

ANGLOGOLD ASHANTI LTD

Form 6-K

July 27, 2006

**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 July 27, 2006

Commission File Number 1-14846

AngloGold Ashanti Limited

(Translation of registrant's name into English)

11 Diagonal Street

Johannesburg, 2001

(P.O. Box 62117, Marshalltown, 2107)

South Africa

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Enclosure:

ANGLOGOLD ASHANTI REPORT FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2006 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Quarter 2 2006

Report

for the quarter and six months ended 30 June 2006

Group results for the quarter

· Gold production up 6% to 1.415Moz, primarily due to strong performances from South African, Malian, South American and Australian operations

· Price received 10% higher to \$600/oz

· Total cash costs down 1% to \$305/oz

· Adjusted headline earnings up 63% to \$140m

· Interim dividend of 210 South African cents (29.89 US cents)/share declared

· Net debt level reduced from \$1.66bn to \$1.03bn

Quarter

Six months

Quarter

Six months

ended

Jun

2006

ended

Mar

2006

ended

Jun

2006

ended

Jun

2005

ended

Jun

2006

ended

Mar

2006

ended

Jun

2006

ended

Jun

2005

SA rand / Metric

US dollar / Imperial

Operating review

Gold

Produced

- kg / oz (000)

44,024

41,667 85,691 97,600

1,415

1,340

2,755

3,138

Price received

1

- R/kg / \$/oz

125,409

107,903 116,683 84,739

600

545

573

423

Total cash costs

- R/kg / \$/oz

63,276

60,815 62,079 56,064

305

308

306

281

Total production costs

- R/kg / \$/oz

85,168

82,079 83,666

72,683

410

416

413 364

Financial review

Gross (loss) profit

- R / \$ million

(594)

(318)

(912)

1,186

25

(61) (37)

211

Gross profit adjusted

for the effect of unrealised non-

hedge derivatives

2

- R / \$ million

1,988

1,248 3,237 1,441

305

202

507

230

(Loss) profit attributable to equity

shareholders

- R / \$ million

(1,047)

(1,074)

(2,121)		
616		
(54)		
(185)	(240)	
118		
Headline (loss) earnings ³		
- R / \$ million		
(1,086)		
(1,067)		
(2,154)		
765		
(60)		
(184)	(244)	
143		
Headline earnings before unrealised non-hedge derivatives, fair value gain (loss) on convertible bond and interest rate swaps		
4		
- R / \$ million		
911		
530	1,442	877
140		
86		
226		
138		
Capital expenditure		
- R / \$ million		
1,168		
961	2,130	1,932
181		
156		
337		
311		
(Loss) earnings per ordinary share - cents/share		
Basic		
(383)		
(405)		
(788)		
233		
(20)		
(70)	(89)	
45		
Diluted		
(383)		
(405)		
(788)		
232		
(20)		
(70)	(89)	
45		

Headline³

(398)

(403)

(801)

289

(22)

(69) (91)

54

Headline earnings before unrealised
non-hedge derivatives, fair value
gain (loss) on convertible bond
and interest rate swaps

4

- cents/share

334

200 536 332

51

32

84

52

Dividends

-

cents/share

210

170

30

26

Notes: 1.

Price received includes realised non-hedge derivatives.

2.

Refer to note B of "Non-GAAP disclosure" for the definition.

3.

Refer to note 8 of "Notes" for the definition.

4.

Refer to note A of "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 30 June 2006

Price received

1

Production

Total cash costs Cash gross profit

2

Gross profit (loss)

adjusted for the

effect of

unrealised non-

hedge derivatives

3

\$/oz

%

Variance

4

oz (000)

%

Variance

4

\$/oz

%

Variance

4

\$m

%

Variance

4

\$m

%

Variance

4

Mponeng

651

12

156

14

229

(12)

65

44

50

56

Great Noligwa

655

14

153

(5)

277

5

56

14

45

25

Sunrise Dam

651

9

113

24

273

(3)

46

64

37

68

TauTona

653

14

120

9

267

(9)

45

45

32

78

Kopanang

654

14

114

10

295

(9)

40

54

34

79

AngloGold Ashanti Mineração

621

36

57

16

190

1

24

71

21

91

Cerro Vanguardia

5

515

13

64

23

188

1

24

60

18

125

Morila

5

632

13

54

–

249

(5)

19

19

15

36

Sadiola

5

628

14

52

24

255

(6)

18

80

14

56

Yatela

5

629

13

40

21

232

5

15

25

12

20

Geita

645

16

71

(15)

507

38

10

–

3

50

Cripple Creek & Victor

288

(22)

65

2

242

(2)

10

–

(5)

(350)

Siguiri

5

519

(2)

59

4

403

6

9

(18)

2

(50)

Serra Grande

5

499

10

24

–

206

10

8

33

6

20

Tau Lekoa

653

14

41

(11)

447

(14)

8

700

2

140

Navachab

638

15

22

–

279

23

8

14

6

20

Obuasi

480

(10)

97

(2)

406

16

7

(61)

(9)

(1,000)

Savuka

647

13

21

–

359

(1)

6

50

5

25

Iduapriem

5

500

(6)

41

(5)

408

13

5

(29) – (100)

Bibiani

631

14

9

(40)

412

47

2

(50)
1
(50)
Moab Khotsong
655
12
11
22
666
(21)
– 100
(5)
29
Other
31
48
27
35
21
75
AngloGold Ashanti
600
10
1,415
6
305
(1)
452
32
305
51
1

Price received includes realised non-hedge derivatives.

2

Cash gross profit is gross profit (loss) adjusted for the effect of unrealised non-hedge derivatives plus amortisation of tangible and intangible assets, less non-cash revenues.

3

Refer to note B of Non-GAAP disclosure for the definition.

4

Variance June 2006 quarter on March 2006 quarter – increase (decrease).

5 *Attributable.*

Rounding of figures may result in computational discrepancies.

Financial and **operating review**

OVERVIEW FOR THE QUARTER

The quarter produced a modest improvement in lost-time injury rates (6.6 compared to 6.8) and a more significant improvement in fatal accidents (5 compared to 11), with fatality rates reducing from 0.28 to 0.12. Three operations were lost-time accident free, namely Cripple Creek & Victor, Bibiani and Yatela. A further seven operations recorded a single lost-time injury during the quarter.

Improved production, higher received prices and lower costs resulted in an improved financial performance for the June quarter, with adjusted headline earnings up 63% to \$140m. The price received, at \$600/oz, was 10% higher than that of the previous quarter.

Operational performance was also solid, as particularly strong results from the South Africa region and several of the international assets resulted in a 6% improvement in production to 1.415Moz and slightly lower total cash costs, at \$305/oz.

Four of the seven South African operations posted higher production and lower total cash costs, with production for the region 6% higher quarter-on-quarter and total cash costs 4% better at R59,200/kg.

Kopanang, Mponeng and TauTona reported particularly strong results, with production increases of 11%, 14% and 9% and total cash cost improvements of 5%, 8% and 5%, respectively. At Great Noligwa, lower volumes resulted in a 5% production decline as well as a 10% increase in total cash costs.

In respect of the other African assets, the Malian operations had a strong quarter, with production 24% higher at Sadiola, 21% higher at Yatela and steady at Morila. Production at Siguri in Guinea also improved by 4%, while all three of the Ghanaian assets reported both lower production and higher cash costs.

As previously forecast, Geita, in Tanzania, continued to suffer the effects of the first quarter's adverse weather conditions and the related delay in the Nyankanga pit push-back. Production consequently declined 15% and total cash costs increased 38%. In addition, the recent application of a more appropriate grade evaluation model has resulted in a lower in situ grade and an increase in ore tonnage. This has reduced the feed grade to the plant and in turn, gold output, as the plant is currently running at full capacity. In light of these issues, the 2006 production outlook for Geita has been revised to approximately 350,000oz, with the potential to double this in 2007, as the pit push-back is completed and higher grades are accessed.

Importantly, this near-term revising down of production at Geita does not impact the view of the significant long-term potential of this orebody.

Turning to the international assets, Sunrise Dam, in Australia, reported excellent operating results, with production up 24% due to higher grades. Total cash costs were consequently 4% lower quarter-on-quarter.

In South America, both Cerro Vanguardia in Argentina and AngloGold Ashanti Mineração in Brazil reported solid results, with production 23% and 16% higher, respectively, with total cash costs stable.

At Cripple Creek & Victor, in the United States, both production and total cash costs improved 2% due to an increase in recoverable ounces placed on the heap leach pad. Notwithstanding this improvement, however, the 2006 production outlook for Cripple Creek & Victor has been reduced to approximately 300,000oz. This revision is due to the effect of the quarter's reduced rainfall on the irrigation of the heap leach, after higher volumes were placed on the pad to mitigate the effect of the lower grades mined from the bottom of the Altman pit late last year and into the first quarter of 2006. The release of the lock-up on the leach pad is expected to improve the production outlook in 2007.

A dividend of 210 South African cents (29.89 US cents) per share has been declared for the six months ended 30 June 2006.

Looking ahead, production for the third quarter is estimated to be around 1.4Moz at an average total cash cost of \$306/oz, assuming the following exchange rates: R7.00/\$, A\$/0.75, BRL2.18/\$ and Argentinean peso 3.07/\$. Capital expenditure is estimated at \$273m and will be managed in line with profitability and cash flow.

In light of the company's year-to-date performance and the downward revision of the annual forecast ounces for Geita and Cripple Creek & Victor, the group production outlook for the year currently stands at around 5.7Moz. The total cash costs for the year are estimated at \$301/oz. Capital expenditure is forecast at \$851m based on the following exchange rates: R6.65/\$, A\$/0.75, BRL2.20/\$ and Argentinean peso 3.09/\$.

The proceeds of the recently completed equity raising and improved cash generation have enabled the company to reduce its net debt level from \$1.66bn to \$1.03bn during the quarter. The

annual rolling net debt to EBITDA ratio improved from 2.27 times at the end of 2005 to 1.1 times as at 30 June 2006.

OPERATING RESULTS FOR THE QUARTER SOUTH AFRICA

At **Great Noligwa**, volume mined declined 3% this quarter as complex geology resulted in lower face length. Yield decreased 5% due to temporary maintenance work that required waste development to be passed through the reef ore system, resulting in dilution. As a result, production declined 5% to 4,767kg (153,000oz). Combined with higher expenditures on public holiday overtime shifts and additional temporary support, the lower production led to a 10% increase in total cash costs to R57,253/kg (\$277/oz). Gross profit adjusted for the effect of unrealised non-hedge derivatives increased 32% to R295m (\$45m), primarily as a result of a higher price received.

The Lost-Time Injury Frequency Rate (LTIFR) was 9.48 lost-time injuries per million hours worked (10.60 for the previous quarter). Regrettably, one employee died in a fall of ground accident.

At **Kopanang**, the release of previously locked-up material led to a 5% volume improvement and yield also increased 5%. Production consequently rose 11% to 3,561kg (114,000oz) and total cash costs declined 5% to R60,958/kg (\$295/oz), although higher labour expenditure partially offset the effect of improved production. Gross profit adjusted for the effect of unrealised non-hedge derivatives, at R222m (\$34m), increased 90% quarter-on-quarter, due to both an improved price received and a better cost performance.

The LTIFR was 11.59 (15.45).

Gold production at **Moab Khotsong** rose 16% to 338kg (11,000oz) as a result of higher face values mined and as part of the planned general build-up of the operation. Total cash costs consequently improved 18% to R137,630/kg (\$666/oz). Gross loss adjusted for the effect of unrealised non-hedge derivatives improved 28% to R29m (\$5m).

As noted last quarter, Moab Khotsong is a new production unit and currently mining low volumes within the context of a relatively high fixed cost structure. Production is expected to increase by approximately 75% in 2007 and total cash costs are anticipated to decline.

The LTIFR was 16.02 (17.61).

At **Tau Lekoa**, volume mined declined 17% in line with the ongoing plan to downsize the operation, and production accordingly decreased 10% to 1,289kg (41,000oz). Total cash costs improved 9% to R92,719/kg (\$447/oz). Gross profit adjusted for the

effect of unrealised non-hedge derivatives increased to R16m (\$2m) from a loss of R32m (\$5m) in the previous quarter, as a higher price received more than offset the effect of the lower volume mined. The LTIFR was 26.32 (18.55). Regrettably, one employee died as a result of a fall of ground accident.

At **Mponeng**, volume mined and yield improved by 10% and 6%, respectively. As a result, production was 14% higher to 4,853kg (156,000oz) and total cash costs, at R47,250/kg (\$229/oz), improved 8% on the previous quarter. Gross profit adjusted for the effect of unrealised non-hedge derivatives increased 64% to R324m (\$50m), due to a significantly higher price received and lower cash costs.

The LTIFR was 7.32 (7.53). Regrettably, one fatality occurred after a sudden ore rush caused an employee to lose his footing. He was inundated by broken rock.

