ANGLOGOLD ASHANTI LTD
Form 6-K
May 07, 2010

UNITED STATES
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 May 07, 2010
Commission File Number 1-14846
AngloGold Ashanti Limited
(Name of registrant)
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 ENDED MARCH 31, 2010 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

Quarter 1 2010
Report
for the quarter ended 31 March 2010
Group results for the quarter….

- Gold production of 1.08Moz, ahead of guidance
- Total cash costs of $619/oz, 6% better than guidance
- Adjusted headline earnings of $61m recorded for the quarter
- Cripple Creek & Victor improvement continues; Brasil Mineraçáo continues to deliver strong cost performance
- TauTona restarted successfully in January after shaft inspection and repair
- Geita continues turnaround progress with strong production performance
- Uranium production of 313,000lbs is above target with stock levels at 1Mlbs
- Hedge book commitments further reduced by 350,000oz to 3.55Moz

Events post quarter-end…

- Achieved investment-grade international credit ratings from S&P and Moody's
- Further restructured the balance sheet with longer-term debt package
- Issued $1bn rated bonds comprising $300m 30-year notes, $700m 10-year notes
- Raised $1bn unsecured credit facility from a 16-bank syndicate

Quarter
Year
Quarter
Year
ended
ended
ended
ended
ended
ended
ended
ended
Mar
Dec
Mar
Dec
Mar
Dec
Mar
Dec
2010
2009
2009
2009
2010
2009
2009
2009
SA rand / Metric
US dollar / Imperial
Operating review
Gold
Produced
- kg / oz (000)

33,574
36,767 34,306 143,049
1,079
1,182
1,103
4,599
Price received
1
- R/kg / $/oz
244,873
247,985 273,103 201,805
1,015
1,029
858
751
Price received excluding hedge
buy-back costs
1
- R/kg / $/oz
244,873
247,985 273,109 246,048
1,015
1,029
858
925
Total cash costs
- R/kg / $/oz
149,431
143,596 141,552 136,595
619
598
445
514
Total production costs
- R/kg / $/oz
190,374
178,739 180,751 171,795
789
743
568
646
Financial review
Adjusted gross profit
2
- Rm / $m
1,638
2,521 2,764 3,686
218
337
279
412

Adjusted gross profit excluding hedge
buy-back costs
2
- Rm / $m
1,638
2,521 2,764 10,001
218
337
279
1,208
Profit (loss) attributable to equity
shareholders
- Rm / $m
1,150
3,179 1
(2,762)
157
424
-
(320)
-
cents/share
313
867 -
(765)
43
116
-
(89)
Adjusted headline earnings (loss)
3
- Rm / $m
463
1,706 1,482 (211)
61
228
150
(50)
-
cents/share
126
466 414 (58)
17
62
42
(14)
Adjusted headline earnings
excluding hedge buy-back costs
3
- Rm / $m
463

1,706 1,482 5,795
61
228
150
708
-
cents/share
126
466 414
1,604
17
62
42
196
Cash flow from operating activities
excluding hedge buy-back costs
- Rm / $m
1,326
3,610 2,427 10,096
179
465
243
1,299
Capital expenditure
- Rm / $m
1,283
2,275 2,381 8,726
171
293
241
1,027
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 A "Non-GAAP disclosure" for the definition.
$ represents US dollar, unless otherwise stated.
Rounding of figures may result in computational discrepancies.

Operations **at a glance**
for the quarter ended 31 March 2010
Production
Total cash costs
Adjusted gross
profit (loss)
1
%
%
$m
oz (000)
Variance
2
$/oz
Variance
2
$m
Variance
2
SOUTH AFRICA
384
(11)
626
10
51
(67)
Great Noligwa
29
(15)
946
(7)
(8)
-
Kopanang
70
(31)
585
46
11
(35)
Moab Khotsong
63
(14)
574
17
1
(12)
Tau Lekoa
27
(21)
904

23
2
(8)
Mponeng
115
(9)
440
11
45
(25)
Savuka
1
(50)
6,263
54
(11)
(3)
TauTona
44
76
779
(46)
(4)
21
Surface Operations
34
(6)
518
13
15
(4)
CONTINENTAL AFRICA
374
(11)
630
(6)
104
(19)
Ghana
Iduapriem
20
(63)
791
54
2
(24)
Obuasi
98
1
559
(1)

30
4
Guinea
Siguiri - Attributable 85%
73
(5)
567
(11)
25
(5)
Mali
Morila - Attributable 40%
3
25
(19)
619
(6)
11
(2)
Sadiola - Attributable 41%
3,4
30
(6)
569
(11)
15
3
Yatela - Attributable 40%
3
27
(4)
474
24
16
(1)
Namibia
Navachab
18
6
656
(10)
4
(1)
Tanzania
Geita
84
4
828
(22)
1
14

Non-controlling interests, exploration
and other
-
(7)
AUSTRALASIA **114**
7
931
8
(3)
(11)
Australia
Sunrise Dam
114
7
900
8
1
(10)
Exploration and other
(4)
(1)
AMERICAS **207**
(8)
398
3
103
(17)
Argentina
Cerro Vanguardia - Attributable 92.50%
47
-
390
15
19
-
Brazil
AngloGold Ashanti Brasil Mineração
82
(15)
369
(12)
39
(7)
Serra Grande - Attributable 50%
20
(26)
453
34
8
(6)

United States of America
Cripple Creek & Victor
58
4
482
15
27
(1)
Non-controlling interests, exploration
and other
10
(3)
OTHER
5
(6)
Sub-total **1,079**
(9)
619
4
260
(120)
Less equity accounted investments
(42)
1
AngloGold Ashanti
218
(119)
1
Refer to note B "Non-GAAP disclosure" for the definition.
2
Variance March 2010 quarter on December 2009 quarter - increase
(decrease).
3
Equity accounted joint ventures.
4
Effective 29 December 2009, AngloGold Ashanti increased its
interest in Sadiola from 38% to 41%.
Rounding of figures may result in computational discrepancies.

Financial and **Operating Report**

OVERVIEW FOR THE QUARTER

Production for the seasonally weak first quarter declined by 9% to 1.08Moz from that of the previous quarter. This was, however, ahead of guidance of 1.07Moz.

Total cash costs, which includes a $25/oz charge for deferred stripping, rose 4% to $619/oz, resulting from lower production and inflationary increases. Total cash costs were, however, better than guidance of $660/oz, due to higher than anticipated inventory build-up, lower than expected release of deferred stripping charges and other efficiencies.

SAFETY

AngloGold Ashanti's focus on safety continued at the start of the year, with January's lost time injury frequency rate (LTIFR) of 4.96 injuries per million hours worked, having been the best achieved in the company's history. The LTIFR for the quarter of 7.02 was little changed from the same period in 2009 but decreased by 7% from the previous quarter. The South African operations lost 18 shifts to safety-related stoppages.

Tragically, three miners were fatally injured during the quarter in separate incidents at Siguiri, Kopanang and Moab Khotsong. Both South African mines had each achieved 1 million fatality free shifts earlier in the quarter, underscoring the significant successes in reducing injury from falls of ground at these deep mines. AngloGold Ashanti's management team analysed the causes of these recent fatalities and is working to put in place measures to prevent any reoccurrence. The Safety Transformation Blueprint, an overarching strategy to help eliminate all workplace injuries, remains on track for implementation in the first half of this year and will assist in realising the next quantum improvement in the overall safety performance.

Sadiola achieved the important milestone of 5 million shifts over a year without a lost time injury, while Cerro Vanguardia went without a lost time injury for 1 million hours worked.

OPERATING REVIEW

The **South African** operations produced 384,000oz in the first quarter of 2010, at a total cash cost of $626/oz, compared with 431,000oz at $569/oz in the previous quarter. The traditionally slow start to the year, following the annual December break contributed to the decline, as did safety stoppages at Kopanang and lower grades reported at Moab Khotsong, Great Noligwa, Kopanang and Mponeng. TauTona was successfully restarted and contributed 44,000oz after the inspection and rehabilitation of the shaft barrel at the end of last year. The rehabilitation work being carried out at Savuka, to repair damage to the underground infrastructure caused a year ago by a seismic event, continues and is expected to be completed by September 2010.

Continental Africa's production decreased to 374,000oz in the first quarter at a total cash cost of $630/oz, from 418,000oz at $668/oz the previous quarter. Iduapriem was the chief contributor to the decline, producing only 20,000oz after the operation was suspended for 10 weeks to increase the overall tailings storage capacity. While output at Obuasi was marginally higher for the quarter, production will be impacted by around 20,000oz to 25,000oz in the second quarter as gold processing is curtailed pending the implementation of a revised water management strategy. Geita continued its turnaround, with the anticipated higher grades from the Nyankanga pit helping to boost production and lower unit costs.

