

Notes

for the quarter ended 31 March 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. 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 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 ended 31 March 2008.

2. Revenue

	Quarter ended		Year ended		Quarter ended		Year ended	
	Mar	Dec	Mar	Dec	Mar	Dec	Mar	Dec
	2008	2007	2007	2007	2008	2007	2007	2007
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	SA Rand million				US Dollar million			
Gold income	7,245	5,784	5,664	23,052	958	856	783	3,280
By-products (note 3)	145	555	145	1,003	19	82	20	145
Dividend received from other investments	-	-	-	16	-	-	-	2
Interest received	82	89	73	312	11	13	10	45
	7,471	6,428	5,882	24,383	987	951	813	3,472

3. Cost of sales

	Quarter ended		Year ended		Quarter ended		Year ended	
	Mar	Dec	Mar	Dec	Mar	Dec	Mar	Dec
	2008	2007	2007	2007	2008	2007	2007	2007
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	SA Rand million				US Dollar million			
Cash operating costs	(3,770)	(3,518)	(3,099)	(13,365)	(500)	(520)	(429)	(1,904)
By-products revenue (note 2)	145	555	145	1,003	19	82	20	145
By-products cash operating costs	(107)	(538)	(100)	(892)	(14)	(80)	(14)	(129)
	(3,732)	(3,501)	(3,054)	(13,254)	(495)	(518)	(423)	(1,888)
Other cash costs	(251)	(187)	(177)	(705)	(33)	(27)	(25)	(100)
Total cash costs	(3,983)	(3,688)	(3,231)	(13,959)	(528)	(545)	(448)	(1,988)
Retrenchment costs	(26)	(88)	(7)	(131)	(3)	(13)	(1)	(19)
Rehabilitation and other non-cash costs	(106)	(321)	(20)	(445)	(14)	(47)	(3)	(65)
Production costs	(4,115)	(4,097)	(3,258)	(14,535)	(545)	(605)	(451)	(2,072)
Amortisation of tangible assets	(1,082)	(1,103)	(948)	(4,143)	(144)	(164)	(131)	(590)
Amortisation of intangible assets	(4)	(3)	(4)	(14)	-	-	-	(2)
Total production costs	(5,201)	(5,203)	(4,210)	(18,692)	(689)	(769)	(583)	(2,664)
Inventory change	209	(12)	(14)	197	28	(2)	(2)	28
	(4,992)	(5,215)	(4,223)	(18,495)	(661)	(771)	(584)	(2,636)

Rounding of figures may result in computational discrepancies.

4. Other operating income (expenses)

	Quarter ended		Year ended		Quarter ended		Year ended	
	Mar 2008	Dec 2007	Mar 2007	Dec 2007	Mar 2008	Dec 2007	Mar 2007	Dec 2007
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	SA Rand million				US Dollar million			
Pension and medical defined benefit provisions	(24)	52	(25)	(23)	(3)	7	(4)	(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	60	(30)	(21)	(97)	8	(4)	(3)	(15)
Miscellaneous	(4)	–	(1)	(14)	(1)	–	–	(2)
	32	22	(47)	(134)	4	3	(7)	(20)

5. Operating special items

	Quarter ended		Year ended		Quarter ended		Year ended	
	Mar 2008	Dec 2007	Mar 2007	Dec 2007	Mar 2008	Dec 2007	Mar 2007	Dec 2007
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	SA Rand million				US Dollar million			
Indirect tax expenses	–	(177)	–	(184)	–	(26)	–	(26)
Impairment of tangible assets (note 8)	(3)	(5)	(1)	(6)	–	(1)	–	(1)
Impairment of goodwill (note 8)	–	(7)	–	(7)	–	(1)	–	(1)
Recovery of loan	–	–	21	–	–	–	3	–
Recovery of exploration costs previously expensed	–	6	–	29	–	1	–	4
Siguirí royalty payment calculation dispute with the Guinean Administration	–	(27)	–	(27)	–	(4)	–	(4)
Profit (loss) on disposal and abandonment of assets (note 8)	85	(78)	(6)	56	11	(12)	(1)	7
	82	(288)	14	(139)	11	(42)	2	(21)

Rounding of figures may result in computational discrepancies.

