

Non-GAAP disclosure

For the year ended 31 December

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

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

2005	2006	Figures in million	2006	2005
SA Rands	US Dollars			
(716)	(838)	1. Headline earnings adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, fair value adjustment on convertible bond and interest rate swaps ⁽¹⁾ (adjusted headline earnings)	(80)	(97)
1,900	4,507	Headline loss	615	286
(128)	(742)	Loss on unrealised non-hedge derivatives and other commodity contracts	(106)	(21)
211	(137)	Deferred tax on unrealised non-hedge derivatives and other commodity contracts (group note 12)	(16)	32
5	-	Fair value adjustment on option component of convertible bond	-	1
		Fair value loss on interest rate swap		
1,272	2,790	Headline earnings adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, fair value adjustment on convertible bond and interest rate swaps	413	201
		<p>⁽¹⁾ Loss on non-hedge derivatives and other commodity contracts in the income statement comprise the change in fair value of all non-hedge derivatives and other commodity contracts as follows:</p> <ul style="list-style-type: none"> - 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. <p>Headline earnings adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, fair value adjustment on convertible bond and interest rate swaps are intended to illustrate earnings after adjusting for:</p> <ul style="list-style-type: none"> - The unrealised fair value change in contracts that are still open at the reporting date, as well as the unwinding of the historic marked-to-market value of the positions settled in the period; 		

2005	2006	Figures in million	2006	2005
SA Rands			US Dollars	
481	1,023	<p>1. Headline earnings adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, fair value adjustment on convertible bond and interest rate swaps ⁽¹⁾ (adjusted headline earnings) cont.</p> <ul style="list-style-type: none"> - Investment in hedge restructure transaction: During the hedge restructure in December 2004 and March 2005 quarters, \$83 million, R475 million and \$69 million, R415 million in cash were injected respectively into the hedge book in these quarters to increase the value of long-dated contracts. The entire investment in short-dated derivatives (certain of which have now matured) and investment in long-dated derivatives (all of which have not yet matured), for the purposes of the adjustment to earnings, will only be taken into account when the realised portion of long-dated non-hedge derivatives are settled, and not when the short-term contracts are settled; - The unrealised fair value change on the option component of the convertible bond amounting to \$16 million, R137 million (2005: \$32 million, R211 million); and - The unrealised fair value change on the onerous uranium contracts. <p>Cents per share</p> <p>This calculation is based on adjusted headline earnings of \$413 million, R2,790 million (2005: \$201 million, R1,272 million) and 272,808,217 (2005: 264,635,634) shares being the weighted average number of ordinary shares in issue during the financial year.</p>	151	76
1,099	2,700	<p>2. Gross profit adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts (adjusted gross profit)</p> <p>Reconciliation of gross profit to gross profit adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts</p> <p>Gross profit</p>	443	185
1,900	4,507	<p>Loss on unrealised non-hedge derivatives and other commodity contracts</p>	615	286
2,999	7,207	<p>Gross profit adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts ⁽¹⁾</p>	1,058	470
		<p>⁽¹⁾ Loss on non-hedge derivatives and other commodity contracts in the income statement comprise the change in fair value of all non-hedge derivatives and other commodity contracts as follows:</p> <ul style="list-style-type: none"> - 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. 		

Non-GAAP disclosure *cont.*

For the year ended 31 December

2005	2006	Figures in million	2006	2005
SA Rands			US Dollars	
		<p>2. Gross profit adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts (adjusted gross profit) <i>cont.</i></p> <p>Gross profit adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, is intended to illustrate earnings after adjusting for:</p> <ul style="list-style-type: none"> - The unrealised fair value change in contracts that are still open at the reporting date, as well as, the unwinding of the historic marked-to-market value of the positions settled in the period; - Investment in hedge restructure transaction: During the hedge restructure in the quarter ended 31 December 2004 and the quarter ended 31 March 2005, \$83 million, R475 million and \$89 million, R415 million in cash was injected into the hedge book in these quarters to increase the value of long-dated contracts. The entire investment in short-dated derivatives (certain of which have now matured) and investment in long-dated derivatives (all of which have not yet matured), for the purposes of the adjustment to earnings, will only be taken into account when the realised portion of long-dated non-hedge derivatives is settled, and not when the short-term contracts are settled; and - The unrealised fair value change on the onerous uranium contracts. <p>Gross profit (loss) adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts is analysed by origin as follows:</p>		
1,480	3,746	South Africa	549	230
203	245	Argentina	37	32
288	934	Australia	137	46
543	946	Brazil	138	86
(191)	(186)	Ghana	(26)	(29)
98	19	Guinea	4	15
443	986	Mali	146	69
64	148	Namibia	22	10
49	(19)	Tanzania	(2)	9
107	167	USA	23	17
(85)	221	Other, including corporate and non-gold producing subsidiaries	30	(15)
2,999	7,207		1,058	470

