Canada to purchase up to

approximately 4,000,000 American depositary shares ("ADSs") of AngloGold Ashanti Limited (each of which represents one ordinary share), representing approximately 1.14% of AngloGold Ashanti's

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outstanding share capital, at a price of US\$18.00 per ADS. AngloGold Ashanti cautions shareholders that this offer represented a 2.65% discount to the US\$18.49 closing price of ADSs on the New York Stock Exchange on 15 October, 2008, the day prior to the date of the offer and a 2.39% discount to the US\$18.44 closing price of ADSs on 16 October, 2008.

On 21 November 2008, AngloGold Ashanti Limited announced that it had entered into a US\$1 billion term loan facility agreement (the "Term Facility") with Standard Chartered Bank to refinance its convertible bond.

The Term Facility would be drawn during February 2009 for the purpose of repaying the US\$1 billion convertible bond due on 27 February 2009 issued by AngloGold Ashanti Holdings plc and guaranteed by AngloGold Ashanti. The Term Facility is for an initial one year period from the date of the first drawdown in February 2009 and the Term Facility is extendable, if required, at the option of AngloGold Ashanti until 30 November 2010.

The terms and covenants of the Term Facility are similar to those of AngloGold Ashanti's existing US\$1.15 billion Revolving Credit Facility, save that the amounts drawn under the Term Facility will bear an interest margin of 4.25% for the first six months after the first drawdown and 5.25% thereafter.

On 15 December 2008, further to its announcement of 31 July 2008, AngloGold Ashanti announced that it had completed the purchase of São Bento Gold Company Limited ("SBG") and its wholly-owned subsidiary, São Bento Mineração S.A. ("SBMSA") from Eldorado Gold Corporation ("Eldorado") for a consideration of US\$70 million. The purchase price was settled through the issuance of 2,701,660 AngloGold Ashanti shares.

The purchase of SBG and SBMSA gives AngloGold Ashanti access to the São Bento mine, a gold operation located in the immediate vicinity of AngloGold Ashanti's proposed Córrego do Sítio mine, located in the municipality of Santa Bárbara, Iron Quadrangle region of Minas Gerais State, Brazil. The acquisition of the São Bento mine provides AngloGold Ashanti with the potential to double the scale of the proposed Córrego do Sítio mine, which once developed will significantly enhance AngloGold Ashanti's Brazilian asset base.

On 23 January 2009, AngloGold Ashanti Australia Ltd announced that Mineral Resource increase for the Tropicana Gold Project in Western Australia. The Tropicana Gold Project, located 330 kilometres east north-east of Kalgoorlie, is part of the Tropicana Joint Venture, which is 70% owned by AngloGold Ashanti Australia (the manager) and 30% by Independence Group NL. The Measured, Indicated and Inferred Mineral Resource for the project is now 75.3 million tonnes grading 2.07 grams/tonne for 5.01 million ounces of gold. This represents an increase of approximately 1 million ounces from the first Mineral Resource estimate released for the project in December 2007, and the new estimate is predominantly in the Measured and Indicated category, providing a higher level of confidence. AngloGold Ashanti Australia's share of the upgraded resource is 3.51 Moz.

On 28 January 2009, AngloGold Ashanti Limited announced that it had agreed to sell its indirect 33.33% joint venture interest in the Boddington Gold Mine in Western Australia to Newmont Mining Corporation for an aggregate consideration of up to US\$1.1 billion (the "Transaction").

The Transaction is consistent with AngloGold Ashanti's strategy of focusing on its core, controlled asset portfolio and realising value from any minority, non-managed interests as and when appropriate. It will also immediately strengthen the Company's balance sheet, result in lower financing costs due to early repayment of the recently announced US\$1.0 billion bridge facility and create additional flexibility to participate in further investment and growth opportunities.

20. Dividend

The directors have today declared Final Dividend No. 105 of 50 (Final Dividend No. 103: 53) South African cents per ordinary share for the year ended 31 December 2008. In compliance with the requirements of Strate, given the company's primary listing on the JSE Limited, the salient dates for payment of the dividend are as follows:

To holders of ordinary shares and to holders of CHESS Depository Interests (CDIs)

Each CDI represents one-fifth of an ordinary share.