Australia's production rose to 114,000oz at a total cash cost of A$1,030/oz ($931/oz), from 107,000oz at A$949/oz ($863/oz) in the prior quarter. Total cash costs were inflated by deferred waste-stripping charges during the quarter of some A$357/oz ($322/oz).

The **Americas** production fell to 207,000oz at a total cash cost of $398/oz during the first quarter, from 226,000oz at $385/oz in the previous quarter. The decline came from a planned reduction in grade from Serra Grande and anticipated lower tonnages from AngloGold Brasil Mineraçáo, which despite this remained the lowest cost producer in the group at $369/oz. Argentina further consolidated its recovery of the past 18 months with steady production of 47,000oz, while Cripple Creek & Victor continued its recovery from leach pad issues that hampered its performance last year, with a 4% increase in production over the quarter to 58,000oz.

FINANCIAL AND CORPORATE REVIEW

Adjusted headline earnings (excluding accelerated hedge buy-back costs) for the quarter declined to $61m, from $228m in the prior quarter, due largely to: the decreased production in a seasonally weak quarter, particularly when compared with the traditionally strong fourth quarter; the non-recurrence of a $65m foreign exchange gain; higher charges for amortisation and rehabilitation; and higher tax charges due to non-recurring credits and certain tax-free gains recorded in the previous quarter.

Profit attributable to equity shareholders (including fair value movements on the bond and the hedge book) was $157m for the quarter, compared with $424m during the prior period when historical asset impairments at Geita, Obuasi and Iduapriem were reversed. This was partly negated by the net gain on the unrealised non-hedge derivatives.

The average realised gold price for the quarter was $1,015/oz, representing an 8.6% discount to the average spot price of $1,110/oz. Delivery into hedge contracts continued with the removal of a further 350,000oz from the book during the first quarter, leaving total commitments of 3.55Moz at 31 March 2010. The hedge book is expected to reduce by a further 280,000oz by the end of the year, resulting in an average discount to spot gold prices of between 8% and 10%, in line with previous guidance. This assumes a gold price range of $950/oz to $1,250/oz and annual production of between 4.5Moz to 4.7Moz.

Subsequent to the quarter-end, AngloGold Ashanti successfully concluded two legs of a financing package totalling $2bn, to fulfil the company's commitment to refinance its debt facilities that were due to mature in the near term and to extend the overall tenor of its debt. The first leg comprised a four-year, unsecured revolving credit facility with a syndicate of 16 banks at an interest rate of 175 basis points above the London Interbank Offered Rate. After receiving investment grade ratings from Moody's Investors Service and Standard & Poor, AngloGold Ashanti completed a $1bn bond issue in April. The issue, which was more than six times oversubscribed, comprised: $700m of 10-year notes carrying a coupon of 5.375%, at a premium of 165 basis points above United States treasury bills of equivalent maturity; and $300m of 30-year notes with a coupon of 6.5%, or 200 basis points above the relevant treasury bills. This outcome is to be welcomed in that it removes refinancing risk and serves to match AngloGold Ashanti's debt to the long-life nature of its portfolio.

The proceeds from the bond will be used to extinguish and cancel: the $500m term facility from Standard Chartered, of which half was drawn at the quarter-end; and the $1.15bn revolving credit facility which matures in December 2010, of which $710m was drawn at the end of the first quarter. The cancellation of these debt facilities will result in a once off $8m charge (accelerated amortisation of fees) to the income statement in the second quarter.

EXPLORATION

Total exploration expenditure during the first quarter, inclusive of expenditure at equity accounted joint ventures, was $48m ($17m on brownfields exploration, $17m on greenfields exploration and $14m on pre-feasibility studies), compared with $71m ($29m on brownfields, $25m on greenfields and $17m on pre-feasibility studies) in the previous quarter. A total of 39,280m was drilled during the quarter at existing priority targets so as to delineate new targets across the company's property holdings. Work on the feasibility study for the Tropicana project continued according to schedule, while further drilling on the nearby Boston Shaker showed potential for an additional open-pit and Havana Deeps showed underground mining potential. Additional expenditure of A$9m was approved to accelerate drilling on both deposits, increasing the Tropicana JV exploration budget for 2010 to A$25m.

In Colombia, where final permissions are awaited for the resumption of drilling at the La Colosa project, exploration was undertaken on two other prospects. Elsewhere in the Americas, where AngloGold Ashanti has 50,000km

2

of exploration tenements in the most prospective gold territories and new frontiers,

exploration efforts were focused on new targets which were identified in Brazil, Argentina and Canada.

A 50,000m drilling campaign, expected to commence during the June quarter, is planned for AngloGold Ashanti's landholdings in the Democratic Republic of the Congo following the successful conclusion of negotiations with the state-owned gold company. A pre-feasibility study is currently underway at the Mongbwalu concession and is expected to be completed within a year.

OUTLOOK

AngloGold Ashanti's production and total cash cost guidance for the full year 2010 are both unchanged at 4.5Moz to 4.7Moz at a total cash cost of $590/oz to $615/oz. This assumes an average exchange rate of R7.70/$ and an oil price of $75/barrel.

Our press release dated 30 March 2010 flagged that second quarter production from Ghana will be 20,000 to 25,000 ounces lower, for reasons stated previously. In addition, Sunrise Dam will have a planned drop in quarterly production in the second quarter, but remains on track for the full year's target. We are therefore guiding second quarter's production at similar levels recorded in the first quarter, i.e. 1.079Moz at a total cash cost of $650/oz at a rand exchange rate of R7.40/$ for the quarter.

OPERATING RESULTS FOR THE QUARTER

SOUTH AFRICA

Great Noligwa's gold production declined by 13% from the previous quarter to 908kg (29,000oz), due mainly to planned downscaling of the operation; lower grades mined caused by the replacement of panels affected by seismicity; and a shaft incident which resulted in a three-day stoppage. The lower production is in line with a downscaling strategy designed to return the mine to profitability in 2010. Total cash costs fell 6% to R228,300/kg ($946/oz), mainly because of this initiative. The adjusted gross loss of R58m ($8m) was 4% higher than the previous quarter.

The LTIFR deteriorated to 14.84 (11.54).

Kopanang's gold production declined by 31% to 2,183kg (70,000oz), the result of lower volumes mined due in part to safety related stoppages. Grades were also 20% lower because of decreased mining values. As a result, total cash costs rose by 47% to R141,068/kg ($585/oz), while adjusted gross profit declined to R81m ($11m), compared with R345m ($46m) in the prior quarter.

The LTIFR improved to 9.45 (13.34). The mine had one fatality during the quarter.

Moab Khotsong's production declined by 13% to 1,956kg (63,000oz), primarily caused by a five-day safety-related stoppage following a fatal accident during the quarter. Grade was 3% lower at 8.58g/t with the mining of lower grade areas. Total cash costs rose by 18% to R138,531/kg ($574/oz) because of the lower output, combined with an increased labour complement transferred from Great Noligwa. Adjusted gross profit decreased to R7m ($1m), compared with R94m ($13m) in the previous quarter.

The LTIFR improved to 15.39 (16.05). The mine reported one fatality during the quarter.

Tau Lekoa's production declined by 20% to 833kg (27,000oz), in line with a planned reduction in volume mined as well as lower grade caused by lock-up in the plant. Total cash costs increased by 24% to R218,156/kg ($904/oz). Adjusted gross profit was R18m ($2m), compared with R78m ($10m) in the previous quarter.

The LTIFR deteriorated to 26.48 (16.10).

Mponeng's production decreased by 9% to 3,584kg (115,000oz), impacted primarily by reduced vamping and a 6% drop in yield caused by dilution from increased stoping widths. Consequently, total cash costs increased by 11% to R106,198/kg ($440/oz). Adjusted gross profit was R342m ($45m), compared with R524m ($70m) in the previous quarter.

LTIFR deteriorated to 14.16 (11.16).

Savuka's production remained constrained at 43kg (1,000oz) following a series of seismic events that occurred close to the shaft infrastructure on 22 May 2009. Rehabilitation work is progressing slower than anticipated and return to normal production levels is anticipated in the second half of 2010. The adjusted gross loss widened to R84m ($11m), compared with R63m ($8m) in the previous quarter.

The LTIFR deteriorated to 4.05 (3.93).

TauTona's production nearly doubled to 1,383kg (44,000oz) as normal mining operations resumed following the suspension of underground operations during the previous quarter to repair and inspect steelwork along the shaft barrel. Consequently, total cash costs decreased to R188,082/kg ($779/oz). The adjusted gross loss narrowed to R32m ($4m), compared to a loss of R186m ($25m) in the previous quarter.

