



05

US GAAP
Financial
Statements

Condensed consolidated financial statements prepared in accordance with US GAAP

Basis of presentation

The condensed consolidated financial statements have been derived from the group's consolidated financial statements as prepared in accordance with accounting principles generally accepted in the United States (US GAAP). US GAAP differs in certain material respects from International Financial Reporting Standards (IFRS). The condensed consolidated financial statements do not include notes in support of the financial information presented therein. The group's audited consolidated financial statements prepared in accordance with US GAAP from which the condensed consolidated financial statements have been derived, contain detailed notes prepared in accordance with US GAAP. The audited consolidated financial statements prepared in accordance with US GAAP, together with related notes, are included under Item 18 in AngloGold Ashanti's annual report on Form 20-F filed with the United States Securities and Exchange Commission on 20 March 2006. The AngloGold Ashanti annual report on Form 20-F for the year ended 31 December 2005 as filed with the United States Securities and Exchange Commission on 20 March 2006 is available free of charge on EDGAR at www.sec.gov.

The condensed consolidated financial statements set forth below for each of the three years in the period ended 31 December 2005, and as at 31 December 2005 and 2004, have been derived from, and should be read in conjunction with the US GAAP financial statements included under Item 18 in AngloGold Ashanti's annual report on Form 20-F as filed with the United States Securities and Exchange Commission on 20 March 2006.

Condensed consolidated income statement

Derived from financial statements prepared in accordance with US GAAP

Year ended 31 December	2005	2004	2003
Figures in dollar millions, except for share data			
Sales and other income	2,485	2,151	1,670
Product sales	2,453	2,096	1,641
Interest, dividends and other income	32	55	29
Cost and expenses	2,848	2,176	1,329
Production costs	1,638	1,340	992
Exploration costs	44	44	40
Related party transactions	41	45	37
General and administrative	71	58	43
Royalties	39	27	11
Market development costs	13	15	19
Depreciation, depletion and amortisation	593	445	247
Impairment of assets	141	3	75
Interest expense	80	67	28
Accretion expense	5	8	2
Employment severance costs	26	7	4
Profit on sale of assets	(3)	(14)	(55)
Mining contractor termination costs	9	–	–
Non-hedge derivative loss/(gains)	151	131	(114)
(Loss)/income from continuing operations before income tax, equity income, minority interests and cumulative effect of accounting change	(363)	(25)	341
Taxation benefit/(expense)	121	132	(143)
Minority interest	(23)	(22)	(17)
Equity income in affiliates	39	23	71
(Loss)/income from continuing operations before cumulative effect of accounting change	(226)	108	252
Discontinued operations	(44)	(11)	(2)
(Loss)/income before cumulative effect of accounting change	(270)	97	250
Cumulative effect of accounting change	(22)	–	(3)
Net (loss)/income – applicable to common stockholders	(292)	97	247
Basic (loss)/earnings per common share (cents)			
From continuing operations	(85)	43	113
Discontinued operations	(17)	(4)	(1)
Before cumulative effect of accounting change	(102)	39	112
Cumulative effect of accounting change	(8)	–	(1)
Net (loss)/income – applicable to common stockholders	(110)	39	111
Diluted (loss)/earnings per common share (cents)			
From continuing operations	(85)	42	113
Discontinued operations	(17)	(4)	(1)
Before cumulative effect of accounting change	(102)	38	112
Cumulative effect of accounting change	(8)	–	(1)
Net (loss)/income – applicable to common stockholders	(110)	38	111
Weighted average number of common shares used in computation	264,635,634	251,352,552	222,836,574
Dividend per common share (cents)	56	76	133

These condensed financial statements should be read in conjunction with the company's financial statements and footnotes filed on Form 20-F with the United States Securities and Exchange Commission on 20 March 2006.

Condensed consolidated balance sheet

Derived from financial statements prepared in accordance with US GAAP

As at 31 December	2005	2004
Figures in dollar millions		
Assets		
Current assets	1,401	1,417
Cash and cash equivalents	196	276
Restricted cash	8	26
Receivables	884	736
Trade	97	100
Derivatives	675	491
Recoverable taxes, rebates, levies and duties	45	61
Other	67	84
Inventories	260	255
Materials on the leach pad	37	105
Assets held for sale	16	19
Property, plant and equipment, net	5,027	5,000
Acquired properties, net	1,412	1,654
Goodwill	524	543
Other intangibles, net	26	48
Derivatives	38	187
Other long-term inventory	32	13
Materials on the leach pad	116	22
Other long-term assets	496	512
Deferred taxation assets	41	–
Total assets	9,113	9,396
Liabilities and stockholders' equity		
Current liabilities	1,874	1,469
Accounts payable and accrued liabilities	480	476
Derivatives	1,121	606
Short-term debt	160	315
Tax payable	107	65
Liabilities held for sale	6	7
Other non-current liabilities	14	4
Long-term debt	1,779	1,371
Derivatives	527	734
Deferred taxation liabilities	1,152	1,518
Provision for environmental rehabilitation	325	209
Other accrued liabilities	19	13
Provision for pension and other post-retirement medical benefits	200	173
Minority interest	60	59
Commitments and contingencies		
Stockholders' equity	3,163	3,846
Common stock		
Stock issued 2005 – 264,938,432 (2004 – 264,462,894)	10	10
Additional paid in capital	4,972	4,961
Accumulated deficit	(1,143)	(702)
Accumulated other comprehensive income	(676)	(423)
Total liabilities and stockholders' equity	9,113	9,396

These condensed financial statements should be read in conjunction with the company's financial statements and footnotes filed on Form 20-F with the United States Securities and Exchange Commission on 20 March 2006.

