

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 its financial presentations, earnings releases, earnings conference calls and otherwise.

The group uses 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. The Non-GAAP financial measures (headline earnings and gross profit) are used to adjust for fair value movements on the convertible and mandatory bonds as well as the highly volatile marked-to-market movements on unrealised non-hedge derivatives and other commodity contracts which can only be measured with certainty on settlement of the contracts. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, 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 that other companies use.

| 2009 | 2010 | Figures in million | 2010 | 2009 |
|----------|-----------------|--|----------------|-------|
| SA Rands | | | US Dollars | |
| | | 1 | | |
| | | Headline loss adjusted for unrealised non-hedge derivatives, other commodity contracts and fair value adjustment on the convertible and mandatory bonds ⁽¹⁾ (adjusted headline loss) | | |
| (6,790) | 962 | Headline earnings (loss) (group note 13) | 122 | (852) |
| 8,095 | (15,891) | (Gain) loss on unrealised non-hedge derivatives and other commodity contracts | (2,273) | 990 |
| (1,765) | 2,376 | Deferred tax on unrealised non-hedge derivatives and other commodity contracts (group note 12) | 337 | (221) |
| 249 | (39) | Fair value adjustment on option component of convertible bonds | 1 | 33 |
| – | 382 | Fair value loss on mandatory convertible bonds | 55 | – |
| (211) | (12,210) | Adjusted headline loss ⁽¹⁾ | (1,758) | (50) |
| 6,006 | 17,862 | Hedge buy-back and related costs net of taxation | 2,545 | 758 |
| 5,795 | 5,652 | Adjusted headline earnings excluding hedge buy-back costs | 787 | 708 |

⁽¹⁾ Loss (gain) on unrealised non-hedge derivatives and other commodity contracts in the income statement comprises the change in fair value of all non-hedge derivatives and other commodity contracts, from the previous reporting date or date of recognition (if later) through to the current reporting date.

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

- the unrealised fair value change in contracts that were 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;
- the unrealised fair value change in the option component of the convertible bonds amounted to \$1m, R39m (2009: \$33m, R249m);
- the unrealised fair value change on the the mandatory bonds amounted to \$55m, R382m (2009: nil)
- the unrealised fair value change in the onerous uranium contracts; and
- the unrealised fair value change of warrants on shares and the embedded derivative.

Management considers this an important measure for investors as it is used to assess the performance of the operations after the removal of certain accounting volatility that does not directly impact the operations.

| 2009 | 2010 | Figures in million | 2010 | 2009 |
|----------|----------|--|------------|-------|
| SA Rands | | | US Dollars | |
| | | 1 | | |
| | | Headline earnings adjusted for unrealised non-hedge derivatives, other commodity contracts and fair value adjustment on the convertible and mandatory bonds ⁽¹⁾ (adjusted headline earnings) (continued) | | |
| (58) | (3,283) | Cents per share | (473) | (14) |
| | | This calculation is based on adjusted headline loss of \$1,758m, R12,210m (2009: \$50m, R211m) and 371,870,821 (2009: 361,228,295) shares being the weighted average number of ordinary shares in issue during the financial year. | | |
| | | 2 | | |
| | | Gross profit (loss) adjusted for unrealised non-hedge derivatives and other commodity contracts (adjusted gross (loss) profit) | | |
| | | Reconciliation of gross profit (loss) to gross (loss) profit adjusted for unrealised non-hedge derivatives and other commodity contracts | | |
| (4,409) | 7,864 | Gross profit (loss) | 1,082 | (578) |
| 8,095 | (15,891) | (Gain) loss on unrealised non-hedge derivatives and other commodity contracts | (2,273) | 990 |
| 3,686 | (8,027) | Gross (loss) profit adjusted for unrealised non-hedge derivatives and other commodity contracts ⁽¹⁾ | (1,191) | 412 |
| | | Gross (loss) profit adjusted for unrealised non-hedge derivatives and other commodity contracts is intended to illustrate earnings after adjusting for: | | |
| | | – The unrealised fair value change in contracts that were 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; | | |
| | | – The unrealised fair value change on the onerous uranium contracts; and | | |
| | | – The unrealised fair value change of warrants on shares and the embedded derivative. | | |
| | | Gross (loss) profit adjusted for unrealised non-hedge derivatives and other commodity contracts is analysed by origin as follows: | | |
| 2,371 | (3,900) | South Africa | (574) | 263 |
| 486 | (1,896) | Continental Africa | (287) | 52 |
| (112) | (1,528) | Australasia | (216) | (17) |
| 2,006 | 44 | Americas | (13) | 242 |
| 244 | 171 | Other, including corporate and non-gold producing subsidiaries | 24 | 28 |
| 4,995 | (7,109) | | (1,066) | 568 |
| (1,309) | (918) | Less equity accounted investments | (125) | (156) |
| 3,686 | (8,027) | | (1,191) | 412 |

