ANGLOGOLD ASHANTI LTD
Form 6-K
February 17, 2011

UNITED STATES
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 February 17, 2011
Commission File Number 1-14846
AngloGold Ashanti Limited
(Name of registrant)
76 Jeppe Street
Newtown, 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 X 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 X

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 X

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 X

Enclosure: Press release ANGLOGOLD ASHANTI REPORT FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2010 PREPARED IN ACCORDANCE WITH IFRS

Quarter 4 2010
Report
for the quarter and year ended 31 December 2010
Group results for the quarter….

- Adjusted headline earnings, excluding accelerated hedge buy-back costs, $294m.
- Hedge book eliminated, giving full exposure to gold price from 7 October.
- Net debt of $1.3bn, better than pro-forma guidance due to robust cash generation.
- Production of 1.148Moz at a total cash cost of $672/oz; both improved on guidance.
- Strong performances from West Wits, Cerro Vanguardia and Siguiri.
- Australasia region delivers strong performance of 102,000oz, with significant cost improvement.
- Uranium production of 374,000lbs.
- Tropicana project approved for development after successful feasibility study.
- Strong safety performance in fourth quarter with no fatal accidents.

For the year….

- Adjusted headline earnings, excluding accelerated hedge buy-back costs, $787m.
- Production of 4.52Moz at a total cash cost of $638/oz; within exchange-rate adjusted guidance.
- Uranium production of 1.46Mlbs on continued strong grade and recovery performance.
- Geita, Cripple Creek and South Africa turnarounds successfully executed.
- Final dividend of 80 South African cents per share (approximately 11 US cents per share), declared, resulting in a total dividend of 145 South African cents per share (approximately 20 US cents per share) for the 2010 year.

Quarter
Year
Quarter
Year
ended
ended
ended
ended
ended
ended
ended
ended
Dec
Sep
Dec
Dec
Dec
Sep
Dec
Dec
2010
2010
2010
2009
2010
2010
2010
2009
SA rand / Metric
US dollar / Imperial
Operating review

Gold
Produced
- kg / oz (000)
35,703
36,129
140,418
143,049
1,148
1,162
4,515
4,599
Price received
1
- R/kg / $/oz
99,671
(47,750)
135,862
201,805
452
(239)
561
751
Price received excluding hedge
buy-back costs
1
- R/kg / $/oz
303,454
267,707
271,018
246,048
1,372
1,141
1,159
925
Total cash costs
- R/kg / $/oz
148,474
151,007
149,577
136,595
672
643
638
514
Total production costs
- R/kg / $/oz
201,465
187,695
190,889
171,795
912

800
816
646
Financial review
Adjusted gross (loss) profit
2
- Rm / $m
(3,718)
(8,670)
(8,027)
3,686
(540)
(1,229)
(1,191)
412
Adjusted gross profit excluding hedge
buy-back costs
2
- Rm / $m
3,598
2,969
10,927
10,001
522
408
1,507
1,209
Profit (loss) attributable to equity
shareholders
- Rm / $m
404
443
637
(2,762)
56
51
76
(320)
- cents/share
105
120
171
(765)
15
14
20
(89)
Adjusted headline loss
3
- Rm / $m
(5,263)

(8,389)
(12,210)
(211)
(764)
(1,184)
(1,758)
(50)
- cents/share
(1,368)
(2,277)
(3,283)
(58)
(199)
(321)
(473)
(14)
Adjusted headline earnings excluding
hedge buy-back costs
3
- Rm / $m
2,026
2,184
5,652
5,795
294
303
787
708
- cents/share
527
593
1,520
1,604
76
82
212
196
Cash flow from operating activities
excluding hedge buy-back costs
- Rm / $m
5,076
3,238
12,603
10,096
679
424
1,669
1,299
Capital expenditure
- Rm / $m
2,572

1,855
7,413
8,726
365
253
1,015
1,027

Notes:

1. Refer to note C "Non-GAAP disclosure" for the definition.
2. Refer to note B "Non-GAAP disclosure" for the definition.
3. Refer to note A "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 31 December 2010
oz (000)
% Variance
2
$/oz % Variance
2
$m $m Variance
2
SOUTH AFRICA
476
-
616
4
239
50
Great Noligwa
34
(6)
915
7
6
3
Kopanang
78
(1)
658
(1)
33
11
Moab Khotsong
76
(8)
669
22
16
(7)
Tau Lekoa
-
(100)
-
(100)
-
(1)
Mponeng
143
4
485
2
106
22

Savuka
11
38
885
16
4
2
TauTona
81
14
645
(12)
33
19
Surface Operations
52
(2)
536
28
42
4
CONTINENTAL AFRICA
374
-
790
9
141
32
Ghana
Iduapriem
58
2
746
30
25
3
Obuasi
66
(12)
949
14
10
6
Guinea
Siguiri - Attributable 85%
71
15
687
(2)
44
19

Mali
Morila - Attributable 40%
3
24
4
760
(4)
14
5
Sadiola - Attributable 41%
3
29
(3)
783
26
15
(1)
Yatela - Attributable 40%
3
9
(10)
1,386
4
(3)
(1)
Namibia
Navachab
28
22
748
-
17
10
Tanzania
Production
Total cash costs
Adjusted
gross profit (loss) excluding
hedge buy-back costs
1
Geita
90
(3)
749
6
26
1
Non-controlling interests, exploration
and other
(5)
(9)

AUSTRALASIA
102
10
894
(16)
41
46
Australia
Sunrise Dam
102
10
860
(19)
44
49
Exploration and other
(4)
(4)
AMERICAS
196
(10)
465
7
125
(9)
Argentina
Cerro Vanguardia - Attributable 92.50%
50
4
357
(5)
39
13
Brazil
AngloGold Ashanti Brasil Mineração
85
(9)
460
11
32
(23)
Serra Grande - Attributable 50%
19
(5)
509
9
13
3
United States of America
Cripple Creek & Victor
42

(25)
558
13
27
(2)
Non-controlling interests, exploration
and other
14
-
OTHER
2
(2)
Sub-total
1,148
(1)
672
5
548
117
Equity accounted investments included above
(26)
(3)
AngloGold Ashanti
522
114
1
Refer to note B "Non-GAAP disclosure" for the definition.
3
Equity accounted joint ventures.
2
Variance December 2010 quarter on September 2010 quarter - increase (decrease).
Rounding of figures may result in computational discrepancies.

Financial and Operating Report

OVERVIEW FOR THE QUARTER

FINANCIAL AND CORPORATE REVIEW

As previously announced, AngloGold Ashanti eliminated its hedge book on 7 October 2010, ending the contractual sale of a portion of its production at discounts to market prices. The company now has full exposure to the price of gold, which increases its potential for cash-flow generation and earnings. Of the $2.64bn spent to undertake this final restructuring of the hedge book, which straddled September and October, $1.58bn was spent in the third quarter and the remaining $1.06bn in October of the fourth quarter.