2005	2006	Figures in million	2006	2005
SA Rands			US Dollars	
		3. Loss on non-hedge derivatives and other commodity contracts is summarised as follows:		
		Group:		
951	2,552	Gains on realised non-hedge derivatives	376	151
(1,842)	(4,343)	Loss on unrealised non-hedge derivatives	(591)	(277)
(91)	(9)	Unrealised loss on other commodity physical borrowings	(1)	(14)
33	(155)	Provision for loss on future deliveries of other commodities	(23)	5
(949)	(1,955)	Loss on non-hedge derivatives and other commodity contracts per the income statement	(239)	(135)
		Company:		
379	1,112	Gains on realised non-hedge derivatives	166	62
(635)	(1,938)	Loss on unrealised non-hedge derivatives	(265)	(95)
(91)	(9)	Unrealised loss on other commodity physical borrowings	(1)	(14)
33	(101)	Provision for loss on future deliveries of other commodities	(15)	5
(314)	(936)	Loss on non-hedge derivatives and other commodity contracts per the income statement	(115)	(42)
		4. Price received		
16,750	20,137	Gold income per income statement	2,964	2,629
(566)	(804)	Adjusted for minority interests	(119)	(89)
16,184	19,333		2,845	2,540
951	2,552	Gains on realised non-hedge derivatives	376	151
17,135	21,885		3,221	2,691
190,767	173,639	Attributable gold sold – kg/ – oz (000)	5,583	6,133
89,819	126,038	Revenue price per unit – R/kg/ – \$/oz	577	439
		5. Total costs		
11,229	11,839	Total cash costs (group note 4)	1,746	1,766
(208)	(73)	Adjusted for minority interests and non-gold producing companies	(11)	(33)
11,021	11,766	Total cash costs adjusted for minority interests and non-gold producing companies	1,735	1,733
168	152	Retrenchment costs (group note 4)	22	26
368	(35)	Rehabilitation and other non-cash costs (group note 4)	(3)	57
3,203	4,059	Amortisation of tangible assets (group note 4)	597	503
13	13	Amortisation of intangible assets (group note 4)	2	2
(102)	(122)	Adjusted for minority interests and non-gold producing companies	(18)	(16)
14,671	15,833	Total production costs adjusted for minority interests and non-gold producing companies	2,335	2,305
191,783	175,253	Gold produced – kg/– oz (000)	5,635	6,166
57,465	67,133	Total cash cost per unit – R/kg/ – \$/oz	308	281
76,495	90,345	Total production cost per unit – R/kg/– \$/oz	414	374

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For the year ended 31 December

2005	2006	Figures in million	2006	2005
SA Rands			US Dollars	
		6. Cash gross profit		
2,999	7,207	Gross profit adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts	1,058	470
3,203	4,059	Amortisation of tangible assets (group note 4)	597	503
13	13	Amortisation of intangible assets (group note 4)	2	2
(130)	(43)	Non-cash revenues	(5)	(20)
6,085	11,236		1,652	955
		Cash gross profit is analysed by origin as follows:		
2,562	5,366	South Africa	788	399
354	465	Argentina	69	56
494	1,179	Australia	173	78
687	1,136	Brazil	165	108
249	396	Ghana	60	40
258	282	Guinea	42	40
732	1,274	Mali	188	115
110	192	Namibia	28	17
289	246	Tanzania	37	47
363	432	USA	62	57
(13)	268	Other, including corporate and non-gold producing subsidiaries	40	(2)
6,085	11,236		1,652	955
		7. EBITDA		
(309)	1,349	Operating profit (loss) per the income statement	246	(34)
3,203	4,059	Amortisation of tangible assets (group note 4)	597	503
13	13	Amortisation of intangible assets (group note 4)	2	2
300	44	Impairment of tangible assets (group note 6, 14 and 16)	6	44
125	-	Impairment of intangible assets (group note 17)	-	20
1,900	4,507	Loss on unrealised non-hedge derivatives and other commodity contracts (note 3)	615	286
(5)	(2)	Share of associates' EBITDA (group note 8)	(1)	(1)
(40)	(333)	Profit on disposal of assets (group note 6)	(48)	(5)
-	(36)	Recovery of exploration loan previously expensed (group note 6)	(5)	-
-	(9)	Profit on disposal of shares in Nufcor Uranium Limited (group note 6)	(1)	-
31	-	Abandonment of assets at Malian operations (group note 6)	-	5
5,218	9,592		1,411	820