The LTIFR deteriorated to 14.65 (6.37).

Surface Operations production decreased by 6% to 1,058kg (34,000oz), due mainly to a 6% drop in grade from waste-rock, resulting in a 14% increase in total cash costs to R125,192/kg ($518/oz). Initiatives to upgrade areas being reclaimed are under investigation. Adjusted gross profit was down 21% to R114m ($15m), compared with R145m ($19m) in the previous quarter.

The LTIFR improved to 0.00 (2.24).

CONTINENTAL AFRICA

GHANA

Iduapriem's production decreased by 63% to 20,000oz as a result of the temporary suspension of operations following a decision taken jointly with the Ghana Environmental Protection Agency and the company to upgrade the existing tailings storage facility. Total cash costs rose by 54% to $791/oz and adjusted gross profit decreased to $2m from $26m in the previous quarter.

The LTIFR deteriorated to 0.83 (0.00).

Obuasi's production rose by 1% to 98,000oz as a result of further improvements in grade-control management. Total cash costs dropped 1% to $559/oz as a result of the higher grades mined, but was partly offset by lower throughput due to a temporary plant shutdown to implement a revised water management strategy. Adjusted gross profit increased to $30m, 15% better than the prior quarter.

The LTIFR improved to 1.31 (2.41).

REPUBLIC OF GUINEA

Siguiri's production (85% attributable) declined by 5% to 73,000oz as a result of marginally lower tonnage throughput and a 2% decrease in recovered grade. Total cash costs fell 11% to $567/oz due to lower royalty expenditure related to timing of gold sales and lower waste-stripping costs. Adjusted gross profit decreased to $25m from $30m in the previous quarter.

The LTIFR deteriorated to 1.30 (0.65). The mine had one fatality during the quarter.

MALI

Morila's production (40% attributable) declined by 19% to 25,000oz as a result of an 8% decrease in tonnage throughput and a 12% fall in recovered grade. Total cash costs decreased by 6% to $619/oz due to the lower tonnage throughput that resulted in a decrease in fuel and consumable stores usage, together with a lower stockpile depletion expense. Adjusted gross profit decreased to $11m from $13m in the previous quarter.

LTIFR was 0.00 (0.00).

Sadiola's production (41% attributable) declined by 6% to 30,000oz as a result of a planned 6% decrease in tonnage throughput. Total cash costs were 11% lower at $569/oz, as a result of the weaker local currency, together with lower reagent and engineering stores costs. Adjusted gross profit increased to $15m from $12m in the previous quarter.

The LTIFR deteriorated to 0.75 (0.00).

Yatela's production (40% attributable) decreased by 4% to 27,000oz, resulting mainly from a decrease in tonnage stacked. Total cash costs increased by 24% to $474/oz as a result of higher mining costs to access new sources of ore, partially offset by the weakening of the local operating currency. Adjusted gross profit decreased to $16m from $17m in the previous quarter.

The LTIFR deteriorated to 3.42 (0.00).

NAMIBIA

Navachab's production rose by 6% to 18,000oz as a result of an improvement in recovered grade. Total cash costs dropped by 10% to $656/oz due to the higher grade ore treated and a decrease in waste mining volumes. Adjusted gross profit decreased by $1m to $4m as a result of a higher amortisation expense for the quarter.

The LTIFR improved to 2.52 (2.62).

TANZANIA

Geita's production increased by 4% to 84,000oz due to an increase in recovered grade. Total cash costs declined by 22% to $828/oz as AngloGold Ashanti's Project ONE business improvement intervention began to deliver results, coupled with lower deferred stripping charges and certain once-off credits. Reagent and power consumption were reduced after implementing the new blending strategy, improved process controls and reducing process variation. Plant and heavy mobile equipment maintenance costs were also reduced. Adjusted gross profit increased to $1m from a loss of $13m recorded in the previous quarter.

The LTIFR was 0.00 (0.00).

AUSTRALASIA

AUSTRALIA

Sunrise Dam's gold production increased by 7% to 114,000oz. Total cash costs increased 8% to A$995/oz ($900/oz), primarily due to the impact of deferred stripping costs which accounted for 32% of the total cash costs. Adjusted gross profit was A$1m ($1m), compared with A$12m ($11m) in the previous quarter, because of deferred stripping and inventory movements.

With one LTI in the quarter, the LTIFR was 2.34 (0.00).

AMERICAS

ARGENTINA

At **Cerro Vanguardia** (92.5% attributable), gold production remained unchanged at 47,000oz whilst silver production increased as planned by 19% to 695,000oz. Total cash costs at $390/oz reflects the higher cost of salaries, explosives and professional services, all partially offset by an increase in silver by-product credits. Adjusted gross profit at $19m was similar to the previous quarter.

The LTIFR was 0.00 (0.00).

BRAZIL

AngloGold Ashanti Brasil Mineração's production declined by 15% to 82,000oz, as a result of a planned reduction in tonnages. Total cash costs fell 12% to $369/oz, due to a weaker real, higher acid by-product credits and lower services and power supply costs. Adjusted gross profit declined to $39m from $46m in the previous quarter, reflecting lower gold sales and received prices.

The LTIFR deteriorated to 1.15 (1.14).

At **Serra Grande** (50% attributable), production declined 26% to 20,000oz reflecting a planned drop in grade and treated tonnage. Total cash costs rose 34% to $453/oz, reflecting lower production, as well as higher maintenance costs and stockpile movements. Adjusted gross profit was $8m, compared to $14m of the previous quarter.

The LTIFR was 0.00 (0.00).

UNITED STATES OF AMERICA

Cripple Creek & Victor's gold production increased by 4% to 58,000oz, due in large part to the `hi-low' stacking plan which placed higher grade ore closer to the liner in the old load-out-bin area and the lower grade ore higher on the pad, further from the liner. The addition of lime improved pad chemistry, which resulted in increased production. Total cash costs increased by 15% to $482/oz, due to fewer costs deferred to inventory. Adjusted gross profit was $27m, compared with $28m in the prior quarter.

The LTIFR was unchanged at 3.80.

Notes:

- All references to price received include realised non-hedge derivatives.
- All references to adjusted gross profit (loss) refers to gross profit (loss) adjusted for unrealised non-hedge derivatives and other commodity contracts.
- In the case of joint venture and operations with non-controlling interests, all production and financial results are attributable to AngloGold Ashanti.
- Rounding of figures may result in computational discrepancies.

Review of the Gold Market

1. GOLD PRICE MOVEMENT AND INVESTMENT MARKETS

1.1. Gold price data

Gold traded in a relatively tight range of $90/oz during the first quarter of the year, compared with $218/oz the previous quarter. The price averaged 1% higher during the period at $1,110/oz. The price held convincingly above $1,000/oz, reflecting broad investor satisfaction despite lingering uncertainty on the prognosis for the global economy and financial markets.

The inverse correlation of the gold price and the US dollar remained largely intact and late January saw a stronger dollar exert downward pressure on the gold price. The dollar rallied in response to increased reserve requirements announced by the Chinese, followed by the Reserve Bank of India. Both highlighted the fragility of any global recovery.

Growing doubt over sovereign stability, most notably that of Greece, and the ability of certain countries to fund or refinance significant debt obligations approaching maturity, added impetus to the dollar's gains. Greece is not alone. Other European nations holding large tranches of maturing debt are also likely to face refinancing headwinds, placing further strain on the euro and ensured a stronger dollar than might have been expected.

Nevertheless, the gold price has remained steady, trading comfortably above $1,000/oz. The picture is decidedly more bullish in Europe, where the continued economic turmoil has pushed bullion to historic highs in euro terms. This further reflects the metal's true performance as a financial asset.

Gold touched a record €834/oz during the quarter, 3% higher than its previous high of €812/oz on 3 December 2009. The price has continued to climb since the end of the quarter, reaching €900/oz on 3 May 2010.

Combined holdings of the nine major gold exchange traded funds were little changed, despite the stronger dollar, ending the quarter 1Moz lower at 55.3Moz.

Speculative activity on COMEX division of the New York Mercantile Exchange was more pronounced, with the net long position rising 36% from its trough during the quarter to a peak of 30.4Moz.

1.2. Official sector

Official sector selling was once again conspicuous by its absence. There were no sales recorded during the quarter despite the IMF's stated intention to sell 191 tonnes of gold on the open market. No central bank purchases were announced in the first quarter.

1.3. Producer de-hedging

No significant activity was reported.

1.4. Currencies

The US dollar remained relatively weak against most other currencies, notwithstanding its strength relative to the euro.

The rand again outperformed most emerging market currencies in the quarter ended 31 March.