Turning to the balance sheet, strong cash generation during the quarter and the year left the company with a net debt level (excluding the mandatory convertible bonds) of $1.3bn, better than guidance of $1.7bn given on 11 November. Debt maturities are well spread and range from three to 30 years.

Adjusted headline earnings, excluding the hedge buy-back and related costs, were $294m, or 76 US cents a share, compared with $303m, or 82 US cents the previous quarter. The result is especially significant, given that the third quarter earnings were boosted by a once-off tax credit of $82m. The company generated cash flow from operations, excluding hedge buy back costs, of $679m
.

After taking account of the hedge buy back costs, the company posted an adjusted headline loss of $764m for the quarter and a profit attributable to ordinary shareholders of $56m.

OPERATING RESULTS

Production and total cash costs for the three months to 31 December were both within the guidance set by the company. Production over the period was 1.148Moz, following the sale of the Tau Lekoa mine, compared to 1.162Moz the previous quarter. Total cash costs rose 5% to $672/oz, during a quarter again characterized by significant appreciation in the Brazilian real, the Australian dollar and the South African rand. Strong production performances were delivered by several key operations, including the West Wits mines in South Africa, Sunrise Dam in Australia, Siguiri in Guinea, Navachab in Namibia and Cerro Vanguardia in Argentina. Uranium production was 374,000lbs, compared to 389,000lbs in the third quarter.

Guidance for the fourth quarter was 1.14Moz at a total cash cost of $675/oz, assuming an average exchange rate of R6.75/$ and $640/oz assuming a weaker rand at R7.25/$. This compares to an average realised exchange rate of R6.88/$ over the quarter.

SAFETY

AngloGold Ashanti delivered a fatality free performance for only the second time in the company's history. This demonstrates not only the strides made in changing working practices and attitudes toward safety by every member in the organisation, but also the possibility to work safely at depth. This achievement provides powerful motivation to redouble efforts to eliminate injuries from the workplace. The all-injury frequency rate ended the year at 11.5 per million hours worked - an improvement of 11% on the level of 2009. AngloGold is in the process of implementing a new procedure for accident investigation and incident management, as well as an electronic Workplace Management Reporting System (WMRS) across all operations to improve incident analysis. This will create a platform from which specific initiatives can be developed to drive further improvements in safety.

OPERATING REVIEW

*The **South Africa** operations produced 476,000oz at a total cash cost of $616/oz in the fourth quarter of 2010, compared with 478,000oz at a total cash cost of $594/oz the previous quarter.* The performance was driven by another strong set of results from the core operations, with rand-denominated costs improving by 2% from the previous quarter as management continued to focus on improving safety and productivity. The success of the business improvement interventions made in the region are evident in overall productivity figures for AngloGold Ashanti's South African mines, which are 14% higher in the fourth quarter, compared with the same period in 2009. At the West Wits operations, Mponeng, the company's largest mine, output increased by 4% to 143,000oz due to increased tonnages resulting from fewer safety related stoppages and improved tramming efficiencies. The neighbouring TauTona mine delivered a 14% rise in production to 81,000oz, driven by improved grade from higher face values, together with increased flexibility across its high grade areas. At the Vaal River operations, production from Moab Khotsong declined by 8% to 76,000oz due to grade challenges arising from ore dilution and the overall mining mix. Costs rose 22% to $669/oz. Following a successful effort in returning Great Noligwa to profitability, production declined 6% to 34,000oz because of an increase in off-reef mining necessitated by the geological structure encountered during the period. Kopanang's output was marginally lower at 78,000oz as lower volumes were mined. The Surface operations, which replaced Tau Lekoa feed with marginal ore, had a 2% decrease in production to 52,000oz.

*The **Continental Africa** operations produced 374,000oz at a total cash cost of $790/oz in the fourth quarter of 2010, compared with 373,000oz at a total cash cost of $725/oz the previous quarter.* Geita's production declined by 3% to 90,000oz mainly due to fewer tons of higher grade material processed compared with the previous quarter, although this was partly offset by an increase in overall tonnage throughput. Total cash costs increased by 6% to $749/oz. Production from Iduapriem rose 2% to 58,000oz following improvements to plant availability and utilisation, which offset lower grade. The 30% rise in cash costs followed an increase in the 2010 electricity tariff which was effected in the fourth quarter.

At Obuasi, the high level taskforce appointed in November, started work to define the long-term turnaround strategy for the operation, which continued to be challenged by poor blasting fragmentation and restricted ore passes, in addition to an unplanned plant shutdown for maintenance on the tailings facility. Production declined by 12% to 66,000oz and costs, also impacted by the higher power price, rose 14% to $949/oz. In Guinea, Siguiri's production rose by 15% to 71,000oz as conveyor belt modifications and consistent feed of dry ore drove higher tonnage throughput. Total cash costs decreased by 2% to $687/oz. Mali continued to deliver strong operational free cashflow to the business. Production from Morila rose 4% to 24,000oz at an improved total cash cost of $760/oz. At Yatela, output fell 10% to 9,000oz due to the lower grade ore stacked during previous periods. Lower recovered grade at Sadiola led to a 3% drop in production to 29,000oz. Costs increased by 26% to $783/oz as new sources of ore were accessed. In Namibia, Navachab's production jumped by 22% to 28,000oz as higher-grade ore was mined from the base of the pit, along with higher overall tonnages and improved performance from the operations at the bottom of the main pit and the benefits of the dense-media-separator (DMS plant).

*The **Americas** operations produced 196,000oz at a total cash cost of $465/oz in the fourth quarter of 2010, compared with 218,000oz at a total cash cost of $433/oz the previous quarter.* Cerro Vanguardia, in Argentina, delivered yet another strong operating quarter with a 4% rise in production to 50,000oz due to an increase in tonnages mined. Silver credits and the weaker peso helped offset higher fuel consumption and accelerating inflation in Argentina with total cash costs dropping 5% to $357/oz. At Cripple Creek & Victor in the United States, production fell by 25% as planned, to 42,000oz due to stacking ore on higher sections of the pad. Cash cost rose 13% to $558/oz. At AngloGold Ashanti Brasil Mineração, production was 9% lower at 85,000oz due to lower grades and a drop in tonnages caused by the performance of the Cuiabá fleet and geomechanical problems which affected the Queiroz plant. The 11% increase in cash costs to $460/oz reflects the stronger real as well as higher maintenance costs and lower by-product credits. Serra Grande's production was 5% lower at 19,000oz reflecting lower grades as expected, while costs climbed 9%.

***Australasia** produced 102,000oz at a total cash cost of $894/oz in the fourth quarter of 2010, compared with 93,000oz at a total cash cost of $1,064/oz the previous quarter.* Sunrise Dam, the only operating mine in the region, delivered a significant increase in both ore tonnage and grades from the underground section of the operation. The economies of scale achieved helped drive down unit costs. Total cash costs improved 16% from the previous quarter which included a lower non-cash deferred stripping charge of $160/oz.

