

ANGLOGOLD ASHANTI LTD

Form 6-K

March 15, 2006





**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 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**

**MARCH 15, 2006**

AngloGold Ashanti Limited

—  
**(Name of Registrant)**

11 Diagonal Street

Johannesburg, 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:**

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:

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:

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:

Enclosures: ANGLOGOLD ASHANTI 2005 ANNUAL REPORT PREPARED IN ACCORDANCE  
WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

05

Annual

Report

The AngloGold Ashanti Limited (AngloGold Ashanti) Annual Report 2005 presents the operating and financial results for the period 1 January 2005 to 31 December 2005. They have been prepared in accordance with International Financial Reporting Standards, the South African Companies Act No. 61 of 1973 and the Listings Requirements of the JSE Limited (JSE). The guidelines of the King Report on Corporate Governance, 2002 have also been taken into account. The Annual Report is submitted to the JSE as well as to the London, New York, Ghana and Australian stock exchanges and the Paris and Brussels bourses. It is also submitted to the US Securities and Exchange Commission (SEC) on a Form 6-K.

Mineral Resources and Ore Reserves are reported in accordance with the South African Code for Reporting of Mineral Reserves and Resources (SAMREC 2000) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2004). Competent persons in terms of all these codes have prepared, reviewed and confirmed the Mineral Resources and Ore Reserves as reported in this publication. The Annual Report 2005 contains a summary of the Mineral Resources and Ore Reserves. A more detailed breakdown that includes tables and graphs is available separately in a supplementary document.

AngloGold Ashanti has for the third consecutive year produced a Report To Society in conjunction with the Annual Report to ensure a comprehensive understanding of all aspects of the group. The Report to Society seeks to explain and assess the economic, social and environmental aspects of the business.

Both the Annual Report 2005 and the Report to Society 2005 are available online on the corporate website at [www.AngloGoldAshanti.com](http://www.AngloGoldAshanti.com), as is the supplementary document on group Mineral Resources and Ore Reserves. These documents are also available on CD or in a printed version, and can be requested from the contacts listed at the end of this report.

In addition, AngloGold Ashanti prepares an Annual Report on Form 20-F which complies with the accounting principles generally accepted in the United States. The Form 20-F must be filed with the Securities and Exchange Commission in the United States by no later than 30 June 2006 and will be

available on the corporate website and can be requested from the contacts listed at the end of this report.

**Scope of the report**

Throughout this document, dollar or \$ refers to US dollars, unless otherwise stated.

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**Contents**

1

Forward-looking statements

Certain statements contained in this document including, without limitation, those concerning the economic outlook for the gold mining industry, expectations regarding gold prices, production, total cash costs and other operating results, growth prospects and the outlook of AngloGold Ashanti's operations, including the completion and commencement of commercial operations of certain of AngloGold Ashanti's exploration and production projects, its liquidity and capital resources and expenditure, contain certain forward-looking statements regarding AngloGold Ashanti's operations, economic performance and financial condition. Although AngloGold Ashanti believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in gold prices and exchange rates, and business and operational risk management. For a discussion on



such factors, refer to the risk management section of this Annual Report.

AngloGold Ashanti undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of the Annual Report to reflect the occurrence of unanticipated events. All subsequent written or oral forward-looking statements attributable to AngloGold Ashanti or any person acting on its behalf are qualified by the cautionary statements herein.

- 2005 average dollar gold spot price of \$445 per ounce, 9% higher than 2004.

- 2005 received gold price increased by 11% to \$439 per ounce.

- Adjusted gross profit up by 6% to \$469 million.

- Capital expenditure up by 23% to \$722 million.

- Adjusted headline earnings down by 26% to \$200 million.

- Total dividend for the year of R2.32 per share, or \$0.36 per ADS.

#### KEY FEATURES 2005

Financial

2

KEY FEATURES 2005

Operational

3

•

Gold production up 6% to 6.2 million ounces reflecting the inclusion of the full year's production from the former Ashanti mines.

•

Total cash costs rose 6% to \$281 per ounce mainly due to inflation and strong operating currencies.

•

Ore Reserves down 20% to 63 million ounces and Mineral Resources 19% lower at 176 million ounces as at the end of December 2005.

The year ended 31 December 2005 saw a 6% production increase to 6.2 million ounces. This was largely attributable to the inclusion of a full year's production from the former Ashanti assets, in addition to an outstanding performance from Sunrise Dam in Australia in the first half of the year, and significant improvements at Morila in Mali and Mponeng in South Africa. Certain key assets, namely Obuasi in Ghana, Geita in Tanzania and Sunrise Dam in Australia, finished the year with anticipated lower grades. Plans are in place to move these operations toward optimal operational and cost levels, which should begin to be evident by the middle of 2006.