The Australian dollar remained resolute, averaging A$/$0.9045 during the quarter and trading in a narrow range of A$/$0.8640 to A$/$0.9320. The strength of the Australian dollar was aided by the hawkish stance of the Reserve Bank of Australia, a standout amongst central banks after hiking rates a further 25 basis points against a global backdrop of low interest rates in many other countries.

The Brazilian real, which for many quarters stood out among the best performing emerging market currencies, failed to extend its strengthening trend. During the quarter under review it averaged $/BRL 1.80 which is 3% weaker than its average of the previous quarter, closing at $/BRL 1.78 at the end of March.

1.5. Silver

Silver prices continued to display a close correlation to gold prices. The silver price averaged $16.93/oz for the quarter, from $17.53/oz the previous quarter. The silver ETF remained static quarter on quarter at 396Moz.

2. PHYSICAL DEMAND

2.1. Jewellery sales

The world's largest gold markets of India and China performed well, while there was encouraging jewellery consumption data from the Middle East for the first time since the onset of the global financial crisis. Relative gold price stability aided recovery in all markets. India, the world's largest gold consumer, enjoyed a vastly improved first quarter amid upbeat sentiment stoked by signs of accelerating economic growth and a stronger rupee. Gold imports topped 144 tonnes, the highest first quarter tally in the past five years. Many retailers are restocking and also increasing the share of gold jewellery relative to diamond jewellery in their inventories to boost turnover over profit margins. It is anticipated that the first quarter's gains will be consolidated in the second quarter, with key buying opportunities presented by the Hindu New Year festivals, including the highly auspicious day of Akshaya Tritiya, as well as the upcoming wedding season.

China's first quarter sales are traditionally marked by strong demand amid Chinese New Year and Valentines Day celebrations. While many retailers reported good trade given that the two events fell on the same day this year, demand would have been stronger had the two not been combined. Interestingly, Women's Day on 8 March registered strong sales for the first time as women marked the day by buying jewellery, a positive indicator for the Chinese jewellery market. Some Chinese manufacturers reported the first quarter as their strongest of the past decade. January and February orders were predictably high while a surprisingly robust March indicates retailer confidence in the coming months.

While the US market continued its struggle, some positive data from the fourth quarter continued into the new year. Sterling Jewellers, the countries largest retailer, reported an 8% increase in sales for the full year through January. There were signs of retailers cautiously adding to inventories as year-on-year sales showed a modest increase. High-end retailers, including Tiffany, Sacks of Fifth Avenue and Neiman Marcus, reported strong sales. A continuation of that trend would confirm the popular contention that the high-end market would be first to recover from the slump. The luxury sector showed a similar rebound, as post-holiday discounting bolstered first quarter sales.

The Middle East showed signs of recovery. In the United Arab Emirates an increase in tourists visiting before and after the Dubai Shopping Festival helped boost gold sales. Residents also showed signs of adjusting to a $1,090/oz gold price level, which further supported sales boosted by growing consumer confidence. Total jewellery sales increased by as much as 20% year on year. Turkish jewellery exports leapt 52% to 10.4 tonnes, while local jewellery sales rose 33% from a year earlier. In the Kingdom of Saudi Arabia, the relative stability of gold prices in the first quarter, along with, increased government stimulus and occasions like Spring Holiday, Valentine's Day and Mothers' Day, all aided a 12% to 15% increase in jewellery sales.

2.2. Investment market

Last year's positive trend in bar and coin sales in India continued in the first quarter. The Indian ETF showed low levels of redemptions, while the launch of three new funds was announced. Changes to income tax regulations put more money in the hands of consumers, further boosting the local gold market. Recent advertising campaigns sponsored by commercial banks, extolling gold as a 'real' asset that can be used as collateral, are also now gaining traction. Scrap activity declined significantly.

In the US, bar and coin sales remained steady. January saw some investors selling gold to rebalance portfolios, but gold ETF sales were strong since February. ETF demand in the first quarter dropped sharply from the same period in 2009, when investors sought safe haven during the darkest days of the financial crisis. The launch of Sprott Asset Management's physical gold delivery ETF, saw ten tons of gold absorbed in just four days. In another significant transaction, China Investment Corp bought 1.5 million units of the SPDR Gold Trust, the world's largest ETF. The fact that CIC chose not to buy physical gold from Chinese sources highlights one of the primary benefits of investing in ETFs: they are easier to value, book and transact.

First quarter demand for China Gold Investment Bars was more than double that in the first quarter of last year. In fact, demand for gold bars in China during January and February was so strong that the Shanghai Gold Exchange imported 70t of bullion. Such positive data reflects a growing fear of rising inflation and investors diversifying away from property.

Middle Eastern investment saw some improvement in the first quarter, although it is more muted than gains in the jewellery sector. However it should be remembered that in terms of sales, the Middle Eastern jewellery market is far more significant than the investment market. In the UAE, demand for coins and bars rose by more than 15%, as Asian residents adjusted to a gold price around $1,090/oz. The Turkish market for physical gold investment showed modest gains and increased both year on year and quarter on quarter. Despite stronger jewellery manufacture, bullion imports were virtually non-existent as Turkish manufacturers were served by an increased supply of scrap. In Saudi Arabia the level of investment demand was flat.

Hedge position

As at 31 March 2010, the net delta hedge position was 3.35Moz or 104t (at 31 December 2009: 3.49Moz or 108t), representing a further reduction of 0.14Moz for the quarter. The total commitments of the hedge book as at 31 March 2010 was 3.55Moz or 110t, a reduction of 0.35Moz from the position as at 31 December 2009.

The marked-to-market value of all hedge transactions making up the hedge positions was a negative $2.07bn (negative R15.09bn), decreasing by $0.11bn (R1.09bn) over the quarter. This value was based on a gold price of $1,112.50/oz, exchange rates of R7.30/$ and A$/$0.9162 and the prevailing market interest rates and volatilities at that date.

As at 5 May 2010, the marked-to-market value of the hedge book was a negative $2.18bn (negative R16.47bn), based on a gold price of $1,169.20/oz and exchange rates of R7.55/$ and A$/$0.9073 and the prevailing market interest rates and volatilities at the time.

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 buying all hedge contracts at the time of valuation, at market prices and rates available at the time.

The following table indicates the group's **commodity hedge position** at 31 March 2010

Year
2010
2011
2012
2013
2014
2015
Total
US DOLLAR/GOLD
Forward contracts
Amount (oz)
*(488,927)
60,000
122,500
119,500
91,500
*(95,427)
US$/oz
*$985
$227 $418 $477 $510
*$
3,281
Put options sold
Amount (oz)
181,895
148,000
85,500
60,500
60,500
536,395
US$/oz
$772
$623 $538 $440 $450
$620
Call options sold

Amount (oz)
770,360
776,800
811,420
574,120
680,470
29,000
3,642,170
US$/oz
$607
$554
$635
$601
$604
$670
$601
RAND/GOLD
Forward contracts
Amount (oz)
*(30,000)
*(30,000)
ZAR/oz
*R7,181
*R7,181
Put options sold
Amount (oz)
30,000
30,000
ZAR/oz
R7,500
R7,500
Call options sold
Amount (oz)
30,000
30,000
ZAR/oz
R8,267
R8,267
A DOLLAR/GOLD
Forward contracts
Amount (oz)
100,000
100,000
A$/oz
A$643
A$643
Call options purchased
Amount (oz)
100,000
100,000
A$/oz

A$712
A$712
** Total net gold:
Delta (oz)
(250,090)
(808,775)
(880,206)
(660,682)
(726,215)
(26,463) (3,352,431)
Committed (oz)
(281,433)
(836,800)
(933,920)
(693,620)
(771,970)
(29,000) (3,546,743)
*
Represents a net long gold position and net short US Dollars/Rands position resulting from both forward sales and purchases for the period.
** *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 options formula with the ruling market prices, interest rates and
volatilities as at 31 March 2010.
Fair value of derivative analysis by accounting designation at 31 March 2010
Figures in millions
Non-hedge
accounted
Total
US Dollar
Commodity option contracts
(1,829)
Forward sale commodity contracts
(237)
Interest rate swaps
(13)
Total hedging contracts
(2,079)
Embedded derivatives
(1)
Warrants on shares
3
Option component of convertible bond
(127)
Total derivatives
(2,204)
Credit risk adjustment
(120)
Total derivatives - before credit risk adjustment
(2,324)

Rounding of figures may result in computational discrepancies.

Exploration

BROWNFIELDS EXPLORATION

In **South Africa**, surface drilling continued in the Project Zaaiplaats area. MMB5 deflection 7 advanced to a depth of 2,797m. MZA9 continued drilling deflection 23 and advanced 267m over the quarter. The Vaal reef intersection is expected in June 2010. The long deflection from MGR6 continued drilling and the hole is currently at a depth of 2,742m. The Vaal Reef is expected to be intersected in September 2010 after minor delays were caused by a jammed core barrel. MGR8 progressed to 40m above the reef (3,139m) when the rods broke. A wedge was then set at 3,010m so as to bypass the stuck rods. A reef intersection is anticipated in June 2010.