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For the year ended 31 December

| 2009 | 2010 | Figures in million | 2010 | 2009 |
|--|----------|--|------------|---------|
| SA Rands | | | US Dollars | |
| 3 Loss on non-hedge derivatives and other commodity contracts is summarised as follows: | | | | |
| Group: | | | | |
| 2,476 | (2,073) | (Loss) gain on realised non-hedge derivatives | (277) | 254 |
| (6,315) | (18,954) | Hedge buy-back costs | (2,698) | (797) |
| (8,095) | 15,891 | Gain (loss) on unrealised non-hedge derivatives | 2,273 | (990) |
| (11,934) | (5,136) | Loss on non-hedge derivatives and other commodity contracts per the income statement | (702) | (1,533) |
| Company: | | | | |
| 58 | (932) | (Loss) gain on realised non-hedge derivatives | (125) | 7 |
| – | (7,631) | Hedge buy-back costs | (1,082) | – |
| (4,148) | 7,080 | Gain (loss) on unrealised non-hedge derivatives | 1,003 | (495) |
| (4,090) | (1,483) | Loss on non-hedge derivatives and other commodity contracts per the income statement | (204) | (488) |
| 4 Price received | | | | |
| 30,745 | 38,833 | Gold income per income statement | 5,334 | 3,768 |
| (1,056) | (1,173) | Adjusted for non-controlling interests | (161) | (132) |
| 29,689 | 37,660 | | 5,173 | 3,636 |
| 2,476 | (2,073) | (Loss) gain on realised non-hedge derivatives | (277) | 254 |
| (6,315) | (18,954) | Hedge buy-back costs | (2,698) | (797) |
| 2,975 | 2,420 | Associates and equity accounted joint ventures' shares of gold income including realised non-hedge derivatives | 330 | 357 |
| 28,825 | 19,053 | Attributable gold income including realised non-hedge derivatives | 2,528 | 3,450 |
| 142,837 | 140,240 | Attributable gold sold – kg and oz (000) | 4,509 | 4,592 |
| 201,805 | 135,862 | Revenue price per unit – R/kg and \$/oz | 561 | 751 |