2009

Currency conversion date for UK pounds, Australian dollars and Ghanaian cedis

Thursday, 26 February

Last date to trade ordinary shares cum dividend

Friday, 27 February

Last date to register transfers of certificated securities cum dividend

Friday, 27 February

Ordinary shares trade ex dividend

Monday, 2 March

Record date

Friday, 6 March

Payment date

Friday, 13 March

On the payment date, dividends due to holders of certificated securities on the South African share register will either be electronically transferred to shareholders' bank accounts or, in the absence of suitable mandates, dividend cheques will be posted to such shareholders.

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with the relevant CSDP or broker. To comply with the further requirements of Strate, between Monday, 2 March 2009 and Friday, 6 March 2009, both days inclusive, no transfers between the South African, United Kingdom, Australian and Ghana share registers will be permitted and no ordinary shares pertaining to the South African share register may be dematerialised or rematerialised.

To holders of American Depository Shares

Each American Depository Share (ADS) represents one ordinary share.

2009

Ex dividend on New York Stock Exchange

Wednesday, 4 March

Record date

Friday, 6 March

Approximate date for currency conversion

Friday, 13 March

Approximate payment date of dividend

Monday, 23 March

Assuming an exchange rate of R9.84/\$1, the dividend payable on ADS is equivalent to 5.1 US cents.

This compares with the final dividend of 6.6 US cents per ADS paid on 17 March 2008. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

To holders of Ghanaian Depository Shares (GhDSs)

100 GhDSs represent one ordinary share.

2009

Last date to trade and to register GhDSs cum dividend

Friday, 27 February

GhDSs trade ex dividend

Monday, 2 March

Record date

Thursday, 5 March

Approximate payment date of dividend

Monday, 16 March

Assuming an exchange rate of R1/¢0.1341, the dividend payable per GhDS is equivalent to 0.067 cedis.

This compares with the final dividend of 0.065 cedis per Ghanaian Depository Share (GhDS) payable on 10 March 2009. However, the actual rate of payment will depend on the exchange rate on the date

for currency conversion. In Ghana, the authorities have determined that dividends payable to residents on the Ghana share register be subject to a final withholding tax at a rate of 10%, similar to the rate applicable to dividend payments made by resident companies which is currently at 10%.

In addition, directors declared Dividend No. E5 of 25 South African cents per E ordinary share, payable to employees participating in the Bokamoso ESOP and Izingwe Holdings (Proprietary) Limited. These dividends will be paid on Friday, 13 March 2009.

By order of the Board

R P EDEY

M CUTIFANI

Chairman

Chief Executive Officer

6 February 2009

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**Segmental reporting
for the quarter and year ended 31 December 2008**

Dec

Sep

Dec

Dec

Dec

Dec

Sep

Dec

Dec

Dec

2008

2008

2007

2008

2007

2008

2008

2007

2008

2007

Restated

Restated

Restated

Restated

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Gold income

South Africa

3,508

2,986

2,292

12,068

9,843

353

388

339

1,466

1,399

Argentina

397

241

198
984
988
40
31
30
116
140
Australia
937
582
684
2,338
2,437
94
75
101
280
348
Brazil
993
719
495
2,739
2,001
100
93
73
330
285
Ghana
968
937
601
3,982
2,365
98
119
89
486
337
Guinea
682
601
492
2,724
1,483
69
77
73
334

211
Namibia
141
85
96
327
364
14
11
14
39
52
Tanzania
360
397
111
2,628
807
36
52
16
328
114
USA
531
303
280
1,984
813
54
39
41
240
116
8,517
6,851
5,249
29,774
21,101
858
885
777
3,619
3,002
**Gross profit (loss) adjusted for
the gain (loss) on unrealised non-
hedge derivatives and other
commodity contracts**
South Africa
1,243
536

502
(253)
2,845
126
71
74
(55)
403
Argentina
17
(129)
58
(260)
338
2
(16)
9
(34)
48
Australia
88
(77)
228
(480)
960
9
(10)
34
(61)
137
Brazil
415
239
277
472
987
42
31
41
53
141
Ghana
(288)
(181)
(150)
(1,210)
25
(29)
(23)
(22)
(145)

3
Guinea
142
79
44
222
101
14
10
7
27
14
Mali
183
65
165
(252)
646
18
9
24
(34)
92
Namibia
23
9
19
(12)
90
2
1
3
(2)
13
Tanzania
(570)
(350)
(110)
(1,545)
52
(58)
(44)
(16)
(181)
6
USA
195
92
190
155
518

