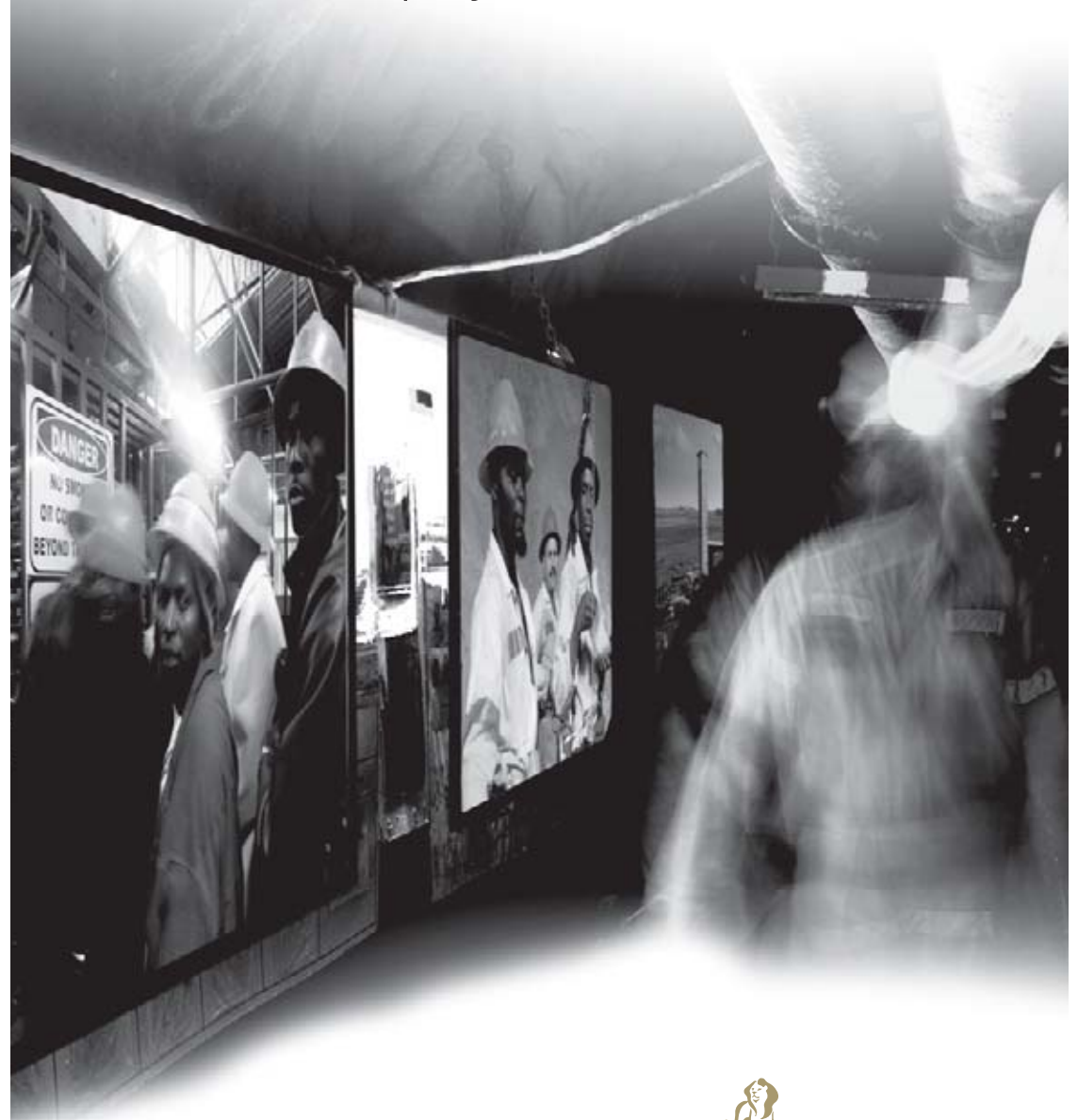


# Reporting

to employee shareholders 2008



ANGLOGOLD ASHANTI

## MORE ABOUT ANGLOGOLD ASHANTI

Headquartered in Johannesburg, South Africa, the company has 21 operations and a number of exploration programmes in both the established and new gold-producing regions of the world.

