

## Group

## income statement For the year ended 31 December

Restated 2007	2008	Figures in million	Notes	2008	Restated 2007
<b>SA Rands</b>		<b>US Dollars</b>			
21,876	<b>30,790</b>	<b>Revenue</b>	3	<b>3,743</b>	3,113
21,101	<b>29,774</b>	Gold income	2,3	<b>3,619</b>	3,002
(17,241)	<b>(22,558)</b>	Cost of sales	4	<b>(2,728)</b>	(2,458)
(5,169)	<b>(6,277)</b>	Loss on non-hedge derivatives and other commodity contracts	37	<b>(297)</b>	(792)
(1,309)	<b>939</b>	<b>Gross profit (loss)</b>		<b>594</b>	(248)
(894)	<b>(1,090)</b>	Corporate administration and other expenses		<b>(131)</b>	(128)
(115)	<b>(113)</b>	Market development costs		<b>(13)</b>	(16)
(824)	<b>(1,037)</b>	Exploration costs		<b>(126)</b>	(117)
(134)	<b>(29)</b>	Other operating expenses	5	<b>(6)</b>	(20)
(84)	<b>(15,379)</b>	Operating special items	6	<b>(1,538)</b>	(13)
(3,360)	<b>(16,709)</b>	<b>Operating loss</b>		<b>(1,220)</b>	(542)
16	–	Dividend received from other investments	3	–	2
302	<b>536</b>	Interest received	3	<b>66</b>	43
(6)	<b>33</b>	Exchange gain (loss)		<b>4</b>	(1)
333	<b>185</b>	Fair value adjustment on option component of convertible bond		<b>25</b>	47
(845)	<b>(926)</b>	Finance costs and unwinding of obligations	7	<b>(114)</b>	(120)
240	<b>(1,177)</b>	Share of equity accounted investments' (loss) profit	8	<b>(138)</b>	35
(3,320)	<b>(18,058)</b>	<b>Loss before taxation</b>	9	<b>(1,377)</b>	(536)
(734)	<b>2,079</b>	Taxation	12	<b>197</b>	(101)
(4,054)	<b>(15,979)</b>	<b>Loss after taxation from continuing operations</b>		<b>(1,180)</b>	(637)
7	<b>198</b>	<b>Discontinued operations</b>			
(4,047)	<b>(15,781)</b>	Profit from discontinued operations	13	<b>25</b>	1
		<b>Loss for the year</b>		<b>(1,155)</b>	(636)
		<i>Allocated as follows</i>			
(4,269)	<b>(16,105)</b>	Equity shareholders		<b>(1,195)</b>	(668)
222	<b>324</b>	Minority interest		<b>40</b>	32
(4,047)	<b>(15,781)</b>			<b>(1,155)</b>	(636)
(1,519)	<b>(5,140)</b>	<b>Basic and diluted (loss) profit per ordinary share (cents)</b> 14			
3	<b>63</b>	Loss from continuing operations		<b>(385)</b>	(237)
(1,516)	<b>(5,077)</b>	Profit from discontinued operations		<b>8</b>	–
		Loss		<b>(377)</b>	(237)
330	<b>103</b>	<b>Dividends</b>	15	<b>13</b>	45
		Dividends paid per ordinary share (cents)			

