

INDEPENDENT AUDITOR'S REPORT

To the shareholders of AngloGold Ashanti Limited

We have audited the consolidated and separate financial statements of AngloGold Ashanti Limited set out on pages 78 to 226, which comprise the statements of financial position as at 31 December 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of AngloGold Ashanti Limited as at 31 December 2013, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act of South Africa.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

As part of our audit of the consolidated and separate financial statements for the year ended 31 December 2013, we have read the Directors' Report, the Chairman's letter of the Audit and Corporate Governance Committee and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on our reading of these reports, we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Ernst & Young Inc.

Director – Lance Ian Neame Tomlinson

Registered Auditor

Chartered Accountant (SA)

102 Rivonia Road

Sandton, Johannesburg

18 March 2014

GROUP – INCOME STATEMENT

For the year ended 31 December

Figures in million	Notes	2013	2012 Restated	2011 Restated
US Dollars				
Revenue	3	5,708	6,632	6,925
Gold income	2,3	5,497	6,353	6,570
Cost of sales	4	(4,146)	(3,964)	(3,892)
Gain (loss) on non-hedge derivatives and other commodity contracts	37	94	(35)	(1)
Gross profit	2	1,445	2,354	2,677
Corporate administration, marketing and other expenses	5	(201)	(291)	(278)
Exploration and evaluation costs		(255)	(395)	(279)
Other operating expenses	6	(19)	(47)	(31)
Special items	7	(3,410)	(402)	163
Operating (loss) profit		(2,440)	1,219	2,252
Dividends received	3	5	7	-
Interest received	3	39	43	52
Exchange gain		14	8	2
Finance costs and unwinding of obligations	8	(296)	(231)	(196)
Fair value adjustment on \$1.25bn bonds		(58)	-	-
Fair value adjustment on option component of convertible bonds		9	83	84
Fair value adjustment on mandatory convertible bonds		356	162	104
Share of associates and joint ventures' (loss) profit	9	(162)	(30)	72
(Loss) profit before taxation		(2,533)	1,261	2,370
Taxation	12	333	(346)	(737)
(Loss) profit for the year		(2,200)	915	1,633
<i>Allocated as follows</i>				
Equity shareholders		(2,230)	897	1,587
Non-controlling interests		30	18	46
		(2,200)	915	1,633
Basic (loss) earnings per ordinary share (cents)	13	(568)	232	411
Diluted (loss) earnings per ordinary share (cents)	13	(631)	177	355

GROUP – STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

Figures in million	2013	2012	2011
		Restated	Restated
	US Dollars		
(Loss) profit for the year	(2,200)	915	1,633
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(433)	(92)	(365)
Share of associates and joint ventures' other comprehensive loss	-	-	(1)
Net loss on available-for-sale financial assets	(23)	(27)	(81)
Release on impairment of available-for-sale financial assets (note 7)	30	16	21
Release on disposal of available-for-sale financial assets	(1)	-	1
Cash flow hedges	1	-	-
Deferred taxation thereon	2	6	(8)
	9	(5)	(67)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain (loss) recognised	69	(14)	(36)
Deferred taxation rate change thereon	-	(9)	-
Deferred taxation thereon	(20)	3	13
	49	(20)	(23)
Other comprehensive loss for the year, net of tax	(375)	(117)	(456)
Total comprehensive (loss) income for the year, net of tax	(2,575)	798	1,177
<i>Allocated as follows</i>			
Equity shareholders	(2,605)	780	1,131
Non-controlling interests	30	18	46
	(2,575)	798	1,177