In the Western Ultra Deep Levels area, UD51 advanced from a depth of 2,796m to a depth of 3,064m with a Ventersdorp Contact Reef intersection expected in September 2010.

At Obuasi in **Ghana**, 1,374m of drilling was completed above 50 level. Drilling is scheduled to re-start on 50 level, with one hole starting in May and two in June as the sites are re-equipped.

In **Argentina**, positive results have been obtained from in-fill drilling on the known veins. In regional exploration, detailed mapping on four targets defined by radial and circular magnetic signatures at El Volcán is continuing.

In **Australia**, at Sunrise Dam, drilling continued to infill and extend both surface and underground lodes. Underground targets included GQ, Cosmo, Dolly and extensions to all these bodies. Surface targets included the paleochannel, Golden Delicious and Sunrise North including Neville. Drilling has continued at Wilga with a series of water bores being drilled.

In **Brazil**, surface and underground drilling for oxide and sulphide ore at Córrego do Sítio, remains the primary focus. The Fe-Quad step change exploration project commenced with exploration starting at the Pari prospect. At MSG, the down-dip extension of the Pequizão ore body is being targeted. Potential extensions of the Cajueiro are being targeted by a new drilling programme following structural reinterpretation. Final reports on exploration for MSG in accordance to the Brazilian Mining regulations have been completed and six new applications for exploration are being considered by the authorities. Regional exploration work continued on the Votorantim Metais areas.

In **Colombia**, at the La Colosa project, some restrictions on exploration activities have been lifted by the authorities. However, some water permits crucial for the resumption of exploration drilling remain suspended due to drought and consequent water restrictions. The most likely scenario is for drilling to resume late in the third quarter. Meanwhile, geophysical work (induction potential) is continuing and results to date encourage the view that it can be used to develop drill target extensions to the altered early diorite which is the primary host of the gold mineralisation. The development of a ‘geometallurgical model’, to define local variability in gold recovery and other important metallurgical treatment characteristics is progressing and will be invaluable for planning future exploitation.

At Kibali in the **Democratic Republic of the Congo**, Mineral Resource drilling of the KCD deposit continued and targeted the defining of the open pit/underground interface and the pit shell itself. A total of 19 holes (8,183m) were drilled. Drilling of the KCD Sessenge gap and the KCD infill programme commenced with 400m and 1,481m being drilled respectively. In the case of the KCD infill drilling all boreholes confirmed the existing wireframe model.

A review and reinterpretation of the ore zones on the project was undertaken during the quarter – this involved the re-logging of some 163 boreholes taking into consideration alteration, mineralisation and structural criteria.

Surface mapping has been completed on four oxide ore potential targets with the result that a 5,000m RC programme has been proposed for the Memekazi – Renzi project area. Soil sampling started at Block 1 in January with 747 samples taken. To date three anomalies have been identified in this block.

For Mongbwalu, a definitive agreement was signed with joint venture partner OKIMO on 20 March 2010. Within one year a feasibility study (as defined in the joint venture agreement) must be completed and submitted. In support of this feasibility study operations continued throughout the quarter aimed at metallurgical and geotechnical test work as well as infill Mineral Resource drilling.

A total of 15 core holes (2,563m) were completed, nine for geotechnical test work and the remainder for Mineral Resource definition.

At Siguiri in **Guinea**, a total of 22,173m of RC drilling was completed within the Combined Pits project area. The aim being to upgrade oxide Mineral Resources in Bidini South and Kalamagna South areas, around the Tubani Extension pit and between Bidini and Sanu-Tinti pits. Drilling around Kosise West and Kosise South East prospects was also completed with the aim of generating new Mineral Resource ounces.

Geological and geotechnical diamond drilling (229.6m) in the Tubani Extension project was carried out early in the quarter. Further drilling below Sanu Tinti, Sintroko and Soloni Pits brought the total of diamond drilling to 1,368m.

Reconnaissance and delineation drilling continued on a ground gravity and surface geochemical target north west of the Seguélén pit, and to the south west of the planned Sokunu pit with a total of 5,932m AC drilling.

Geochemical soil sampling for the first quarter covered two main areas, being the exploration license to the west of the TSF and the north eastern area of Block 1. Data interpretation is currently ongoing to define the targets that require follow up.

Ground geophysics IP grids were completed over a portion of Sintroko South and the Tubani Extension areas for orientation purposes, and over the Sokunu-Kosise gap for targeting purposes. The equipment has subsequently moved to the Saraya deposit in Block 2.

At Geita in **Tanzania**, exploration work focused on processing data collected from the Nyankanga Cut 7 infill drilling programme. A total of 14,000m new core was logged and together with the re-logging of 49,700m of historic core (which confirmed the previous interpretations), was incorporated into the updated Nyankanga geological model.

Some 10,000 new density readings were collected across the ore body. The average densities of the lithologies were confirmed but showed greater variability.

An IP survey over the Area 3 test area has been completed and the data is currently being processed.

Target consolidation of the first 20 regional exploration targets commenced in February with the collation of Prospect 5 data. The plan is to review all 20 targets by the end of 2010 with the aim of implementing follow up drilling plans for the five highest potential targets.

Geological mapping on the extension area to Star and Comet commenced in March to assist with delineating an area for IP survey in June quarter 2010 and compiling revised geological models.

In **Mali**, drilling continued at Yatela with the aim of extending the life of the Yatela and Alamoutala pits. Significant drill intersections were drilled at the KW-18 pit area. At Yatela North, the most northern drilling, located at the base of the Tamboura escarpment, shows mineralisation is open northwards.

The Sadiola Deeps Infill drilling is progressing well and remains on schedule. A review of the geological models of the Tambali and FN2 areas (north and south of the Sadiola open pit) has been undertaken and new wireframes are being created accordingly. It is expected that this will lead to an increase in Mineral Resource.

A detailed ground gravity survey is underway in the south of the Sadiola lease area over a significant gravity low anomaly identified to the south of Sekekoto SE prospect.

At Navachab in **Namibia**, 86 holes, totaling 11,255m, were drilled. Off-mine drilling focused on the LS/LM contact mineralisation at Anomaly 16 Valley target area with 27 RC holes (3,507m) and 5 diamond holes being drilled (669m). This drilling is probing the down plunge extension of the higher grade portion of mineralisation at the Valley target.

On-mine exploration drilling focused on the down plunge extension of the NP2 FW veins as well as the main pit FW vein down plunge extension with 12 diamond holes (3,270m) being completed on the NP2 vein set and 2 diamond holes (755m) being completed for the main pit FW vein set. 40 RC holes totaling 3,054m were drilled on the proposed HME waste dump extension to test the area for mineralisation.

At Cripple Creek & Victor in the **United States**, drilling and studies continue to quantify the potential of the high grade Mineral Resource. Metallurgical testing of a high grade composite sample is underway as is an interim Mineral Resource model. Mineral resource delineation drilling commenced in the North Cresson area.

GREENFIELD EXPLORATION

Greenfield exploration activities were undertaken in Australia, the Americas, China, Southeast Asia, Sub-Saharan Africa and the Middle East & North Africa. A total of 39,280m of diamond, RC and AC drilling was completed at existing priority targets and used to delineate new targets in Australia and Colombia.

In **Australia,** on the Tropicana JV, (AngloGold Ashanti 70%, Independence Group 30%) AngloGold Ashanti is currently undertaking a feasibility study and seeking environmental approvals required for open pit mining. Exploration is continuing throughout the tenement package and prioritised on targets close to the proposed gold operation.

The feasibility study is advancing with pit designs complete and mine scheduling in progress. The plant flow sheet and layout has been finalised. The design of infrastructure including administration and plant facilities buildings, tailings storage, access roads, village, water supply, and airstrip are nearing completion. The estimation of feasibility level capital and operating costs is in progress. The company will also consider the potential impact of the Resource Super Profits Tax being proposed by the Government of Australia effective 1 July 2012.

The Tropicana JV has responded to public submissions received during the eight week public review period for the Tropicana Gold project environmental impact assessment. The Environmental Protection Authority (EPA) is currently considering the project. It is anticipated the EPA will provide a recommendation on the project approval and approval conditions to the Western Australia Minister for the Environment. The approval and conditions are subject to potential public appeals.

During the quarter the Tropicana JV partners approved additional expenditure of A$8.7m to accelerate drilling of the Havana Deeps and Boston Shaker Zones, increasing the 2010 Tropicana JV exploration budget to A$25m.