Earlier in the year, AngloGold Ashanti responded to the ongoing cost pressures associated with the rising costs of key mining inputs and the strength of our local operating currencies by implementing a stringent savings programme designed to eliminate \$110 million in costs by the end of 2005. Pleasingly, the total savings realised from these initiatives was \$160 million, well in excess of our target, which helped to limit cash cost escalation and resulted in a year-end total cash cost for the group of \$281 per ounce.

AngloGold Ashanti endorses the need for the stringent accounting requirements imposed by various accounting authorities responsible for setting standards with the aim of transparency and international comparability. However, for observers not familiar with complex accounting detail, these requirements often have the result of potentially distorting reported performance. The table on pages 16 to 20 of this report is presented to assist shareholders to better understand our results.

Thus the substantial decline in operating profit from \$102 million in 2004 to a loss of \$36 million and a net loss of \$160 million for 2005 must be seen in the light of the accounting treatment of hedging and the convertible bond. Adjusted headline earnings for 2005 amounted to \$200 million.

A dividend of 62 South African cents (10 US cents) per share has been declared for the six months ended 31 December 2005. This represents a similar percentage payout to adjusted headline earnings, as was announced at the mid-year declaration, resulting in a total dividend for the year of 232 South African cents (36 US cents) per share. Given that the group is in a very high capital expenditure phase, we will continue to manage our

approach to the dividend and capital allocation on the basis of prudent financial management.

Investor and speculator interest in gold led to the price reaching a 25-year high of \$567 per ounce in January this year, with an annual average for 2005 of \$445 per ounce, 9% higher than in 2004. The price continued to hold later in the year, despite a stronger dollar. AngloGold Ashanti continues to take a positive view of the gold price and, consequently, will continue to deliver into maturing forward sales contracts and to increase the proportion of our production which is exposed to the higher price for our product.

On 2 August, the company received notice from the South African Department of Minerals and Energy that it had been granted its application for new order mining rights in terms of the Mineral and Petroleum Resources Development Act. This development represented the culmination of a long but constructive engagement with government, in which AngloGold Ashanti sought to ensure that both the spirit and letter of the Mining Charter was fulfilled, bringing certainty to shareholders and offering employees and the communities in which we operate new opportunities for sharing in the wealth creation of our group. The creation of an Employee Share Ownership Programme is under consideration and is being discussed with employee groups. We deeply regret that 25 employees lost their lives in workplace accidents during 2005. The safety of employees on all of our operations remains a very significant focus of management attention and resources on all of AngloGold Ashanti's operations and particularly in the more hazardous deep-level mines in South Africa. We are pleased to note, however, that the group's fatal injury frequency rate (FIFR) improved by 26% to 0.14 per million man hours worked, a 64% improvement since the group was established in its current form in 1998. It is noteworthy that AngloGold Ashanti's FIFR now compares favourably to those recorded in the mining industries of the United States, Canada and Australia. Management continues both to explore technical solutions to mining risks and to promote employee behaviour designed to improve workplace safety.

**Letter from the chairman and chief executive officer**

The group's South Africa region continues to make good progress in the campaign against HIV and AIDS, in respect of both prevention and treatment. During the year, health care staff conducted more than 10,000 voluntary counselling sessions with employees – 32% of our South African employees attended voluntary counselling clinics during the year, compared to 10% in 2004. This improvement is ascribed, at least in part, to the success of the mines' peer educator programme, which produced 265 new peer trainers during 2005. Some 3,200 patients are currently enrolled in treatment programmes and there are 934 who are currently on anti-retroviral therapy. More than 80% of patients who have been part of a treatment programme have returned to work.

Shareholders will be aware of the announcement in October 2005 by Anglo American plc and confirmed in a subsequent statement in February this year that it intended to reduce its shareholding in AngloGold Ashanti, retaining a significant shareholding in the medium term, in order to give this group greater flexibility to pursue its strategic agenda. This agenda is focused on improving the efficiency of existing operations, seeking new orebodies in under-explored gold regions of the world and seeking value-adding merger and acquisition opportunities. The group's growth strategy is particularly crucial at a time in the gold industry when the search for new gold production and access to additional ounces is paramount for all producers, as witnessed in the recent further consolidation in the gold industry. Despite this growth imperative, however, AngloGold Ashanti will not pursue the acquisition of ounces at the expense of shareholder value.

In this regard, our participation in the Boddington Expansion Project in Western Australia has received the approval of the board. Boddington, on a 100% basis, has project resources of 24.5 million ounces of gold and 1,040kt of copper, with reserves of 17.1 million ounces of gold and 658kt of copper. In respect of our 33.33% interest, we are looking at a current project life of more than 15 years with gold production of approximately 330,000 ounces per year and at a projected real cash cost of \$209 per ounce for the first five years.