Condensed consolidated cash flow statement
Derived from financial statements prepared in accordance with US GAAP

Year ended 31 December	2005	2004	2003
Figures in dollar millions			
Net cash provided by operating activities	347	513	417
Net (loss)/income – applicable to common stockholders	(292)	97	247
Reconciled to net cash provided by operations:			
Cumulative effect of accounting change	22	–	3
Profit on sale of assets	(3)	(14)	(55)
Depreciation, depletion and amortisation	593	445	247
Deferred stripping costs	(28)	(28)	(32)
Impairment of assets	141	3	75
Deferred taxation	(191)	(200)	72
Movement in non-hedge derivatives	54	201	(60)
Equity income in affiliates	(39)	(23)	(71)
Dividends received from affiliates	51	24	86
Other non-cash items	31	32	111
Net increase/(decrease) in provision for environmental rehabilitation and pension and other post-retirement medical benefits	52	(15)	(103)
Effect of changes in operating working capital items:			
Receivables	8	(24)	(55)
Inventories	(58)	(39)	(78)
Accounts payable and accrued liabilities	37	56	29
Net cash provided by continuing operations	378	515	416
Net cash (used in)/provided by discontinued operations	(31)	(2)	1
Net cash used in investing activities	(624)	(995)	(263)
Cash acquired in acquisitions	–	56	9
Increase in non-current investments	(27)	(30)	–
Additions to property, plant and equipment	(710)	(571)	(339)
Proceeds on sale of mining assets	8	10	6
Proceeds on sale of discontinued assets	4	–	–
Proceeds on sale of investments	1	–	56
Cash outflows from derivatives purchased	(69)	(359)	–
Cash inflows from derivatives sold	–	49	–
Cash inflows from derivatives with financing	153	–	–
Cash consideration for acquisitions or disposals	–	(227)	1
Net loans (advanced)/repaid	(1)	83	–
Change in restricted cash	17	(6)	4
Net cash generated/(used) in financing activities	200	276	(79)
Net repayments of short-term debt	(147)	(521)	(26)
Issuance of stock	9	3	10
Net proceeds of long-term debt	452	789	251
Cash outflows from derivatives relating to acquisitions	–	(24)	–
Cash inflows from derivatives with financing	55	227	–
Dividends paid	(169)	(198)	(314)
Net (decrease)/increase in cash and cash equivalents	(77)	(206)	75
Effect of exchange rate changes on cash	(3)	13	52
Cash and cash equivalents – 1 January	276	469	342
Cash and cash equivalents – 31 December	196	276	469

These condensed financial statements should be read in conjunction with the company's financial statements and footnotes filed on Form 20-F with the United States Securities and Exchange Commission on 20 March 2006.

Condensed reconciliation between IFRS and US GAAP

Results for the year ended and as at 31 December 2005

AngloGold Ashanti provides, supplemental to the condensed consolidated financial statements, a reconciliation from its IFRS to US GAAP results. This reconciliation is provided for illustrative purposes only, as AngloGold Ashanti prepares consolidated financial statements prepared in accordance with US GAAP, together with related notes, which are included under Item 18 in AngloGold Ashanti's annual report on Form 20-F filed with the United States Securities and Exchange Commission on 20 March 2006.

Year ended 31 December	Notes	2005	2004	2003
Figures in dollar millions				
Income statement information				
Net (loss)/profit attributable to equity shareholders as per IFRS		(183)	108	312
Adjusted for:				
Amortisation of acquired properties (ore reserves) and mining assets	I	(132)	(100)	(67)
Impairment of assets	I	(77)	(2)	(34)
Pension and other post-retirement medical expenses	II	(26)	–	57
Goodwill adjustments	I	–	25	18
Stock compensation expense	III	–	4	(4)
Convertible bond adjustments	IV	50	(14)	–
Equity accounted joint ventures	V	(17)	(24)	(13)
Other	VI	30	12	(19)
Sub-total		(355)	9	250
Adjustments made to taxation charge	VII	85	91	(1)
Cumulative effect of accounting changes	VIII	(22)	–	(3)
Minority adjustments		–	(3)	1
Net (loss)/income applicable to common stockholders as per US GAAP		(292)	97	247

As at 31 December	Notes	2005	2004
Figures in dollar millions			
Balance sheet information			
Net assets as per IFRS		2,614	3,151
Adjusted for:			
Acquired properties (ore reserves)	I	1,412	1,654
Mining assets	I	(730)	(703)
Intangibles	I	172	176
Convertible bond adjustments	IV	28	(12)
Deferred taxation	VII	(103)	(215)
Derivatives	I	(274)	(326)
Pension and other post-retirement medical benefits	II, VIII	(3)	20
Equity accounted joint ventures	VII	81	107
Other	VI	(34)	(6)
Stockholders' equity as per US GAAP		3,163	3,846

Supplemental information to the condensed consolidated financial statements.