Production at **Savuka**, at 653kg (21,000oz), was on par with that of the previous quarter. Total cash costs, however, rose 3% to R73,967/kg (\$359/oz) due to additional maintenance work and reef development, both related to the decision to postpone closure of the operation. Gross profit adjusted for the effect of unrealised non-hedge derivatives increased 48% to R34m (\$5m), primarily due to an improved price received. The LTIFR was 20.58 (15.32).

At **TauTona**, gold production increased 9% to 3,718kg (120,000oz) due to a reduction in gold lock-up. Total cash costs decreased 5% to R55,276/kg (\$267/oz). Gross profit adjusted for the effect of unrealised non-hedge derivatives improved 94% to R213m (\$32m) as a consequence of an improved price received. The LTIFR was 14.71 (14.99). Regrettably, two employees died this quarter in two separate fall of ground accidents.

ARGENTINA

At **Cerro Vanguardia** (92.5% attributable), gold production increased 23% to 64,000oz, primarily due to higher feed grade. Total cash costs, at \$188/oz, were nearly on par with those of the previous quarter, as the effects of higher production and a better silver by-product credit were partially off-set by the higher labour, fuel and maintenance costs related to on-site labour action, which has since been resolved. Gross profit adjusted for the effect of unrealised non-hedge

derivatives, at \$18m, was 125% higher than that of the previous quarter, mainly due to a higher price received.

The LTIFR was 2.04 (0.00).

AUSTRALIA

Production at **Sunrise Dam** increased 24% this quarter to 113,000oz as a result of increased tonnes treated and higher-than-anticipated grades. Total cash costs consequently declined 4% to A\$366/oz (\$273/oz).

Gross profit adjusted for the effect of unrealised non-hedge derivatives rose 72% to A\$50m (\$37m), mainly due to improved grade and associated higher production.

The underground project, where mining is currently accessing high-grade Western Shear ore, continues to supplement production. During the quarter, 505m of underground capital development and 1,374m of operational development were completed.

The LTIFR was 2.37 (0.00).

BRAZIL

At **AngloGold Ashanti Mineração**, gold production increased 16% to 57,000oz, following last quarter's production halt during an upgrade of the shaft and crusher at the Cuiabá mine. Total cash costs, at \$190/oz, were slightly higher than those of the previous quarter due to a lower sulphuric acid by-product credit and marginally higher ore transport costs. Gross profit adjusted for the effect of unrealised non-hedge derivatives increased 91% to \$21m as a consequence of the increased production and a higher price received.

The LTIFR was 2.30 (2.12).

At **Serra Grande** (50% attributable), gold production remained at 24,000oz. Total cash costs rose 10% to \$206/oz, primarily as a result of slightly lower grades. Gross profit adjusted for the effect of unrealised non-hedge derivatives nevertheless increased 20% to \$6m due to a 10% increase in price received.

The LTIFR was 2.40 (2.38).

GHANA

At **Bibiani**, production was 40% lower at 9,000oz. This decline was in part the result of the operation's continued downscale to tailings-only status, although lower recovery rates resulting from a circuit tank breakdown and frequent power outages on the main electricity grid also contributed. Total cash costs, at \$412/oz, consequently rose 47%. Looking ahead, the second half of the year should see an operational improvement at Bibiani, as the production problems experienced in the second quarter are resolved. Gross profit adjusted for the effect of unrealised non-hedge derivatives fell by 50% to \$1m, as the benefit of an improved price received was negated by the higher total cash costs.

The LTIFR was 0.00 (0.00).

At **Iduapriem** (85% attributable), production declined 5% to 41,000oz as a result of an 8% decrease in tonnage treated due to mill and crusher problems. These issues are being addressed and for the rest of the year, Iduapriem should see a production level closer to that of the first quarter. Total cash costs increased 13% to \$408/oz, primarily as a consequence of the lower tonnages and a backdated wage increase after wage negotiations were completed in June. Gross profit adjusted for the effect of unrealised non-hedge derivatives declined by \$2m to a break-even position, due to a lower price received, lower production and higher total cash costs.

The LTIFR was 1.14 (2.39).

Gold production at **Obuasi** decreased marginally to 97,000oz this quarter, mainly due to a 5% underground yield decline resulting from the treatment of lower-grade ore. Although improved processing availability led to a 6% increase in total tonnage treated, which partially offset the effect of the lower yield, total cash costs increased 16% to \$406/oz. Gross loss adjusted for the effect of unrealised non-hedge derivatives was \$9m, compared with a \$1m profit in the previous quarter, mainly due to a lower price received and lower grades.

The LTIFR was 2.46 (2.02).

REPUBLIC OF GUINEA

At **Siguiri** (85% attributable), production increased 4% to 59,000oz primarily as a result of a 15% yield improvement. Tonnage treated declined 8% as a result of maintenance shut-downs and a short period of industrial action, which was addressed. Total cash costs consequently rose 6% to \$403/oz. Gross profit adjusted for the effect of unrealised non-hedge derivatives declined 50% to \$2m due to royalty payments.

LTIFR was 0.59 (1.30).

MALI

At **Morila** (40% attributable), production was consistent with that of the previous quarter at 54,000oz. An increase in recovered grade compensated for lower tonnage throughput, which was affected by major mill re-lining and maintenance. Total cash costs improved 5% to \$249/oz as a result of higher recovered grade, while gross profit adjusted for the effect of unrealised non-hedge derivatives increased 36% to \$15m due to an improved price received.

The LTIFR was 1.11 (1.15).

At **Sadiola** (38% attributable), gold production increased 24% to 52,000oz due to the combination of higher tonnage throughput and higher recovered grade. This resulted in a 6% decline in total cash costs to \$255/oz, while gross profit adjusted for the effect of unrealised non-hedge derivatives, at \$14m, was 56% higher than that of the previous quarter, as a result of a better price received and higher production.

The LTIFR was 1.01 (2.07).

At **Yatela** (40% attributable), production increased 21% to 40,000oz, primarily as a result of improved grade. Total cash costs, however, were 5% higher at \$232/oz, due to increased cement consumption associated with stabilising the pad during periods of bottom lift stacking. Higher production and a significantly improved price received more than offset the increase in total cash costs, leading to a 20% increase in gross profit adjusted for the effect of unrealised non-hedge derivatives to \$12m.

The LTIFR was 0.00 (0.00).

NAMIBIA

Gold production at **Navachab**, at 22,000oz, was consistent with that of the previous quarter, with both tonnage throughput and recovered grade maintained at last quarter's levels. Total cash costs, however, returned to more ordinary levels of \$279/oz after an abnormal stockpile adjustment in the previous quarter reduced total cash costs to \$227/oz. Gross profit adjusted for the effect of unrealised non-hedge derivatives improved 20% to \$6m, as the higher price received offset the effect of increased total cash costs.

The LTIFR was 7.90 (0.00).

TANZANIA

As forecast last quarter, the consequence of both heavy rains and the slower-than-anticipated cut-back of the Nyankanga pit resulted in a 15% production decline at **Geita** to 71,000oz. This decrease was primarily due to a 29% drop in recovered grade, partially offset by a 19% increase in tonnage throughput. Total cash costs consequently increased 38% to \$507/oz. Gross profit adjusted for the effect of unrealised non-hedge derivatives nevertheless increased 50% to \$3m, with the higher price received offsetting the production decline.

The LTIFR was 1.10 (0.40).

USA

At **Cripple Creek & Victor** (67% ownership with 100% interest in production until initial loans are repaid), gold production increased 2% to 65,000oz and total cash costs decreased 2% to \$242/oz,

both due to an increase in recoverable ounces placed on the leach pad.

Gross loss adjusted for the effect of unrealised non-hedge derivatives was \$5m, compared with a \$2m profit in the first quarter, as a consequence of a lower price received on hedged production.

The LTIFR was 0.00 (0.00). In June, CC&V achieved 31 months without a lost-time accident.

Notes:

· All references to price received includes realised non-hedge derivatives.

· In the case of joint venture operations, all production and financial results are attributable to AngloGold Ashanti.

· Adjusted headline earnings is headline earnings before unrealised non-hedge derivatives, fair value gain (loss) on convertible

bond and interest rate swaps and deferred tax thereon.

· Rounding of figures may result in computational discrepancies.

Review of the **gold market**

The second quarter of 2006 was characterised by a break in the unabated rise of the gold price since late 2005. At its peak the price reached \$730/oz in mid-May and then retraced to \$543/oz. This movement represents the highest spot price and the largest move within a single quarter in the last twenty five years. The gold price subsequently recovered to trade above \$600/oz towards the end of the quarter, having rallied strongly through the 200-day moving average (US\$547/oz) to regain its upward momentum. The average price for the quarter of \$629/oz represents a \$75/oz increase over the first quarter. As the dollar gold price declined in the second half of the quarter, the rand weakened against the dollar, thus mitigating the impact on the rand gold price. This has resulted in an average rand gold price of R130,053/kg for the period under review, which represents a 19% or R20,000/kg increase over the previous quarter.

PHYSICAL MARKET

As with the first quarter of 2006, the sharp price moves in the gold market experienced during the second quarter, has seen some weakness in key consumer markets such as Turkey and India, together with a shift by manufacturers to lower gold content in manufactured products.

In addition, gold manufacturers have been adversely affected by higher price levels and particularly greater price volatility, as banks make margin calls to cover the higher value of gold inventory loans. Manufacturers therefore have typically had to increase their loan collateral, or to repay loans, by cutting production or liquidating stock.

Higher metal prices have also been accompanied by an influx of gold scrap into refineries, with the new secondary refineries in Dubai being the major beneficiaries.

While participants in the jewellery wholesale, manufacturing and retail trade are adopting various strategies to deal with gold's price appreciation and volatility, those who analyse demand indicators in key markets are cautious regarding potential further softening in the gold jewellery market through the next six months.

INVESTMENT MARKET

In contrast to a slightly weaker jewellery market, the investment market for gold has remained strong, notwithstanding a general pull-back in

commodities and precious metals investing in mid-May.

Gold Exchange Traded Funds (ETFs) again grew by some 45t during the second quarter, with the increase year-to-date some 149t. Despite the sharp fall in the gold price during the quarter, gold ETFs only reduced modestly and recovered quickly to pre-sell off levels. See Graph A.

Central Bank selling appears to have been low since January, 2006. Sales have amounted to be between 30t-35t for the second quarter.

Reported sales for the current year of the Washington Agreement are between 315t to 320t, which means that signatories to the agreement may sell up to a further 180t before the year-end of 26 September if they are to utilise, in full, the agreed quota for 2006.

More generally, commodity prices continue to be supported, in part, by investor demand.

Investment in indexed commodity funds continues to grow (see Graph B) and is estimated to be as much as \$90 billion currently, much of it coming from long-only funds such as pension funds that are allocating a portion of funds under management to commodities. The expectation amongst market commentators is for this trend to continue, with the potential for significant further investment flows into the sector.

CURRENCIES

During the quarter, the US dollar continued to trade in a range of \$1.20 to \$1.30 against the euro despite continued concerns over the trade and current account deficits in that country. Of

significance during the quarter were the comments and testimony made by the US FED Chairman Dr Ben S Bernanke, including raising US interest rates by 25 basis points for the 17th

consecutive time and signalling to the market that the cycle of interest rate increases may not yet be complete.

The remarks were influential in causing investors to withdraw funds from a number of markets, particularly the more liquid emerging markets where there was a realisation that the risk premium being offered in these markets may not be sufficient to merit the investment. Coupled with local interest rate changes, this had the effect of causing, amongst other currencies, the South African rand, the Brazilian real and the Australian dollar to trade some 10% lower.

Since then the real has recovered to trade at BRL2.2/\$ from its lows of BRL2.4/\$ and the Australian dollar has strengthened to \$0.755/A\$ from its lows of \$0.72/A\$. In the case of the rand, the release in June of a large current account deficit for the first quarter of 2006 saw the rand weaken further to lows of R7.40/\$ despite the South African Monetary Policy Committee raising interest rates by 50 basis points. It is unlikely that the rand will recover much of its recent weakness unless the dollar itself weakens, hence going forward South African producers should continue receiving the high rand gold prices that they have been receiving of late.

HEDGING

As at 30 June 2006, the net delta hedge position of AngloGold Ashanti was 10.14Moz or 315t, valued at the spot gold price at the quarter end of \$620/oz. This net delta position reflects a decrease of some 1.1Moz or 34t. This decrease was due to maturing positions and hedge reducing strategies that resulted in the hedge reducing by some 1.37Moz, offset by an increase in delta due to the quarter end gold price of \$620/oz which was \$38/oz higher than the first quarter's closing gold price of \$582/oz.

The marked-to-market value of the hedge position as at 30 June 2006 was negative \$3.17bn. The increase in the marked-to-market value was mostly due to the \$38/oz increase in the gold price over the previous quarter, combined with the effects of higher US interest rates and gold volatilities. Had the spot price of gold at the end of June remained unchanged from the price of \$582/oz at the end of the previous quarter, the hedge would have reduced in size to 9.86Moz or 307t, with a marked-to-market value of negative \$2.8bn.