Restated 2007	2008	Figures in million	Notes	2008	Restated 2007
		<b>SA Rands</b>	<b>US Dollars</b>		
<b>ASSETS</b>					
<b>Non-current assets</b>					
45,095	<b>41,081</b>	Tangible assets	16	<b>4,345</b>	6,621
2,859	<b>1,403</b>	Intangible assets	17	<b>148</b>	420
		Investments in associates and equity accounted			
2,183	<b>2,814</b>	joint ventures	18	<b>298</b>	321
699	<b>625</b>	Other investments	19	<b>66</b>	103
1,807	<b>2,710</b>	Inventories	20	<b>287</b>	265
387	<b>585</b>	Trade and other receivables	22	<b>62</b>	57
430	<b>475</b>	Deferred taxation	31	<b>50</b>	63
278	<b>32</b>	Other non-current assets	21	<b>3</b>	41
53,738	<b>49,725</b>			<b>5,259</b>	7,891
<b>Current assets</b>					
3,753	<b>5,663</b>	Inventories	20	<b>599</b>	551
1,384	<b>2,076</b>	Trade and other receivables	22	<b>220</b>	203
3,516	<b>5,386</b>	Derivatives	37	<b>570</b>	516
2	<b>2</b>	Current portion of other non-current assets	21	<b>–</b>	–
264	<b>415</b>	Cash restricted for use	23	<b>44</b>	39
3,246	<b>5,438</b>	Cash and cash equivalents	24	<b>575</b>	477
12,165	<b>18,980</b>			<b>2,008</b>	1,786
210	<b>7,497</b>	Non-current assets held for sale	25	<b>793</b>	31
12,375	<b>26,477</b>			<b>2,801</b>	1,817
66,113	<b>76,202</b>	<b>Total assets</b>		<b>8,060</b>	9,708
<b>EQUITY AND LIABILITIES</b>					
22,371	<b>37,336</b>	Share capital and premium	26	<b>3,949</b>	3,285
(6,167)	<b>(14,380)</b>	Retained earnings and other reserves	27	<b>(1,521)</b>	(906)
16,204	<b>22,956</b>	Shareholders' equity		<b>2,428</b>	2,379
429	<b>790</b>	Minority interests	27	<b>83</b>	63
16,633	<b>23,746</b>	<b>Total equity</b>		<b>2,511</b>	2,442
<b>Non-current liabilities</b>					
10,416	<b>8,224</b>	Borrowings	28	<b>870</b>	1,529
3,176	<b>3,860</b>	Environmental rehabilitation and other provisions	29	<b>408</b>	467
1,208	<b>1,293</b>	Provision for pension and post-retirement benefits	30	<b>137</b>	177
79	<b>99</b>	Trade, other payables and deferred income	32	<b>11</b>	12
1,110	<b>235</b>	Derivatives	37	<b>25</b>	163
7,100	<b>5,838</b>	Deferred taxation	31	<b>617</b>	1,042
23,089	<b>19,549</b>			<b>2,068</b>	3,390
<b>Current liabilities</b>					
2,173	<b>10,046</b>	Current portion of borrowings	28	<b>1,063</b>	319
4,318	<b>4,946</b>	Trade, other payables and deferred income	32	<b>524</b>	635
18,763	<b>16,426</b>	Derivatives	37	<b>1,737</b>	2,755
1,137	<b>1,033</b>	Taxation	33	<b>109</b>	167
26,391	<b>32,451</b>			<b>3,433</b>	3,876
–	<b>456</b>	Non-current liabilities held for sale	25	<b>48</b>	–
26,391	<b>32,907</b>			<b>3,481</b>	3,876
49,480	<b>52,456</b>	<b>Total liabilities</b>		<b>5,549</b>	7,266
66,113	<b>76,202</b>	<b>Total equity and liabilities</b>		<b>8,060</b>	9,708

## Group

## cash flow statement For the year ended 31 December

Restated 2007	2008	Figures in million	Notes	2008	Restated 2007
<b>SA Rands</b>			<b>US Dollars</b>		
21,595	<b>30,117</b>	<b>Cash flows from operating activities</b>		<b>3,672</b>	3,071
(14,676)	<b>(24,429)</b>	Receipts from customers		<b>(3,040)</b>	(2,088)
6,919	<b>5,688</b>	Payments to suppliers and employees		<b>632</b>	983
(14)	<b>(11)</b>	Cash generated from operations	34	<b>(1)</b>	(2)
444	<b>739</b>	Cash utilised by discontinued operations		<b>78</b>	65
(1,264)	<b>(1,029)</b>	Dividends received from equity accounted investments		<b>(125)</b>	(180)
-	<b>(8,514)</b>	Taxation paid	33	<b>(1,113)</b>	-
6,085	<b>(3,127)</b>	Cash utilised for hedge book settlements		<b>(529)</b>	866
		Net cash (outflow) inflow from operating activities			
		<b>Cash flows from investing activities</b>			
(3,412)	<b>(5,394)</b>	Capital expenditure		<b>(654)</b>	(485)
(3,726)	<b>(4,452)</b>	- project expenditure		<b>(540)</b>	(530)
(284)	-	- stay-in-business expenditure		-	(40)
197	<b>301</b>	Acquisition of assets from Trans-Siberian Gold plc	35	<b>39</b>	29
9	<b>79</b>	Proceeds from disposal of tangible assets		<b>10</b>	1
(190)	<b>(769)</b>	Proceeds from disposal of assets of discontinued operations		<b>(93)</b>	(27)
-	<b>382</b>	Other investments acquired		<b>48</b>	-
-	<b>(38)</b>	Proceeds on disposal of associate		<b>(4)</b>	-
1	<b>33</b>	Associates' loans advanced		<b>4</b>	-
174	<b>729</b>	Associates loans repaid		<b>88</b>	25
16	-	Proceeds from disposal of investments		-	2
(177)	<b>(49)</b>	Dividend received from other investments	3	<b>(6)</b>	(25)
247	<b>538</b>	Increase in cash restricted for use		<b>67</b>	35
(7)	<b>(3)</b>	Interest received		-	(1)
10	<b>3</b>	Loans advanced		-	1
		Repayment of loans advanced			
(7,142)	<b>(8,640)</b>	Net cash outflow from investing activities		<b>(1,041)</b>	(1,015)
		<b>Cash flows from financing activities</b>			
247	<b>13,592</b>	Proceeds from issue of share capital		<b>1,722</b>	34
(4)	<b>(421)</b>	Share issue expenses		<b>(54)</b>	-
5,918	<b>7,034</b>	Proceeds from borrowings		<b>853</b>	843
(3,652)	<b>(5,066)</b>	Repayment of borrowings		<b>(614)</b>	(520)
(502)	<b>(788)</b>	Finance costs paid		<b>(93)</b>	(72)
(1,050)	<b>(455)</b>	Dividends paid		<b>(58)</b>	(144)
957	<b>13,896</b>	Net cash inflow from financing activities		<b>1,756</b>	141
(100)	<b>2,129</b>	Net increase (decrease) in cash and cash equivalents		<b>186</b>	(8)
49	<b>63</b>	Translation		<b>(88)</b>	14
3,297	<b>3,246</b>	Cash and cash equivalents at beginning of year		<b>477</b>	471
3,246	<b>5,438</b>	Cash and cash equivalents at end of year	24	<b>575</b>	477