20
 12
 28
 16
 74
 Other
(24)
 (34)
 86
 23
 28
(3)
 (4)
 13
 4
 4
 Sub-total
1,425
 249
 1,309
 (3,140)
 6,590
143
 37
 195
 (412)
 935
 Less equity accounted investments
(184)
 (65)
 (263)
 195
 (697)
(18)
 (9)
 (40)
 28
 (100)
1,241
 184
 1,046
 (2,945)
 5,893
125
 28
 155
 (384)
 835
Adjusted gross profit (loss)
normalised for accelerated
settlement of non-hedge

derivatives

South Africa

1,243

536

502

3,883

2,845

126

71

74

466

403

Argentina

17

(129)

58

(104)

338

2

(16)

9

(14)

48

Australia

88

(77)

228

256

960

9

(10)

34

32

137

Brazil

415

239

277

1,252

987

42

31

41

152

141

Ghana

(288)

(181)

(150)

(385)

25

(29)

(23)

(22)

(41)

3

Guinea

142

79

44

601

101

14

10

7

75

14

Mali

183

65

165

618

646

18

9

24

75

92

Namibia

23

9

19

55

90

2

1

3

7

13

Tanzania

(570)

(350)

(110)

(1,054)

52

(58)

(44)

(16)

(119)

6

USA

195

92
190
601
518
20
12
28
73
74
Other
(24)
(34)
86
(102)
28
(3)
(4)
13
(13)
4
Sub-total
1,425
249
1,309
5,621
6,590
143
37
195
693
935
Less equity accounted investments
(184)
(65)
(263)
(549)
(697)
(18)
(9)
(40)
(67)
(100)
1,241
184
1,046
5,072
5,893
125
28
155
626

835

Rounding of figures may result in computational discrepancies.

Based on risks and returns the directors consider that the primary reporting format is by business segment. The directors consider that there is only one business segment being mining, extraction and production of gold. Therefore the disclosures for the primary segment have already been given in the abbreviated financial statements. The secondary reporting format is by geographical analysis by origin.

US Dollar million

SA Rand million

Quarter ended

Year ended

Quarter ended

Year ended

Segmental reporting (continued)

Dec

Sep

Dec

Dec

Dec

Dec

Sep

Dec

Dec

Dec

2008

2008

2007

2008

2007

2008

2008

2007

2008

2007

Unaudited

Unaudited

Unaudited

Unaudited

Audited

Unaudited

Unaudited

Unaudited

Unaudited

Audited

Gold production

1

South Africa

16,185

16,733

17,503

65,283

72,429

520

538

563

2,099

2,328

Argentina

1,752

1,350

1,597

4,799

6,338

56

43
51
154
204
Australia
2,651
3,590
4,673
13,477
18,675
85
115
150
433
600
Brazil
3,346
3,207
3,480
12,669
12,689
108
103
112
407
408
Ghana
4,823
4,428
3,998
17,328
16,388
155
142
129
557
527
Guinea
2,533
2,235
2,567
10,350
8,715
81
72
83
333
280
Mali
3,489
3,003

3,536
12,707
13,703
112
97
114
409
441
Namibia
614
540
624
2,126
2,496
20
17
20
68
80
Tanzania
1,614
2,296
1,801
8,203
10,166
52
74
58
264
327
USA
2,422
1,955
2,778
8,016
8,766
78
63
89
258
282
39,429
39,336
42,556
154,958
170,365
1,268
1,265
1,368
4,982
5,477

Dec
Sep
Dec
Dec
Dec
Dec
Sep
Dec
Dec
Dec
2008
2008
2007
2008
2007
2008
2008
2007
2008
2007
Unaudited
Unaudited
Unaudited
Unaudited
Audited
Unaudited
Unaudited
Unaudited
Unaudited
Audited
Capital expenditure
1
South Africa
815
786
881
2,779
2,535
81
101
128
337
361
Argentina
39
28
49
135
141
4
4

7
16
20
Australia
1,054
936
651
3,618
1,975
105
121
95
439
281
Brazil
263
238
204
909
995
26
31
30
110
142
Ghana
533
383
260
1,370
836
57
49
38
166
119
Guinea
34
51
38
178
146
3
7
6
22
21
Mali
30
8
26

61
61
3
1
4
7
9
Namibia
34
18
24
98
43
4
2
3
12
6
Tanzania
105
103
78
433
187
10
13
11
53
27
USA
37
45
33
221
161
3
6
5
27
23
Other
50
27
71
103
364
5
3
12
12
50