6. Taxation

	Quarter ended		Year ended		Quarter ended		Year ended	
	Mar	Dec	Mar	Dec	Mar	Dec	Mar	Dec
	2008	2007	2007	2007	2008	2007	2007	2007
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	SA Rand million				US Dollar million			
Current tax								
Normal taxation	(577)	(390)	(442)	(1,608)	(77)	(58)	(61)	(229)
Disposal of tangible assets (note 8)	(2)	(9)	(4)	(40)	–	(1)	(1)	(6)
Over (under) provision prior year	14	(6)	(67)	(32)	2	(1)	(9)	(4)
	(565)	(405)	(513)	(1,680)	(75)	(60)	(71)	(239)
Deferred taxation								
Temporary differences	(151)	(36)	1	7	(20)	(6)	1	1
Unrealised non-hedge derivatives and other commodity contracts	590	336	82	673	72	50	11	98
Disposal of tangible assets (note 8)	(11)	(2)	(4)	18	(1)	–	(1)	3
Change in estimated deferred tax rate	–	34	–	(57)	–	5	–	(8)
Change in statutory tax rate	189	–	–	–	25	–	–	–
	617	332	79	641	76	49	11	94
Total taxation	52	(73)	(434)	(1,039)	1	(11)	(60)	(145)

7. Discontinued operations

The Ergo surface dump reclamation, which forms part of the South African 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	
	Mar	Dec	Mar	Dec	Mar	Dec	Mar	Dec
	2008	2007	2007	2007	2008	2007	2007	2007
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	SA Rand million				US Dollar million			
Gold income	–	–	2	5	–	–	–	1
Cost of sales	(5)	31	(5)	15	(1)	5	(1)	2
Gross (loss) profit	(5)	31	(3)	20	(1)	5	(1)	3
Other income	3	10	–	10	1	2	–	2
Taxation	(1)	(1)	(3)	(23)	–	–	–	(4)
Net (loss) profit attributable to discontinued operations	(3)	41	(6)	7	–	6	(1)	1

Rounding of figures may result in computational discrepancies.

8. Headline (loss) earnings

	Quarter ended		Year ended		Quarter ended		Year ended	
	Mar 2008	Dec 2007	Mar 2007	Dec 2007	Mar 2008	Dec 2007	Mar 2007	Dec 2007
	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Audited
	SA Rand million				US Dollar million			
The (loss) profit attributable to equity shareholders has been adjusted by the following to arrive at headline (loss) earnings:								
(Loss) profit attributable to equity shareholders	(3,812)	(3,199)	(150)	(4,269)	(142)	(482)	19	(668)
Impairment of tangible assets (note 5)	3	5	1	6	-	1	-	1
Impairment of goodwill (note 5)	-	7	-	7	-	1	-	1
(Profit) loss on disposal of assets (note 5)	(85)	78	6	(56)	(11)	12	1	(7)
Impairment of investment in associate	1	3	-	154	-	-	-	22
Taxation on items above – current portion (note 6)	2	9	4	40	-	1	1	6
Taxation on items above – deferred portion (note 6)	11	2	4	(18)	1	-	1	(3)
Headline (loss) earnings	(3,880)	(3,095)	(135)	(4,136)	(151)	(466)	21	(648)
Cents per share ⁽¹⁾								
Headline (loss) earnings	(1,376)	(1,099)	(48)	(1,470)	(54)	(165)	7	(230)

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

9. Shares

	Quarter ended		Year ended	
	Mar 2008	Dec 2007	Mar 2007	Dec 2007
	Unaudited	Unaudited	Unaudited	Audited
Authorised:				
Ordinary shares of 25 SA cents each	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
A redeemable preference shares of 50 SA cents each	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
Issued and fully paid:				
Ordinary shares in issue	277,745,007	277,457,471	276,688,382	277,457,471
E ordinary shares in issue	4,104,635	4,140,230	4,149,230	4,140,230
Total ordinary shares:	281,849,642	281,597,701	280,837,612	281,597,701
A redeemable preference shares	2,000,000	2,000,000	2,000,000	2,000,000
B redeemable preference shares	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	277,658,759	277,119,778	276,426,639	276,805,309
E ordinary shares	4,122,800	4,080,713	4,167,212	4,117,815
Fully vested options	280,789	457,601	600,219	531,983
Weighted average number of shares	282,062,348	281,658,092	281,194,070	281,455,107
Dilutive potential of share options	-	-	641,741	-
Diluted number of ordinary shares ⁽¹⁾	282,062,348	281,658,092	281,835,811	281,455,107

⁽¹⁾ The basic and diluted number of ordinary shares are the same for March 2008 quarter as the effects of shares for performance related options are anti-dilutive.

Rounding of figures may result in computational discrepancies.

