

Review of operations – introduction

Products and geographic locations

AngloGold Ashanti's main product is gold, although a portion of its revenue is derived from the sale of silver, uranium oxide and sulphuric acid. All of these products are sold on world markets.

As at the end of 2006, the company had 21 operations in 10 countries around the world. This follows the sale in the last quarter of the year of Bibiani, one of the company's Ghanaian assets, to Central African Gold for a total consideration of \$40 million. The transaction was completed on 1 December 2006. The 21 operations include Boddington, a joint venture expansion project with Newmont, which is currently under way in Australia.

Operating review

In 2006, gold production declined 9% to 5.6 million ounces, primarily as a result of lower ounces from the South African operations, from Geita in Tanzania, and from Cripple Creek & Victor in the United States. Total cash costs, at \$308 per ounce, were consequently 10% higher for the group in 2006.

Capital expenditure, at \$817 million, was 13% higher than that of the previous year. Of this, 33% was stay-in-business capital expenditure, 29% was ore reserve development primarily at the South African operations, and the remainder was applied to the development of new projects.

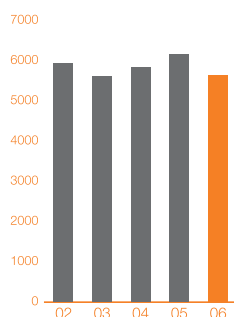
Key expansion projects in 2006 included the commissioning of the new South African mine Moab Khotsong, deepening projects at the TauTona and Mponeng mines, the expansion and deepening of the Cuibá mine in Brazil, and, in Australia, the underground expansion of the Sunrise Dam mine and Boddington, the joint venture expansion project with Newmont.

Safety and health

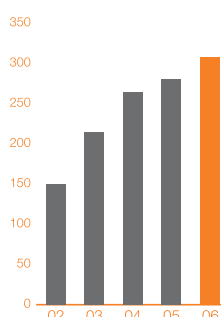
In 2006, 37 AngloGold Ashanti employees regrettably lost their lives in work-related accidents (2005: 25). Of these fatalities, 32 occurred at the South African operations, two at Obuasi in Ghana, two at Siguirí in Guinea and one at Yatela in Mali. The group's fatal injury frequency rate (FIFR) for 2006 marked a deterioration in what had been an improving trend in fatalities at 0.22 per million man-hours worked, compared with the 2005 rate of 0.14. Management has reviewed the safety strategy for the entire group and re-committed itself to taking every action to returning the company to the improving safety trends of recent years, with the obvious objective of achieving a fatality-free work environment.

The group's lost time injury frequency rate (LTIFR) in 2006 rose by 14% to 7.70 per million man-hours worked, in comparison with 6.77 in the previous year. Renewed efforts are being made to reverse this upward trend. Notwithstanding the overall increase in LTIFR, several operations reported excellent safety performances over the year,

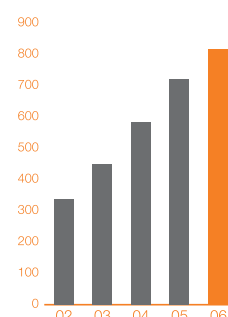
Gold production (000oz)



Total cash costs (\$/oz)



Capital expenditure (\$m)



Location of AngloGold Ashanti's operations



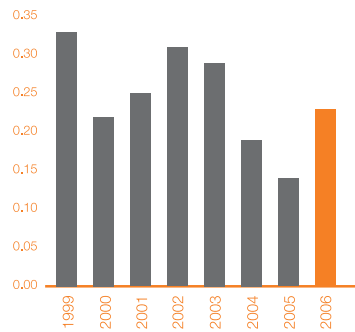
including Cripple Creek & Victor, which has operated without a lost-time injury since November 2003.

Comprehensive reporting on occupational safety and health, HIV/Aids and malaria, the environment, corporate social investment and labour practices and other issues relating to sustainable development can be found in the company's Report to Society 2006, which will be published at the end of March 2007 and will be available on the company's website at www.AngloGoldAshanti.com and the 2006 Annual Report website, www.aga-reports.com, or from the contact persons listed at the end of this report. The information published in the Report to Society is disclosed in accordance with the Global Reporting Initiative (GRI).

Outlook

Gold production in 2007 is expected to be around 5.8 million ounces. Total cash costs are estimated at \$309 per ounce, assuming the following exchange rates: R/\$7.50, A\$/0.76, BRL/\$2.20 and Argentinean peso/\$3.15. Capital expenditure is estimated to be around \$1,070 million, assuming the same exchange rates. Some 30% of this amount will be spent on the Boddington expansion project in Australia.

Group FIFR: 1999 to 2006
(per million hours worked)



Group LTIFR: 1999 to 2006
(per million hours worked)