The price received by the company for the quarter was \$600/oz, compared to a spot price for the period of \$629/oz. The company continues to

manage its hedge position actively, and to reduce overall levels of pricing commitments in respect of future gold production.

Hedge position

As at 30 June 2006, the group had outstanding the following forward-pricing commitments against future production. The total net delta tonnage of the hedge of the company on this date was 10.14Moz or 315t (at 31 March 2006: 11.23Moz or 349t).

The marked-to-market value of all hedge transactions making up the hedge positions was a negative \$3.167bn (negative R22.45bn) as at 30 June 2006 (as at 31 March 2006: negative \$2.707bn or R16.65bn). This value at 30 June 2006 was based on a gold price of \$619.80/oz, exchange rates of R7.088/\$ and A\$/0.7438 and the prevailing market interest rates and volatilities at that date.

As at 26 July 2006, the marked-to-market value of the hedge book was a negative \$3.115bn (negative R21.93bn), based on a gold price of \$618.95/oz and exchange rates of R7.04/\$ and A\$/0.758 and the prevailing market interest rates and volatilities at the time.

These marked-to-market valuations are not predictive of the future value of the hedge position, nor of future impact on the revenue of the company. The valuation represents the cost of buying all hedge contracts at the time of valuation, at market prices and rates available at the time.

Year**2006****2007****2008****2009****2010****2011-2015****Total****DOLLAR GOLD**

Forward contracts

Amount (kg)

*29,534

25,469

30,076

26,288

16,328

37,239

105,866

US\$/oz

\$687

\$357

\$365

\$380

\$382

\$411
 \$292
 Put options purchased
 Amount (kg)
 7,674
 1,455
 9,129
 US\$/oz
 \$345
 \$292
 \$336
 Put options sold
 Amount (kg)
 18,970
 855
 1,882
 1,882
 7,527
 31,116
 US\$/oz
 \$540
 \$390
 \$400
 \$410
 \$435
 \$494
 Call options purchased
 Amount (kg)
 7,770
 6,357
 14,127
 US\$/oz
 \$366
 \$344
 \$356
 Call options sold
 Amount (kg)
 25,491
 32,544
 32,904
 31,194
 28,054
 76,068
 226,255
 US\$/oz
 \$488
 \$387
 \$395
 \$418
 \$429
 \$506

\$449

RAND GOLD

Forward contracts

Amount (kg)

967

2,449

933

4,349

Rand per kg

R28,536

R97,520

R116,335

R86,214

Put options purchased

Amount (kg)

Rand per kg

Put options sold

Amount (kg)

Rand per kg

Call options purchased

Amount (kg)

Rand per kg

Call options sold

Amount (kg)

311

2,986

2,986

2,986

9,269

Rand per kg

R108,123

R202,054

R216,522

R230,990

R212,885

A DOLLAR GOLD

Forward contracts

Amount (kg)

12,752

6,843

2,177

3,390

3,110

28,272

A\$

per

oz

A\$819

A\$629

A\$663

A\$655

A\$690

A\$727

Put options purchased

Amount (kg)

A\$

per

oz

Put options sold

Amount (kg)

A\$

per

oz

Call options purchased

Amount (kg)

3,110

3,732

3,110

1,244

3,110

14,306

A\$

per

oz

A\$673

A\$668

A\$680

A\$694

A\$712

A\$683

Call options sold

Amount (kg)

A\$

per

oz

Delta (kg)

*10,032

56,866

60,497

59,517

43,753

104,732

315,333

** Total net gold:

Delta (oz)

*322,536

1,828,282

1,945,021

1,913,513

1,406,690

3,367,207

10,138,177

* Long
position.

**

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 option formula with the ruling market prices, interest rates and volatilities as at 30 June 2006.

Rounding of figures may result in computational discrepancies.

Year

2006

2007

2008

2009

2010

2011-2015

Total

DOLLAR

SILVER

Forward
contracts

Amount

(kg)

\$ per oz

Put options purchased

Amount (kg)

21,772

43,545

43,545

108,862

\$ per oz

\$7.11

\$7.40

\$7.66

\$7.45

Put options sold

Amount (kg)

21,772

43,545

43,545

108,862

\$ per oz

\$6.02

\$5.93

\$6.19

\$6.05

Call

options

purchased

Amount

(kg)

\$ per oz

Call options sold

Amount (kg)

21,772

43,545

43,545

108,862

\$ per oz

\$8.11

\$8.40

\$8.64

\$8.44

The following table indicates the group's currency hedge position at 30 June 2006

Year

2006

2007

2008

2009

2010

2011-2015

Total

RAND

DOLLAR

(000)

Forward contracts

Amount (\$)

US\$/R

Put

options

purchased

Amount

(\$)

55,000

55,000

US\$/R

R6.68

R6.68

Put

options

sold

Amount

(\$)

45,000

45,000

US\$/R

R6.44

R6.44

Call

options

purchased

Amount

(\$)

US\$/R

Call

options

sold

Amount

(\$)

55,000

55,000

US\$/R

R7.05

R7.05

A

DOLLAR

(000)

Forward contracts

Amount (\$)

53,398

60,000

20,000

133,398

A\$/US\$ A\$0.75

A\$0.76

A\$0.73

A\$0.75

Put

options

purchased

Amount

(\$)

40,000

40,000

A\$/US\$ A\$0.73

A\$0.73

Put

options

sold

Amount

(\$)

40,000

40,000

A\$/US\$ A\$0.76

A\$0.76

Call

options

purchased

Amount

(\$)

A\$/US\$

Call

options

sold

Amount

(\$)

50,000

50,000

A\$/US\$ A\$0.72

A\$0.72

BRAZILIAN REAL (000)

Forward

contracts
 Amount
 (\$)
 12,000
 4,000
 16,000
 US\$/BRL
 BRL3.25
 BRL3.31
 BRL3.26
 Put
 options
 purchased
 Amount
 (\$) 2,500
 2,500
 US\$/BRL
 BRL2.30
 BRL2.30
 Put
 options
 sold
 Amount
 (\$) 2,500
 2,500
 US\$/BRL
 BRL2.10
 BRL2.10
 Call
 options
 purchased
 Amount
 (\$)
 US\$/BRL
 Call
 options
 sold
 Amount
 (\$)
 12,500
 12,500
 US\$/BRL
 BRL3.17
 BRL3.17

Derivative analysis by accounting designation as at 30 June 2006

**Normal sale
 exempted
 Cash flow
 hedge
 accounted
 Non-hedge**

accounted

Total

US Dollars (millions)

Commodity option contracts

(580)

(9)

(1,116)

(1,705)

Foreign exchange option contracts

—

—

(13)

(13)

Forward sale commodity contracts

(1,204)

(469)

216

(1,457)

Forward foreign exchange contracts

—

7

(2)

5

Interest rate swaps

(38)

—

41

3

Total hedging contracts

(1,822)

(471)

(874)

(3,167)

Hedge restructure debtor

—

—

20

20

Option component of convertible bonds

—

—

(102)

(102)

Total

derivatives

(1,822)

(471)

(956)

(3,249)

Rounding of figures may result in computational discrepancies.

Exploration

Total exploration expenditure amounted to \$27m (\$18m expensed, \$9m capitalised) during the second quarter, compared to \$18m (\$12m expensed, \$6m capitalised) in the first quarter of 2006.

BROWNFIELDS EXPLORATION

At Siguiri, in **Guinea**, infill and extension drilling continued at the Kintinian prospect. A ground gravity programme is in progress to define additional drill targets to the south of the existing pits.

At Geita, in **Tanzania**, drilling confirmed the connection between the south and central orebodies of Lone Cone. Drilling indicated the potential for a second mineralised zone in Nyankanga South and drilling at Area 3 West (located approximately 1km south-east of the Matandani pit) showed encouraging results.

In the regional drill programme on the Morila grant in **Mali**, 50 holes (26,146m) have been completed.

Drilling continues to the south of the main pit in the Tonalite extension area, and results indicate a wide, low-grade mineralised zone. Also in Mali, at Sadiola, drilling in the gap between FE3 and FE4 indicated open-ended mineralisation to the north and east.

These intersections will be followed up with further drilling.

Surface drilling continued at Obuasi, in **Ghana**, with UDSDD 2 reaching a depth of 876m and USDD 3 reaching 1,500m. Reef intersections are expected in the first quarter of 2007.

In South America, good progress has been made converting Inferred Resources to Indicated Resources, which can be used for mine planning. Noteworthy additions have been made at Cuiabá and Serra Grande in **Brazil**, and Cerro Vanguardia in **Argentina**.

At Cripple Creek & Victor in the **United States**, drill programme efforts primarily focused on Resource expansion. Results from ongoing, step-out drilling are being modelled to determine the impact of new drilling results and updated cost assumptions on expanding the orebody. Infill and step-out development drilling in the South Cresson Deposit continued.

GREENFIELDS EXPLORATION

Greenfields exploration activities continued during the second quarter in Alaska, Australia, China, Colombia, Laos, the Philippines, Russia and the DRC.

A Letter of Intent was signed with International Tower Hill Mines Ltd on 15 June for the sale and option of all of AngloGold Ashanti's **Alaskan** mineral exploration properties and associated databases. Final Toronto Stock Exchange approval for the transaction is expected early in the third quarter.

In **Australia**, drilling continued at the Tropicana joint venture on both the original Tropicana zone and the newly-discovered Havana zone.

Significant new intercepts obtained from infill drilling at the Tropicana zone included 29m at 4.4g/t from 219m in TPRC021D, 34m at 4.0g/t from 42m in TPD013 (TPRC031 twin), 13m at 5.0g/t from 71m in TPD024, and 25m at 2.0g/t from 160m in TPRC079D. Gold mineralisation at the Tropicana zone has now been confirmed to extend 1,400m along strike, with current drilling testing the down-dip extent of mineralisation.

Initial drilling on the new Havana zone, located 1.1km south of the Tropicana zone, has also returned encouraging results.

Regional exploration programmes continued at an accelerated pace in **Colombia** during the second quarter. First-pass drill programmes were completed on two projects; where highly encouraging results were obtained and follow-up drilling is envisaged. Regional exploration joint ventures were also signed with both Bema Gold Corporation and Antofagasta PLC, on 1 June and 14 July, respectively.

In the **DRC**, a second diamond drill rig commenced operation and allowed for further drill testing of the priority Adidi/D7 Kanga and Nzebi/Senzere corridors. Significant new intercepts included 14m at 6.40g/t from 57m in DD051. Resource delineation drilling will continue in the DRC during both the third and fourth quarters of 2006.

In

China, generative exploration activities continued and select business development opportunities were reviewed. A 5,000m diamond drill programme commenced at Dynasty Gold's Red Valley project in the Qinghai Province.

In the **Philippines**, exploration activities continued 20km north of the Siana Gold Project. The project area contains potential for both epithermal and porphyry style gold and copper mineralisation.

In **Laos**, regional exploration under the joint venture with Oxiana Limited was undertaken in five main areas. Widespread stream sediment gold anomalies were identified in one target area with encouraging geology and alteration identified in another. Additional new targets have also been delineated for follow-up.

In **Russia**, generative exploration activities remain underway in the Far East and AngloGold Ashanti

continued to provide technical assistance to Trans-Siberian Gold's Asacha and Veduga Projects.