Condensed reconciliation between IFRS and US GAAP Results for the year ended and as at 31 December 2005

Differences in accounting treatment between IFRS and US GAAP which have a significant effect on AngloGold Ashanti are noted below:

I Business combinations (including acquired properties and goodwill)

Under IFRS at the formation of AngloGold on 29 June 1998, the acquisition of the participating companies and the interests in the share interest companies were accounted for using the pooling of interest method. Under US GAAP the original formation of AngloGold did not qualify as a "pooling of interest" and therefore the formation transaction was accounted for as a business combination. Subsequent acquisitions have been accounted for as business combinations under both IFRS and US GAAP.

Both IFRS and US GAAP require the purchase consideration to be allocated to the net assets acquired at their fair value on the date of acquisition. Under IFRS any excess of the purchase price over the fair value of the attributable mineral reserves and net assets is recognised as goodwill. Goodwill is amortised on a systematic basis which recognises the depletion of resources over the lesser of the LOM or 20 years until 31 December 2004. In accordance with the provisions of IFRS 3, IAS 36 (revised) and IAS 38, goodwill is no longer amortised but reviewed annually for impairment effective from 1 January 2005.

Under US GAAP, the purchase consideration is allocated to the net assets acquired according to the assets and liabilities respective fair value, including acquired properties which is amortised over the LOM. Where the purchase price cannot be attributed to the assets acquired, it is allocated to goodwill and amortised on a straight line basis over the lesser of the LOM or 20 years until 31 December 2001. In accordance with the provisions of SFAS 142, goodwill is no longer amortised but reviewed annually for impairment effective from 1 January 2002.

In cases where traded equity securities are exchanged as consideration, IFRS requires the fair value of the consideration to be determined based on market value at the date of the exchange transaction. The date of acquisition is considered to be when effective control over the acquired assets and liabilities is obtained.

US GAAP requires that the fair value of such transactions be determined by the average trading price of a few days before and after the date at which the terms and conditions of the transaction are agreed to and announced.

II Pension and other post-retirement medical benefits

Under IFRS, pension and other post-retirement medical benefits are accounted for in accordance with the provisions of IAS 19 (revised). Under US GAAP these benefits are accounted for in accordance with the provisions of SFAS 87, SFAS 106 and SFAS 132.

Under IFRS, only the contractual liability for post-retirement is accounted for. Under US GAAP, both the contractual and the liability in excess of contributions made by plan members are accounted for. Under IFRS, unrecognised actuarial gains and losses are recorded through equity reserves. Under US GAAP, unrecognised actuarial gains and losses are accounted for through income.

III Stock compensation expense

Under US GAAP performance-related options are accounted for as variable compensation awards in accordance with Accounting Principles Board Opinion No. 25 (APB No. 25). A compensation expense is calculated at the end of each reporting period until the performance obligation has been met or waived. The actual charge to date is compared with the recalculated cost and any adjustments are made in the current period. Compensation expense will vary based on the fluctuations of the underlying stock price in excess of the exercise price.

IV Convertible bond

Under IFRS, the convertible bond is recognised entirely as a liability with the borrowing component carried at amortised cost, and the option component disclosed as a derivative liability, carried at fair value. Changes in fair value are recorded in income.

Under US GAAP, the entire instrument is recorded as a liability, carried at amortised cost, and the amortisation of the discount is limited to the amortisation of issue costs. Changes in fair value are not recorded.

V Equity accounted joint ventures

Under IFRS, proportionate consolidation is applied with respect to incorporated joint ventures for management reporting purposes. Under US GAAP, incorporated joint ventures are equity accounted.

VI Other

Other consists of other differences between IFRS and US GAAP that are considered too insignificant to be quantified individually.

VII Taxation

Reflects the tax impact of the differences between IFRS and US GAAP.

VIII Cumulative effect of accounting changes Employee benefit actuarial gains and losses

Under IFRS, in terms of IAS 19 (revised), AngloGold Ashanti records unrecognised actuarial gains and losses through equity reserves. SFAS 87 and SFAS 106 require unrecognised actuarial gains and losses to be accounted for through income. The actuarial cumulative effect of this change in accounting treatment decreased net income and shareholder equity by \$22m (net taxation of \$11m).

Asset retirement obligations

The \$3m (net of taxation) cumulative effect of change in accounting policy represents the transitional adjustment resulting from the adoption of SFAS 143 on 1 January 2003. Under IFRS, accounting for provisions and contingencies is dealt with in IAS 37.

Supplemental information to the condensed consolidated financial statements.