PROJECTS

AngloGold Ashanti incurred capital expenditure of $365m during the quarter, of which $95m was spent on growth projects. Of the growth-related capital, $54m was spent in the Americas, $14m was spent in Continental Africa, $3m in Australasia and $23m in South Africa.

Detailed engineering work for the refurbishment of the São Bento plant, at the Córrego do Sítio project in Brazil's Minas Gerais state, remains on schedule. Manufacturing of the autoclave was also completed on schedule and the unit was delivered in January 2011. Mine stopes and underground infrastructure were completed on time in preparation for the beginning of ramp-up activities in December. The Lamego mine reached full production at the end of the fourth quarter as planned, with completion of the main surface facilities expected at the end of April 2011. Of the 11,884m drilled at AngloGold Ashanti Córrego do Sítio Mineraçáo, the majority was at Córrego do Sítio II.

In the Democratic Republic of Congo, significant progress was made on the Kibali joint venture, operated by AngloGold Ashanti's joint venture partner Randgold Resources. The project team has largely been assembled, with the appointments of the project manager, construction manager, cost engineer and financial controller. Good progress has been made on determining the hydropower strategy, with environmental impact assessments now underway, while procurement of items necessary for site establishment started ahead of schedule. Road infrastructure critical to development of the project, was completed, including a network of 28km in the site and surrounding communities and the 179km stretch between the towns of Aru and Doko, a key staging point for Kibali's construction. The commute between these communities, which in the past could take several days during the rainy season, has been cut to three hours.

Work continued on completion of a feasibility study on the Mongbwalu project, which is due for submission to the boards of AngloGold Ashanti and Okimo, the DRC's state-owned gold company and the 13.78% partner on the project, during the first quarter of 2011.

In Australia, the bankable feasibility study for the Tropicana project was completed, presented to the joint venture partners AngloGold Ashanti (70%) and Independence Group NL (30%), and approved by their boards in November, paving the way for the project's development. Primary state and federal environmental approvals were received during the quarter. AngloGold Ashanti plans to announce appointment of the EPCM and open-pit mining contract during the first quarter of 2011. Detailed design of the plant and infrastructure construction will commence in 2011, with construction of the 220km site access road the first major contract. Exploration of the Havana Deeps and Boston Shaker areas continued with a feasibility study of open pit mining at Boston Shaker approved during the quarter. A decision on advancing Havana Deeps to pre-feasibility stage is also expected in the March 2011 quarter.

EXPLORATION

Total exploration expenditure during the fourth quarter, inclusive of expenditure at equity accounted joint ventures, was $65m ($23m on brownfield, $26m on greenfield and $16m on pre-feasibility studies), compared with $72m the previous quarter ($28m on brownfield, $19m on greenfield and $25m on pre-feasibility studies). The following are highlights from the company's exploration activities during the quarter. More detail on AngloGold Ashanti's exploration programme can be found at www.anglogoldashanti.com
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During the quarter 58,823m of greenfield exploration drilling was completed at existing priority sites and used to delineate new targets in Australia, Canada, Guinea, Gabon, Colombia and the Solomon Islands. This compares with 98,000m the previous quarter.

In **Australia**, exploration in the Tropicana joint venture (JV) during the quarter focused on reverse circulation and diamond drill testing of targets adjacent to the project resource. The Boston Shaker resource lies 360m north of the Tropicana open pit resource and has been tested to a maximum vertical depth of 230m. A full feasibility study on Boston Shaker started in September 2010, with exploration drilling suggesting potential for expansion of the open pit resource determined in the scoping study. Significant results included: 8.0m @ 8.08 g/t Au from 242m, 6m @ 6.54 g/t Au from 82m, 13m @ 3.66 g/t Au from 33m, 11m @ 3.34 g/t Au from 48m and 16m @ 4.88 g/t Au from 397m. An underground scoping study on Havana Deeps was completed in October 2010 and indicates potential viability of underground mining outside the Havana open pit resource. Drill holes targeting Havana Deeps returned further significant results, including: 9m @ 11.7 g/t Au from 462m, 11m @ 11.2 g/t Au from 416m and 10m @ 14.5 g/t Au from 374m.

At the Saxby JV with Falcon Minerals in northwest Queensland, geochemical results were returned for all samples from the 4,000m programme of five pre-collared diamond drill holes completed in mid-2010. A high-grade gold intersection of 15m @ 9.09 g/t Au from 701m was returned and further check assays are pending.

In the **Solomon Islands**, exploration activities continued at the Kele and Mase JVs with XDM Resources. At Kele, about 1,515m of diamond drilling was completed in the quarter, along with mechanical trenching and geochemical sampling focussed on the Babatia and Vulu prospects. Best results from the drilling at Kele included 15.5m @ 7.89 g/t Au and 30.2m @ 2.74 g/t Au from argillic alteration zones. Best results from trenching include 25m @ 3.1g/t Au and 9m @ 2.99 g/t Au. At Mase, about 985m of diamond drilling was completed.

In the **Americas**, drilling was undertaken at four regions in Colombia. Exploration continued at the La Colosa project in Colombia, where three rigs are now in operation, while 3,477m was drilled at the Gramalote deposit. Additional sampling and mapping was conducted at the Quebradona property, while an extensive ground IP survey was completed at Loma Esperanza anomaly. Encouraging results from infill soil sampling were received from the Falcão JV with Horizonte Minerals in Brazil's southern Para state. In Argentina, a scout RC drill programme at the La Volcan prospect for a total of 1,794m in 12 holes. Assay results included some narrow mineralised quartz zones with up to 3 g/t Au and 40 g/t Au. Deeper diamond drilling is warranted to test anticipated higher Au grade horizons of the mineralised system.

In **Continental Africa**, regional exploration in the DRC continued on the 5,487km² Kilo project, owned by Ashanti Goldfields Kilo (AGK), in which AngloGold Ashanti has a 86.22% stake and Okimo 13.78%. Regional exploration initiatives, including a 5,000m diamond drilling programme over key targets, commenced to test mineralisation in and around intrusive bodies at the Mount Tsi prospect. The first phase of a regional reconnaissance sampling and mapping programme was completed and several regional scale anomalies identified. Trenching, detailed mapping and sampling of these anomalies is ongoing in the northern and central areas, with encouraging results. At the Kibali joint venture, 5,705m of mineral-resource conversion drilling targeted planned underground infrastructure. One hole aimed to upgrade KCD down-plunge mineral resource from inferred to the indicated category, proved successful. Regional exploration work on Blocks 2, 3 and 4 around the Siguiri mine in Guinea is ongoing.

At the Saraya South extension and Foulata East targets in Block 2, a further 1,658m was drilled with a best intercept of 32m @ 5.27 g/t Au, from 4m in the oxides. In Block 3, soil geochemistry confirms consistent anomalism along the sediment-amphibolite contact extending a further 1.6km southward, resulting in an anomaly with a strike length of about 6.8km, still open towards the south; a programme to test these anomalies in underway. At Obuasi in Ghana, the brownfield team completed 1,074m of drilling, with four new reef intersections obtained.