| 2009 | 2010 | Figures in million | 2010 | 2009 |
|----------------------|-----------------|--|----------------|-------|
| SA Rands | | | US Dollars | |
| 5 Total costs | | | | |
| 18,905 | 20,238 | Total cash costs (group note 4) | 2,778 | 2,283 |
| (777) | (642) | Adjusted for non-controlling interests and non-gold producing companies | (90) | (91) |
| 1,412 | 1,407 | Associates and equity accounted joint ventures' share of total cash costs | 193 | 171 |
| <hr/> | | | | |
| 19,540 | 21,003 | Total cash costs adjusted for non-controlling interests and non-gold producing companies | 2,881 | 2,363 |
| 110 | 166 | Retrenchment costs (group note 4) | 23 | 14 |
| 182 | 756 | Rehabilitation and other non-cash costs (group note 4) | 109 | 22 |
| 4,615 | 5,022 | Amortisation of tangible assets (group note 4) | 690 | 555 |
| 18 | 18 | Amortisation of intangible assets (group note 4) | 2 | 2 |
| (108) | (266) | Adjusted for non-controlling interests and non-gold producing companies | (37) | (12) |
| 218 | 105 | Associates and equity accounted joint ventures' share of production costs | 15 | 26 |
| <hr/> | | | | |
| 24,575 | 26,804 | Total production costs adjusted for non-controlling interests and non-gold producing companies | 3,683 | 2,970 |
| <hr/> | | | | |
| 143,049 | 140,418 | Gold produced – kg and oz (000) | 4,515 | 4,599 |
| 136,595 | 149,577 | Total cash cost per unit – R/kg and \$/oz | 638 | 514 |
| 171,795 | 190,889 | Total production cost per unit – R/kg and \$/oz | 816 | 646 |
| <hr/> | | | | |
| 6 EBITDA | | | | |
| (1,859) | 3,786 | Operating profit (loss) per the income statement | 518 | (209) |
| 4,615 | 5,022 | Amortisation of tangible assets (group note 4) | 690 | 555 |
| 18 | 18 | Amortisation of intangible assets (group note 4) | 2 | 2 |
| (5,115) | 634 | Net impairments (reversals) of tangible assets (group notes 6, 13, 15 and 24) | 91 | (683) |
| – | 16 | Impairment of investment (group notes 6, 13 and 18) | 2 | – |
| 8,095 | (15,891) | (Gain) loss on unrealised non-hedge derivatives and other commodity contracts (note 3) | (2,273) | 990 |
| 6,315 | 18,954 | Hedge buy-back costs (note 3) | 2,698 | 797 |
| – | 396 | Mandatory convertible bond issue discount, underwriting and professional fees | 56 | – |
| – | 21 | Exchange effects of equity raising | 3 | – |
| 728 | – | RMB derivative contract buy-back costs | – | 94 |
| (420) | 191 | Loss (profit) on disposal and abandonment of assets (group note 6) | 25 | (49) |
| – | (314) | Profit on disposal of investments (group note 6) | (43) | – |
| 1,394 | 936 | Share of associates' EBITDA | 128 | 166 |
| <hr/> | | | | |
| 13,771 | 13,769 | | 1,897 | 1,663 |

Management considers EBITDA to be an important measure to investors as it is used by the suppliers of funding as a requirement for the calculation of compliance with debt covenants being net debt to EBITDA (covenant threshold 3:1). Net debt to EBITDA for 2010 is 0.68:1 (2009: 0.52:1).

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| 2009 | 2010 | Figures in million | 2010 | 2009 |
|-------------------------|----------------|--|--------------|---------|
| SA Rands | | | US Dollars | |
| 7 Interest cover | | | | |
| 13,771 | 13,769 | EBITDA (note 6) | 1,897 | 1,663 |
| 835 | 834 | Finance costs (group note 7) | 115 | 101 |
| 135 | – | Capitalised finance costs (group notes 7 and 15) | – | 15 |
| 970 | 834 | | 115 | 116 |
| 14 | 17 | Interest cover – times | 16 | 14 |
| 8 Equity | | | | |
| 22,524 | 27,023 | Total equity per statement of financial position | 4,113 | 3,030 |
| – | 5,739 | Mandatory convertible bonds (group note 26) ⁽¹⁾ | 874 | – |
| 22,524 | 32,762 | Equity | 4,987 | 3,030 |
| 9 Net debt | | | | |
| 4,862 | 11,148 | Borrowings – long-term portion ⁽¹⁾ (group note 26) | 1,697 | 654 |
| 9,493 | 876 | Borrowings – short-term portion ⁽¹⁾ (group note 26) | 133 | 1,277 |
| 14,355 | 12,024 | Total borrowings | 1,830 | 1,931 |
| (258) | (259) | Corporate office lease (group note 26) | (39) | (35) |
| 1,019 | 757 | Unamortised portion of the convertible and rated bonds | 115 | 137 |
| (481) | (283) | Cash restricted for use (group note 22) | (43) | (65) |
| (8,176) | (3,776) | Cash and cash equivalents (group note 23) | (575) | (1,100) |
| 6,459 | 8,463 | Net debt (group note 36) | 1,288 | 868 |

⁽¹⁾ The mandatory convertible bonds of \$874m, R5,739m are treated as equity and excluded from borrowings.