Looking ahead to the rest of 2006, we are expecting a modest production decline to between 5.9 million ounces and 6.1 million ounces, partly as a consequence of reduced production at Bibiani in Ghana and Savuka in South Africa. However, production is forecast to increase by six to eight

per cent in 2007, as new projects, expansion programmes and anticipated grade improvements begin to have their expected effects.

We are pleased to welcome Reginald Bannerman who has joined the board recently. A Ghanaian lawyer who has spent more than 48 years in law practice, Reginald has a wealth of experience from which we can benefit.

Finally, we must note that Kelvin Williams retires from the board in May this year, after a long and distinguished career with AngloGold Ashanti and the Anglo American group of companies. Kelvin is widely regarded as a global authority on the gold market and gold hedging. His contribution to the company and the group is appreciated and will be missed. Kelvin's hedging responsibilities will be assumed by Mark Lynam, the AngloGold Ashanti treasurer, and his marketing activities by Thero Setiloane, who is presently also the chairman of Rand Refinery.

Russell Edey

Bobby Godsell

Chairman

Chief executive officer

28 February 2006

**LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

5

**Corporate profile**

**ANGLOGOLD ASHANTI AT A GLANCE**

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AngloGold Ashanti, one of the world's leading gold mining companies, has 21 operations in 10 countries on four continents. Its portfolio includes long-life, relatively low-cost assets and differing orebody types in key gold-producing regions around the globe. Activities range from deep-level hard-rock mining to open-pit mining, and include exploration, both brownfields and greenfields as well as research and development. AngloGold Ashanti was established in April 2004 following the business combination of AngloGold Limited, a South African gold mining company, and Ashanti Goldfields Company Limited, a Ghanaian gold mining company. The business combination of two of Africa's leading gold mining companies was in line with the group's strategy of achieving geographic and orebody diversity, and resulted in an increased portfolio of shallow, low-cost surface mines. Countries in which AngloGold Ashanti has operations are: South Africa, Argentina, Australia, Brazil, Ghana, Guinea, Mali, Namibia, Tanzania and the United States.

In 2005, total gold production increased by 6% to 6.2 million ounces, of which 2.7 million ounces (43%) came from deep-level hard-rock operations in South Africa and the balance of 3.5 million ounces (57%) from the shallower and surface operations.

The group conducts extensive exploration activities in countries as diverse as the United States (Alaska) in North America, Colombia in South America, the Democratic Republic of Congo (DRC) in Africa, and Mongolia, Russia and China in Asia.



**ANGLOGOLD ASHANTI AT A GLANCE –  
CORPORATE PROFILE**

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**Corporate highlights**

- Production of 6.2 million ounces of gold in 2005  
– an increase of 6% on production in 2004

- Capital expenditure of \$722 million, primarily in South Africa, at Mponeng and TauTona and on the development of Moab Khotsong, at Obuasi in Ghana, at AngloGold Ashanti Mineração in Brazil, Geita in Tanzania and at the Australian operation, Sunrise Dam

- As at 31 December 2005, Proved and Probable Ore Reserves of 63 million ounces and total Mineral Resources inclusive of Ore Reserves of 176 million ounces

- More than 60,000 people, including contractors, employed around the globe

**Shareholder information**

With its headquarters in Johannesburg, South Africa, AngloGold Ashanti has its primary listing in Johannesburg on the JSE (ANG). It is also listed on the following securities exchanges: New York (AU), London (AGD), Australia (AGG) and Ghana (AGA) as well as Euronext Paris (VA) and Euronext Brussels (ANG).

**PERFORMANCE REVIEW**  
**for the year ended 31 December**  
8

**Attributable**  
**production (000 oz)**

**Gold income**  
**(\$m)**

**Capital expenditure**  
**(\$m)**

**REST OF AFRICA**

**USA**

**SOUTH AMERICA**

**AUSTRALIA**

**SOUTH AFRICA**

**PERFORMANCE REVIEW**  
**for the year ended 31 December**

9

**Annual production**  
**(000oz)**

• The operations here are divided into two regions, West Wits and Vaal River, which together have seven mines, namely Great Noligwa, Kopanang, Moab Khotsoang, Mponeng, Savuka, Tau Lekoa and TauTona.

• As at 31 December 2005, Ore Reserves for these operations totalled 26.8 million ounces of gold – 42% of group reserves.

• Combined, these mines employed some 42,500 people and produced 2,676,000 ounces of gold in 2005, equivalent to 43% of total group output.

• The South African operations contributed \$230 million – 49% – to group adjusted gross profit.

• Capital expenditure for the year totalled \$347 million.

• This region includes the mining operations in Ghana (Obuasi, Bibiani, Iduapriem), Guinea (Siguiro), Mali (Morila, Sadiola, Yatela), Namibia (Navachab) and Tanzania (Geita).