In the Middle East & North Africa, where AngloGold Ashanti has a joint venture with Thani Investments, exploration work included Phase II sampling and mapping at the Wadi Kareem and Hodine concessions in Egypt. At Hodine, diamond drilling commenced at the Hutite prospect, to follow-up on the encouraging results from traverse rock chip sampling of 33m @ 4.37 g/t Au, including 7.5m @ 8.85 g/t Au. In Eritrea, a 10,000 line km airborne electromagnetic, magnetic and radiometric survey commenced at the Kerkasha and Akordat North exploration licences and will be completed in the first quarter of 2011. Thani Ashanti entered into a binding Heads of Terms with Stratex International to explore for epithermal gold deposits in the Afar region of Ethiopia and in Djibouti.

ANNUAL REVIEW

Adjusted headline earnings, normalised to exclude the $2.5bn post taxation cost of restructuring the hedge book during the year, was $787m. The company reported an adjusted headline loss of $1,758m, when taking the restructuring cost into account. A final dividend of 80 South African cents per share (approximately 11 US cents per share), declared, resulting in a total dividend of 145 South African cents per share (approximately 20 US cents per share) for the 2010 year. This represents an 11.5% increase from the total dividend paid in 2009.

Production in 2010 declined 2% to 4.52Moz, within the range forecast by the company at the beginning of 2010, while total cash costs rose 24% to $638/oz, in line with exchange-rate adjusted guidance. Significant improvements were made at the South African operations, which experienced fewer safety-related stoppages; at Geita, where improvements related to Project ONE continued to show results; and at Cripple Creek & Victor, where the revised pad-stacking strategy yielded the desired outcome. The sale of Tau Lekoa, seismic impact at Savuka, the ten week shut down at Iduapriem and ongoing operational challenges at Obuasi contributed to the lower production. A multi-disciplinary taskforce has been established to design and execute the turnaround strategy for Obuasi. Uranium production reached 1.46Mlbs in 2010, compared with 1.44Mlbs the previous year, as grades and recoveries improved.

AngloGold Ashanti also saw the acceleration of ‘mining inflation’ impact prices of skilled and unskilled labour, contractors, heavy equipment and consumables in several of its operating regions as rising metal prices spurred activity in the global resources sector. The impact on dollar-denominated costs was magnified by significant strengthening of the Brazilian real, the South African rand and the Australian dollar.

Project ONE, AngloGold Ashanti’s new operating model central to the achievement of long-term productivity, safety, environmental and financial targets, was implemented at 15 operations. To date, the business improvement initiatives introduced since the articulation of AngloGold Ashanti’s new strategy in April 2008, has improved operational cashflow by around $500m.

Tragically, there were 15 fatalities across the company's 21 mines during the year, with 10 occurring at the South African operations. Eliminating injuries from the workplace remains AngloGold Ashanti's most important objective and the particular focus is being placed on the Safety Transformation component of Project ONE to achieve this goal.

The overall quality and tenor of the balance sheet was greatly improved during the year with the award of investment grade ratings by Standard & Poor's and Moody's Investor Services, which paved the way for the successful issue in April of a $700m, 10-year bond and a $300m, 30-year bond. A dual tranche capital raising for net proceeds of $1.53bn – comprising roughly equal parts of equity and a three-year mandatory convertible note – were concluded in September. This created the platform for the elimination of the final 3.2Moz hedge on 7 October. This fulfilled a long-standing strategic objective of the company, to reduce financial risk and improve cashflow generation ability by increasing overall exposure to the gold price. The balance sheet ended stronger with a net debt level (excluding the mandatory convertible bond) of $1.3bn at year end.

The company estimated in September that it would grow production from its current operating and exploration portfolio to between 5.4Moz and 5.6Moz over five years and estimated expansion capital of $2.4bn to be invested over the next three years. The board approved the Sao Bento and Tropicana projects during the course of the year and feasibility studies progressed on the Kibali and Mongbwalu projects. In Colombia, drilling resumed on the La Colosa deposit after a two-year hiatus and started on the Gramalote joint venture. Both assets are undergoing feasibility studies. Greenfield exploration accelerated dramatically from 2009, with encouraging results from Colombia, Australia, the Solomon Islands, Egypt, Gabon and Canada's Baffin Island region.

Reserves (which were calculated at a gold price of US$850/oz) improved by 0.6Moz to end the year at 71.2Moz*, after accounting for depletion. Resources were largely unchanged after depletion, at 220Moz*. **Restated for the sale of Tau Lekoa.*

OUTLOOK

AngloGold Ashanti's production and total cash cost guidance for the full year 2011 is expected to be 4.55Moz – 4.75Moz at a total cash cost of $660/oz to $685/oz. This assumes an average exchange rate of R7.11/$, BRL1.70/$, A$/$0.98 and Argentinean peso 4.12/$ and an oil price of $95/barrel.

First quarter production and total cash cost guidance is expected to be 1.04Moz at a total cash cost of between $675/oz and $700/oz. This assumes an average exchange rate of R7.00/$, BRL1.70/$, A$/$1.00 and Argentinean peso 4.03/$ and an oil price of $95/barrel.

Review of the Gold Market

Gold price movement and investment markets

Gold price data

During the fourth quarter, gold hit new highs in both US dollar and Euro terms, reaching $1,431/oz and €1,075/oz. The gold price averaged $1,370/oz over the period, 12% more than the preceding quarter. Although the announcement of the much anticipated second round of quantitative easing by the Federal Reserve helped propel bullion back above $1,400/oz level in early November, it was the return of Sovereign risk in the Euro zone that saw gold largely maintain that level over the balance of the quarter after Ireland became the second EU member to accept a bailout from the European Financial Stability Fund.

Investment demand

Despite heightened Sovereign Risk in the fourth quarter, exchange traded funds (ETF) did not reflect the same levels of growth exhibited in the second quarter when this uncertainty first presented itself. ETF holdings remained relatively stagnant during the quarter at 2,100 tonnes or 68Moz. On the COMEX, the largest position for the quarter was reported at 32.6Mozs long, some 1.1Mozs less than the largest ever long position reported. In China, retail bar investment increased by approximately 45% and local gold supply was once again insufficient to meet demand. As a result of this deficit, gold sold at a premium of RMB 5/gram over the international gold price. The fourth quarter saw the Middle East investment markets receiving a welcome boost with bar and coin sales rising in the United Arab Emirates, Turkey and the Kingdom of Saudi Arabia.

Official sector

The second year of the current Central Bank Accord, which commenced at the end of September 2009, has seen sales totalling 54 tonnes in the period up to December 2010. This is comprised almost entirely of sales from the IMF, which has subsequently concluded its sale of 403 tonnes, with a little more than half sold to Official Sector participants.