2005	2006	Figures in million	2006	2005
SA Rands			US Dollars	
5,218	9,592	8. Interest cover	1,411	820
690	822	EBITDA (note 7)	123	108
102	71	Finance costs (group note 7)	10	16
792	893	Capitalised finance costs (group note 7 and 16)	133	124
7	11	Interest cover – times	11	7
16,508	20,895	9. Equity and net capital employed	2,985	2,603
1,655	1,503	Shareholders' equity per balance sheet	215	261
227	45	Adjusted to exclude:	6	36
18,390	22,443	– Other comprehensive income (group note 28)	3,206	2,900
7,320	7,722	– Actuarial losses (group note 28)	1,103	1,154
1,015	1,581	Deferred tax (group note 33)	226	160
131	28	Adjusted to exclude:	4	22
26,856	31,774	– Deferred tax on derivatives and other comprehensive income	4,539	4,236
374	436	– Deferred tax on actuarial losses	62	59
10,825	9,963	Equity	1,423	1,706
1,190	413	Minorities (group note 29)	59	188
39,245	42,586	Borrowings – long-term portion (group note 30)	6,083	6,189
(1,328)	(3,467)	Borrowings – short-term portion (group note 30)	(495)	(209)
37,917	39,119	Capital employed	5,588	5,980
		Cash and cash equivalents (group note 25)		
		Net capital employed		
		10. Net debt		
10,825	9,963	Borrowings – long-term portion (group note 30)	1,423	1,706
1,190	413	Borrowings – short-term portion (group note 30)	59	188
12,015	10,376	Total borrowings	1,482	1,894
(1,328)	(3,467)	Cash and cash equivalents (group note 25)	(495)	(209)
10,687	6,909	Net debt	987	1,685

Non-GAAP disclosure cont.

For the year ended 31 December

2005	2006	Figures in million	2006	2005
SA Rands			US Dollars	
16,882	21,331	11. Net asset value – cents per share		
		Total equity per balance sheet	3,047	2,662
265	280	Number of ordinary shares in issue (millions)	280	265
6,372	7,607	Net asset value – cents per share	1,087	1,005
		Number of ordinary shares in issue consists of:		
		276,236,153 (2005: 264,938,432) ordinary shares (group note 27)		
		4,185,770 (2005: nil) E ordinary shares (group note 27)		
		12. Net tangible asset value – cents per share		
16,882	21,331	Total equity per balance sheet	3,047	2,662
(2,533)	(2,909)	Intangible assets (group note 17)	(415)	(399)
14,349	18,422		2,632	2,263
265	280	Number of ordinary shares in issue (millions) (note 11)	280	265
5,416	6,569	Net tangible asset value – cents per share	939	854
		13. Return on equity		
		Headline earnings adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, fair value adjustment on convertible bonds and interest rate swaps (note 1)	413	201
1,272	2,790	Equity (note 9)	4,539	4,236
26,856	31,774	Average equity	4,388	4,472
26,719	29,315	Note – equity for 2004 amounted to \$4,708 million, R26,581 million		
5	10	Return on equity – %	9	4
		14. Return on net capital		
		Headline earnings adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, fair value adjustment on convertible bonds and interest rate swaps (note 1)	413	201
1,272	2,790	Finance costs (group note 7)	123	108
690	822			
1,962	3,612	Headline earnings adjusted for the loss on unrealised non-hedge derivatives and other commodity contracts, fair value adjustment on convertible bonds and interest rate swaps (note 1)	536	309
37,917	39,119	Net capital employed (note 9)	5,588	5,980
36,129	38,518	Average net capital employed	5,784	5,988
		Note – Net capital employed for 2004 amounted to \$5,996 million, R34,340 million		
5	9	Return on net capital – %	9	5

2005	2006	Figures in million	2006	2005
SA Rands	US Dollars			
3,892	7,825	15. Free cash flow	1,137	612
(2,879)	(3,416)	Net cash inflow from operating activities per cash flow	(504)	(452)
1,013	4,409	Stay-in-business capital expenditure per cash flow	633	160
265	280	16. Market capitalisation	280	265
314.00	329.99	Number of ordinary shares in issue at year end (millions) (group note 27)	47.09	49.33
83,191	92,536	Closing share price as quoted on the JSE and New York Stock Exchange	13,205	13,069
		Market capitalisation		
		17. Average number of employees		
		South Africa	35,968	40,754
		Argentina	906	946
		Australia	479	393
		Brazil	4,428	3,371
		Ghana	9,443	10,180
		Guinea	2,708	1,978
		Mali	1,473	1,309
		Namibia	313	315
		Tanzania	3,220	2,280
		USA	369	357
		Other, including corporate and non-gold producing subsidiaries	2,146	2,110
			61,453	63,993