• As at 31 December 2005, Ore Reserves for all these operations totalled 23.2 million ounces of gold – 37% of group reserves.

• Combined, these mines employed some 16,200 people and produced 2,148,000 ounces of gold in 2005, equivalent to 35% of total group output.

• The operations in Africa (outside of South Africa) contributed \$74 million – 16% – to group adjusted gross profit.

• Capital expenditure for the year totalled \$221 million.

• The one mining operation here is Cripple Creek & Victor (CC&V) in the state of Colorado.

• As at 31 December 2005, Ore Reserves at CC&V totalled 3.3 million ounces of gold – 5% of group reserves.

• This operation employed some 390 people and produced 330,000 ounces of gold in 2005, equivalent to 5% of total group output.

• This operation contributed \$17 million – 5% – to group adjusted gross profit.

• Capital expenditure for the year totalled \$8 million.

• The mining operations here are located in Brazil (AngloGold Ashanti Mineração and Serra Grande) and Argentina (Cerro Vanguardia).

• As at 31 December 2005, Ore Reserves in Brazil and Argentina totalled 4.2 million ounces of gold – 7% of group reserves.

Combined, these mines employed some 4,400 people and produced 557,000 ounces of gold in 2005, equivalent to 9% of total group output.

•

The operations together contributed \$118 million – 25% – to group adjusted gross profit.

•

Capital expenditure for the year totalled \$100 million.

•

The mining operation here is Sunrise Dam in the state of Western Australia; another operation, Boddington also in Western Australia, is currently on care and maintenance.

•

As at 31 December 2005, Ore Reserves totalled 5.6 million ounces of gold – 9% of group reserves.

•

Sunrise Dam employed some 375 people and produced 455,000 ounces of gold in 2005, equivalent to 8% of total group output.

•

This operation contributed \$46 million – 10% – to group adjusted gross profit.

•

Capital expenditure, at both Sunrise Dam and Boddington for the year totalled \$38 million.

**OPERATIONS AT A GLANCE**  
**for the year ended 31 December**

Summary

10

Attributable

Attributable

Total

adjusted gross

cash gross

cash costs

profit (loss)

profit (loss)

(1)

(\$/oz)

(\$m)

(\$m)

Page

Operation

2005

2004

2003

2005

2004

2003

2005

2004

2003

number

South Africa

Vaal River

49

Great Noligwa

264

231	193	87
-----	-----	----

118	121	120
-----	-----	-----

134	131	50
-----	-----	----

Kopanang

277

281	223	54
-----	-----	----

46	46	74
----	----	----

60	53	50
----	----	----

Tau Lekoa

410

370	263	(14)
-----	-----	------

(6)	15	9
-----	----	---

10	25	51
----	----	----

Surface operations

287

250	200	16
-----	-----	----

19

20

16		
19	20	
Moab Khotsong		
(2)		
–		
–	–	–
–	–	–
–	–	
51		
West Wits		
46		
Mponeng		
279		
322	221	49
11	39	86
37	57	47
Savuka		
430		
455	411	(8)
(18)	(21)	(1)
(10)	(20)	47
TauTona		
256		
245	171	44
58	100	95
92	107	
47		
Surface operations		
–		
–	255	
–		
–	–	–
–	–	
Argentina		
Cerro Vanguardia (92.5%)		
171		
156	143	31
30	23	52
54	47	54
Australia		
Sunrise Dam		
269		
260	228	46
62	29	78
88	52	55
Union Reefs		
–		
–	272	
–		
(1)	4	–
(1)		

4	57	
Brazil		
AngloGold Ashanti		
Mineração		
169		
133	141	48
45	37	61
58	49	58
Serra Grande (50%)		
158		
134	109	22
18	19	26
22	24	60
Ghana		
Bibiani		
(3)		
305		
251	—	
(10)		
(2)	—	3
8	—	
63		
Iduapriem (85%)		
(3)		
348		
303	—	(2)
(5)	—	9
4	—	
65		
Obuasi		
(3)		
345		
305	—	
(16)		
(15)	—	26
5	—	
62		
Guinea		
Siguiriri (85%)		
(3)		
301		
443	—	
12		
(14)	—	33
(13)	—	66
Mali		
Morila (40%)		
191		
184		
108		
39		
25		

53  
65  
40  
75  
71  
Sadiola (38%)  
265  
242  
210  
20  
16  
16  
32  
26  
27  
68  
Yatela (40%)  
263  
255  
235  
11  
8  
3  
18  
14  
11  
70  
Namibia  
Navachab  
321  
348        274  
10  
1  
7  
17  
4  
8  
72  
Tanzania  
Geita  
(4)  
298  
250        183  
9  
23  
34  
47  
58  
46  
74  
USA



Cripple Creek & Victor

230  
 220 199  
 17  
 7  
 8  
 57  
 47  
 45  
 76

Jerritt Canyon (70%)

(5)  
 -  
 - 270  
 -  
 - (5)  
 -  
 - 5  
 78

Zimbabwe

Freda-Rebecca

(3) (6)  
 -  
 417 - -  
 (1)  
 -  
 -  
 -  
 -  
 78

(1)  
 Adjusted gross profit (loss) plus amortisation of tangible and intangible assets, less non-cash revenues.