Jewellery sales

The fourth quarter saw the Indian gold market, still the world's largest, growing by more than 20%. It appears 2009's poor showing has been shrugged off. The Rupee price for a gram of gold exceeded INR2,100 for the first time ever during the quarter and encouragingly, this new peak did not prompt a rise in gold recycling. Dollar weakness and Rupee strength were once again the hallmark of the quarter, which did not deter Indian buyers. Similarly, in China, the jewellery market grew by over 8%. Consumers still favour pure gold jewellery as an investment to safeguard from economic uncertainty and rising inflation. The 18 carat jewellery market did not fare as well due largely to its inferior investment status and showed a small decline from the previous quarter. In the United Arab Emirates, a strong quarter for tourism contributed to good sales of 22 carat jewellery, while Turkish exports rose marginally over the fourth quarter, with shipments primarily to the U.S. and Russia. The Kingdom of Saudi Arabia experienced a weaker fourth quarter with demand down by some 10% on the previous quarter.

Mineral Resource and Ore Reserve

Mineral Resource and Ore Reserve are reported in accordance with the minimum standards described by the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserve (JORC Code, 2004 Edition), and also conform to the standards set out in the South African Code for the Reporting of Exploration Results, Mineral Resource and Mineral Reserve (The SAMREC Code, 2007 edition). Mineral Resource is inclusive of the Ore Reserve component unless otherwise stated.

Mineral Resource

When the 2009 Mineral Resource is restated to exclude the sale of Tau Lekoa (6.2Moz), the Mineral Resource is reduced from 226.7Moz to 220.5Moz. The total Mineral Resource remained steady, dropping slightly from 220.5Moz in 2009 to 220.0Moz in December 2010. A year-on-year increase of 5.8Moz occurred before the subtraction of depletion and a decrease of 0.5Moz after the subtraction of depletion. It should be noted that changes in economic assumptions from 2009 to 2010 resulted in the Mineral Resource increasing by 3.5Moz whilst exploration and modelling resulted in an increase of 0.7Moz. The remaining increase of 1.6Moz resulted from various other factors. Depletions from the Mineral Resource for 2009 totalled 6.3Moz.

MINERAL RESOURCE
Moz
Mineral Resource as at 31 December 2009
226.7
Sale of Tau Lekoa
(6.2)
Restated 2009 Mineral Resource
220.5
Reductions
Great Noligwa
Due to economics and depletion
(2.4)
TauTona
Transfers to Mponeng so as to improve change of mining
(1.3)
Siguiri
Revision to modelling procedures and increased costs
(1.0)
Other
Total of non-significant changes
(3.6)
Additions
Vaal River Surface
An economic study demonstrated that these tailings can be
economically reworked to recover uranium
3.0
West Wits Surface
1.3
Other
Total of non-significant changes
3.5
Mineral Resource as at 31 December 2010
220.0

Rounding of numbers may result in computational discrepancies.

Mineral resource has been calculated at a gold price of US$1,100/oz (2009: US$1,025/oz).

ORE RESERVE

When the 2009 Ore Reserve is restated to exclude Tau Lekoa (0.8Moz), the 2009 Ore Reserve is reduced from 71.4Moz to 70.6Moz. Using the restated figure, the AngloGold Ashanti Ore Reserve increased from 70.6Moz in 2009 to 71.2Moz in December 2010. A year-on-year increase of 6.2Moz occurred before the subtraction of 5.6Moz for depletion, resulting in an increase of 0.6Moz after the subtraction of depletion. It should be noted that changes in the economic assumptions from 2009 to 2010 resulted in the Ore Reserve increasing by 2.4Moz while exploration and modelling resulted in a further increase of 3.8Moz.

ORE RESERVE
Moz
Ore Reserve as at 31 December 2009
71.4
Sale of Tau Lekoa
(0.8)
Restated 2009 Ore Reserve
70.6
Reductions
Geita
Depletions and model changes
(0.9)
Obuasi
Depletions and refinements to Ore Reserve estimation
(0.7)
Siguiri
Remodelling in accordance with reconciliation and depletion
(0.7)
TauTona
Depletion and transfers to Mponeng, minor model changes
(0.7)
Other
Total non-significant changes
(1.2)
Additions
Cripple Creek & Victor
MLE2 project study incorporated
1.4
Mponeng
Transfers from TauTona countered some model losses
1.2
Sadiola
Additions from the Deep Suphide project
0.8
Other
Total non-significant changes
1.3
Ore Reserve as at 31 December 2010
71.2

Rounding of numbers may result in computational discrepancies.

(1) Some of the Ore Reserves previously reflected against TauTona have now been transferred to Mponeng to facilitate the mining plan.

Ore reserve has been calculated using a gold price of US$850/oz (2009: US$800/oz).

BY-PRODUCTS

Several by-products are recovered as a result of the processing of gold Ore Reserve. These include 21,591t of uranium oxide from the South African operations, 443,761t of sulphur from Brazil and 34.6Moz of silver from Argentina. Details of by-product Mineral Resource and Ore Reserve are given in the Mineral Resource and Ore Reserve Report 2010
(1)
.

EXTERNAL AUDIT OF MINERAL RESOURCE

During the course of the year and as part of the rolling audit programme, AngloGold Ashanti's 2010 Mineral Resource at the following operations were submitted for external audit by the Australian-based company Quantitative Group (QG):

- Vaal Reef at Great Noligwa, Kopanang and Moab Khotsong mines
- Cerro Vanguardia
- Serra Grande
- Cripple Creek and Victor
- Mongbwalu

AngloGold Ashanti's 2010 Ore Reserve at the following operations were submitted for external audit by a number of international consulting companies, namely:

- Geita
AMC
- Obuasi
AMC
- Siguiri
AMC
- Sunrise Dam: underground
Optiro
- Cripple Creek and Victor
Pincock Allen and Holt
- Cerro Vanguardia Xstract
- Serra Grande Xstract
- Brasil Mineração – Cuiabá
Xstract

The company has been informed that the audits identified no material shortcomings in the process by which AngloGold Ashanti's Mineral Resource and Ore Reserve were evaluated. It is the company's intention to continue this process so that each of its operations will be audited, on average, every three years.

COMPETENT PERSONS

The information in this report relating to exploration results, Mineral Resource and Ore Reserve is based on information compiled by the Competent Persons. These individuals are identified in the expanded Mineral Resource and Ore Reserve Report 2010 (1). The Competent Persons consent to the inclusion of Exploration Results, Mineral Resource and Ore Reserve information in this report, in the form and context in which it appears.

During the past decade, the company has developed and implemented a rigorous system of internal and external reviews of Exploration Results, Mineral Resource or Ore Reserve. A documented chain of responsibility exists from the Competent Persons at the operations to the company's Mineral Resource and Ore Reserve Steering Committee. Accordingly, the Chairman of the Mineral Resource and Ore Reserve Steering Committee, VA Chamberlain, MSc (Mining Engineering), BSc (Hons) (Geology), MGSSA, MAusIMM, assumes responsibility for the Mineral Resource and Ore Reserve processes for AngloGold Ashanti and is satisfied that the Competent Persons have fulfilled their responsibilities.