At Boston Shaker, mineralisation has been intersected over an approximate 600m strike length and is located approximately 500m northeast of the Tropicana pit. Exploration is targeting Boston Shaker as a possible additional open pit mining area with further RC and diamond drilling being carried out to determine the northern and down-dip extents of the mineralisation.

Drilling at Havana Deeps identified the down-dip extensions of the mineralisation, which may have potential for underground mining. Gold intersections include 35m @ 5.03 g/t Au from 514m (including 22m @ 6.41 g/t Au from 527m) and 23m @ 3.39 g/t Au from 327m (including 21m @ 3.64 g/t Au from 349m).

At Tumbleweed, 10km north of Tropicana-Havana, aircore drilling returned gold results including 12m @ 0.72 g/t Au from 28m. Follow-up reverse circulation and diamond drilling will be completed in the June quarter.

The approximately 11,400km^2 Viking project, including 6,500km^2 of granted exploration licences, is southwest of the Tropicana JV within the Albany-Fraser foreland tectonic setting that hosts the Tropicana deposit. Here surface geochemical sampling continued throughout the quarter.

Greenfields exploration in the **Americas** in the first quarter focused on early stage exploration in Colombia, Canada, Brazil, Argentina and the USA. Two projects were drilled in Colombia, both of which will see continued evaluation throughout 2010. Several new targets were identified in Colombia, Brazil, Argentina and Canada as a result of AngloGold Ashanti's 100% greenfields exploration programmes as well as those with JV partners. AngloGold Ashanti currently has exploration tenements that cover more than 50,000km^2 in some of the most prospective belts and new frontiers in the Americas.

In **China,** at the Jinchanggou project, transfer of the remaining exploration licences into the JV is underway. Following completion of this structural targets identified from trenching will be drill tested. The three new applications in the Junggar Belt of northeast China are still pending final approval. Military clearance has been obtained from Provincial level, but due to procedural changes has been passed to Beijing for final clearance. We expect the licences to be granted in June quarter.

In the **Solomon Islands,** exploration activities continued at two JV's with XDM Resources. Exploration activities included airborne electro-magnetic geophysical surveys, trenching, geological mapping and geochemical sampling. Spectral and petrographic studies, with remodelling of existing geophysical data, were also completed to improve understanding of the project areas. Drilling equipment was being mobilised to high-priority drill targets identified and prioritised during the first quarter work.

In **Sub-Saharan Africa,** project generation work is ongoing with the development of new conceptual targets to guide longer term strategies. A number of specific exploration opportunities are currently under negotiation.

In the **Democratic Republic of the Congo**, the protracted mining contract renegotiation over the former Concession 40 area was concluded in March. The areal extent of Exploitation Licences currently held by OKIMO is 7,443km^2 and approximately 5,900km^2 is to be transferred to the joint venture company, Ashanti Goldfields Kilo (AGK), of which 86.22% of the share capital is held by AngloGold Ashanti and the remaining 13.78% by OKIMO, a state-owned gold company. The Mongbwalu project is now the subject of a Pre-feasibility Study (PFS), which is to be completed within 12 months as per the agreement. Geotechnical and metallurgical drill-testing has been completed for the PFS and a 50,000m combined diamond and reverse circulation drilling programme is scheduled to commence during the second quarter. Regional greenfields exploration on the remaining licence area will focus primarily on regional soil sampling, reconnaissance mapping and drill-testing of key targets.

In **Gabon**, encouraging results came from work on licences held by Dome Ventures that are the subject of an earn-in. Drilling on these licences is planned for the third quarter. Data from a recently released regional geophysical survey that was flown in 2009 as part of the Sysmin project is currently being acquired by AngloGold Ashanti. This will enable detailed interpretation and aid in target generation work over AngloGold Ashanti's 8,000km^2 prospecting licence, as well as the exploration licences that were acquired from Swala.

In the **Middle East & North Africa**, the strategic alliance between AngloGold Ashanti and Thani Investments has identified several promising projects in the Arabian Nubian Shield.

In **Russia,** the Sale and Purchase Agreement for the disposal of the Zoloto Taigi JV property of Veduga to Alfa Gold, was concluded this quarter and Federal Antimonopoly Service approval was received. Completion is expected in the second quarter.

ANGLOGOLD ASHANTI/DE BEERS JOINT VENTURE

During the quarter the Launch and Recovery system was commissioned and integrated with the sonic drill rig. In March, drilling activities started off the west coast of South Island, New Zealand. A total of 249m were drilled during the quarter. The first assay results are expected early in the third quarter.

Group **operating results**

Mar
Dec
Mar
Dec
Mar
Dec
Mar
Dec
2010
2009
2009
2009
2010
2009
2009
2009

OPERATING RESULTS

UNDERGROUND OPERATIONS

Milled
- 000 tonnes
/ - 000 tons
2,801
2,910
3,032
11,944
3,087
3,207
3,343
13,166

Yield
- g / t
/ - oz / t
6.22
6.68
6.22
6.41
0.181
0.195
0.181
0.187

Gold produced
- kg
/ - oz (000)
17,414
19,435
18,857
76,532
560
625
606

2,461
SURFACE AND DUMP RECLAMATION
Treated
- 000 tonnes
/ - 000 tons
2,692
3,068
3,264
12,779
2,967
3,382
3,598
14,086
Yield
- g / t
/ - oz / t
0.47
0.48
0.56
0.51
0.014
0.014
0.016
0.015
Gold produced
- kg
/ - oz (000)
1,276
1,476
1,824
6,481
41
47
59
208
OPEN-PIT OPERATIONS
Mined
- 000 tonnes
/ - 000 tons
39,861
40,346
45,352
167,000
43,939
44,474
49,992
184,086
Treated
- 000 tonnes
/ - 000 tons
5,919

6,645
5,737
25,582
6,525
7,325
6,324
28,199
Stripping ratio
- t (mined total - mined ore) / t mined ore
4.93
4.71
5.44
5.58
4.93
4.71
5.44
5.58
Yield
- g / t
/ - oz / t
2.05
1.98
1.99
1.96
0.060
0.058
0.058
0.057
Gold in ore
- kg
/ - oz (000)
7,131
10,348
7,750
34,934
229
333
249
1,123
Gold produced
- kg
/ - oz (000)
12,161
13,128
11,406
50,041
391
422
367
1,609

HEAP LEACH OPERATIONS
Mined
- 000 tonnes
/ - 000 tons
16,565
14,480
13,882
57,456
18,260
15,961
15,302
63,334
Placed
1
- 000 tonnes
/ - 000 tons
5,457
4,678
5,605
19,887
6,015
5,156
6,179
21,922
Stripping ratio
- t (mined total - mined ore) / t mined ore
2.08
2.23
1.51
1.94
2.08
2.23
1.51
1.94
Yield
2
- g / t
/ - oz / t
0.56
0.72
0.57
0.65
0.016
0.021
0.017
0.019
Gold placed
3
- kg
/ - oz (000)
3,068

3,380
3,220
12,958
99
109
104
417
Gold produced
- kg
/ - oz (000)
2,723
2,728
2,219
9,995
87
88
71
321
TOTAL
Gold produced
- kg
/ - oz (000)
33,574
36,767
34,306
143,049
1,079
1,182
1,103
4,599
Gold sold
- kg
/ - oz (000)
32,999
37,359
32,584
142,837
1,061
1,201
1,048
4,592
Price received
- R / kg
/ - $ / oz
- sold
244,873
247,985
273,109
201,805
1,015
1,029

858
751
Price received excluding hedge
buy-back costs
- R / kg
/ - $ / oz
- sold
244,873
247,985
273,109
246,048
1,015
1,029
858
925
Total cash costs
- R / kg
/ - $ / oz
- produced
149,431
143,596
141,552
136,595
619
598
445
514
Total production costs
- R / kg
/ - $ / oz
- produced
190,374
178,379
180,751
171,795
789
743
568
646
PRODUCTIVITY PER EMPLOYEE
Target
- g
/ - oz
300
333
293
317
9.64
10.72
9.42
10.20

Actual
- g
/ - oz
268
292
287
292
8.61
9.40
9.23
9.40
CAPITAL EXPENDITURE
- Rm
/ - $m
1,283
2,275
2,381
8,726
171
293
241
1,027
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 ended March 2010	Quarter ended December 2009	Quarter ended March 2009	Year ended December 2009
SA Rand million	**Notes**	Unaudited	Unaudited	Unaudited	Audited
Revenue	2	**8,453**	9,514	6,824	31,961
Gold income		**8,222**	9,234	6,518	30,745
Cost of sales	3	**(6,060)**	(6,219)	(5,621)	(23,220)
Gain (loss) on non-hedge derivatives and other commodity contracts	4	**59**	(2,706)	205	(11,934)
Gross profit (loss)		**2,221**	309	1,102	(4,409)