In 2008, AngloGold Ashanti produced 4.98 million ounces of gold from its operations – an estimated 7% of global production – making it the third largest producer in the world. The bulk of its production came from deep-level underground operations (40%) and surface operations (2%) in South Africa. Contributions from other countries were Ghana (11%), Mali (8%), Australia (9%), Brazil (8%), Tanzania (6%), USA (5%), Guinea (7%), Argentina (3%) and Namibia (1%). In South Africa, ramping up of production at Moab Khotsong continued and is expected to increase significantly in 2009, and achieve full production levels in 2012.

During 2008, AngloGold Ashanti's global exploration programme continued to gain momentum, either directly or in collaboration with exploration partnerships and joint ventures, in Colombia and the Democratic Republic of Congo (DRC), Australia, Russia, China and the Philippines.

As at 31 December 2008, AngloGold Ashanti employed 62,895 people, including contractors, had proved and probable Ore Reserves of 74.9 million ounces of gold and had incurred capital expenditure of \$1,201 million for the year.

In response to an ever-changing socio-economic environment, AngloGold Ashanti has announced its intention to review its current structure and asset base. It remains a values-driven company and these values, the foremost of which is safety, and the group's business principles continue to guide the company, its managers and employees, and form the basis of the company's contract with all of its business – shareholders, employees, communities, business partners, governments and civil society organisations.

## STOCK EXCHANGE INFORMATION

AngloGold Ashanti's primary stock exchange listing is on the JSE Limited (Johannesburg). It is also listed on the exchanges in New York, London, Australia and Ghana as well as on Euronext Paris and Euronext Brussels. AngloGold Ashanti had 353,483,410 ordinary shares in issue and a market capitalisation of \$9.8 billion as at 31 December 2008 (31 December 2007: \$11.9 billion).

### AngloGold Ashanti global operations and exploration: 2008



## OUR VALUES

### *Safety is our first value.*

We place people first and correspondingly put the highest priority on safe and healthy practices and systems of work. We are responsible for seeking out new and innovative ways to ensure that our workplaces are free of occupational injury and illness. We live each day for each other and use our collective commitment, talents, resources and systems to deliver on our most important commitment ... **to care.**



### *We treat each other with dignity and respect.*

We believe that individuals who are treated with respect and who are entrusted to take responsibility respond by giving their best. We seek to preserve people's dignity, their sense of self-worth in all our interactions, respecting them for who they are and valuing the unique contribution that they can make to our business success. We are honest with ourselves and others, and we deal ethically with all of our business and social partners.



### *We value diversity.*

We aim to be a global leader with the right people for the right jobs. We promote inclusion and team work, deriving benefit from the rich diversity of the cultures, ideas, experiences and skills that each employee brings to the business.



### *We are accountable for our actions and undertake to deliver on our commitments.*

We are focused on delivering results and we do what we say we will do. We accept responsibility and hold ourselves accountable for our work, our behaviour, our ethics and our actions. We aim to deliver high-performance outcomes and undertake to deliver on our commitments to our colleagues, business and social partners, and our investors.



### *The communities and societies in which we operate will be better off for AngloGold Ashanti having been there.*

We uphold and promote fundamental human rights where we do business. We contribute to building productive, respectful and mutually beneficial partnerships in the communities in which we operate. We aim to leave host communities with a sustainable future.



### *We respect the environment.*

We are committed to continually improving our processes in order to prevent pollution, minimise waste, increase our carbon efficiency and make efficient use of natural resources. We will develop innovative solutions to mitigate environmental and climate risks.



# Key features 2008

- Fatality rate declined by 57%, while a 20% reduction is achieved on reportable accidents.
- New company vision, mission and values developed.
- Continued restructuring to focus on new company strategy.
- Hedge buy-backs result in reduced hedge commitments, down by 47% to 5.99 million ounces.
- Successful conclusion of rights offer and refinancing to settle the convertible bond.
- Mineral Resources after depletion increased 16% or 33.4 million ounces to 241.0 million ounces, while Ore Reserves after depletion increased 2% to 74.9 million ounces (prior to Boddington sale).
- Final dividend declared of 50 South African cents per share (approximately 5 US cents per share), to give a total dividend for the year of 100 South African cents (approximately 11 US cents per share).

## Performance

### review 2008 – key data by region

#### South Africa

The seven deep-level AngloGold Ashanti operations and one surface operation in South Africa employed around 37,000 people (including contractors) and produced 2.1 million ounces of gold, equivalent to 42% of group production. At year-end, South African Ore Reserves totalled 33.7 million ounces.