Group
operating results

Jun

Mar

Jun

Jun

Jun

Jun

Mar

Jun

Jun

Jun

2006

2006

2005

2006

2005

2006

2006

2005

2006

2005

Rand / Metric

Dollar / Imperial

OPERATING RESULTS

UNDERGROUND OPERATION

Milled

- 000 tonnes /

- 000 tons

3,366

3,236

3,466

6,602

6,853

3,710

3,567

3,821

7,277

7,554

Yield

- g / t

/

- oz / t

7.24

7.12

7.26

7.19

7.30

0.211

0.208

0.212

0.210

0.213

Gold produced

- kg

/

- oz (000)

24,379

23,055

25,175

47,434

50,059

784

741

809

1,525

1,609

SURFACE AND DUMP RECLAMATION

Treated

- 000 tonnes /

- 000 tons

3,343

2,769

1,886

6,112

3,997

3,685

3,052

2,078

6,737

4,406

Yield

- g / t

/

- oz / t

0.50

0.55

0.49

0.52

0.48

0.015

0.016

0.014

0.015

0.014

Gold produced

- kg

/

- oz (000)

1,663

1,517

927

3,180

1,913

53

49

30

102

62

OPEN-PIT OPERATION

4

Mined

- 000 tonnes /

- 000 tons

42,635

41,772

46,042

84,407

84,259

46,998

46,046

50,753

93,043

92,880

Treated

- 000 tonnes /

- 000 tons

6,341

6,220

6,501

12,561

11,557

6,990

6,857

7,166

13,847

12,740

Stripping ratio

- t (mined total - mined ore) / t mined ore

4.52

4.79

4.82

4.65

5.34

4.52

4.79

4.82

4.65

5.34

Yield

- g / t

/

- oz / t

2.27

2.21

2.90

2.24

3.21

0.066

0.064

0.085

0.065

0.094

Gold in ore

- kg

/

- oz (000)

9,491

14,587

11,188

24,078

26,086

305

469

360

774

839

Gold produced

- kg

/

- oz (000)

14,415

13,726

18,856

28,141

37,076

463

441

606

905

1,192

HEAP LEACH OPERATION

Mined

- 000 tonnes /

- 000 tons

17,256

15,348

14,465

32,604

32,377

19,021

16,918

15,945

35,940

35,690

Placed

1

- 000 tonnes /

- 000 tons

6,090

5,562

5,241

11,652

11,851

6,713

6,131

5,777

12,844

13,063

Stripping ratio

- t (mined total - mined ore) / t mined ore

1.82

1.78

2.33

1.80

1.96

1.82

1.78

2.33

1.80

1.96

Yield

2

- g / t

/

- oz / t

0.83

0.81

0.77

0.82

0.83

0.024

0.024

0.023

0.024

0.024

Gold placed

3

- kg

/

- oz (000)

5,082

4,516

4,046

9,598

9,822

163

145

130

309

316

Gold produced

- kg

/

- oz (000)

3,567

3,369

3,835

6,936

8,553

115

108

123

223

275

TOTAL

Gold produced

- kg

/

- oz (000)

44,024

41,667

48,792

85,691

97,600

1,415

1,340

1,569

2,755

3,138

Gold sold

- kg

/

- oz (000)

42,424

42,164

48,560

84,588

96,873

1,364

1,356

1,561

2,720

3,115

Price received

- R / kg

/

- \$ / oz - sold

125,409 107,903

87,314

116,683

84,739

600

545

422

573

423

Total cash costs

- R / kg

/

- \$ / oz - produced

63,276

60,815

57,351

62,079

56,064

305

308

278

306

281

Total production costs

- R / kg

/

- \$ / oz - produced

85,168

82,079

74,728

83,666

72,683

410

416

363

413

364

PRODUCTIVITY PER EMPLOYEE

Target

- g

/

- oz

410

381

431

395

425

13.18

12.26

13.86

12.72

13.66

Actual

- g

/

- oz

379

353

368

366

374

12.19

11.34

11.83

11.76

12.03

CAPITAL EXPENDITURE - Rm

- \$m

1,168

961

1,068

2,130

1,932

181

156

167

337

311

1

Tonnes (Tons) placed on to leach pad.

2

Gold placed / tonnes (tons) placed.

3

Gold placed into leach pad inventory.

4

Refer to Geita page for revised March 2006 quarter operating results

Rounding of figures may result in computational discrepancies.

Quarter ended

Six months ended

Unaudited

Unaudited

Quarter ended

Six months ended

Group
income statement

Quarter

Quarter

Quarter

Six months

Six months

ended

ended

ended

ended

ended

June

March

June

June

June

2006

2006

2005

2006

2005

SA Rand million

Notes

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Revenue

2

4,966

4,456

4,563

9,422

8,579

Gold income

4,798

4,246

4,404

9,044

8,261

Cost of sales

3

(3,546)

(3,463)

(3,620)

(7,009)

(7,036)

Non-hedge derivative (loss) gain

(1,847)

(1,100)

147

(2,947)

(40)

Gross (loss) profit

(594)

(318)

931

(912)

1,186

Corporate administration and other expenses

(140)

(127)

(103)

(267)

(201)

Market development costs

(24)

(26)

(21)

(50)

(42)

Exploration costs

(116)

(73)

(78)

(189)

(138)

Other net operating expenses

4

(39)

(30)

(34)

(69)

(53)

Operating special items

5

14

11

(41)

24

(44)

Operating (loss) profit

(900)

(563)

654

(1,463)

708

Interest receivable

59

30

39
89
93
Exchange (loss) gain
(7)
(4)
(4)
(11)
4
Fair value adjustment on option component of convertible bond
158
(233)
79
(75)
194
Finance costs and unwinding of decommissioning and restoration obligations
(209)
(210)
(159)
(419)
(308)
Fair value gain (loss) on interest rate swaps
-
-
11
-
(5)
Share of associates' (loss) profit
(1)
(4)
2
(5)
3
(Loss) profit before taxation
(900)
(984)
621
(1,883)
689
Taxation
6
(86)
(43)
62
(128)
121
(Loss) profit after taxation from continuing operations
(986)
(1,026)
683

(2,012)
810
Loss for the period from discontinued operations
7
(4)
(7)
(69)
(11)
(121)
(Loss) profit for the period
(989)
(1,034)
614
(2,023)
690
Allocated as follows:
Equity shareholders of parent
(1,047)
(1,074)
566
(2,121)
616
Minority interest
58
40
48
98
74
(989)
(1,034)
614
(2,023)
690
Basic (loss) earnings per ordinary share (cents)
(Loss) profit from continuing operations
a
(382)
(402)
240
(784)
278
Loss from discontinued operations
a
(1)
(3)
(26)
(4)
(46)
(Loss) profit
(383)
(405)

214

(788)

233

Diluted (loss) earnings per ordinary share (cents)

(Loss) profit from continuing operations

b

(382)

(402)

240

(784)

278

Loss from discontinued operations

b

(1)

(3)

(26)

(4)

(46)

(Loss) profit

c

(383)

(405)

214

(788)

232

Dividends

d

- Rm

578

450

- cents per share

210

170

a

Calculated on the basic weighted average number of ordinary shares.

b

Calculated on the diluted weighted average number of ordinary shares.

c

The impact of the diluted earnings per share is anti-dilutive and therefore equal to the basic earnings per share.

d

Dividends are translated at actual rates on date of payment. The current period is only indicative.

Rounding of figures may result in computational discrepancies.

Group
income statement

Quarter

Quarter

Quarter

Six months

Six months

ended

ended

ended

ended

ended

June

March

June

June

June

2006

2006

2005

2006

2005

US Dollar million

Notes

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Revenue

2

766

724

708

1,490

1,377

Gold income

740

690

684

1,430

1,326

Cost of sales

3

(547)

(563)

(565)

(1,110)

(1,133)

Non-hedge derivative (loss) gain

(169)

(188)

35

(357)

18

Gross profit (loss)

25

(61)

154

(37)

211

Corporate administration and other expenses

(22)

(21)

(16)

(42)

(32)

Market development costs

(4)

(4)

(3)

(8)

(7)

Exploration costs

(18)

(12)

(12)

(30)

(22)

Other net operating expenses

4

(7)

(4)

(5)

(10)

(8)

Operating special items

5

2

2

(7)

4

(7)

Operating (loss) profit

(22)

(101)

111

(123)

135

Interest receivable

9

5

6	
14	
15	
Exchange (loss) gain	
(1)	
(1)	
(1)	
(2)	
-	
Fair value adjustment on option component of convertible bond	
25	
(39)	
13	
(14)	
32	
Finance costs and unwinding of decommissioning and restoration obligations	
(32)	
(34)	
(25)	
(67)	
(50)	
Fair value gain (loss) on interest rate swaps	
-	
-	
2	
-	
(1)	
Share of associates' (loss) profit	
-	
(1)	
-	
(1)	
-	
(Loss) profit before taxation	
(22)	
(170)	
107	
(192)	
132	
Taxation	
6	
(23)	
(7)	
9	
(30)	
18	
(Loss) profit after taxation from continuing operations	
(45)	
(177)	
116	

(222)
 150
 Loss for the period from discontinued operations
 7
(1)
 (1)
 (12)
 (2)
 (21)
(Loss) profit for the period
(45)
 (179)
 103
 (224)
 130
 Allocated as follows:
 Equity shareholders of the parent
(54)
 (185)
 96
 (240)
 118
 Minority interest
9
 6
 7
 16
 12
(45)
 (179)
 103
 (224)
 130
Basic (loss) earnings per ordinary share (cents)
 (Loss) profit from continuing operations
 a
(20)
 (69)
 41
 (88)
 52
 Loss from discontinued operations
 a
 -
 (1)
 (5)
 (1)
 (8)
 (Loss) profit
(20)
 (70)

36

(89)

45

Diluted (loss) earnings per ordinary share (cents)

(Loss) profit from continuing operations

b

(20)

(69)

41

(88)

52

Loss from discontinued operations

b

-

(1)

(5)

(1)

(8)

(Loss) profit

c

(20)

(70)

36

(89)

45

Dividends

d

- \$m

82

69

- cents per share

30

26

a

Calculated on the basic weighted average number of ordinary shares.

b

Calculated on the diluted weighted average number of ordinary shares.

c

The impact of the diluted earnings per share is anti-dilutive and therefore equal to the basic earnings per share.

d

Dividends are translated at actual rates on date of payment. The current period is only indicative.

Rounding of figures may result in computational discrepancies.

Group
balance sheet

June

March

June

December

2006

2006

2005

2005

SA Rand million

Notes

Unaudited

Unaudited

Unaudited

Audited

ASSETS

Non-current assets

Tangible assets

41,214

36,904

37,588

37,464

Intangible assets

2,873

2,419

2,727

2,533

Investments in associates

312

214

254

223

Other investments

662

647

550

645

Inventories

1,673

1,272

789

1,182

Derivatives

73

171

403

243

Trade and other receivables

164

126

128
124
Deferred taxation
368
321
215
279
Other non-current assets
95
136
128
101
47,434
42,210
42,781
42,794
Current assets
Inventories
3,181
2,475
2,619
2,436
Trade and other receivables
1,645
1,706
1,934
1,589
Derivatives
5,941
4,876
3,053
4,280
Current portion of other non-current assets
11
6
5
43
Cash restricted for use
21
21
197
52
Cash and cash equivalents
2,450
1,419
1,644
1,328
13,250
10,503
9,452
9,728

Non-current assets held for sale

100

100

100

100

13,350

10,603

9,552

9,828

TOTAL ASSETS

60,784

52,814

52,333

52,622

EQUITY AND LIABILITIES

Share capital and premium

10

22,065

19,070

19,006

19,047

Retained earnings and other reserves

11

(3,057)

(4,600)

1,410

(2,463)

Shareholders' equity

19,008

14,470

20,416

16,584

Minority interests

12

419

384

401

374

Total equity

19,427

14,854

20,817

16,958

Non-current liabilities

Borrowings

9,375

10,798

10,500

10,825

Environmental rehabilitation and other provisions

2,579

2,271
 1,657
 2,265
 Provision for pension and post-retirement benefits

1,263

1,252
 1,072
 1,249

Trade, other payables and deferred income

109

80
 20
 87

Derivatives

3,484

2,928
 2,130
 2,460

Deferred taxation

7,239

6,903
 8,231
 7,353

24,049

24,233
 23,610
 24,239

Current liabilities

Trade, other payables and deferred income

3,011

2,772
 2,899
 2,711

Current portion of borrowings

465

871
 1,141
 1,190

Derivatives

12,723

9,212
 3,551
 6,814

Taxation

1,110

872
 315
 710

17,309

13,727
 7,906

11,425

Total liabilities

41,357

37,960

31,516

35,664

TOTAL EQUITY AND LIABILITIES

60,784

52,814

52,333

52,622

Net asset value - cents per share

7,060

5,603

7,867

6,401

Rounding of figures may result in computational discrepancies.

Group
balance sheet

As at

As at

As at

As at

June

March

June

December

2006

2006

2005

2005

US Dollar million

Notes

Unaudited

Unaudited

Unaudited

Audited

ASSETS

Non-current assets

Tangible assets

5,768

5,982

5,624

5,905

Intangible assets

402

392

408

399

Investments in associates

44

35

38

35

Other investments

93

105

82

102

Inventories

234

206

118

186

Derivatives

10

28

60

38	
Trade and other receivables	
23	
20	
19	
20	
Deferred taxation	
51	
52	
32	
44	
Other non-current assets	
13	
22	
20	
16	
6,639	
6,842	
6,401	
6,745	
Current assets	
Inventories	
445	
401	
392	
384	
Trade and other receivables	
230	
277	
289	
250	
Derivatives	
832	
790	
457	
675	
Current portion of other non-current assets	
2	
1	
1	
7	
Cash restricted for use	
3	
3	
29	
8	
Cash and cash equivalents	
343	
230	
246	
209	

1,854

1,703

1,414

1,533

Non-current assets held for sale

14

16

15

16

1,868

1,719

1,429

1,549

TOTAL ASSETS

8,507

8,561

7,830

8,294

EQUITY AND LIABILITIES

Share capital and premium

10

3,088

3,091

2,843

3,002

Retained earnings and other reserves

11

(428)

(745)

211

(388)

Shareholders' equity

2,660

2,346

3,054

2,614

Minority interests

12

59

62

60

59

Total equity

2,719

2,408

3,114

2,673

Non-current liabilities

Borrowings

1,312

1,750

1,571
1,706
Environmental rehabilitation and other provisions
361
368
248
356
Provision for pension and post-retirement benefits
177
203
160
197
Trade, other payables and deferred income
15
13
3
14
Derivatives
488
475
319
388
Deferred taxation
1,013
1,119
1,231
1,159
3,366
3,928
3,532
3,820
Current liabilities
Trade, other payables and deferred income
421
449
434
427
Current portion of borrowings
65
141
171
188
Derivatives
1,781
1,493
531
1,074
Taxation
155
141
47

112

2,422

2,225

1,183

1,801

Total liabilities

5,788

6,153

4,716

5,621

TOTAL EQUITY AND LIABILITIES

8,507

8,561

7,830

8,294

Net asset value - cents per share

988

908

1,177

1,009

Rounding of figures may result in computational discrepancies.