Corporate administration and other expenses
(282)
(359)
(351)
(1,275)
Market development costs
(19)
(10)
(28)
(87)
Exploration costs
(277)
(442)
(221)
(1,217)
Other operating (expenses) income
5
(56)
58
(50)
(80)
Operating special items
6
(174)
4,761
(60)
5,209
Operating profit (loss)
1,413
4,317
391
(1,859)
Interest received
65
133
97
444
Exchange gain
38
527
16
852
Fair value adjustment on option component of convertible bond
356
(66)
-
(249)
Finance costs and unwinding of obligations
7
(239)
(268)

(252)
(1,146)
Share of equity accounted investments' profit
163
227
223
785
Profit (loss) before taxation
1,796
4,870
476
(1,173)
Taxation
8
(558)
(1,522)
(384)
(1,172)
Profit (loss) for the period
1,238
3,348
92
(2,345)
Allocated as follows:
Equity shareholders
1,150
3,179
1
(2,762)
Non-controlling interests
88
169
91
417
1,238
3,348
92
(2,345)
Basic profit (loss) per ordinary share (cents)
1
313
867
-
(765)
Diluted profit (loss) per ordinary share (cents)
2
313
865
-
(765)
1

Calculated on the basic weighted average number of ordinary shares.

Rounding of figures may result in computational discrepancies.

2

Calculated on the diluted weighted average number of ordinary shares.

Group **income statement**

Quarter

Quarter

Quarter

Year

ended

ended

ended

ended

March

December

March

December

2010

2009

2009

2009

US Dollar million

Notes

Unaudited

Unaudited

Unaudited

Audited

Revenue

2

1,126

1,273

689

3,916

Gold income

1,095

1,236

658

3,768

Cost of sales

3

(807)

(833)

(568)

(2,813)

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

4

13

(363)

20

(1,533)

Gross profit (loss)

301

40

111

(578)

Corporate administration and other expenses
(37)
(48)
(35)
(154)
Market development costs
(3)
(1)
(3)
(10)
Exploration costs
(37)
(59)
(22)
(150)
Other operating (expenses) income
5
(8)
8
(5)
(8)
Operating special items
6
(23)
636
(6)
691
Operating profit (loss)
193
576
39
(209)
Interest received
9
18
10
54
Exchange gain
4
71
1
112
Fair value adjustment on option component of convertible bond
48
(9)
-
(33)
Finance costs and unwinding of obligations
7
(32)
(36)

(25)
(139)
Share of equity accounted investments' profit
22
30
23
94
Profit (loss) before taxation
244
650
48
(121)
Taxation
8
(76)
(204)
(39)
(147)
Profit (loss) for the period
168
446
9
(268)
Allocated as follows:
Equity shareholders
157
424
-
(320)
Non-controlling interests
11
22
9
52
168
446
9
(268)
Basic profit (loss) per ordinary share (cents)
1
43
116
-
(89)
Diluted profit (loss) per ordinary share (cents)
2
43
115
-
(89)
1

Calculated on the basic weighted average number of ordinary shares.
Rounding of figures may result in computational discrepancies.
2
Calculated on the diluted weighted average number of ordinary shares.

Group statement of **comprehensive income**

Quarter
Quarter
Quarter
Year
ended
ended
ended
ended
March
December
March
December
2010
2009
2009
2009
Restated
Restated
SA Rand million
Unaudited
Unaudited
Unaudited
Audited
Profit (loss) for the period
1,238
3,348
92
(2,345)
Exchange differences on translation of foreign operations
(280)
(618)
166
(2,645)
Net loss on cash flow hedges
(1)
(140)
(171)
(132)
Net loss on cash flow hedges removed from equity and reported in gold income
279
181
530
1,155
Hedge ineffectiveness on cash flow hedges
-
15
36
40
Realised gains (losses) on hedges of capital items
1

2
(15)
(12)
Deferred taxation thereon
(98)
(13)
(91)
(263)
181
45
289
788
Net (loss) gain on available for sale financial assets
(45)
346
83
482
Deferred taxation thereon
1
(5)
(3)
(13)
(44)
341
80
469
Actuarial gain recognised
-
88
-
88
Deferred taxation thereon
-
(28)
-
(28)
-
60
-
60
Other comprehensive (expense) income for the period net of tax
(143)
(172)
535
(1,328)
Total comprehensive income (expense) for the period net of tax
1,095
3,176
627
(3,673)

Allocated as follows:
Equity shareholders
1,007
3,008
530
(4,099)
Non-controlling interests
88
168
97
426
1,095
3,176
627
(3,673)
Rounding of figures may result in computational discrepancies.

Group statement of **comprehensive income**

Quarter
Quarter
Quarter
Year
ended
ended
ended
ended
March
December
March
December
2010
2009
2009
2009
Restated
Restated
US Dollar million
Unaudited
Unaudited
Unaudited
Audited
Profit (loss) for the period
168
446
9
(268)
Exchange differences on translation of foreign operations
22
(45)
(14)
318
Net loss on cash flow hedges
-
(17)
(17)
(16)
Net loss on cash flow hedges removed from equity and reported in gold income
37
26
54
138
Hedge ineffectiveness on cash flow hedges
-
2
3
5
Realised gains (losses) on hedges of capital items
-

1
(2)
(1)
Deferred taxation thereon
(13)
(3)
(9)
(35)
24
9
29
91
Net (loss) gain on available for sale financial assets
(6)
41
8
57
Deferred taxation thereon
-
(1)
-
(2)
(6)
40
8
55
Actuarial gain recognised
-
10
-
10
Deferred taxation thereon
-
(3)
-
(3)
-
7
-
7
Other comprehensive income for the period net of tax
40
11
23
471
Total comprehensive income for the period net of tax
208
457
32
203

Allocated as follows:
Equity shareholders
197
434
22
150
Non-controlling interests
11
23
10
53
208
457
32
203
Rounding of figures may result in computational discrepancies.

Group **statement of financial position**

As at
As at
As at
March
December
March
2010
2009
2009
SA Rand million
Note
Unaudited
Audited
Unaudited
ASSETS
Non-current assets
Tangible assets
42,476
43,263
41,404
Intangible assets
1,309
1,316
1,408
Investments in associates and equity accounted joint ventures
4,795
4,758
2,897
Other investments
1,315
1,302
704
Inventories
2,485
2,508
2,884
Trade and other receivables
867
788
716
Derivatives
19
40
-
Deferred taxation
349
451
477
Cash restricted for use
364

394
359
Other non-current assets
99
63
36
54,078
54,883
50,884
Current assets
Inventories
5,216
5,102
5,877
Trade and other receivables
1,517
1,419
1,827
Derivatives
1,517
2,450
4,744
Current portion of other non-current assets
2
3
2
Cash restricted for use
118
87
84
Cash and cash equivalents
5,346
8,176
5,874
13,716
17,237
18,408
Non-current assets held for sale
665
650
9,104
14,381
17,887
27,512
TOTAL ASSETS
68,459
72,770
78,396
EQUITY AND LIABILITIES
Share capital and premium
11

39,884
39,834
37,513
Retained earnings and other reserves
(17,465)
(18,276)
(13,995)
Non-controlling interests
956
966
893
Total equity
23,375
22,524
24,411
Non-current liabilities
Borrowings
4,809
4,862
9,147
Environmental rehabilitation and other provisions
3,383
3,351
3,934
Provision for pension and post-retirement benefits
1,181
1,179
1,299
Trade, other payables and deferred income
144
108
115
Derivatives
941
1,310
-
Deferred taxation
5,661
5,599
6,153
16,119
16,409
20,648
Current liabilities
Current portion of borrowings
7,095
9,493
9,745
Trade, other payables and deferred income
3,867
4,332

4,683
Derivatives
16,674
18,770
17,376
Taxation
1,271
1,186
803
28,907
33,781
32,607
Non-current liabilities held for sale
58
56
731
28,965
33,837
33,338
Total liabilities
45,084
50,246
53,986
TOTAL EQUITY AND LIABILITIES
68,459
72,770
78,396
Net asset value - cents per share
6,386
6,153
6,818
Rounding of figures may result in computational discrepancies.