2,994
2,623
2,315
9,905
7,444
302
338
339
1,201
1,059
As at
As at
As at
As at
As at
As at
Dec
Sep
Dec
Dec
Sep
Dec
2008
2008
2007
2008
2008
2008
2007
Restated
Restated
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Total assets
South Africa
17,599
17,071
15,616
1,861
2,065
2,293
Argentina
2,121
1,923
1,659
224
233
244

Australia

12,936

11,982

8,705

1,368

1,449

1,278

Brazil

7,795

5,941

4,826

824

719

709

Ghana

9,576

16,582

13,301

1,013

2,006

1,953

Guinea

3,028

2,668

2,127

320

323

312

Mali

2

2,110

2,173

1,728

223

263

254

Namibia

668

617

536

71

75

79

Tanzania

7,895

12,112

9,654

835

1,465

1,418

USA

5,422

4,592

3,608

573

555

530

Other

7,052

5,704

4,353

748

688

638

76,202

81,365

66,113

8,060

9,842

9,708

Rounding of figures may result in computational discrepancies.

oz (000)

kg

Year ended

Quarter ended

Year ended

Quarter ended

Year ended

Quarter ended

Year ended

Quarter ended

2

Investment held.

SA Rand million

US Dollar million

1

Gold production and capital expenditure includes equity accounted investments.

SA Rand million

US Dollar million

Non-GAAP

disclosure

A

Dec

Sep

Dec

Dec

Dec

Dec

Sep

Dec

Dec

Dec

2008

2008

2007

2008

2007

2008

2008

2007

2008

2007

Restated

Restated

Restated

Restated

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Headline earnings (loss) (note 9)

516

(298)

(3,095)

(4,375)

(4,136)

234

44

(466)

(30)

(648)

(Gain) loss on unrealised non-hedge derivatives and
other commodity contracts (note 4)

(946)

(667)
 3,666
 (3,885)
 7,202
(265)
 (158)
 551
 (978)
 1,083
 Deferred tax on unrealised non-hedge derivatives and
 other commodity contracts (note 7)
254
 9
 (337)
 1,219
 (681)
14
 (4)
 (50)
 132
 (100)
 Associate's and equity accounted joint ventures share of
 (gain) loss on unrealised non-hedge derivatives and
 other commodity contracts in associates
 -
 -
 (4)
 31
 (89)
 -
 -
 (1)
 4
 (11)
 Associate's and equity accounted joint ventures share
 of deferred tax on unrealised non-hedge derivatives
 and other commodity contracts
 -
 -
 1
 (2)
 8
 -
 -
 -
 -
 1
 Fair value adjustment on option component of convertible
 bond
(2)
 -

(115)
 (185)
 (333)

-
 -

(17)
 (25)
 (47)

Headline (loss) earnings adjusted for the gain (loss) on unrealised non-hedge derivatives, other commodity contracts and fair value adjustments on convertible bond

(1)
(178)
 (956)
 117
 (7,197)
 1,971
(17)
 (119)
 18
 (897)
 278

Cents per share

(2)
 Headline (loss) earnings adjusted for the gain (loss) on unrealised non-hedge derivatives, other commodity contracts and fair value adjustments on convertible bond

(1)
(50)
 (275)
 42
 (2,269)
 700
(5)
 (34)
 6
 (283)
 99

B
Dec
Sep
Dec
Dec
Dec
Dec
Sep
Dec
Dec
Dec

2008

2008

2007

2008

2007

2008

2008

2007

2008

2007

Restated

Restated

Restated

Restated

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Reconciliation of gross profit (loss) to gross profit
adjusted for the gain (loss) on unrealised non-hedge
derivatives and other commodity contracts:

Gross profit (loss)

2,187

851

(2,621)

939

(1,309)

390

186

(395)

594

(248)

(Gain) loss on unrealised non-hedge derivatives and
other commodity contracts (note 4)

(946)

(667)

3,666

(3,885)

7,202

(265)

(158)

551

(978)

1,083

Gross profit (loss) adjusted for the gain (loss) on unrealised
non-hedge derivatives and other commodity contracts

1,241

184

1,046

(2,945)

5,893

125

28

155

(384)

835

Realised loss on other commodity contracts (note 4)

-

-

-

253

-

-

-

-

32

-

Loss on accelerated settlement of non-hedge
derivatives (note 4)

-

-

-

7,764

-

-

-

979

-

Adjusted gross profit normalised for accelerated settlement
of non-hedge derivatives

1,241

184

1,046

5,072

5,893

125

28

155

626

835

Rounding of figures may result in computational discrepancies.