Group
cash flow statement

Quarter

Quarter

Quarter

Six months

Six months

ended

ended

ended

ended

ended

June

March

June

June

June

2006

2006

2005

2006

2005

SA Rand million

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Cash flows from operating activities

Receipts from customers

5,006

4,800

4,475

9,806

8,614

Payments to suppliers and employees

(2,862)

(3,230)

(3,288)

(6,092)

(6,600)

Cash generated from operations

2,144

1,570

1,187

3,714

2,014

Cash generated (utilised) by discontinued operations

14

(11)

(62)

3
 (113)
 Environmental, rehabilitation and other expenditure
(17)
 (16)
 (16)
 (33)
 (29)
 Taxation paid
(178)
 (90)
 (34)
 (269)
 (95)
 Net cash inflow from operating activities
1,963
 1,453
 1,075
 3,415
 1,777
Cash flows from investing activities
 Capital expenditure
(1,168)
 (961)
 (1,068)
 (2,130)
 (1,932)
 Proceeds from disposal of tangible assets
54
 11
 4
 65
 2
 Proceeds on disposal of discontinued assets
22
 10
 -
 32
 -
 Other investments acquired
(13)
 (5)
 (5)
 (17)
 (12)
 Associate loans and acquisitions
(63)
 -
 (91)
 (63)
 (91)

Proceeds from disposal of investments

19

17

-

36

-

Cash restricted for use

-

30

(2)

30

(26)

Interest received

44

18

27

62

72

Loans advanced

-

-

(42)

-

(42)

Repayment of loans advanced

26

2

13

28

13

Utilised in hedge restructure

-

-

-

-

(415)

Net cash outflow from investing activities

(1,079)

(877)

(1,164)

(1,956)

(2,431)

Cash flows from financing activities

Proceeds from issue of share capital

3,026

23

10

3,049

18

Share issue expenses

(32)

-	
-	
(32)	
-	
Proceeds from borrowings	
81	
329	
545	
410	
3,113	
Repayment of borrowings	
(2,973)	
(369)	
(407)	
(3,342)	
(1,895)	
Finance costs	
(84)	
(251)	
(68)	
(336)	
(288)	
Dividends paid	
(70)	
(183)	
(31)	
(253)	
(519)	
Net cash (outflow) inflow from financing activities	
(52)	
(451)	
50	
(503)	
429	
Net increase (decrease) in cash and cash equivalents	
832	
124	
(40)	
956	
(225)	
Translation	
200	
(33)	
113	
167	
239	
Cash and cash equivalents at beginning of period	
1,419	
1,328	
1,571	
1,328	

1,630

Net cash and cash equivalents at end of period

2,450

1,419

1,644

2,450

1,644

Cash generated from operations

(Loss) profit before taxation

(900)

(984)

621

(1,883)

689

Adjusted for:

Movement on non-hedge derivatives

2,584

1,582

(185)

4,166

242

Amortisation of tangible assets

951

859

787

1,810

1,519

Amortisation of intangible assets

3

3

3

6

6

Deferred stripping

(126)

(107)

17

(233)

25

Interest receivable

(59)

(30)

(39)

(89)

(93)

Operating special items

18

(11)

41

8

44

Finance costs and unwinding of decommissioning and
restoration obligations

209

210

159

419

308

Fair value adjustment on option component of convertible bond

(158)

233

(79)

75

(194)

Other non-cash movements

(125)

103

129

(22)

95

Movement in working capital

(254)

(289)

(267)

(543)

(628)

2,144

1,570

1,187

3,714

2,014

Movement in working capital

Increase in inventories

(1,019)

(154)

(339)

(1,174)

(906)

Decrease (increase) in trade and other receivables

70

(80)

(268)

(10)

(267)

Increase (decrease) in trade and other payables

695

(55)

340

640

546

(254)

(289)

(267)

(543)

(628)

Rounding of figures may result in computational discrepancies.

6

Group
cash flow statement

Quarter

Quarter

Quarter

Six months

Six months

ended

ended

ended

ended

ended

June

March

June

June

June

2006

2006

2005

2006

2005

US Dollar million

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Cash flows from operating activities

Receipts from customers

776

777

700

1,553

1,397

Payments to suppliers and employees

(445)

(522)

(507)

(967)

(1,068)

Cash generated from operations

331

255

193

586

329

Cash generated (utilised) by discontinued operations

2

(2)

(11)

-
 (19)
 Environmental, rehabilitation and other expenditure

(3)

(2)

(2)

(5)

(5)

Taxation paid

(28)

(15)

(5)

(43)

(15)

Net cash inflow from operating activities

302

236

175

538

289

Cash flows from investing activities

Capital expenditure

(181)

(156)

(167)

(337)

(311)

Proceeds from disposal of tangible assets

8

2

-

10

-

Proceeds on disposal of discontinued assets

4

2

-

5

-

Other investments acquired

(2)

(1)

(1)

(3)

(2)

Associate loans and acquisitions

(10)

-

(14)

(10)

(14)

Proceeds from disposal of investments

3

3

-

6

-

Cash restricted for use

-

5

(1)

5

(5)

Interest received

7

3

4

10

12

Loans advanced

-

-

(7)

-

(7)

Repayment of loans advanced

4

-

2

4

2

Utilised in hedge restructure

-

-

-

-

(69)

Net cash outflow from investing activities

(167)

(143)

(183)

(309)

(393)

Cash flows from financing activities

Proceeds from issue of share capital

505

4

2

509

3

Share issue expenses

(5)

-	
-	
(5)	
-	
Proceeds from borrowings	
11	
54	
43	
65	
501	
Repayment of borrowings	
(493)	
(60)	
(27)	
(553)	
(305)	
Finance costs	
(13)	
(41)	
(9)	
(53)	
(47)	
Dividends paid	
(11)	
(29)	
(5)	
(40)	
(87)	
Net cash (outflow) inflow from financing activities	
(5)	
(73)	
4	
(77)	
65	
Net increase (decrease) in cash and cash equivalents	
131	
20	
(4)	
151	
(38)	
Translation	
(18)	
1	
(3)	
(17)	
(5)	
Cash and cash equivalents at beginning of period	
230	
209	
253	
209	

289

Net cash and cash equivalents at end of period

343

230

246

343

246

Cash generated from operations

(Loss) profit before taxation

(22)

(170)

107

(192)

132

Adjusted for:

Movement on non-hedge derivatives

281

266

(38)

547

18

Amortisation of tangible assets

147

140

123

286

244

Amortisation of intangible assets

-

-

-

1

1

Deferred stripping

(15)

(17)

2

(33)

4

Interest receivable

(9)

(5)

(6)

(14)

(15)

Operating special items

2

(2)

7

-

7

Finance costs and unwinding of decommissioning and
restoration obligations

32

34

25

67

50

Fair value adjustment on option component of convertible bond

(25)

39

(13)

14

(32)

Other non-cash movements

(20)

16

18

(4)

15

Movement in working capital

(40)

(47)

(33)

(86)

(94)

331

255

193

586

329

Movement in working capital

Increase in inventories

(60)

(41)

(17)

(100)

(67)

Decrease (increase) in trade and other receivables

47

(20)

(20)

27

9

(Decrease) increase in trade and other payables

(27)

14

3

(13)

(36)

(40)

(47)

(33)

(86)

(94)

Rounding of figures may result in computational discrepancies.

17

Statement of **recognised income and expense**

Six months

Year

Six months

ended

ended

ended

June

December

June

2006

2005

2005

Unaudited

Audited

Unaudited

Actuarial gains and losses on defined benefit retirement plans

-

(173)

40

Net loss (gain) on cash flow hedges removed from equity and reported in income

614

391

(91)

Net loss on cash flow hedges

(1,724)

(1,281)

(116)

Gain (loss) on available for sale financial assets

8

17

(2)

Deferred taxation on items above

343

445

182

Net exchange translation differences

2,470

1,534

2,497

Net (expense) income recognised directly in equity

1,711

933

2,510

(Loss) profit for the period

(2,023)

(1,116)

690

Total recognised income and expense for the period

(312)

(183)

3,200
 Attributable to:
 Equity shareholders of the parent
 (445)
 (355)
 3,083
 Minority interest
 133
 172
 117
 (312)
 (183)
 3,200
 Actuarial gains and losses on defined benefit retirement plans
 -
 (27)
 7
 Net loss (gain) on cash flow hedges removed from equity and reported in income
 96
 18
 (11)
 Net loss on cash flow hedges
 (242)
 (202)
 (17)
 Gain (loss) on available for sale financial assets
 1
 2
 (2)
 Deferred taxation on items above
 40
 69
 26
 Net exchange translation differences
 327
 293
 380
 Net (expense) income recognised directly in equity
 222
 153
 383
 (Loss) profit for the period
 (224)
 (160)
 130
 Total recognised income and expense for the period
 (2)
 (7)
 513
 Attributable to:
 Equity shareholders of the parent

(16)

(28)

504

Minority interest

14

21

9

(2)

(7)

513

Rounding of figures may result in computational discrepancies.

SA Rand million

US Dollar million

Notes

for the quarter and six months ended 30 June 2006

1.

Basis of preparation

The financial statements in this quarterly report have been prepared in accordance with the historic cost convention except for certain financial instruments which are stated at fair value. The group's accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2005 and revised International Financial Reporting Standards (IFRS) which are effective 1 January 2006, where applicable.

The financial statements of AngloGold Ashanti Limited have been prepared in compliance with IAS34, JSE Listings Requirements and in the manner required by the South African Companies Act, 1973 for the preparation of financial information of the group for the quarter and six months ended 30 June 2006.

Where the preparation or classification of an item has been amended, comparative information has been reclassified to ensure comparability with the current period as disclosed in the previous annual report. Such amendments have been made to provide the users of the financial statements with additional information.

2.

Revenue

Quarter ended

**Six months
ended**

Quarter ended

**Six months
ended**

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Unaudited

Unaudited

SA Rand million

US Dollar million

Gold income

4,798

4,246

4,404

9,044

8,261

740

690

684

1,430

1,326

By-products and other revenue (note 3)

109

181

121

289

224

17

29

19

46

36

Interest receivable

59

30

39

89

93

9

5

6

14

15

4,966

4,456

4,563

9,422

8,579

766

724

708

1,490

1,377

3.

Cost of sales

Quarter ended

Six months

ended

Quarter ended

Six months

ended

Jun

2006

Mar

2006

Jun				
2005				
Jun				
2006				
Jun				
2005				
Jun				
2006				
Mar				
2006				
Jun				
2005				
Jun				
2006				
Jun				
2005				
Unaudited				
Unaudited				
SA Rand million				
US Dollar million				
Cash operating costs				
2,853				
2,635				
2,865				
5,487				
5,619				
441				
428				
447				
870				
906				
By-products and other revenue (note 2)				
(109)				
(181)	(121)	(289)	(224)	(17)
(29)	(19)	(46)	(36)	
2,744				
2,454				
2,744				
5,198				
5,395				
424				
399				
428				
824				
870				
Other cash costs				
137				
118				
92				
254				
192				

21
19
14
40
31
Total cash costs
2,881
2,572
2,836
5,453
5,587
445
419
443
864
901
Retrenchment costs
13
12
31
25
46
2
2
5
4
7
Rehabilitation & other non-cash costs
25
39
49
64
94
4
6
8
10
15
Production costs
2,919
2,623
2,916
5,541
5,727
451
427
456
878
923
Amortisation of tangible assets
951

859			
787			
1,810			
1,519			
147			
140			
123			
286			
244			
Amortisation of intangible assets			
3			
3			
3			
6			
6			
—			
—			
—			
1			
1			
Total production costs			
3,873			
3,484			
3,706			
7,358			
7,252			
599			
567			
578			
1,166			
1,168			
Inventory change			
(327)			
(21)	(86)	(348)	
(216)	(52)		
(4)	(14)	(56)	(35)
3,546			
3,463			
3,620			
7,009			
7,036			
547			
563			
565			
1,110			
1,133			

Rounding of figures may result in computational discrepancies.

4.

Other net operating expenses

Quarter ended

**Six months
ended**

Quarter ended

**Six months
ended**

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Unaudited

Unaudited

SA Rand million

US Dollar million

Pension and medical defined benefit
provisions

19

21

16

40

30

4

3

2

6

5

Claims filed by former employees in
respect of loss of employment, work-
related accident injuries and
diseases, governmental fiscal claims
and costs of old tailings operations

18

8

18

26

23

3

1

3

4

3

Other

2

1

—

3

—

—

—

—

—

—

39

30

34

69

53

7

4

5

10

8

5.