GROUP – STATEMENT OF FINANCIAL POSITION

As at 31 December

Figures in million	Notes	2013	2012 Restated	2011 Restated
US Dollars				
ASSETS				
Non-current assets				
Tangible assets	15	4,815	7,776	6,545
Intangible assets	16	267	315	210
Investments in associates and joint ventures	18	1,327	1,047	691
Other investments	19	131	167	186
Inventories	20	586	610	410
Trade and other receivables	22	29	79	76
Deferred taxation	30	177	97	79
Cash restricted for use	23	31	29	23
Other non-current assets	21	41	7	9
		7,404	10,127	8,229
Current assets				
Other investments	19	1	-	-
Inventories	20	1,053	1,213	998
Trade and other receivables	22	369	472	354
Cash restricted for use	23	46	35	35
Cash and cash equivalents	24	648	892	1,112
		2,117	2,612	2,499
Non-current assets held for sale	25	153	-	21
		2,270	2,612	2,520
Total assets		9,674	12,739	10,749
EQUITY AND LIABILITIES				
Share capital and premium	26	7,006	6,742	6,689
Accumulated losses and other reserves		(3,927)	(1,269)	(1,706)
Shareholders' equity		3,079	5,473	4,983
Non-controlling interests		28	21	137
Total equity		3,107	5,494	5,120
Non-current liabilities				
Borrowings	27	3,633	2,724	2,456
Environmental rehabilitation and other provisions	28	963	1,238	782
Provision for pension and post-retirement benefits	29	152	221	195
Trade, other payables and deferred income	31	4	10	14
Derivatives	37	-	10	93
Deferred taxation	30	579	1,084	1,148
		5,331	5,287	4,688
Current liabilities				
Borrowings	27	258	859	32
Trade, other payables and deferred income	31	820	979	751
Bank overdraft	24	20	-	-
Taxation	32	81	120	158
		1,179	1,958	941
Non-current liabilities held for sale	25	57	-	-
		1,236	1,958	941
Total liabilities		6,567	7,245	5,629
Total equity and liabilities		9,674	12,739	10,749

GROUP – STATEMENT OF CASH FLOWS

For the year ended 31 December

Figures in million	Notes	2013	2012 Restated	2011 Restated
US Dollars				
Cash flows from operating activities				
Receipts from customers		5,709	6,523	6,796
Payments to suppliers and employees		(4,317)	(4,173)	(3,715)
Cash generated from operations	33	1,392	2,350	3,081
Dividends received from joint ventures		18	72	111
Taxation refund	32	23	54	98
Taxation paid	32	(187)	(507)	(477)
Net cash inflow from operating activities		1,246	1,969	2,813
Cash flows from investing activities				
Capital expenditure				
- project capital		(594)	(779)	(459)
- stay-in-business capital		(907)	(1,146)	(1,092)
Interest capitalised and paid		(5)	(12)	-
Expenditure on intangible assets		(68)	(79)	(16)
Proceeds from disposal of tangible assets		10	5	19
Other investments acquired		(91)	(97)	(147)
Proceeds from disposal of other investments		81	86	91
Investments in associates and joint ventures		(472)	(349)	(115)
Proceeds from disposal of associates and joint ventures		6	20	-
Loans advanced to associates and joint ventures		(41)	(65)	(25)
Loans repaid by associates and joint ventures		33	1	-
Dividends received		5	7	-
Proceeds from disposal of subsidiary	34	2	6	9
Cash in subsidiary acquired	34	-	5	-
Cash in subsidiary disposed	34	-	(31)	(11)
Reclassification of cash balances to held for sale assets		(2)	-	-
Acquisition of subsidiary and loan	34	-	(335)	-
Increase in cash restricted for use		(20)	(3)	(19)
Interest received		23	36	39
Loans advanced		-	(45)	-
Repayment of loans advanced		-	-	4
Net cash outflow from investing activities		(2,040)	(2,775)	(1,722)
Cash flows from financing activities				
Proceeds from issue of share capital		-	2	10
Share issue expenses		-	-	(1)
Proceeds from borrowings		2,344	1,432	109
Repayment of borrowings		(1,486)	(217)	(268)
Finance costs paid		(200)	(145)	(144)
Acquisition of non-controlling interest		-	(215)	-
Revolving credit facility and bond transaction costs		(36)	(30)	-
Dividends paid		(62)	(236)	(169)
Net cash inflow (outflow) from financing activities		560	591	(463)
Net (decrease) increase in cash and cash equivalents		(234)	(215)	628
Translation		(30)	(5)	(102)
Cash and cash equivalents at beginning of year		892	1,112	586
Cash and cash equivalents at end of year	24	628	892	1,112