(1)
A detailed breakdown of Mineral Resource and Ore Reserve is provided in the Mineral Resource and Ore Reserve Report 2010, which will be available on or about 31 March 2011 on the AngloGold Ashanti website (www.anglogoldashanti.com), from where it may be downloaded as a PDF file using Adobe Acrobat Reader. The report will also be available in printed format on request from the AngloGold Ashanti offices at the addresses given at the back of the Annual Financial Statements.

MINERAL RESOURCE BY COUNTRY (ATTRIBUTABLE) INCLUSIVE OF ORE RESERVE
as at 31 December 2010

Category	**Tonnes million**	**Grade g/t**	**Contained gold tonnes**	**Contained gold Moz**
South Africa				
Measured	26.51	15.30	405.52	13.04
Indicated	753.04	2.76	2,075.87	66.74
Inferred	40.82	13.81	563.55	18.12
Total	**820.38**	**3.71**	**3,044.94**	**97.90**
Democratic Republic of the Congo				
Measured	0.00	-	0.00	0.00
Indicated	59.67	3.64	217.41	6.99
Inferred	30.54	3.27	99.94	3.21
Total	**90.21**	**3.52**		

317.35
10.20
Ghana
Measured
77.12
4.83
372.49 11.98
Indicated
83.38
3.82
318.84
10.25
Inferred
105.26
3.71
390.99
12.57
Total
265.76
4.07
1,082.33
34.80
Guinea
Measured
43.18
0.65
28.28 0.91
Indicated
101.78
0.77
78.19
2.51
Inferred
77.77
0.85
66.11
2.13
Total
222.73
0.77
172.58
5.55
Mali
Measured
15.52
1.36
21.17 0.68
Indicated
54.86
1.79
98.07

3.15
Inferred
19.87
1.66
32.98
1.06
Total
90.24
1.69
152.22
4.89
Namibia
Measured
23.30
0.86
20.09 0.65
Indicated
72.57
1.28
92.78
2.98
Inferred
23.33
1.13
26.41
0.85
Total
119.20
1.17
139.28
4.48
Tanzania
Measured
0.00
—
0.00 0.00
Indicated
80.32
3.37
270.88
8.71
Inferred
21.95
3.62
79.57
2.56
Total
102.27
3.43
350.46
11.27

Australia
Measured
34.88
1.74
60.55 1.95
Indicated
35.49
2.85
101.12
3.25
Inferred
19.84
2.90
57.63
1.85
Total
90.21
2.43
219.30
7.05
Argentina
Measured
11.12
1.50
16.63 0.53
Indicated
20.86
3.82
79.69
2.56
Inferred
10.20
3.19
32.55
1.05
Total
42.18
3.06
128.87
4.14
Brazil
Measured
11.18
6.39
71.43 2.30
Indicated
15.60
6.10
95.14
3.06
Inferred

30.80
6.81
209.73
6.74
Total
57.57
6.54
376.31
12.10
Colombia
Measured
0.00
—
0.00 0.00
Indicated
15.78
0.93
14.75
0.47
Inferred
414.06
0.98
406.06
13.06
Total
429.85
0.98
420.81
13.53
United States of America
Measured
283.04
0.78
221.76 7.13
Indicated
216.53
0.73
157.18
5.05
Inferred
79.61
0.75
59.66
1.92
Total
579.18
0.76
438.60
14.10
Total
Measured

525.84
2.32
1,217.92 39.16
Indicated
1,509.88
2.38
3,599.94
115.74
Inferred
874.07
2.32
2,025.18
65.11
Total
2,909.79
2.35
6,843.04
220.01
Rounding of figures may result in computational discrepancies.

MINERAL RESOURCE BY COUNTRY (ATTRIBUTABLE) EXCLUSIVE OF ORE RESERVE
as at 31 December 2010

Category	**Tonnes million**	**Grade g/t**	**Contained gold tonnes**	**Contained gold Moz**
South Africa				
Measured	15.29	17.73	271.14	8.72
Indicated	563.41	1.65	927.58	29.82
Inferred	19.64	18.69	367.04	11.80
Total	**598.34**	**2.62**	**1,565.75**	**50.34**
Democratic Republic of the Congo				
Measured	0.00	—	0.00	0.00
Indicated	26.23	2.93	76.72	2.47
Inferred	30.54	3.27	99.94	3.21
Total	**56.77**	**3.11**		

176.66
5.68
Ghana
Measured
29.69
6.96
206.52 6.64
Indicated
34.46
2.45
84.26
2.71
Inferred
105.26
3.71
391.01
12.57
Total
169.41
4.02
681.79
21.92
Guinea
Measured
4.46
0.80
3.59 0.12
Indicated
34.07
0.77
26.22
0.84
Inferred
77.77
0.85
66.11
2.13
Total
116.30
0.82
95.91
3.08
Mali
Measured
4.69
0.75
3.50 0.11
Indicated
18.27
1.69
30.79

0.99
Inferred
19.09
1.70
32.37
1.04
Total
42.05
1.59
66.66
2.14
Namibia
Measured
9.03
0.58
5.24 0.17
Indicated
42.83
1.11
47.50
1.53
Inferred
23.33
1.13
26.41
0.85
Total
75.20
1.05
79.15
2.54
Tanzania
Measured
0.00
—
0.00 0.00
Indicated
41.62
2.93
121.83
3.92
Inferred
21.95
3.62
79.57
2.56
Total
63.57
3.17
201.40
6.48

Australia
Measured
10.83
0.93
10.10 0.32
Indicated
12.10
2.92
35.29
1.13
Inferred
19.84
2.90
57.63
1.85
Total
42.77
2.41
103.02
3.31
Argentina
Measured
1.36
3.61
4.91 0.16
Indicated
16.70
2.20
36.72
1.18
Inferred
9.95
2.97
29.56
0.95
Total
28.01
2.54
71.18
2.29
Brazil
Measured
6.37
6.15
39.19 1.26
Indicated
8.35
6.10
50.93
1.64
Inferred

28.08
6.78
190.31
6.12
Total
42.81
6.55
280.44
9.02
Colombia
Measured
0.00
—
0.00 0.00
Indicated
15.78
0.93
14.75
0.47
Inferred
414.06
0.98
406.06
13.06
Total
429.85
0.98
420.81
13.53
United States of America
Measured
135.85
0.75
102.38 3.29
Indicated
137.77
0.71
98.42
3.16
Inferred
69.52
0.77
53.85
1.73
Total
343.14
0.74
254.66
8.19
Total
Measured

217.57	
2.97	
646.57	20.79
Indicated	
951.59	
1.63	
1,551.01	
49.87	
Inferred	
839.05	
2.15	
1,799.86	
57.87	
Total	
2,008.21	
1.99	
3,997.44	
128.52	

Rounding of figures may result in computational discrepancies.