(2)  
 All income and expenses will be capitalised until commercial production is reached.

(3)  
 Interest acquired 26 April 2004 with reporting from 1 May 2004.

(4)  
 50% holding to 26 April 2004 and 100% from this date.

(5)  
 Jerritt Canyon Joint Venture was sold effective 30 June 2003.

(6)  
 Freda-Rebecca was sold effective 1 September 2004.

**OPERATIONS AT A GLANCE**  
**for the year ended 31 December**

11

**Summary**

Attributable

Average

Attributable

tonnes

grade

gold

treated/milled

recovered

production

(Mt)

(g/t)

(000oz)

Page

Operation

2005

2004

2003

2005

2004

2003

2005

2004

2003

number

South Africa

2,676

2,857

3,078

Vaal River

49

Great Noligwa

2.3

2.4            2.4

9.30

10.38          10.57          693

795          812          50

Kopanang

2.0

2.0            2.2

7.38

7.37          7.07          482

486          497          50

Tau Lekoa

2.1

2.4            2.4

3.96

3.87          4.24          265

293	322	51
Surface operations		
5.8		
6.1	5.9	
0.51		
0.60		
0.61		
95		
119	114	
Moab Khotsong		
(1)		
-		
-	-	-
-	-	-
-	-	
51		
West Wits		
46		
Mponeng		
1.7		
1.7	1.7	
9.15		
8.14	8.96	512
438	499	47
Savuka		
0.6		
0.8	1.0	
6.80		
6.19	5.81	126
158	187	47
TauTona		
1.6		
1.6	1.7	
9.62		
10.88	12.09	502
568	646	47
Surface operations		
-		
-	-	-
-	0.88	
-		
-	1	
Argentina		
211		
211		
209		
Cerro Vanguardia (92.5%)		
0.9		
0.9	0.9	
7.70		
7.60	7.15	211

211	209	54
Australia		
455		
410		
432		
Sunrise Dam		
3.6		
3.7	3.6	
3.68		
3.46	3.12	455
410	358	55
Union Reefs		
(2)		
–		
–	2.0	–
–	1.12	
–		
–	74	57
Brazil		
346		
334		
323		
AngloGold Ashanti		
Mineração		
(3)		
1.3		
1.0	1.1	
7.27		
7.85	7.22	250
240	228	58
Serra Grande (50%)		
0.4		
0.4	0.4	
7.93		
7.80	7.88	96
94	95	60
Ghana		
680		
485		
–		
Bibiani		
(4) (6)		
2.4		
1.7	–	
1.45		
1.93	–	
115		
105	–	
63		
Iduapriem (85%)		
(4) (6)		
3.2		

2.2	–
1.71	
1.72	–
174	
125	–
65	
Obuasi	
(3) (6)	
4.7	
2.6	–
4.77	
5.27	–
391	
255	–
62	
Guinea	
246	
83	
–	
Siguiri (85%)	
(5) (6)	
5.8	
2.6	–
1.21	
1.10	–
246	
83	–
66	
Mali	
528	
475	
577	
Morila (40%)	
1.5	
1.4	
1.3	
5.41	
4.44	
7.56	
262	
204	
318	
71	
Sadiola (38%)	
1.9	
2.0	
1.9	
2.73	
2.77	
2.77	
168	

174  
 172  
 68  
 Yatela (40%)  
 (7)  
 1.3  
 1.1  
 1.0  
 2.99  
 3.41  
 2.84  
 98  
 97  
 87  
 70  
 Namibia  
 81  
 67  
 73  
 Navachab  
 1.2  
 1.3            1.3  
 2.05  
 1.59  
 1.75  
 81  
 67  
 73  
 72  
 Tanzania  
 613  
 570  
 331  
 Geita  
 (8)  
 6.1  
 4.7            2.9  
 3.14  
 3.74  
 3.60  
 613  
 570  
 331  
 74  
 USA  
 330  
 329  
 390  
 Cripple Creek & Victor  
 (7)  
 19.2  
 18.2            17.1

0.62  
 0.61  
 0.67  
 330  
 329  
 283  
 76  
 Jerritt Canyon (70%)  
 (9)  
 –  
 – 0.5  
 –  
 – 7.15  
 –  
 – 107  
 78

Zimbabwe

–  
 9  
 –  
 Freda-Rebecca  
 (6) (10)  
 –  
 0.1 – –  
 1.66  
 –  
 –  
 9  
 –  
 78

(1) Attributable production at Moab Khotsong yielded 29,862 ounces which was capitalised against pre-production costs.