Group **statement of financial position**
As at
As at
As at
March
December
March
2010
2009
2009
US Dollar million
Note
Unaudited
Audited
Unaudited
ASSETS
Non-current assets
Tangible assets
5,823
5,819
4,320
Intangible assets
180
177
147
Investments in associates and equity accounted joint ventures
657
640
302
Other investments
180
175
73
Inventories
340
337
301
Trade and other receivables
119
106
75
Derivatives
3
5
-
Deferred taxation
48
61
50
Cash restricted for use
50

53
37
Other non-current assets
14
8
4
7,414
7,381
5,308
Current assets
Inventories
715
686
613
Trade and other receivables
208
191
190
Derivatives
208
330
495
Current portion of other non-current assets
-
-
-
Cash restricted for use
16
12
9
Cash and cash equivalents
733
1,100
613
1,880
2,319
1,920
Non-current assets held for sale
91
87
950
1,971
2,406
2,870
TOTAL ASSETS
9,385
9,787
8,178
EQUITY AND LIABILITIES
Share capital and premium
11

5,811
5,805
5,503
Retained earnings and other reserves
(2,738)
(2,905)
(3,049)
Non-controlling interests
131
130
93
Total equity
3,204
3,030
2,547
Non-current liabilities
Borrowings
659
654
954
Environmental rehabilitation and other provisions
464
451
410
Provision for pension and post-retirement benefits
162
159
135
Trade, other payables and deferred income
20
14
12
Derivatives
129
176
-
Deferred taxation
776
753
642
2,210
2,207
2,153
Current liabilities
Current portion of borrowings
973
1,277
1,017
Trade, other payables and deferred income
530
582

489
Derivatives
2,286
2,525
1,813
Taxation
174
159
84
3,963
4,543
3,402
Non-current liabilities held for sale
8
7
76
3,971
4,550
3,478
Total liabilities
6,181
6,757
5,631
TOTAL EQUITY AND LIABILITIES
9,385
9,787
8,178
Net asset value - cents per share
875
828
711
Rounding of figures may result in computational discrepancies.

Group **statement of cashflows**

	Quarter ended March 2010	Quarter ended December 2009	Quarter ended March 2009	Year ended December 2009
SA Rand million	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities				
Receipts from customers	**8,166**	9,596	6,404	31,473
Payments to suppliers and employees	**(6,640)**	(5,889)	(3,726)	(20,896)
Cash generated from operations	**1,526**	3,707	2,678	10,577
Dividends received from equity accounted investments	**117**	136	173	751
Taxation paid	**(317)**	(233)	(423)	(1,232)
Cash utilised for hedge buy-back costs	**-**	-		

-
(6,315)
Net cash inflow from operating activities
1,326
3,610
2,427
3,781
Cash flows from investing activities
Capital expenditure
(1,267)
(2,243)
(2,387)
(8,656)
Proceeds from disposal of tangible assets
16
1,814
17
9,029
Other investments acquired
(120)
(229)
(160)
(750)
Acquisition of associates and equity accounted joint ventures
(72)
(2,638)
-
(2,646)
Proceeds on disposal of associate
4
-
-
-
Associates' loans advanced
(17)
(17)
-
(17)
Associates' loans repaid
-
-
1
3
Proceeds from disposal of investments
54
196
165
680
(Increase) decrease in cash restricted for use
(3)
19

(104)
(91)
Interest received
59
129
98
445
Loans advanced
(37)
-
-
(1)
Repayment of loans advanced
1
2
1
4
Net cash outflow from investing activities
(1,382)
(2,967)
(2,370)
(2,000)
Cash flows from financing activities
Proceeds from issue of share capital
3
39
114
2,384
Share issue expenses
-
(39)
(4)
(84)
Proceeds from borrowings
264
162
10,938
24,901
Repayment of borrowings
(2,642)
(57)
(10,135)
(24,152)
Finance costs paid
(76)
(180)
(410)
(946)
Dividends paid
(260)
(43)

(178)
(474)
Net cash (outflow) inflow from financing activities
(2,711)
(118)
325
1,629
Net (decrease) increase in cash and cash equivalents
(2,767)
525
382
3,410
Translation
(63)
(677)
54
(672)
Cash and cash equivalents at beginning of period
8,176
8,328
5,438
5,438
Cash and cash equivalents at end of period
5,346
8,176
5,874
8,176
Cash generated from operations
Profit (loss) before taxation
1,796
4,870
476
(1,173)
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
(672)
2,281
1,621
14,417
Amortisation of tangible assets
1,267
1,152
1,261
4,615
Finance costs and unwinding of obligations
239
268
252
1,146
Environmental, rehabilitation and other expenditure
30

(70)
16
(47)
Operating special items
169
(4,708)
60
(5,148)
Amortisation of intangible assets
4
4
6
18
Deferred stripping
204
205
(313)
(467)
Fair value adjustment on option component of convertible bonds
(356)
66
-
249
Interest received
(65)
(133)
(97)
(444)
Share of equity accounted investments' profit
(163)
(227)
(223)
(785)
Other non-cash movements
21
(675)
84
(853)
Movements in working capital
(948)
674
(464)
(951)
1,526
3,707
2,678
10,577
Movements in working capital
(Increase) decrease in inventories
(97)
(183)

(440)
634
(Increase) decrease in trade and other receivables
(302)
438
(337)
106
(Decrease) increase in trade and other payables
(549)
419
313
(1,691)
(948)
674
(464)
(951)
Rounding of figures may result in computational discrepancies.

Group **statement of cashflows**

Quarter

Quarter

Quarter

Year

ended

ended

ended

ended

March

December

March

December

2010

2009

2009

2009

US Dollar million

Unaudited

Unaudited

Unaudited

Audited

Cash flows from operating activities

Receipts from customers

1,086

1,283

646

3,845

Payments to suppliers and employees

(881)

(805)

(378)

(2,500)

Cash generated from operations

205

478

268

1,345

Dividends received from equity accounted investments

16

19

18

101

Taxation paid

(42)

(32)

(43)

(147)

Cash utilised for hedge buy-back costs

-

-

-
(797)
Net cash inflow from operating activities
179
465
243
502
Cash flows from investing activities
Capital expenditure
(169)
(281)
(241)
(1,019)
Proceeds from disposal of tangible assets
2
242
2
1,142
Other investments acquired
(16)
(29)
(16)
(89)
Acquisition of associates and equity accounted joint ventures
(10)
(353)
-
(354)
Proceeds on disposal of associate
1
-
-
-
Associates' loans advanced
(2)
(2)
-
(2)
Associates' loans repaid
-
-
-
-
Proceeds from disposal of investments
7
25
17
81
Decrease (increase) in cash restricted for use
-
2

(10)
(10)
Interest received
8
17
10
55
Loans advanced
(5)
-
-
-
Repayment of loans advanced
-
-
-
1
Net cash outflow from investing activities
(184)
(379)
(239)
(195)
Cash flows from financing activities
Proceeds from issue of share capital
-
5
12
306
Share issue expenses
-
(5)
-
(11)
Proceeds from borrowings
35
29
1,105
2,774
Repayment of borrowings
(352)
(22)
(1,024)
(2,731)
Finance costs paid
(10)
(23)
(41)
(111)
Dividends paid
(35)
(6)

(18)
(56)
Net cash (outflow) inflow from financing activities
(362)
(22)
33
171
Net (decrease) increase in cash and cash equivalents
(367)
64
37
478
Translation
-
(72)
1
47
Cash and cash equivalents at beginning of period
1,100
1,108
575
575
Cash and cash equivalents at end of period
733
1,100
613
1,100
Cash generated from operations
Profit (loss) before taxation
244
650
48
(121)
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
(94)
306
164
1,787
Amortisation of tangible assets
169
154
127
555
Finance costs and unwinding of obligations
32
36
25
139
Environmental, rehabilitation and other expenditure
4

(9)
2
(6)
Operating special items
23
(629)
6
(683)
Amortisation of intangible assets
-
-
1
2
Deferred stripping
27
27
(32)
(48)
Fair value adjustment on option component of convertible bonds
(48)
9
-
33
Interest received
(9)
(18)
(10)
(54)
Share of equity accounted investments' profit
(22)
(30)
(23)
(94)
Other non-cash movements
3
(90)
8
(115)
Movements in working capital
(124)
72
(49)
(50)
205
478
268
1,345
Movements in working capital
Increase in inventories
(33)
(35)

(34)
(155)
(Increase) decrease in trade and other receivables
(45)
55
(32)
(45)
(Decrease) increase in trade and other payables
(46)
52
17
150
(124)
72
(49)
(50)
Rounding of figures may result in computational discrepancies.

Group **statement of changes in equity**
Cash
Available
Foreign
Share
Other
flow
for
Actuarial
currency
Non-
capital &
capital
Retained
hedge
sale
(losses)
translation
controlling
Total
SA Rand million
premium
reserves
earnings
reserve
reserve
gains
reserve
Total
interests
equity
Balance at December 2008
37,336
799
(22,765)
(1,008)
(18)
(347)
8,959
22,956
790
23,746
Profit for the period
1
1
91
92
Comprehensive income