| 2009 | 2010 | Figures in million | 2010 | 2009 |
|---|-----------------|--|----------------|-------|
| SA Rands | | | US Dollars | |
| 10 Net asset value – cents per share | | | | |
| 22,524 | 27,023 | Total equity per statement of financial position | 4,113 | 3,030 |
| – | 5,739 | Mandatory convertible bonds (group note 26) | 874 | – |
| 22,524 | 32,762 | Total equity | 4,987 | 3,030 |
| 366 | 384 | Number of ordinary shares in issue (millions) (group note 25) | 384 | 366 |
| 6,153 | 8,532 | Net asset value – cents per share | 1,299 | 828 |
| Number of ordinary shares in issue consists of: 381,204,080 (2009: 362,240,669) ordinary shares (group note 25) and 2,806,126 (2009: 3,794,998) E ordinary shares (group note 25). | | | | |
| 11 Net tangible asset value – cents per share | | | | |
| 22,524 | 27,023 | Total equity per statement of financial position | 4,113 | 3,030 |
| – | 5,739 | Mandatory convertible bonds (group note 26) | 874 | – |
| (1,316) | (1,277) | Intangible assets (group note 16) | (194) | (177) |
| 21,208 | 31,485 | | 4,793 | 2,853 |
| 366 | 384 | Number of ordinary shares in issue (millions) (group note 25) | 384 | 366 |
| 5,794 | 8,199 | Net tangible asset value – cents per share | 1,248 | 779 |
| 12 Return on equity | | | | |
| (211) | (12,210) | Headline loss adjusted for unrealised non-hedge derivatives, other commodity contracts and fair value adjustment on the convertible and mandatory bonds (note 1) | (1,758) | (50) |
| – | 72 | Finance costs on the mandatory convertible bonds (group note 7) | 10 | – |
| 6,006 | 17,862 | Cost of hedge buy-back net of taxation | 2,545 | 758 |
| 5,795 | 5,724 | Adjusted headline earnings excluding finance costs on mandatory bonds and hedge buy-back costs | 797 | 708 |
| 22,524 | 32,762 | Equity (note 8) | 4,987 | 3,030 |
| 23,135 | 27,643 | Average equity | 4,009 | 2,771 |
| 25 | 21 | Note – Equity for 2008 amounted to \$2,511m, R23,746m Return on equity – % | 20 | 26 |

Management has stated that it is targeting a return on capital of 15% and this measure provides investors with the calculation of management's performance.

Non-GAAP disclosure

For the year ended 31 December

| 2009 | 2010 | Figures in million | 2010 | 2009 |
|--|----------|--|------------|--------|
| SA Rands | | | US Dollars | |
| 13 Operating cash flow | | | | |
| 3,781 | (5,730) | Net cash (outflow) inflow from operating activities per statement of cash flows | (942) | 502 |
| (5,078) | (5,279) | Stay-in-business capital expenditure per statement of cash flows | (723) | (606) |
| (1,297) | (11,009) | | (1,665) | (104) |
| 14 Cash (utilised) generated to cash invested | | | | |
| 3,781 | (5,730) | Net cash (outflow) inflow from operating activities per statement of cash flows | (942) | 502 |
| (474) | (846) | Dividends paid | (117) | (56) |
| 3,307 | (6,576) | Net cash (utilised) generated | (1,059) | 446 |
| (2,000) | (6,362) | Net cash outflow from investing activities | (871) | (195) |
| 1.7 | 1.0 | | 1.2 | 2.3 |
| 15 Market capitalisation | | | | |
| 362 | 381 | Number of listed ordinary shares in issue at year-end (millions) (group note 25) | 381 | 362 |
| 306.29 | 326.90 | Closing share price as quoted on the JSE and New York Stock Exchange | 49.23 | 40.18 |
| 110,951 | 124,616 | Market capitalisation | 18,767 | 14,555 |
| 16 Average number of employees | | | | |
| | | South Africa | 35,660 | 37,425 |
| | | Continental Africa | 15,761 | 15,267 |
| | | Australasia | 494 | 1,776 |
| | | Americas | 6,582 | 5,884 |
| | | Other, including corporate and non-gold producing subsidiaries | 3,549 | 3,012 |
| | | | 62,046 | 63,364 |