ORE RESERVE BY COUNTRY (ATTRIBUTABLE)
as at 31 December 2010

Category	**Tonnes million**	**Grade g/t**	**Contained gold tonnes**	**Contained gold Moz**
South Africa				
Proved	12.03	8.24	99.07	3.19
Probable	191.99	4.41	845.74	27.19
Total	**204.02**	**4.63**	**944.81**	**30.38**
Democratic Republic of the Congo				
Proved	—	—	—	—
Probable	33.44	4.21	140.69	4.52
Total	**33.44**	**4.21**	**140.69**	**4.52**
Ghana				
Proved	44.01	3.13	137.85	4.43
Probable	49.30			

4.41
217.28
6.99
Total
93.31
3.81
355.13
11.42
Guinea
Proved
39.05
0.62
24.38 0.78
Probable
67.44
0.74
49.71
1.60
Total
160.49
0.70
74.08
2.38
Mali
Proved
4.96
2.23
11.03 0.35
Probable
39.18
1.78
69.82
2.24
Total
44.14
1.83
80.86
2.60
Namibia
Proved
14.27
1.02
14.49 0.47
Probable
29.74
1.45
42.99
1.38
Total
44.01
1.31

57.48
1.85
Tanzania
Proved
—
—
—
—
Probable
40.92
3.20
131.06
4.21
Total
40.92
3.20
131.06
4.21
Australia
Proved
24.05
2.10
50.45 1.62
Probable
23.39
2.81
65.83
2.12
Total
47.44
2.45
116.28
3.74
Argentina
Proved
9.54
1.22
11.63 0.37
Probable
8.57
5.32
45.62
1.47
Total
18.10
3.16
57.25
1.84
Brazil
Proved
6.91

5.80
40.06 1.29
Probable
7.40
5.26
38.88
1.25
Total
14.30
5.52
78.94
2.54
United States of America
Proved
147.19
0.81
119.37 3.84
Probable
78.76
0.75
58.76
1.89
Total
225.95
0.79
178.13
5.73
Total
Proved
302.00
1.68
508.32 16.34
Probable
570.12
2.99
1,706.39
54.86
Total
872.12
2.54
2,214.71
71.20
Rounding of figures may result in computational discrepancies.

Group **income statement**
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2010
2010
2009
2010
2009
SA Rand million
Notes
Unaudited
Unaudited
Unaudited
Unaudited
Audited
Revenue
2
11,095
10,668
9,514
40,135
31,961
Gold income
10,614
10,372
9,234
38,833
30,745
Cost of sales
3
(7,016)
(6,659)
(6,219)
(25,833)
(23,220)
Loss on non-hedge derivatives and other
commodity contracts
4

(529)
(1,041)
(2,706)
(5,136)
(11,934)
Gross profit (loss)
3,069
2,672
309
7,864
(4,409)
Corporate administration and other expenses
(488)
(350)
(359)
(1,491)
(1,275)
Market development costs
(30)
(26)
(10)
(98)
(87)
Exploration costs
(338)
(440)
(442)
(1,446)
(1,217)
Other operating (expenses) income
5
(27)
(50)
58
(149)
(80)
Special items
6
(208)
(424)
4,761
(894)
5,209
Operating profit (loss)
1,978
1,382
4,317
3,786
(1,859)
Interest received
119

58
133
311
444
Exchange gain (loss)
93
(113)
527
18
852
Fair value adjustment on option component of
convertible bonds
(280)
(166)
(66)
39
(249)
Finance costs and unwinding of obligations
7
(357)
(285)
(268)
(1,203)
(1,146)
Fair value loss on mandatory convertible bonds
(222)
(160)
-
(382)
-
Share of equity accounted investments' profit
63
151
227
467
785
Profit (loss) before taxation
1,394
867
4,870
3,036
(1,173)
Taxation
8
(878)
(318)
(1,522)
(2,018)
(1,172)
Profit (loss) for the period
516

549
3,348
1,018
(2,345)
Allocated as follows:
Equity shareholders
404
443
3,179
637
(2,762)
Non-controlling interests
112
106
169
381
417
516
549
3,348
1,018
(2,345)
Basic profit (loss) per ordinary share (cents)
1
105
120
867
171
(765)
Diluted profit (loss) per ordinary share (cents)
2
105
120
865
171
(765)
1
Calculated on the basic weighted average number of ordinary shares.
Rounding of figures may result in computational discrepancies.
2
Calculated on the diluted weighted average number of ordinary shares.

Group **income statement**

Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2010
2010
2009
2010
2009
US Dollar million
Notes
Unaudited
Unaudited
Unaudited
Unaudited
Audited
Revenue
2
1,613
1,461
1,273
5,514
3,916
Gold income
1,543
1,420
1,236
5,334
3,768
Cost of sales
3
(1,021)
(911)
(833)
(3,550)
(2,813)
Loss on non-hedge derivatives and other
commodity contracts
4

(77)
(152)
(363)
(702)
(1,533)
Gross profit (loss)
445
357
40
1,082
(578)
Corporate administration and other expenses
(71)
(48)
(48)
(206)
(154)
Market development costs
(5)
(4)
(1)
(14)
(10)
Exploration costs
(49)
(60)
(59)
(198)
(150)
Other operating (expenses) income
5
(4)
(7)
8
(20)
(8)
Special items
6
(31)
(60)
636
(126)
691
Operating profit (loss)
285
178
576
518
(209)
Interest received
17

8
18
43
54
Exchange gain (loss)
14
(16)
71
3
112
Fair value adjustment on option component of
convertible bonds
(41)
(24)
(9)
(1)
(33)
Finance costs and unwinding of obligations
7
(52)
(39)
(36)
(166)
(139)
Fair value loss on mandatory convertible bonds
(33)
(22)
-
(55)
-
Share of equity accounted investments' profit
9
21
30
63
94
Profit (loss) before taxation
199
106
650
405
(121)
Taxation
8
(127)
(41)
(204)
(276)
(147)
Profit (loss) for the period
72

65
446
129
(268)
Allocated as follows:
Equity shareholders
56
51
424
76
(320)
Non-controlling interests
16
14
22
53
52
72
65
446
129
(268)
Basic profit (loss) per ordinary share (cents)
1
15
14
116
20
(89)
Diluted profit (loss) per ordinary share (cents)
2
14
14
115
20
(89)
1
Calculated on the basic weighted average number of ordinary shares.
Rounding of figures may result in computational discrepancies.
2
Calculated on the diluted weighted average number of ordinary shares.