(2) Union Reefs ceased production in February 2004.

(3) The yield of AngloGold Ashanti Mineração and Obuasi represents underground operations.

(4) The yield of Bibiani and Iduapriem represents open-pit operations.

(5) The yield of Siguiri arises from the open pit operation in 2005 and the heap leach operation in 2004.

(6) Interest acquired 26 April 2004 with reporting from 1 May 2004.

(7) The yield of Yatela and Cripple Creek & Victor Joint Venture reflects recoverable gold placed/tonnes placed.

(8) 50% holding to 26 April 2004 and 100% from this date.

(9) Jerritt Canyon Joint Venture was sold effective 30 June 2003.

(10) Freda-Rebecca was sold effective 1 September 2004.

**SUMMARISED GROUP FINANCIAL RESULTS****for the year ended 31 December****Financial results**

12

Dollar million

2005

2004

(1)

2003

2002

2001

Income statement

Gold income

2,629

2,309            2,029            1,761            2,041

Cost of sales

(2,311)

(1,924)

(1,526)

(1,203)

(1,519)

Non-hedge derivative (loss) gain

<sup>(2)</sup>

(135)

(142)

119            92            (5)

Gross profit

183

243

622

650

517

Corporate administration and other expenses

(64)

(51)

(36)

(25)

(22)

Market development costs

(13)

(15)

(19)

(17)

(16)

Exploration costs

(45)

(44)

(38)

(28)

(26)

Amortisation of intangible assets



-			
(31)			
(29)			
(28)			
(29)			
Other net operating expenses			
(20)			
(12)			
(14)			
(8)			
(10)			
Operating special items			
(77)			
12	(8)		
(23)			
1			
Operating (loss) profit			
(36)			
102	478	521	415
Interest received			
25			
49	42	39	25
Exchange (loss) gain			
(5)			
4	(3)	(4)	
(2)			
Fair value adjustment on option component of convertible bond			
(32)			
27			
-			
-			
-			
Finance costs and unwinding of decommissioning and restoration obligations			
(108)			
(87)			
(53)			
(48)			
(75)			
Fair value (loss) gain on interest rate swaps			
(1)			
2			
6	-	-	
Share of associates (loss) profit			
(3)			
-			
2			
4			
1			
(Loss) profit before taxation			
(160)			

97	472	512	364
Taxation			
36			
41	(142)		
(165)			
(111)			
(Loss) profit after taxation from continuing operations			
(124)			
138			
330	347	253	
Discontinued operations			
Loss for the year from discontinued operations			
(36)			
(11)			
–			
–			
–			
(Loss) profit for the year			
(160)			
127			
330			
347			
253			
<i>Allocated as follows</i>			
Equity shareholders of the parent			
(183)			
108	312	332	245
Minority interest			
23			
19	18	15	8
(160)			
127	330	347	253
Other financial data			
Adjusted gross profit			
(3)			
\$m			
469			
441			
559	638	527	
Cash gross profit			
(4)			
\$m			
954			
793			
791	883	747	
Headline (loss) earnings			
\$m			
(98)			
141			
318	376	281	
Adjusted headline earnings			

\$m			
200			
271			
282	368		286
Adjusted gross margin			
%			
17			
19			
27	35		26
Cash gross margin			
%			
34			
34			
38	48		37
EBITDA			
(5)			
\$m			
818			
700			
667			
802			
684			
EBITDA margin			
%			
29			
30			
32	44		33
Interest cover			
(6)			
times			
7			
7			
13	17		9
(Loss) earnings per ordinary share (cents)			
Basic			
US cents			
(69)			
43			
140	150		114
Diluted			
US cents			
(69)			
43			
139	149		114
Headline			
cents			
(37)			
56			
143	169		131
Headline earnings adjusted for the effect of unrealised non-hedge derivatives, fair			

US

value gain (loss) on convertible bond  
and interest rate swap

US cents

76

108

127            166            133

Dividends declared per ordinary share

US cents

36

56

101            146            87

Weighted average number of shares (million)

265

251

223            222            214

Issued shares at year-end (million)

265

264

223            223            215

(1)

2004 comparatives restated to comply with current year disclosures.

(2)

Refer to Non-GAAP disclosure note 3 on page 17.

(3)

Refer to Non-GAAP disclosure note 2 on page 17.

(4)

Refer to Non-GAAP disclosure note 6 on page 18.

(5)

Refer to Non-GAAP disclosure note 7 on page 19.

(6)

Refer to Non-GAAP disclosure note 8 on page 19.