Operating special items

Quarter ended

Six months

ended

Quarter ended

Six months

ended

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Jun

2006

Mar

2006

**Jun
2005**

**Jun
2006**

**Jun
2005**

Unaudited

Unaudited

SA Rand million

US Dollar million

(Under) over provision of indirect
taxes

(33)

7

– (25) –

(5)

1

–

(4)

–

Impairment of tangible assets (note 8)

–

(2) (45) (3) (45) –

–

(7)

–

(7)

Profit (loss) on disposal of assets
(note 8)

47

6

4

52

1

7

1

–

8

–

14

11

(41)

24

(44)

2

2

(7)

4

(7)

6. Taxation

Quarter ended

Six months
ended
Quarter ended

Six months
ended

Jun
2006

Mar
2006

Jun
2005

Jun
2006

Jun
2005

Jun
2006

Mar
2006

Jun
2005

Jun
2006

Jun
2005

Unaudited

Unaudited

SA Rand million

US Dollar million

Current tax

Normal taxation

(369)

(222) 11

(592)

(26) **(56)**

(36) 1

(92) (5)

Disposal and impairment of tangible
assets (note 8)

(3)

(4)

—

(6)

—

—

(1)

—

(1)

—

Under provision prior year

—

-				
-				
-				
(1)				
-				
-				
-				
-				
-				
(372)				
(226)	11			
(598)				
(27)	(56)			
(37)	1			
(93)	(5)			
Deferred taxation				
Temporary differences				
(140)				
(18)	(173)	(158)	(213)	(22)
(3)	(25)	(25)	(31)	
Impairment of tangible assets (note 8)				
-				
-				
15				
-				
15				
-				
-				
2				
-				
2				
Change in tax rate				
-				
-				
314				
-				
393				
-				
-				
47				
-				
59				
Unrealised non-hedge derivatives				
426				
202				
(105)				
628				
(47)				
55				
33				

(16)
88
(7)
286
184
51
470
148
33
30
8
63
23
Total taxation
(86)
(43) 62
(128)
121
(23)
(7)
9
(30)
18

Rounding of figures may result in computational discrepancies.

7. Discontinued operations

The Ergo surface dump reclamation, which forms part of the South African operations, has been discontinued as the operation has reached the end of its useful life. The results of Ergo are presented below:

Quarter ended

**Six months
ended**

Quarter ended

**Six months
ended**

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Unaudited

Unaudited

SA Rand million

US Dollar million

Gold income

10

6

10

16

95

2

1

2

3

16

Retrenchment, rehabilitation and
other costs

(8)

(5) (261) (14) (398) (1)

(1) (41) (2) (64)

Gross profit (loss)

2

1			
(251)			
2			
(303)			
-			
-			
(39)			
-			
(48)			
Impairment loss reversed			
-			
-			
115			
-			
115			
-			
-			
17			
-			
17			
Profit (loss) before taxation from discontinued operations			
2			
1			
(136)			
2			
(188)			
-			
-			
(22)			
-			
(31)			
Taxation			
(5)			
(8)	67		
(13)	67		
(1)			
(1)			
10			
(2)			
10			
Net loss attributable to discontinued operations			
(4)			
(7)	(69)	(11)	
(121)	(1)		
(1)	(12)	(2)	(21)
8.			
Headline (loss) earnings			
Quarter ended			
Six months			

ended

Quarter ended

Six months

ended

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Jun

2006

Mar

2006

Jun

2005

Jun

2006

Jun

2005

Unaudited

Unaudited

SA Rand million

US Dollar million

The (loss) profit attributable to equity
shareholders has been adjusted

by the following to arrive at

headline (loss) earnings:

(Loss) profit attributable to equity
shareholders

(1,047)

(1,074)

566

(2,121)

616

(54)

(185)

96

(240)

118

Impairment of tangible assets (note 5)

—

2

45

3

45

—

-				
7				
-				
7				
(Profit) loss on disposal of assets				
(note 5)				
(47)				
(6)	(4)	(52)	(1)	(7)
(1)				
-				
(8)				
-				
Taxation on items above – current				
portion (note 6)				
3				
4				
-				
6				
-				
-				
1				
-				
1				
-				
Taxation on items above – deferred				
portion (note 6)				
-				
-				
(15)				
-				
(15)				
-				
-				
(2)				
-				
(2)				
Net loss from discontinued operations				
(note 7)				
4				
7				
69				
11				
121				
1				
1				
12				
2				
21				
Headline (loss) earnings				
(1,086)				
(1,067)				

661
(2,154)
765

(60)
(184)
112

(244)
143

Cents per share

(1)

Headline (loss) earnings

(398)

(403)
250

(801)
289

(22)
(69)

42
(91)

54
(1)

Calculated on the basic weighted average number of ordinary shares.

Rounding of figures may result in computational discrepancies.

9. Shares**Quarter ended****Six months ended****Jun****2006****Mar****2006****Jun****2005****Jun****2006****Jun****2005**

Authorised:

Ordinary shares of 25 SA cents each

400,000,000

400,000,000 400,000,000 400,000,000 400,000,000

A redeemable preference shares of 50 SA cents each

2,000,000

2,000,000 2,000,000 2,000,000 2,000,000

B redeemable preference shares of 1 SA cent each

5,000,000

5,000,000 5,000,000 5,000,000 5,000,000

Issued and fully-paid:

Ordinary shares in issue

275,168,569

265,117,213 264,611,494 275,168,569 264,611,494

A redeemable preference shares

2,000,000

2,000,000 2,000,000 2,000,000 2,000,000

B redeemable preference shares

778,896

778,896 778,896 778,896 778,896

Weighted average number of ordinary shares for the period

Basic ordinary shares

273,028,361

265,064,368 264,556,116 269,068,365 264,522,557

Diluted number of ordinary shares

273,450,168

265,574,084 265,101,415 269,631,923 265,069,987

During the quarter, 9,970,732 ordinary shares were allotted in terms of the subscription offer for cash, as approved by shareholders in general meeting on 10 April 2006, while 80,624 ordinary shares were allotted in terms of the AngloGold Share Incentive Scheme. All the preference shares are held by a wholly-owned subsidiary company.

10.**Share capital and premium****As at****As at****Jun****2006****Mar**

	2006	2005	2006	2005
	Jun	Dec	Jun	Dec
	2006	2005	2006	2005
	Mar	Jun	Jun	Dec
	2006	2005	2005	2005
	Unaudited	Audited	Unaudited	Audited
	SA Rand million			
	US Dollar million			
	Balance at beginning of period			
	19,047			
	19,047			
	18,987			
	18,987			
	3,002			
	3,002			
	3,364			
	3,364			
	Ordinary shares issued			
	3,018			
	23			
	19			
	60			
	504			
	4			
	3			
	9			
	Translation			
	—			
	—			
	—			
	—			
	(418)			
	85			
	(524)	(371)		
	Balance at end of period			
	22,065			
	19,070			
	19,006			
	19,047			
	3,088			
	3,091			
	2,843			
	3,002			

Rounding of figures may result in computational discrepancies.

11.

Retained earnings and other reserves

Retained

Earnings

Non-

distributable

reserves

Foreign

currency

translation

reserve

Actuarial

gains

(losses)

Other

Comprehen-

sive

income

Total

SA Rand million

Balance at December 2004

3,379

138

(3,552) (122) (1,040) (1,197)

Actuarial gains and losses recognised

–

–

–

40

–

40

Deferred taxation recognised directly in equity

–

–

–

(13)

–

(13)

Profit attributable to equity shareholders

616

–

–

–

–

616

Dividends

(476)

–

–

–

–

(476)			
Net gain on cash flow hedges removed from equity and reported in income			
-			
-			
-			
(93)			
(93)			
Net loss on cash flow hedges			
-			
-			
-			
(116)			
(116)			
Deferred taxation on cash flow hedges			
-			
-			
-			
195			
195			
Loss on available for sale financial assets			
-			
-			
-			
-			
(2)			
(2)			
Translation			
-			
-			
2,657			
(1)			
(200)			
2,456			
Balance at June 2005			
3,519			
138			
(895)			
(96)			
(1,256)			
1,410			
Balance at December 2005			
1,191			
138			
(1,910)	(227)	(1,655)	(2,463)
Loss attributable to equity shareholders			
(2,121)			
-			

—
—
—
(2,121)
Dividends
(164)
—
—
—
—
(164)
Net loss on cash flow hedges removed from
equity and reported in income
—
—
—
—
609
609
Net loss on cash flow hedges
—
—
—
—
(1,712)
(1,712)
Deferred taxation on cash flow hedges
—
—
—
—
343
343
Gain on available for sale financial assets
—
—
—
—
8
8
Share-based payment expense
—
—
—
—
15
15
Translation
—
—
2,536

1				
(109)				
2,428				
Balance at June 2006				
(1,094)				
138				
626				
(226)				
(2,501)				
(3,057)				
US Dollars million				
Balance at December 2004				
286				
24				
(317)	(22)	(184)		(213)
Actuarial gains and losses recognised				
—				
—				
—				
7				
—				
7				
Deferred taxation recognised directly in equity				
—				
—				
—				
(2)				
—				
(2)				
Profit attributable to equity shareholders				
118				
—				
—				
—				
—				
118				
Dividends			(80)	
—				
—				
—				
—				
(80)				
Net gain on cash flow hedges removed from equity and reported in income				
—				
—				
—				
(11)				
(11)				
Net loss on cash flow hedges				

-			
-			
-			
-			
(17)			
(17)			
Deferred taxation on cash flow hedges			
-			
-			
-			
-			
28			
28			
Loss on available for sale financial assets			
-			
-			
-			
-			
(2)			
(2)			
Translation			
-			
(3)			
385			
3			
(2)			
383			
Balance at June 2005			
324			
21			
68			
(14)			
(188)			
211			
Balance at December 2005			
(46)	22		
(67)	(36)	(261)	(388)
Loss attributable to equity shareholders			
(240)			
-			
-			
-			
-			
(240)			
Dividends			(26)
-			
-			
-			
-			
(26)			

Net loss on cash flow hedges removed
from equity and reported in income

—
—
—
—

95
95

Net loss on cash flow hedges

—
—
—
—

(240)
(240)

Deferred taxation on cash flow hedges

—
—
—
—

40
40

Gain on available for sale financial assets

—
—
—
—

1
1

Share-based payment expense

—
—
—
—

2
2

Translation

—
(3)

314
4

13
328

Balance at June 2006

(312)
19

247
(32)

(350)
(428)

Rounding of figures may result in computational discrepancies.

12. Minority interests

As at

As at

Jun**2006**

Mar

2006**Jun****2005**

Dec

2005**Jun****2006**

Mar

2006**Jun****2005**

Dec

2005

Unaudited

Audited

Unaudited

Audited

SA Rand million

US Dollar million

Balance at beginning of year

374

374

327

327

59

59

58

58

Attributable profit

98

40

74

146

16

6

12

23

Dividends paid

(88)

(18) (43) (125) (14)

(3) (7) (20)

Net loss on cash flow hedges removed from
equity and reported in income**5**

2

2

4

1

-	
-	
1	
Net loss on cash flow hedges	
(12)	
(7)	-
(9)	(2)
(1)	-
(2)	
Translation	
42	
(7)	
41	
31	
(1)	
1	
(3)	(1)
Balance at end of period	

419

384

401

374

59

62

60

59

13. Exchange rates

Jun

2006

Mar

2006

Dec

2005

Jun

2005

Unaudited

Unaudited

Audited

Unaudited

Rand/US dollar average for the period

6.31

6.15	6.37	6.21
------	------	------

Rand/US dollar average for the quarter

6.46

6.15	6.53	6.41
------	------	------

Rand/US dollar closing

7.15

6.17	6.35	6.68
------	------	------

Rand/Australian dollar average for the period

4.69

4.55	4.85	4.80
------	------	------

Rand/Australian dollar average for the quarter

4.83

4.55	4.86	4.93
------	------	------

Rand/Australian dollar closing

5.31

4.39	4.65	5.06
------	------	------

14. Capital commitments

Jun

2006

Mar

2006

Jun

2005

Dec

2005

Jun

2006

Mar

2006

Jun

2006

Dec

2005

Unaudited

Audited

Unaudited

Audited

SA Rand million

US Dollar million

Orders placed and outstanding on capital contracts

at the prevailing rate of exchange

2,726

2,101	1,312	1,182	382
-------	-------	-------	------------

341	196	186
-----	-----	-----

Liquidity and capital resources:

To service the above capital commitments and other operational requirements, the group is dependant upon cash generated from the

South African operations, borrowing facilities and cash distributions from offshore operations.

Cash generated from the South African operations fund to a large extent the capital expenditure to maintain and expand those operations

in South Africa. Consequently other funding requirements are serviced from borrowing facilities and offshore distributions which are

subject to market and other risks. The credit facilities and other financing arrangements contain financial covenants and other similar undertakings.