#### Africa (excluding South Africa)

AngloGold Ashanti has eight gold mining operations in Africa (excluding South Africa) – two in Ghana, one in Guinea, three in Mali, one in Namibia and one in Tanzania. Combined, these operations employed around 16,000 people (including contractors) and produced a total of 1.6 million attributable ounces of gold, equivalent to 33% of group output. Ore Reserves at these operations amounted to 23.0 million ounces at year-end.

#### Australia

AngloGold Ashanti has one operating gold mine in Australia being Sunrise Dam. Approximately 1,200 people (including contractors) were employed in Australia at year-end and 433,000 ounces of gold, equivalent to 9% of group output, were produced. Ore Reserves amounted to 8.6 million ounces at year-end.

#### North America

AngloGold Ashanti has one operating gold mine, CC&V, in the United States which employed approximately 400 people (including contractors) and produced 258,000 ounces, equivalent to 5% of group output. Ore Reserves amounted to 4.9 million ounces at year-end.

#### South America

AngloGold Ashanti has three gold mining operations in South America – two in Brazil and one in Argentina – which combined employed around 5,200 people (including contractors) and produced a total of 561,000 attributable ounces, equivalent to 11% of group output. Total Ore Reserves at these operations amounted to 4.8 million ounces at year-end.

# Group

## overview 2008 – key data

		2008	2007	% change
Gold produced	(000oz)	<b>4,982</b>	5,477	(9)
Average gold spot price	(\$/oz)	<b>872</b>	697	25
Average received gold price <sup>(1)</sup>	(\$/oz)	<b>485</b>	629	(23)
Total cash costs	(\$/oz)	<b>444</b>	357	24
Total production costs	(\$/oz)	<b>567</b>	476	19
Ore reserves	(Moz)	<b>75</b>	73	3
Revenue	(\$m)	<b>3,743</b>	3,113	20
Gold income	(\$m)	<b>3,619</b>	3,002	21
Gross profit (loss)	(\$m)	<b>594</b>	(248)	340
Adjusted gross (loss) profit <sup>(2)</sup>	(\$m)	<b>(384)</b>	835	(146)
Adjusted headline (loss) earnings <sup>(3)</sup>	(\$m)	<b>(897)</b>	278	(423)
Adjusted headline (loss) earnings per share	(US cents)	<b>(283)</b>	99	(386)
Dividends paid per share	(US cents)	<b>13</b>	45	(71)
Average exchange rate	(R/\$)	<b>8.25</b>	7.03	17
Exchange rate at year-end	(R/\$)	<b>9.46</b>	6.81	39
Share price at year-end:				
JSE	(R/share)	<b>252</b>	293	(14)
NYSE	(\$/share)	<b>27.71</b>	42.81	(35)
Market capitalisation at year-end	(\$m)	<b>9,795</b>	11,878	(18)

### Note:

<sup>(1)</sup> Average received gold price excluding the effects of the hedge book reduction is \$702/oz.

<sup>(2)</sup> Gross profit (loss) excluding unrealised non-hedge derivatives and other commodity contracts.

<sup>(3)</sup> Headline (loss) earnings excluding unrealised non-hedge derivatives, fair value adjustments on the option component of the convertible bond, adjustments to other commodity contracts and deferred tax thereon.

### Employees\*:

South Africa	
Corporate office:	463
Operations:	37,127

### Production 2008:

South Africa: 2,099 ounces (42%)

### Capital expenditure:

South Africa:	\$337 million
Corporate office:	\$12 million

### Employees\*:

Ghana:	7,502
Guinea:	2,933
Namibia:	482
Mali:	1,611
Tanzania:	3,116

### Production 2008:

Ghana:	557,000	ounces	(11%)
Guinea:	333,000	ounces	(7%)
Namibia:	68,000	ounces	(1%)
Mali:	409,000	ounces	(8%)
Tanzania:	264,000	ounces	(6%)

### Capital expenditure:

Ghana:	\$166 million
Guinea:	\$22 million
Namibia:	\$12 million
Mali:	\$7 million
Tanzania:	\$53 million

### Employees\*:

Australia: 1,198

### Production 2008:

Australia: 433,000 ounces (9%)

### Capital expenditure:

Australia:	\$439 million (including Boddington)
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### Employees\*:

USA: 421

### Production 2008:

USA: 258,000 ounces (5%)

### Capital expenditure:

USA: \$27 million

### Employees\*:

Argentina:	1,072
Brazil:	4,095

### Production 2008:

Argentina:	154,000	ounces	(3%)
Brazil:	407,000	ounces	(8%)

### Capital expenditure:

Argentina:	\$16 million
Brazil:	\$110 million



“At AngloGold Ashanti it is our firm view that if we cannot operate responsibly, we should not be in business. And it is on this basis that we will measure our success.”