10. Share capital and premium

	As at			As at		
	Mar 2008	Dec 2007	Mar 2007	Mar 2008	Dec 2007	Mar 2007
	Unaudited	Audited	Unaudited	Unaudited	Audited	Unaudited
	SA Rand million			US Dollar million		
Balance at beginning of period	23,322	23,045	23,045	3,425	3,292	3,292
Ordinary shares issued	73	283	109	10	40	15
E ordinary shares cancelled	(5)	(6)	(4)	(1)	(1)	(1)
Translation	-	-	-	(544)	94	(133)
Sub-total	23,391	23,322	23,150	2,890	3,425	3,173
Redeemable preference shares held within the group	(312)	(312)	(312)	(39)	(46)	(43)
Ordinary shares held within the group	(288)	(292)	(293)	(36)	(43)	(40)
E ordinary shares held within the group	(343)	(347)	(349)	(42)	(51)	(48)
Balance at end of period	22,448	22,371	22,196	2,773	3,285	3,042

11. Retained earnings and other reserves

	Retained earnings	Non-distributable reserves	Foreign currency translation reserve	Actuarial gains (losses)	Other comprehensive income	Total
SA Rand million						
Balance at December 2006	(214)	138	436	(45)	(1,503)	(1,188)
Loss attributable to equity shareholders	(150)					(150)
Dividends	(670)					(670)
Net loss on cash flow hedges removed from equity and reported in gold sales					211	211
Net loss on cash flow hedges					(301)	(301)
Deferred taxation on cash flow hedges					64	64
Gain on available-for-sale financial assets					24	24
Deferred taxation on available-for-sale financial assets					1	1
Share-based payment for share awards and BEE transaction					61	61
Translation			1,061		(74)	987
Balance at March 2007	(1,034)	138	1,497	(45)	(1,517)	(961)
Balance at December 2007	(5,524)	138	338	(108)	(1,011)	(6,167)
Deferred taxation rate change				(3)		(3)
Loss attributable to equity shareholders	(3,812)					(3,812)
Dividends	(148)					(148)
Transfers to foreign currency translation reserve	(12)		12			-
Net loss on cash flow hedges removed from equity and reported in gold sales					488	488
Net loss on cash flow hedges					(822)	(822)
Hedge ineffectiveness					13	13
Deferred taxation on cash flow hedges and hedge ineffectiveness					92	92
Loss on available-for-sale financial assets					(73)	(73)
Deferred taxation on available-for-sale financial assets					17	17
Share-based payment for share awards and BEE transaction					73	73
Translation			4,697		(142)	4,555
Balance at March 2008	(9,496)	138	5,047	(111)	(1,365)	(5,787)

Rounding of figures may result in computational discrepancies.

11. Retained earnings and other reserves cont.

	Retained earnings	Non-distributable reserves	Foreign currency translation reserve	Actuarial gains (losses)	Other comprehensive income	Total
US Dollar million						
Balance at December 2006	(209)	20	241	(6)	(215)	(169)
Profit attributable to equity shareholders	19					19
Dividends	(90)					(90)
Net loss on cash flow hedges removed from equity and reported in gold sales					31	31
Net loss on cash flow hedges					(41)	(41)
Deferred taxation on cash flow hedges					9	9
Gain on available-for-sale financial assets					3	3
Deferred taxation on available-for-sale financial assets					–	–
Share-based payment for share awards and BEE transaction					7	7
Translation		(1)	103		(2)	100
Balance at March 2007	(280)	19	344	(6)	(208)	(131)
Balance at December 2007	(1,020)	20	258	(16)	(148)	(906)
Deferred taxation rate change						–
Loss attributable to equity shareholders	(142)					(142)
Dividends	(18)					(18)
Transfers to foreign currency translation reserve	(2)		2			–
Net loss on cash flow hedges removed from equity and reported in gold sales					65	65
Net loss on cash flow hedges					(109)	(109)
Hedge ineffectiveness					2	2
Deferred taxation on cash flow hedges and hedge ineffectiveness					12	12
Loss on available-for-sale financial assets					(9)	(9)
Deferred taxation on available-for-sale financial assets					2	2
Share-based payment for share awards and BEE transaction					10	10
Translation		(3)	372	3	6	378
Balance at March 2008	(1,182)	17	632	(13)	(169)	(715)

12. Minority interests

	As at			As at		
	Mar 2008	Dec 2007	Mar 2007	Mar 2008	Dec 2007	Mar 2007
	Unaudited	Audited	Unaudited	Unaudited	Audited	Unaudited
	SA Rand million			US Dollar million		
Balance at beginning of year	429	436	436	63	62	62
Profit for the period	90	222	56	11	32	8
Dividends paid	(4)	(131)	(25)	(1)	(19)	(4)
Acquisition of minority interest ⁽¹⁾	–	(91)	–	–	(13)	–
Net loss on cash flow hedges removed from equity and reported in gold sales	6	14	4	1	2	1
Net loss on cash flow hedges	(5)	(12)	(3)	(1)	(2)	(1)
Translation	60	(9)	13	(2)	1	–
Balance at end of period	576	429	481	71	63	66

(1) With effect 1 September 2007, AngloGold Ashanti acquired the remaining 15% minorities of Iduapriem.