# Group

## statement of recognised income and expense For the year ended 31 December

Restated 2007	2008	Figures in million	2008	Restated 2007
<b>SA Rands</b>			<b>US Dollars</b>	
(99)	<b>(364)</b>	Actuarial loss on pension and post-retirement benefits (note 27)	<b>(44)</b>	(14)
1,421	<b>1,782</b>	Net loss on cash flow hedges removed from equity and reported in gold sales (note 27)	<b>216</b>	202
(1,173)	<b>(721)</b>	Net loss on cash flow hedges (note 27)	<b>(87)</b>	(168)
69	<b>64</b>	Hedge ineffectiveness (note 27)	<b>8</b>	10
-	<b>(18)</b>	Realised losses on hedges of capital items (note 27)	<b>(2)</b>	-
8	<b>(83)</b>	(Loss) gain on available-for-sale financial assets (note 27)	<b>(10)</b>	1
36	<b>(119)</b>	Deferred taxation on items above (note 27)	<b>(12)</b>	5
(169)	<b>8,633</b>	Translation (note 27)	<b>645</b>	6
93	<b>9,174</b>	Net income recognised directly in equity	<b>714</b>	42
(4,047)	<b>(15,781)</b>	Loss for the year	<b>(1,155)</b>	(636)
(3,954)	<b>(6,607)</b>	Total recognised expense for the year	<b>(441)</b>	(594)
		<i>Attributable to</i>		
(4,169)	<b>(7,093)</b>	Equity shareholders	<b>(477)</b>	(627)
215	<b>486</b>	Minority interest	<b>36</b>	33
(3,954)	<b>(6,607)</b>		<b>(441)</b>	(594)

## Group

## notes to the financial statements For the year ended 31 December

## 1 ACCOUNTING POLICIES

**Statement of compliance**

The consolidated and company financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as adopted by the International Accounting Standards Board (IASB) and applicable legislation.

During the current financial year the following new or revised accounting standards, amendments to standards and new interpretations were adopted by AngloGold Ashanti Limited:

Standard or Interpretation	Title	Effective date
IAS 39 & IFRS 7	Reclassification Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures	For reclassifications on or after 1 November 2008, date of reclassification or for previous reclassifications, 1 July 2008

The adoption of these amendments to standards and interpretations did not have any effect on the financial position or performance of the group.

During the current financial year no new or revised accounting standards, amendments to standards and new interpretations were early adopted by AngloGold Ashanti Limited.

The following accounting standards, amendments to standards and new interpretations, which are not yet mandatory for AngloGold Ashanti Limited, have not been adopted in the current year:

Standard or Interpretation	Title	Effective for annual period beginning on or after
IFRS 1	First-time Adoption of International Financial Reporting Standards	1 January 2009
IFRS 1/IAS 27	Amendments – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
IFRS 2	Amendments – Vesting Conditions and Cancellations	1 January 2009
IFRS 3	Business Combinations (revised)	1 July 2009
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements – (revised)	1 January 2009
IAS 32/IAS 1	Amendments – Puttable Financial Instruments and Obligations arising on Liquidation	1 January 2009
IAS 27	Consolidated and Separate Financial Statement (revised)	1 July 2009
IAS 39	Amendment – Eligible Hedged Items	1 July 2009
IFRSs	Annual Improvements Project – May 2008	1 January 2009 (amendment to IFRS 5 – 1 July 2009)
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17	Distributions of Non-cash Assets to Owners	1 July 2009
IFRIC 18	Transfers of Assets from Customers	1 July 2009

The group has assessed the significance of these new standards, amendments to standards and new interpretations, which will be applicable from 1 January 2009 and later years and concluded that they will have no material financial impact. Currently, we do not expect IFRS 8 to have an impact on the geographic segments definition but IFRS 8 may have an impact on the amounts reported using the requirement to report data as reported to the Chief Operating Decision Maker, when adopted.

IAS 27 and IFRS 3 will have an impact on the financial reporting of new acquisitions and disposals.