# Letter

from the CEO



## SAFETY

“On 8 November 2007 we declared that safety is AngloGold Ashanti’s first value, and we have lived that value through 2008. As a company and as leaders, we have a moral duty to do all we can to ensure that those who arrive at work return home safe and uninjured.”

## A NEW OPERATIONAL DELIVERY INITIATIVE

After visiting our operations, it is clear that we have many opportunities to enhance and improve our core operations’ performance. It is also clear that one reason for a lack of consistency is that we require a common and systematic approach to many of our activities, both in terms of operational systems and in terms of the management of people. So, in addition to the shorter term turnaround plans we have been working on at Obuasi and Geita, we have launched a systematic programme designed to address these weaknesses – a business improvement programme to be rolled out to every operation over the next three years. The plan is designed to achieve specific targets in the areas of safety, productivity, environmental incidents, production, costs and return on capital invested.

## DISTRIBUTING VALUE TO EMPLOYEES

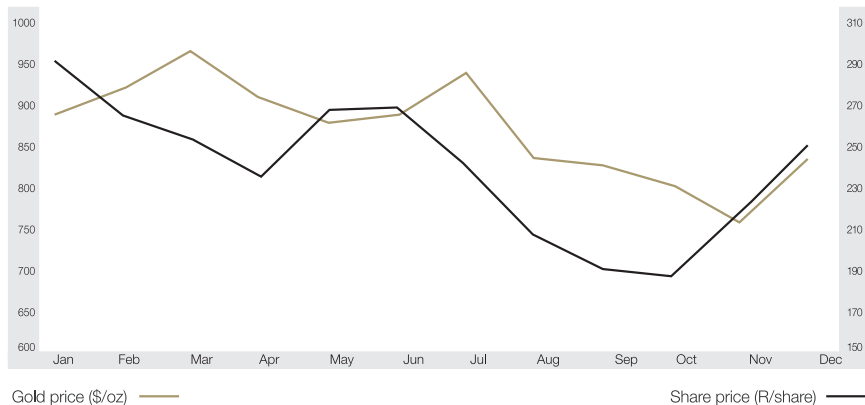
Excluding the effects of the impairment and the loss on non-hedge derivatives, the proportion of value distribution to employees, which includes salaries, wages and other benefits, was 54%, with taxation to government accounting for 5%, payment to the providers of capital 10% with 31% of the value generated by AngloGold Ashanti being re-invested in the group for future value creation.

## SPECIFIC FIVE-YEAR TARGETS

- a reduction in accident rates;
- an improvement in productivity;
- a reduction in reportable environmental incidents;
- a increase in production to 6.0 million ounces;
- a reduction in real unit costs; and
- an increase in the return on investment to above 15%

We will be monitoring progress on the execution of the plan and reporting back to you each year.

## THE GLOBAL ECONOMY AND THE PRICE OF ANGLOGOLD ASHANTI SHARES



The world-wide financial crisis we have seen over the past couple of months shows no signs of abating in the foreseeable future. Investors and shareholders in AngloGold Ashanti have not been immune from the effects of the uncertainty in world markets: the company's share price has, over the past year, been extremely volatile. During 2008 it fluctuated from lows of R150 to highs of some R349. The volatility continued into 2009 as, at the time of this report going to press in mid-March, it had risen to just over R340 as investors invested in gold as a "safe haven" from the deteriorating world economy. We at AngloGold Ashanti are in the fortunate position of remaining focussed on gold, possibly the resource least affected by these events. Our challenge is to position the company so that we are able to turn these difficulties into opportunities – which will support both our business improvement objectives and our vision of being the leading mining company. We have a highly motivated and skilled team, we each understand what we have to do and for what we are accountable.

## PROSPECTS

In 2009 the company is expecting to produce between 4.9 million ounces and 5.0 million ounces of gold at total cash costs ranging from \$435/oz to \$450/oz. As a result of the hedge restructuring completed in 2008 and assuming a gold price of \$900/oz in 2009, we expect an average price received of \$846/oz, which represents a 6% discount to the spot price. This would result in the cash generated at our operations increasing by some \$1.1 billion this year. Any gold price upside above \$900/oz will obviously provide greater cash flow and earnings leverage and, in the event we continue to see gold price volatility with potential downside pressure, we retain a robust business model with sound cost control and capital management flexibility.