The distributions from offshore operations are subject to foreign investment and exchange control laws and regulations and the quantity

of foreign exchange available in offshore countries. In addition offshore distributions from joint venture partners are subject to consent

and co-operation from those joint venture partners.

*The group's current covenant performance, cash and liquidity funds from the various resources available are within the required limits which will meet its obligations and capital commitments.
Rounding of figures may result in computational discrepancies.*

15.**Contingent liabilities**

AngloGold Ashanti's contingent liabilities at 30 June 2006 are detailed below:

Water pumping cost – South Africa – The South African Department of Water Affairs and Forestry (DWAF) issued a directive on 1 November 2005 ordering the four mining groups, Simmer and Jack Investments (Proprietary) Limited, Simmer and Jack Mines Limited (collectively known as Simmers who have purchased Buffelsfontein shafts from DRDGold Limited), Harmony Gold Mining Company Limited, AngloGold Ashanti and Stilfontein Gold Mining Company to share equally, the costs of pumping water at Stilfontein's Margaret Shaft. This follows an interdict application made by AngloGold Ashanti in response to DRDGold's threat to cease funding the pumping of water at the Margaret and Buffelsfontein shafts, after placing Buffelsfontein, its subsidiary that operated the North West operations, into liquidation on 22 March 2005. Simmers have purchased the Buffelsfontein shafts and have assumed the water management liabilities associated with the Buffelsfontein shafts. The directive also orders the mining companies to submit an agreement and a joint proposal towards the long-term sustainable management of water arising from the mining activities in the area.

The mining companies have signed and submitted Settlement and Shareholders' Agreements to DWAF. The mining companies and government are in the process of discussing the fulfilment of the conditions precedent in the Agreements. The Settlement Agreement describes the formation of a "New Water Company", which will take over the running of the Margaret Shaft from the Stilfontein Gold Mining Company. The state has requested that the new company be a Section 21 "not for profit company" in order for it to qualify for reduced water tariffs. The new company will be responsible for the operation of the shaft and the operation of all pumping equipment at the shaft in order to transfer all fissure water to surface on a daily basis. Each of the three companies has agreed to provide one third of the start up capital required on loan account to the New Water Company. The mining companies will each contribute a maximum of R18 million capital in the aggregate over a 3-year period. Any additional working or other capital costs required by the New Water Company will be borrowed or otherwise obtained from outside sources. In other words the mining companies are not obliged to contribute more than the R18 million capital. Each of the mining companies must agree with the contents of a business plan for the New Water Company. The mining companies will not have any obligation whatsoever to approve of the Business Plan unless they are satisfied that the New Water Company will be able to conduct and continue conducting business on a viable and sustainable basis without any funding being required from the mining companies other than the R18 million capital provided for in the agreement. At present it is estimated that a total finance of R54 million is required for the Margaret Shaft over a three-year period. The Shareholders Agreement provides for the formation of the New Water Company, with each mining company nominating two directors each.

Stilfontein, the owner of the Margaret and Scott Shafts has been placed in provisional liquidation on the application of a creditor, Mining Reclamation Services (Pty) Limited. The Master of the High Court has appointed 4 (four) liquidators. During a meeting held on 21 July the mining companies were advised that Stilfontein was deregistered as a company at the Company Registrar's office after it was placed in provisional liquidation. It is uncertain whether the deregistration takes precedence over the provisional liquidation. Should deregistration of Stilfontein be valid then ownership in the assets of the company vest in the State. If this is the case then the State is free to grant the New Water Company access to Margaret and Scott Shafts. However should the liquidation take precedence over the deregistration then the mining companies will consider purchasing the Margaret and Scott Shafts from the liquidators at a nominal cost or the cost may be defrayed by the claims that the mining companies have as creditors of Stilfontein.

AngloGold Ashanti believes that it is not liable to fund these pumping costs but cannot provide any assurances regarding the ultimate result until the matter has been settled.

Groundwater pollution – South Africa – AngloGold Ashanti has identified a number of groundwater pollution sites at its current operations in South Africa, and has investigated a number of different technologies and methodologies that could possibly be used to remediate the pollution plumes. The viability of the suggested remediation techniques in the local geological formation in South Africa is however unknown. No sites have been remediated and present research and development work is focused on several pilot projects to find a solution that will in fact yield satisfactory results in South African conditions. Subject to the technology being developed as a remediation technique, no reliable estimate can be made for the obligation.

Retrenchment costs – South Africa – Following the decision to discontinue operations at Ergo in 2005, employees surplus to requirements have had their service contracts terminated and retrenchment packages settled. Ergo continues to retain various staff members to complete the discontinuance and the attendant environmental obligations which are expected to be completed by 2012. The retained employees may resign, be transferred within the Group, attain retirement age or be retrenched as their current position is made redundant. AngloGold Ashanti is currently unable to determine the effect, if any, of any potential retrenchment costs.

Provision of surety – South Africa – AngloGold Ashanti has provided sureties in favour of a lender on a Gold loan facility with its affiliate Oro Africa (Pty) Ltd and one of its subsidiaries to a maximum value of R100m (\$14m). The suretyship agreements have a termination notice period of 90 days.

Sales tax on gold deliveries – Brazil – Mineração Serra Grande S.A., the operator of the Crixas mine in Brazil, has received assessments from the State of Goiás Tax Inspection related to payments of sales taxes on gold deliveries for export. The Serra Grande Joint Venture is co-owned with Kinross Gold Corporation. The company manages the operation and its attributable share of the assessment is approximately \$29 million. The company believes the assessments are in violation of Federal legislation on sales taxes and that there is a remote chance of success for the State of Goiás. The assessment has been appealed.

Litigation with mining contractor and non-payment of receivable – Ghana

· A group of employees of Mining and Building Contractors (MBC), the Obuasi underground developer, are claiming to be employees of the group. If successful, there is a risk of some employees claiming rights to share options;

· Bayswater Construction and Mining Limited (BCM) have instituted court proceedings against the Bibiani mine (AGBL), claiming \$5m pertaining to a contractual dispute. This matter is currently stayed on technical grounds to the effect that the litigation cannot commence until arbitration has been concluded. A provision of \$2m has been made;

· BCM has instituted a claim against the Bibiani mine relating to a wall slip to which BCM considered that they had an exclusive right under their contract to repair. AGBL awarded the repair to a third party. The potential liability amounts to \$1m.

Capital cost of water pipelines and electricity supply – Namibia – A potential liability of approximately \$1m exists at Navachab in Namibia to pay the outstanding capital cost of the water pipeline and electricity supply in the event of mine closure prior to 2019.

16.

Concentration of risk

There is a concentration of risk in respect of reimbursable value added tax and fuel duties from the Malian government:

· Reimbursable value added tax due from the Malian government, for the company amount to an attributable \$30m at 30 June 2006 (31 March 2006: attributable \$27m). The last audited value added tax return was for the period ended 30 June 2005 and at that date an attributable \$20m was still outstanding and an attributable \$10m is still subject to audit. The accounting processes for the unaudited amount are in accordance with the processes advised by the Malian government in terms of the previous audits.

· Reimbursable fuel duties from the Malian government, for the company amount to an attributable \$14m at 30 June 2006 (31 March 2006: attributable \$14m). Fuel duties are required to be submitted before 31 January of the following year and are subject to authorisation by firstly the Department of Mining and secondly the Custom and Excise authorities. The Customs and Excise authorities have approved an attributable \$7m which is still outstanding, whilst an attributable \$7m is still subject to authorisation. The accounting processes for the unauthorised amount are in accordance with the processes advised by the Malian government in terms of the previous authorisations.

The government of Mali is a shareholder in all the Malian entities and has provided a repayment plan for the amounts due.

17. Attributable interest

Although AngloGold Ashanti holds a 66.7% interest in Cripple Creek & Victor Gold Mining Company Limited, it is currently entitled to receive 100% of the cash flows from the operation until the loan, extended to the joint venture by AngloGold Ashanti USA Inc., is repaid.

18. Borrowings

AngloGold Ashanti's borrowings are interest bearing.

19. Announcements

On 10 May 2006, AngloGold Ashanti announced that Kelvin Williams retired from the board effective 6 May 2006.

On 1 June 2006, AngloGold Ashanti and Bema Gold Corporation announced that they are to form a new company which will jointly explore a select group of AngloGold Ashanti's mineral opportunities located in Northern Colombia, with initial work focused on the La Mina and El Pino targets. As part of the agreement, AngloGold Ashanti has initially agreed to provide a minimum of eight exploration properties while Bema will provide a minimum of \$5m in exploration funding.

On 15 June 2006, AngloGold Ashanti announced the signature of a Letter of Intent with International Tower Hill Mines Ltd. (ITH), for the sale and option of AngloGold Ashanti's 100% interest in six Alaskan mineral exploration properties and associated databases to ITH. ITH will issue to AngloGold Ashanti, 19.99% of its issued shares following the acquisition and the completion of equity financing to raise a minimum of \$10m for future exploration activities. ITH will be required to raise an additional approximate \$6m either prior to or concurrently with the closing of the deal with AngloGold Ashanti. AngloGold Ashanti will also grant to ITH, the exclusive option to acquire a 60% interest in each of its LMS and Terra projects by incurring \$3m of exploration expenditure on each project within four years of the grant date of the option, following which AngloGold Ashanti will have the option to increase or dilute its stake in these projects, subject to certain conditions.

On 14 July 2006, AngloGold Ashanti announced the signing of a Heads of Agreement with Antofagasta PLC to jointly explore a highly prospective belt in Southern Colombia for new gold and copper deposits. AngloGold Ashanti will include all of its mineral applications, contracts and third party contracts within the area of interest in the new joint venture, while Antofagasta will commit to fund a minimum of \$1.3m of exploration within 12 months of the signing of the agreement, with an option to invest an additional \$6.7m within four years in order to earn-in to 50% of the joint venture. Both AngloGold Ashanti and Antofagasta will have the right to increase their interests by 20% in copper-dominant and gold-dominant properties subject to certain conditions.

20. Dividend

The directors have today declared Interim Dividend No. 100 of 210 (Interim Dividend No. 98: 170) South African cents per ordinary share for the six months ended 30 June 2006. In compliance with the requirements of STRATE, given the company's primary listing on the JSE Limited, the salient dates for payment of the dividend are as follows:

To holders of ordinary shares and to holders of CHESS Depository Interests (CDIs)

Each CDI represents one-fifth of an ordinary share.

2006

Currency conversion date for UK pounds, Australian dollars and Ghanaian cedis

Thursday, 10 August

Last date to trade ordinary shares cum dividend

Friday, 11 August

Last date to register transfers of certificated securities cum dividend

Friday, 11 August

Ordinary shares trade ex dividend

Monday, 14 August

Record date

Friday, 18 August

Payment date

Friday, 25 August

27

On the payment date, dividends due to holders of certificated securities on the South African share register will either be electronically transferred to shareholders' bank accounts or, in the absence of suitable mandates, dividend cheques will be posted to such shareholders.

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with the relevant CSDP or broker.

To comply with the further requirements of STRATE, between Monday, 14 August 2006 and Friday, 18 August 2006, both days inclusive, no transfers between the South African, United Kingdom, Australian and Ghana share registers will be permitted and no ordinary shares pertaining to the South African share register may be dematerialised or rematerialised.

To holders of American Depositary Shares

Each American Depositary Share (ADS) represents one ordinary share.

2006

Ex dividend on New York Stock Exchange

Wednesday, 16 August

Record date

Friday, 18 August

Approximate date for currency conversion

Friday, 25 August

Approximate payment date of dividend

Monday, 4 September

Assuming an exchange rate of R7.025/\$1, the dividend payable on an ADS is equivalent to 29.89 US cents. This compares with the interim dividend of 26.095 US cents per ADS paid on 6 September 2005. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

To holders of Ghanaian Depositary Shares (GhDSs)

100 GhDSs represent one ordinary share.

2006

Last date to trade and to register GhDSs cum dividend

Friday, 11 August

GhDSs trade ex dividend

Monday, 14 August

Record date

Friday, 18 August

Approximate payment date of dividend

Monday, 28 August

Assuming an exchange rate of R1/¢1,308.19 the dividend payable per GhDS is equivalent to 27.47 cedis. This compares with the interim dividend of 23.818cedis per GhDS paid on 29 August 2005. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion. In Ghana, the authorities have determined that dividends payable to residents on the Ghana share register be subject to a final withholding tax at a rate of 10%, similar to the rate applicable to dividend payments made by resident companies which is currently at 10%.

By order of the Board

R P EDEY

R M GODSELL

Chairman

Chief

Executive

Officer

26 July 2006

**Development
for the quarter ended 30 June 2006**

Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves.