Rounding of figures may result in computational discrepancies.

13. Exchange rates

	Mar 2008 Unaudited	Dec 2007 Unaudited	Mar 2007 Unaudited
Rand/US dollar average for the year to date	7.52	7.03	7.22
Rand/US dollar average for the quarter	7.52	6.76	7.22
Rand/US dollar closing	8.09	6.81	7.30
Rand/Australian dollar average for the year to date	6.84	5.89	5.68
Rand/Australian dollar average for the quarter	6.84	6.00	5.68
Rand/Australian dollar closing	7.40	5.98	5.90
BRL/US dollar average for the year to date	1.74	1.95	2.11
BRL/US dollar average for the quarter	1.74	1.78	2.11
BRL/US dollar closing	1.74	1.78	2.15

14. Capital commitments

	Mar 2008 Unaudited	Dec 2007 Audited	Mar 2007 Unaudited	Mar 2008 Unaudited	Dec 2007 Audited	Mar 2007 Unaudited
	SA Rand million			US Dollar million		
Orders placed and outstanding on capital contracts at the prevailing rate of exchange	3,697	2,968	4,045	457	436	554

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 on similar terms to those currently in place.

15. Contingent liabilities

AngloGold Ashanti's material contingent liabilities at 31 March 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.

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 (\$12m). 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 Serra Grande 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 \$41m. 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 Serra Grande 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 \$25m. 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 \$8m.

Tax Disputes – Brazil – Morro Velho and AngloGold Ashanti Brasil Mineração are involved in disputes with tax authorities. These disputes involve eleven 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 \$9m.

16. 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 amounts to an attributable \$47m at 31 March 2008 (31 December 2007: attributable \$42m). The last audited value added tax return was for the period ended 31 March 2007 and at the balance sheet date an attributable \$24m was still outstanding and \$23m 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 \$3m at 31 March 2008 (31 December 2007: 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 \$3m is still subject to authorisation by the Customs and Excise 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. The amounts outstanding have been discounted to their present value at a rate of 6.5%.

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 \$17m at 31 March 2008 (31 December 2007: \$16m). The last audited value added tax return was for the period ended 30 November 2007 and at the balance sheet date \$13m was still outstanding and \$4m is still subject to audit. 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 \$36m at 31 March 2008 (31 December 2007: \$37m). 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 \$17m have been lodged with the Customs and Excise authorities, which are still outstanding, whilst claims for refund of \$19m have not yet been submitted. 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%.

17. Attributable interest

Although AngloGold Ashanti holds a 66.7% interest in Cripple Creek & Victor Gold Mining Company Limited, it is currently entitled to receive 100% of the cash flows from the operation until the loan, extended to the joint venture by AngloGold Ashanti USA Inc., is repaid.

18. Borrowings

AngloGold Ashanti's borrowings are interest bearing.

19. Announcements

On 14 February 2008, AngloGold Ashanti (AGA) announced that it had entered into a binding memorandum of agreement (MOA) with B2Gold Corp. (B2Gold). The MOA provides for the existing Colombian joint venture agreements between AGA and B2Gold to be amended. B2Gold would also acquire from AGA, additional interests in certain mineral properties in Colombia. In exchange, B2Gold would issue to AGA, 25m common shares and 21.4m common share purchase warrants in B2Gold.

On 4 April 2008, it was announced that following the stabilisation of Eskom (the South African electricity supply body) power to South African operations during the quarter, AGA forecasted the first quarter production to be approximately 1.19Moz. The revised production outlook was around, 8% above guidance provided at the fourth quarter. AGA had also fully delivered into maturing hedge contracts during the quarter.

20. Dividend

Final Dividend No. 103 of 53 South African cents or 3.4848 UK pence or 6.53 cedis per share was paid to registered shareholders on 7 March 2008, while a dividend of 1.484 Australian cents per CHESS Depository Interest (CDI) was paid on the same day. On 10 March 2008, a dividend of 0.0653 cedis per Ghanaian Depository Share (GhDS) was paid to holders thereof. Each CDI represents one-fifth of an ordinary share, and 100 GhDSs represents one ordinary share. A dividend was paid to holders of American Depository Receipts (ADRs) on 17 March 2008 at a rate of 6.606 US cents per American Depository Share (ADS). Each ADS represents one ordinary share.

In addition, directors declared Dividend No. E3 of 26.50 South African cents per E ordinary share, payable to employees participating in the Bokamoso ESOP and Izingwe Holdings (Proprietary) Limited. These dividends were paid on 7 March 2008.

By order of the Board

R P EDEY
Chairman
5 May 2008

M CUTIFANI
Chief Executive Officer