**SUMMARISED GROUP FINANCIAL RESULTS****for the year ended 31 December****Financial results**

13

Dollar million

2005

2004

<sup>(1)</sup>

2003

2002

2001

Balance sheet

**Assets**

Tangible and intangible assets

6,304

6,323

3,176            2,654            2,446

Cash and cash equivalents

209

289

505            413            191

Other assets

1,781

1,590

1,176            897            662

**Total assets**

8,294

8,202

4,857            3,964            3,299

**Equity and liabilities**

Shareholders equity and minority interests

2,673

3,209

1,681            1,483            1,147

Borrowings

1,894

1,605

1,158            926            987

Deferred taxation

1,159

1,356

598            402            286

Other liabilities

2,568

2,032

1,420            1,153            879

**Total equity and liabilities**

8,294

8,202

4,857            3,964            3,299

Other financial data

Equity		
(2)		
4,252		
4,708		
2,568	2,082	1,559
Net capital employed		
(2)		
5,996		
6,082		
3,274	2,635	2,385
Net debt		
(3)		
1,685		
1,316		
653	513	796
Net asset value – US cents per share		
(4)		
1,009		
1,214		
754	665	
533		
Net tangible asset value – US cents per share		
(5)		
858		
1,049		
569	497	
352		
Financial ratios		
Return on equity		
(6)		
%		
4		
7		
12	21	
16		
Return on net capital		
(7)		
%		
5		
8		
11	17	
13		
Net debt to net capital employed		
%		
28		
22		
20	19	
33		
Net debt to equity		
%		
40		
28		
25	25	

51

(1)

2004 comparatives restated to comply with current year disclosures.

(2)

Refer to Non-GAAP disclosure note 9 on page 19.

(3)

Refer to Non-GAAP disclosure note 10 on page 19.

(4)

Refer to Non-GAAP disclosure note 11 on page 20.

(5)

Refer to Non-GAAP disclosure note 12 on page 20.

(6)

Refer to Non-GAAP disclosure note 13 on page 20.

(7)

Refer to Non-GAAP disclosure note 14 on page 20.

**SUMMARISED GROUP FINANCIAL RESULTS****for the year ended 31 December****Financial results**

14

Dollar million

2005

2004

(1)

2003

2002

2001

Cash flow statement

Cash flows from operating activities

Cash generated from operations

699

588

592                    758                    673

Cash utilised by discontinued operations

(31)

(2)

-

-

-

Environmental, rehabilitation and other net expenditure

(26)

(18)

(30)                    (14)                    (10)

Taxation paid

(30)

(34)

(102)                    (131)                    (111)

Net cash inflow from operating activities

612

534

460                    613                    552

Cash flows from investing activities

Capital expenditure

(722)

(585)

(363)                    (271)                    (298)

Net proceeds from acquisition and disposal of  
mines and subsidiaries

4

(171)

10                    51

109

Net proceeds from acquisition and disposal of investments  
and other

(18)

(20)

61                    117



2		
Interest received		
18		
37		
33		
32		
20		
Net loans (repaid) advanced		
(1)		
83		
(15)	12	39
Cash restricted for use		
(2)		
17		
(6)		
—		
—		
—		
Utilised in hedge restructure		
(69)		
(123)		
—		
—		
—		
Net cash outflow from investing activities		
(771)		
(785)		
(274)	(59)	
(128)		
Cash flows from financing activities		
Net proceeds from share issues		
9		
3		
10	7	7
Net borrowings proceeds (repaid)		
316		
259		
197	(114)	(138)
Finance costs		
(74)		
(72)		
(40)		
(40)		
(72)		
Dividends paid		
(169)		
(198)		
(314)	(260)	(167)
Proceeds from hedge restructure		
—		
40		

-		
-		
-		
Net cash inflow (outflow) from financing activities		
82		
32		
(147)	(407)	(370)
Net (decrease) increase in cash and cash equivalents		
(77)		
(219)		
39	147	54
Translation		
(3)		
13		
53	75	
(58)		
Opening cash and cash equivalents		
289		
495		
413	191	195
Closing cash and cash equivalents		
209		
289		
505	413	191
Other financial data		
Free cash flow		
(3)		
160		
205		
311		
518		
473		
(1)		
2004 comparatives restated to comply with current year disclosures.		
(2)		
Cash which is subject to legal or contractual restrictions on use.		
(3)		
Refer to Non-GAAP disclosure note 15 on page 20.		