Statistics are shown in metric units

Advanced

Sampled

metres

Sampled

Ave. channel

gold

uranium

(total)

metres

width (cm)

Ave. g/t

Ave. cm.g/t

Ave. kg/t

Ave. cm.kg/t

VAAL RIVER

Great Nologwa Mine

Vaal reef

3,717

434

133.0

25.44

3,384

1.06

140.65

Kopanang Mine

Vaal reef

5,707

762

13.1

136.79

1,792

11.13

145.84

Tau Lekoa Mine

Ventersdorp Contact reef

1,890

496

103.7

7.97

826

0.01

1.42

Moab Khotsong Mine

Vaal reef

4,402

116

113.7

29.53

3,358

1.42

161.00

WEST WITS

Tau Tona Mine

Ventersdorp Contact reef

319

-

-

-

-

-

-

Carbon Leader reef

2,973

-

-

-

-

-

-

Savuka Mine

Ventersdorp Contact reef

-

-

-

-

-

-

-

Carbon Leader reef

148

-

-

-

-

-

-

Mponeng Mine

Ventersdorp Contact reef

3,922

486

85.1

22.34

1,901

-

-

AUSTRALIA

Sunrise Dam

861
861
-
8.21
-
-
-

BRAZIL

AngloGold Ashanti Mineração

Mina de Cuiabá

2,313
308
7.3

-
-
-
-

Córrego do Sítio

216
240
6.6

-
-
-
-

Lamego

276
110
2.6

-
-
-
-

Serra Grande

Mina III

804
484
4.6

-
-
-
-

Mina Nova

52
-
-
-
-
-

GHANA

Obuasi

6,032

1,986

1690.0*

8.76

-

-

-

Statistics are shown in imperial units

Advanced

Sampled

feet

Sampled

Ave. channel

gold

uranium

(total)

feet

width (inches)

Ave. oz/t

Ave. ft.oz/t

Ave. lb/t

Ave. ft.lb/t

VAAL RIVER

Great Noligwa Mine

Vaal reef

12,195

1,424

52.36

0.74

3.24

2.12

9.25

Kopanang Mine

Vaal reef

18,724

2,500

5.16

3.99

1.71

22.26

9.57

Tau Lekoa Mine

Ventersdorp Contact reef

6,199

1,627

40.83

0.23

0.79

0.02

0.07

Moab Khotsong Mine

Vaal reef

14,442

381

44.76

0.86

3.21

2.84

10.59

WEST WITS

Tau Tona Mine

Ventersdorp Contact reef

1,047

-

-

-

-

-

-

Carbon Leader reef

9,755

-

-

-

-

-

-

Savuka Mine

Ventersdorp Contact reef

-

-

-

-

-

-

-

Carbon Leader reef

484

-

-

-

-

-

-

Mponeng Mine

Ventersdorp Contact reef

12,868

1,594

33.50

0.65

1.82

-

-

-

-

AUSTRALIA

-

-

Sunrise Dam

2,825

2,825

-

0.24

-

-

-

BRAZIL

AngloGold Ashanti Mineração

Mina de Cuiabá

7,587

1,009

2.87

-

-

-

-

Córrego do Sítio

710

787

2.60

-

-

-

-

Lamego

904

359

1.02

-

-

-

-

Serra Grande

Mina III

2,636

1,586

1.81

-

-

-

-

Mina Nova

171

-

-

-

-

-

-

GHANA

Obuasi

19,790

6,515

665.4*

0.26

-

-

-

* Average ore body width

Unaudited

SA Rand million

US Dollar million

Gold income

South Africa

2,191

1,931

1,953

4,122

3,600

338

314

303

652

577

Argentina

276

168

142

444

293

42

27

22

70

47

Australia

465

309

413

774

750

72

50

64

122

120

Brazil

367

304

270

671

517

57

49

42

106

83

Ghana

391

453

454

844

863

60

73

71

134

139

Guinea

224

188

229

412

347

34

30

36

65

55

Mali

544

445

358

990

691

85

72

55

157

111

Namibia

82

74

49

157

102

13

12

8

25

16

Tanzania

173

246

381

418

788

26

40

59

66

127
USA
85
129
155
214
310
13
21
24
34
50
4,798
4,246
4,404
9,044
8,261
740
690
684
1,430
1,326
**Gross profit (loss) adjusted
for the effect of unrealised
non-hedge derivatives**
South Africa
1,145
623
336
1,768
549
174
101
52
276
88
Argentina
123
55
44
178
105
19
9
7
28
17
Australia
242
133
131

375

211

37

22

21

59

34

Brazil

225

134

137

359

272

35

22

21

56

44

Ghana

(43)

35

(21)

(9)

(13)

(7)

5

(3)

(2)

(2)

Guinea

27

29

71

56

86

4

5

11

9

13

Mali

268

179

104

448

201

41

30

16

71

32

Namibia

37

33

(6)

70

(5)

6

5

(1)

11

(1)

Tanzania

19

15

(56)

34

7

3

2

(9)

5

2

USA

(33)

10

16

(23)

57

(5)

2

2

(3)

9

Other

(22)

2

9

(19)

(29)

(2)

-

-

(3)

(6)

1,988

1,248

765

3,237

1,441

305

202

117

507

230

Cash gross profit (loss)

1

South Africa

1,520

981

585

2,500

1,041

232

159

91

392

166

Argentina

168

100

81

268

177

26

16

13

42

29

Australia

298

175

189

472

324

46

28

30

74

52

Brazil

264

169

172

434

337

41

28

27

68

54

Ghana

100

181
86
282
192
15
29
13
45
31
Guinea
77
84
107
162
133
12
14
16
26
21
Mali
336
232
170
569
336
52
38
26
90
53
Namibia
50
42
(1)
92
6
8
7
-
15
1
Tanzania
68
65
23
133
176
10
10
3

21
 29
 USA
64
 61
 79
 125
 177
10
 10
 12
 20
 28
 Other
(8)
 18
 28
 8
 5
 -
 3
 3
 2
 1
2,937
 2,108
 1,519
 5,045
 2,904
452
 342
 235
 794
 465
 1

Gross profit (loss) adjusted for the effect of unrealised non-hedge derivatives plus amortisation of tangible and intangible assets, less non-cash revenues. Refer to note F of "Non-GAAP disclosure" for the definition *Rounding of figures may result in computational discrepancies.*

Based on risks and returns the directors consider that the primary reporting format is by business segment. The directors consider that there is only one business segment being mining, extraction and production of gold. Therefore the disclosures for the primary segment have already been given in the abbreviated financial statements. The secondary reporting format is by geographical analysis by origin.

Gold production

South Africa

20,150

18,963

20,604

39,112

41,336

648

610

662

1,257

1,329

Argentina

2,004

1,632

1,591

3,636

3,370

64

52

51

117

108

Australia

3,516

2,821

4,063

6,337

8,127

113

91

131

204

261

Brazil

2,526

2,263

2,660

4,789

5,188

81

73

86

154

167

Ghana

4,552

4,896

5,341

9,448

10,654

146

157

172

304

343

Guinea

1,826

1,776

2,486

3,602

3,831

59

57

80

116

123

Mali

4,533

4,028

4,139

8,561

8,119

146

130

133

275

261

Namibia

684

678

560

1,362

1,156

22

22

18

44

37

Tanzania

2,203

2,626

5,133

4,829

11,097

71

84

165

155

357

USA

2,030

2005

2006

2005

2006

2006

2005

2006

2005

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

SA Rand million

US Dollar million

Capital expenditure

South Africa

472

407

527

879

1,008

73

66

82

139

162

Argentina

12

45

37

57

59

2

7

6

9

10

Australia

66

60

60

127

106

10

10

9
20
17
Brazil
309
220
132
530
195
48
36
21
84
31
Ghana
161
106
130
267
224
25
17
20
42
36
Guinea
28
29
67
58
161
4
5
10
9
26
Mali
10
6
18
15
41
2
1
3
2
7
Namibia
5
5
14

10
18
1
1
2
2
3
Tanzania
84
52
63
135
80
13
8
10
21
13
USA
16
27
14
43
23
2
4
2
7
4
Other
5
4
7
9
17
1
1
1
2
2
1,168
961
1,068
2,130
1,932
181
156
167
337
311
As at

As at
As at
As at
As at
As at
As at
As at
June
March
June
December
June
March
June
December
2006
2006
2005
2005
2006
2006
2005
2005
Unaudited
Unaudited
Unaudited
Audited
Unaudited
Unaudited
Unaudited
Audited
Total assets
South Africa
15,927
15,546
14,753
15,554
2,229
2,520
2,207
2,451
Argentina
1,965
1,676
1,866
1,635
275
272
279
258
Australia

5,978

4,824

4,665

4,738

837

782

698

747

Brazil

3,535

2,767

2,392

2,449

495

449

358

386

Ghana

13,023

11,130

12,102

11,419

1,823

1,804

1,811

1,800

Guinea

2,045

1,729

1,817

1,735

286

280

272

273

Mali

2,273

1,984

2,168

2,007

318

322

324

316

Namibia

360

329

210

289

50

53

31
46
Tanzania

9,151

7,810

7,109

7,924

1,281

1,266

1,064

1,249

USA

3,179

2,682

2,946

2,734

445

435

441

431

Other

3,348

2,337

2,305

2,138

468

378

345

337

60,784

52,814

52,333

52,622

8,507

8,561

7,830

8,294

Rounding of figures may result in computational discrepancies.

SA Rand million

US Dollar million

kg

oz (000)

Non-GAAP disclosure

A

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

Jun

Mar

Jun

Jun

Jun

Jun

Mar

Jun

Jun

Jun

2006

2006

2005

2006

2005

2006

2006

2005

2006

2005

Headline (loss) earnings (note 8)

(1,086)

(1,067)

661

(2,154)

765

(60)

(184)

112

(244)

143

Unrealised non-hedge derivatives loss (gain)(note C)

2,583

1,566

(166)

4,149

255

280

264

(37)

544

19

Deferred tax on unrealised non-hedge derivatives (note 6)

(426)

(202)

105

86

77

226

138

Cents per share

(1)

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

(2)

334

200

192

536

332

51

32

29

84

52

(1)

Calculated on the basic weighted average number of ordinary shares.

(2)

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

- Open positions: The change in fair value from the previous reporting date or date of recognition (if later) through to the current reporting date; and*
- Settled positions: The change in fair value from the previous reporting date or date of recognition (if later) through to the date of settlement.*

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

- positions settled in the period; and*
- Investment in hedge restructure transaction: During the hedge restructure in the quarters ended 31 December 2004 and 31 Mar, 2005, \$83m and \$69m in cash was injected into the hedge book to increase the value of long-dated contracts. This 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 long-dated contracts are settled.*

B

Gross profit adjusted for the effect of unrealised non-hedge derivatives

Jun

Mar

Jun

Jun

Jun

Jun

Mar

Jun

Jun

Jun

2006

2006

2005

2006

2005

2006

2006

2005

2006

2005

Reconciliation of gross (loss) profit to gross profit
adjusted for the effect of unrealised non-hedge
derivatives:

Gross (loss) profit

(594)

(318)

931

(912)

1,186

25

(61)

154

(37)

211

Unrealised non-hedge derivatives (note C)

2,583

1,566

(166)

4,149

255

280

264

(37)

544

19

Gross profit adjusted for the effect of unrealised
non-hedge derivatives

1,988

1,248

765

3,237

1,441

305

202

117

507

230

Rounding of figures may result in computational discrepancies.

SA Rand / Metric

US Dollar / Imperial

Six months ended

Unaudited

Unaudited

Quarter ended

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

The group utilises certain non-GAAP performance measures and ratios in managing our business and may provide users of this financial information with additional meaningful comparisons between current results and results in prior operating periods. Non-GAAP financial measures should be viewed in addition to, and not as

an alternative for, our reported operating results or cash flow from operations or any other measure of performance prepared in accordance with GAAP. In addition,

our presentation of these measures may not be comparable to similarly titled measures other companies use.

SA Rand / Metric

US Dollar / Imperial

Six months ended

Quarter ended

- 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

- The unrealised fair value change on the option component of the convertible bond.

Quarter ended

Six months ended

Quarter ended

Six months ended

Unaudited

Unaudited

Jun
Mar
Jun
Jun
Jun
Jun
Mar
Jun
Jun
Jun
2006
2006
2005
2006
2005
2006
2006
2005
2006
2005
C

Non-hedge derivative (loss) gain is summarised as follows:

Realised non-hedge derivative gain (loss)
736
 466
 (18)
 1,202
 215
112
 76
 (2)
 187
 37
 Unrealised non-hedge derivative (loss) gain
(2,583)
 (1,566)
 166
 (4,149)
 (255)
(280)
 (264)
 37
 (544)
 (19)
 Non-hedge derivative (loss) gain per income
 statement
(1,847)
 (1,100)
 147
 (2,947)
 (40)

(169)

(188)

35

(357)

18

D

Price received

Gold income per income statement

4,798

4,246

4,404

9,044

8,261

740

690

684

1,430

1,326

Adjusted for minority interests

(214)

(162)

(146)

(376)

(267)

(34)

(27)

(24)

(60)

(46)

4,584

4,084

4,258

8,668

7,994

706

663

660

1,370

1,280

Realised non-hedge derivatives