GROUP – STATEMENT OF CHANGES IN EQUITY

Figures in million	Equity holders of the parent							Total	Non-controlling interests	Total equity
	Share capital and premium	Other capital reserves ⁽¹⁾	Accumulated losses ⁽²⁾	Cash flow hedge reserve ⁽³⁾	Available-for-sale reserve ⁽⁴⁾	Actuarial (losses) gains	Foreign currency translation reserve			
US Dollars										
Balance at 31 December 2010 as previously reported	6,627	194	(2,750)	(2)	86	(62)	(104)	3,989	124	4,113
Restated for IFRIC 20 (note 39)			(83)					(83)		(83)
Restated for IAS 19 (note 39)			(2)			2		-		-
Balance at 31 December 2010 - restated	6,627	194	(2,835)	(2)	86	(60)	(104)	3,906	124	4,030
Profit for the year			1,587					1,587	46	1,633
Other comprehensive loss		(1)			(67)	(23)	(365)	(456)		(456)
Total comprehensive (loss) income	-	(1)	1,587	-	(67)	(23)	(365)	1,131	46	1,177
Shares issued	63							63		63
Share issue expenses	(1)							(1)		(1)
Share-based payment for share awards net of exercised		9						9		9
Dividends paid (note 14)			(131)					(131)		(131)
Dividends of subsidiaries								-	(27)	(27)
Translation		(31)	28		(1)	10		6	(6)	-
Balance at 31 December 2011 - restated	6,689	171	(1,351)	(2)	18	(73)	(469)	4,983	137	5,120
Profit for the year			897					897	18	915
Other comprehensive loss					(5)	(20)	(92)	(117)		(117)
Total comprehensive income (loss)	-	-	897	-	(5)	(20)	(92)	780	18	798
Shares issued	53							53		53
Share-based payment for share awards net of exercised		15						15		15
Acquisition of non-controlling interest ⁽⁵⁾			(144)					(144)	(71)	(215)
Disposal of subsidiary ⁽⁶⁾								-	(45)	(45)
Dividends paid (note 14)			(215)					(215)		(215)
Dividends of subsidiaries								-	(17)	(17)
Translation		(9)	7			3		1	(1)	-
Balance at 31 December 2012 - restated	6,742	177	(806)	(2)	13	(90)	(561)	5,473	21	5,494
Loss for the year			(2,230)					(2,230)	30	(2,200)
Other comprehensive income (loss)				1	8	49	(433)	(375)		(375)
Total comprehensive (loss) income	-	-	(2,230)	1	8	49	(433)	(2,605)	30	(2,575)
Shares issued ⁽⁷⁾	264							264		264
Share-based payment for share awards net of exercised ⁽⁸⁾		(13)						(13)		(13)
Dividends paid (note 14)			(40)					(40)		(40)
Dividends of subsidiaries								-	(23)	(23)
Translation		(28)	15		(3)	16		-		-
Balance at 31 December 2013	7,006	136	(3,061)	(1)	18	(25)	(994)	3,079	28	3,107

⁽¹⁾ Other capital reserves comprise a surplus on disposal of company shares held by companies prior to the formation of AngloGold Ashanti Limited of \$14m (2012: \$17m; 2011: \$18m), surplus on equity transaction of joint venture of \$36m (2012: \$36m; 2011: \$37m), share of associates and joint ventures' other comprehensive loss of \$2m (2012: \$1m; 2011: \$1m), equity items for share-based payments of \$85m (2012: \$123m; 2011: \$115m) and other reserves.

⁽²⁾ Included in accumulated losses are retained earnings totalling \$83m (2012: \$181m; 2011: \$189m) arising at the joint venture operations which may not be remitted without third party consent and gains/losses on the convertible bonds of \$709m (2012: \$344m; 2011: \$99m), which is included in certain subsidiaries.

⁽³⁾ Cash flow hedge reserve represents the effective portion of fair value gains or losses in respect of cash flow hedges that expired in prior periods. The cash flow hedge reserve shall remain in equity and will unwind over the life of the Serra Grande mine.

⁽⁴⁾ Available-for-sale reserve represents fair value gains or losses on available-for-sale financial assets.

⁽⁵⁾ On 28 June 2012, AngloGold Ashanti Limited acquired the remaining 50% shareholding in the Serra Grande mine from Kinross Gold Corporation for \$220m less \$5m for dividends declared and paid to minorities.

⁽⁶⁾ In early December 2012, AngloGold Ashanti Limited disposed of a 5% interest in Rand Refinery Limited, resulting in Rand Refinery Limited being reported as an associate.

⁽⁷⁾ Includes share awards exercised and delivery of 18,140,000 shares to settle the outstanding 6% Mandatory Convertible Subordinated Bonds.

⁽⁸⁾ Includes reassessment of estimated vesting profile related to the accelerated share options.