From time to time AngloGold Ashanti may publicly disclose certain "Non-GAAP" financial measures in the course of its financial presentations, earnings releases, earnings conference calls and otherwise.

- The unrealised fair value change in contracts that are still open at the reporting date, as well as, the unwinding of the historic marked-to-market value of the position settled in the period;

The group utilises certain Non-GAAP performance measures and ratios in managing its business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measure of performance prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly titled measures other companies use.

(2)

Calculated on the basic weighted average number of ordinary shares.

SA Rand million

(1)

(Gain) loss on non-hedge derivatives and other commodity contracts in the income statement comprise the change in fair value of all non-hedge derivatives and other commodity contracts as follows:

US Dollar million

- Investment in hedge restructure transaction: During the hedge restructure in December 2004 and March 2005 quarters, \$83m and \$69m in cash was injected respectively into the hedge book in these quarters to increase the value of long-dated contracts. The entire investment in long-dated derivatives (certain of which have now matured), for the purposes of the adjustment to earnings, will only be taken into account when the realised portion of long-dated non-hedge derivatives are settled, and not when the short-term contracts were settled;

- The unrealised fair value change on the option component of the convertible bond; and

US Dollar million

SA Rand million

Headline (loss) earnings adjusted for the gain (loss) on unrealised non-hedge derivatives, other commodity contracts and fair value adjustments on convertible bond

Quarter ended

Quarter ended

Year ended

Year ended

- The unrealised fair value change on the onerous uranium contracts.

Quarter ended

- Open positions: The change in fair value from the previous reporting date or date of recognition (if later) through to the current reporting date; and

- Settled positions: The change in fair value from the previous reporting date or date of recognition (if later) through to the date of settlement.

Year ended

Headline (loss) earnings adjusted for the effect of unrealised non-hedge derivatives, other commodity contracts and fair value adjustments on convertible bond, is intended to illustrate earnings after adjusting for:

Gross profit (loss) adjusted for the gain (loss) on unrealised non-hedge derivatives and other commodity contracts

Year ended

Quarter ended

- In addition, during the June 2008 quarter the hedge book was reduced and contracts to the value of \$1,1bn was early settled. Following the sale of the investment in Nufcor International Ltd. (NIL) uranium contracts of 1m pounds were cancelled. The combined impact on earnings after

taxation amounted to \$996m;

Dec
Sep
Dec
Dec
Dec
Dec
Sep
Dec
Dec
Dec
2008
2008
2007
2008
2007
2008
2008
2007
2008
2007
Restated
Restated
Restated
Restated
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
C
Price received
Gold income (note 2)
8,517
6,851
5,249
29,774
21,101
858
885
777
3,619
3,002
Adjusted for minority interests
(308)
(256)
(211)

(1,078)
(889)
(31)
(33)
(32)
(131)
(127)
8,209
6,595
5,038
28,696
20,212
827
852
745
3,488
2,875
(Loss) gain on realised non-hedge derivatives (note 4)
(348)
(519)
740
(2,145)
2,033
(35)
(66)
110
(264)
291
Loss on accelerated settlement of non-hedge derivatives
(note 4)
-
-
-
(7,764)
-
-
-
(979)
-
Associate's and equity accounted joint ventures share of
gold income including realised non-hedge derivatives
748
473
534
1,568
1,951
75
61
80
185

278
 Attributable gold income including realised non-hedge
 derivatives
8,609
 6,550
 6,313
 20,355
 24,196
867
 847
 934
 2,430
 3,444
 Attributable gold sold - kg / - oz (000)
39,249
 40,902
 42,278
 155,954
 170,265
1,262
 1,315
 1,359
 5,014
 5,474
 Revenue price per unit - R/kg / - \$/oz
219,329
 160,127
 149,312
 130,522
 142,107
687
 644
 687
 485
 629
 Attributable gold income including realised non-hedge
 derivatives as above
8,609
 6,550
 6,313
 20,355
 24,196
867
 847
 934
 2,430
 3,444
 Loss on accelerated settlement of non-hedge derivatives
 (note 4)
 -
 -

-
7,764

-

-

-

-

979

-

Associate's and equity accounted joint ventures share of
loss on accelerated settlement of non-hedge derivatives

-

-

-

871

-

-

-

-

109