**SUMMARISED GROUP OPERATING RESULTS**

**for the year ended 31 December**

**Operating results**

15

2005

2004

(5)

2003

2002

2001

Operating results

Underground operations

Metric tonnes milled

000

13,806

13,554

13,047

13,426

17,954

Yield

g/t

7.31

7.50

8.03

8.27

8.20

Produced

oz 000

3,243

3,270

3,367

3,569

4,734

Productivity

g/employee

target

286

270

236

247

219

actual

257

254

228

238

214

Surface and dump reclamation

Metric tonnes treated

000

8,061

7,102

36,822

38,366

50,355

Yield

g/t

0.52

0.60

0.27

0.30

0.32

Produced

oz 000

136

138

320

365

514

Open-pit operations

Metric tonnes mined

000

168,904

135,171

125,529

97,030

51,667

Stripping ratio

(1)

5.02

6.34

8.95

6.18

6.93

Metric tonnes treated

000

25,541

18,236

13,967

13,682

15,294

Yield

g/t

2.74

3.21

3.43

3.80

2.99

Produced

oz 000

2,246

1,883

1,540  
1,673  
1,469  
Heap-leach operations  
Metric tonnes mined  
000  
61,091  
71,837  
59,507  
51,192  
34,123  
Metric tonnes placed  
(2)  
000  
22,227  
22,120  
18,265  
13,504  
11,748  
Stripping ratio  
(1)  
1.97  
2.08  
2.59  
2.63  
1.73  
Recoverable gold placed  
(3)  
kg  
18,401  
18,534  
14,782  
14,228  
10,668  
Yield  
(4)  
g/t  
0.83  
0.84  
0.81  
1.05  
0.91  
Produced  
oz 000  
541  
538  
389  
332  
266  
Total gold produced  
oz 000  
6,166

5,829

5,616

5,939

6,983

– South Africa

oz 000

2,676

2,857

3,281

3,412

4,670

– Argentina

oz 000

211

211

209

179

136

– Australia

oz 000

455

410

432

502

508

– Brazil

oz 000

346

334

323

299

305

– Ghana

oz 000

680

485

–

–

–

– Guinea

oz 000

246

83

–

–

–

– Mali

oz 000

528

475

577

710  
508  
– Namibia  
oz 000  
81  
66  
73  
85  
87  
– Tanzania  
oz 000  
613  
570  
331  
290  
273  
– USA  
oz 000  
330  
329  
390  
462  
496  
– Zimbabwe  
oz 000  
–  
9  
–  
–  
–  
Price received  
\$/oz sold  
439  
394  
363  
303  
287  
Total cash costs  
\$/oz produced  
281  
264  
214  
150  
166  
Total production costs  
\$/oz produced  
374  
332  
263  
197  
205

Capital expenditure

\$m

722

585

449

337

382

Monthly average number of employees

63,993

65,400

55,439

54,042

70,380

LTIFR

6.75

6.56

8.83

8.86

10.55

FIFR

0.14

0.19

0.29

0.31

0.25

Rand/dollar average exchange rate

6.37

6.44

7.55

10.48

8.62

Rand/dollar closing exchange rate

6.35

5.65

6.67

8.58

11.96

Australian dollar/dollar average exchange rate

1.31

1.36

1.54

1.84

1.93

Australian dollar/dollar closing exchange rate

1.36

1.28

1.33

1.79

1.96

(1)

Stripping ratio = (total tonnes mined – ore tonnes mined)/ore tonnes mined.



(2)

Tonnes placed onto leach pad.

(3)

Recoverable gold placed into leach pad inventory.

(4)

Recoverable gold placed/tonnes placed.

(5)

2004 comparatives restated to comply with current year disclosures.

**Non-GAAP disclosure**

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From time to time we may publicly disclose certain “non-GAAP financial measures” in the course of our financial presentations, earnings releases, earnings conference calls and otherwise.

The group utilises certain non-GAAP performance measures and ratios in managing our 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, our reported operating results or cash flow from operations or any other measure of performance prepared in accordance with GAAP. In addition, our presentation of these measures may not be comparable to similarly titled measures other companies use.

1.

Headline earnings adjusted for the effect of unrealised non-hedge derivatives, fair value gain (loss) on convertible bond and interest rate swap (adjusted headline earnings)

937

(723)

Headline (loss) earnings

(98)

141

1,147

1,900

Unrealised non-hedge derivative loss

286

198

(226)

(128)

Deferred tax on unrealised non-hedge derivatives (group note 13)

(21)

(40)

(160)

211

Fair value adjustment on option component of convertible bond

32

(27)

(10)

5

Fair value gain (loss) on interest rate swap

1

(2)

3

–

Deferred taxation on interest rate swap

–

1

Headline earnings adjusted for the effect of unrealised non-hedge derivatives, fair value gain (loss) on convertible bond and interest

1,691

1,265

rate swaps

200

271

(1)

Non-hedge derivatives in the income statement comprise the change in fair value of all non-hedge derivatives as follows:

- 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.

Headline earnings adjusted for the effect of unrealised non-hedge derivatives, fair value gains (loss) on convertible bond and interest rate swaps are intended to illustrate earnings after adjusting for:

- The unrealised fair value change in contracts