Group **statement of comprehensive income**

Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2010
2010
2009
2010
2009
SA Rand million
Unaudited
Unaudited
Unaudited
Unaudited
Audited
Profit (loss) for the period
516
549
3,348
1,018
(2,345)
Exchange differences on translation of foreign operations
(759)
(1,100)
(618)
(1,766)
(2,645)
Share of equity accounted investments' other comprehensive expense (income)
1
2
-
(1)
-
Net loss on cash flow hedges
-
-
(140)

-
(132)
Net loss on cash flow hedges removed from
equity and reported in gold income
-
-
181
279
1,155
Hedge ineffectiveness on
cash flow hedges
-
-
15
-
40
Realised gain (loss) on hedges of capital items
1
-
2
3
(12)
Deferred taxation thereon
-
(1)
(13)
(99)
(263)
1
(1)
45
183
788
Net gain on available-for-sale financial assets
298
43
346
440
482
Release on disposal of available-for-sale
financial assets
(194)
-
-
(235)
-
Deferred taxation thereon
-
-
(5)
13

(13)
104
43
341
218
469
Actuarial (loss) gain recognised
(175)
-
88
(175)
88
Deferred taxation thereon
47
-
(28)
47
(28)
Deferred taxation thereon
47
-
(28)
47
(28)
(128)
-
60
(128)
60
Other comprehensive expense
for the period net of tax
(781)
(1,056)
(172)
(1,494)
(1,328)
Total comprehensive (expense) income
for the period net of tax
(265)
(507)
3,176
(476)
(3,673)
Allocated as follows:
Equity shareholders
(377)
(613)
3,007
(857)
(4,099)
Non-controlling interests

112
106
169
381
426
(265)
(507)
3,176
(476)
(3,673)
Rounding of figures may result in computational discrepancies.

Group **statement of comprehensive income**
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2010
2010
2009
2010
2009
US Dollar million
Unaudited
Unaudited
Unaudited
Unaudited
Audited
Profit (loss) for the period
72
65
446
129
(268)
Exchange differences on translation of foreign
operations
123
151
(45)
213
318
Share of equity accounted investments' other
comprehensive expenses
-
1
-
-
-
Net loss on cash flow hedges
-
-
(17)

-
(16)
Net loss on cash flow hedges removed from
equity and reported in gold income
-
-
26
38
138
Hedge ineffectiveness on
cash flow hedges
-
-
2
-
5
Realised gain (loss) on hedges of capital items
-
-
1
-
(1)
Deferred taxation thereon
-
-
(3)
(13)
(35)
-
-
9
25
91
Net gain on available-for-sale financial assets
41
5
41
60
57
Release on disposal of available-for-sale
financial assets
(26)
-
-
(32)
-
Deferred taxation thereon
-
-
(1)
2

(2)
15
5
40
30
55
Actuarial (loss) gain recognised
(24)
-
10
(24)
10
Deferred taxation thereon
6
-
(3)
6
(3)
Deferred taxation thereon
6
-
(3)
6
(3)
(18)
-
7
(18)
7
Other comprehensive income
for the period net of tax
120
157
11
250
471
Total comprehensive income
for the period net of tax
192
222
457
379
203
Allocated as follows:
Equity shareholders
176
208
435
326
150
Non-controlling interests

16
14
22
53
53
192
222
457
379
203

Rounding of figures may result in computational discrepancies.

Group **statement of financial position**
As at
As at
As at
December
September
December
2010
2010
2009
SA Rand million
Note
Unaudited
Unaudited
Audited
ASSETS
Non-current assets
Tangible assets
40,600
41,489
43,263
Intangible assets
1,277
1,296
1,316
Investments in associates and equity accounted joint ventures
4,087
4,329
4,758
Other investments
1,555
1,627
1,302
Inventories
2,268
2,268
2,508
Trade and other receivables
1,000
994
788
Derivatives
6
8
40
Deferred taxation
131
88
451
Cash restricted for use
214

214
394
Other non-current assets
59
92
63
51,197
52,405
54,883
Current assets
Inventories
5,848
5,860
5,102
Trade and other receivables
1,625
1,588
1,419
Derivatives
-
453
2,450
Current portion of other non-current assets
4
2
3
Cash restricted for use
69
84
87
Cash and cash equivalents
3,776
9,313
8,176
11,322
17,300
17,237
Non-current assets held for sale
110
114
650
11,432
17,414
17,887
TOTAL ASSETS
62,629
69,819
72,770
,
,
,

EQUITY AND LIABILITIES
Share capital and premium
11
45,678
45,598
39,834
Retained earnings and other reserves
(19,470)
(19,159)
(18,276)
Non-controlling interests
815
916
966
Total equity
27,023
27,355
22,524
Non-current liabilities
Borrowings
16,877
17,363
4,862
Environmental rehabilitation and other provisions
3,873
3,332
3,351
Provision for pension and post-retirement benefits
1,258
1,187
1,179
Trade, other payables and deferred income
110
119
108
Derivatives
1,158
947
1,310
Deferred taxation
5,910
5,776
5,599
29,186
28,724
16,409
Current liabilities
Current portion of borrowings
886
1,864
9,493

Trade, other payables and deferred income	**4,630**	4,061	4,332
Derivatives	**-**	7,316	18,770
Taxation	**882**	499	1,186
	6,398	13,740	33,781
Non-current liabilities held for sale	**22**	-	56
	6,420	13,740	33,837
Total liabilities	**35,606**	42,464	50,246
TOTAL EQUITY AND LIABILITIES	**62,629**	69,819	72,770
Net asset value - cents per share	**8,532**	8,654	6,153

Rounding of figures may result in computational discrepancies.

Group **statement of financial position**
As at
As at
As at
December
September
December
2010
2010
2009
US Dollar million
Note
Unaudited
Unaudited
Audited
ASSETS
Non-current assets
Tangible assets
6,180
5,961
5,819
Intangible assets
194
186
177
Investments in associates and equity accounted joint ventures
622
622
640
Other investments
237
234
175
Inventories
345
326
337
Trade and other receivables
152
143
106
Derivatives
1
1
5
Deferred taxation
20
13
61
Cash restricted for use
33

31
53
Other non-current assets
9
13
8
7,793
7,530
7,381
Current assets
Inventories
890
842
686
Trade and other receivables
247
228
191
Derivatives
-
65
330
Current portion of other non-current assets
1
-
-
Cash restricted for use
10
12
12
Cash and cash equivalents
575
1,338
1,100
1,723
2,485
2,319
Non-current assets held for sale
16
17
87
1,739
2,502
2,406
TOTAL ASSETS
9,532
10,032
9,787
,
,
,

EQUITY AND LIABILITIES
Share capital and premium
11
6,627
6,615
5,805
Retained earnings and other reserves
(2,638)
(2,817)
(2,905)
Non-controlling interests
124
132
130
Total equity
4,113
3,930
3,030
Non-current liabilities
Borrowings
2,569
2,495
654
Environmental rehabilitation and other provisions
589
479
451
Provision for pension and post-retirement benefits
191
170
159
Trade, other payables and deferred income
17
17
14
Derivatives
176
136
176
Deferred taxation
900
830
753
4,442
4,127
2,207
Current liabilities
Current portion of borrowings
135
268
1,277

Trade, other payables and deferred income
705
584
582
Derivatives
-
1,051
2,525
Taxation
134
72
159
974
1,975
4,543
Non-current liabilities held for sale
3
-
7
977
1,975
4,550
Total liabilities
5,419
6,102
6,757
TOTAL EQUITY AND LIABILITIES
9,532
10,032
9,787
Net asset value - cents per share
1,299
1,243
828
Rounding of figures may result in computational discrepancies.

Group **statement of cash flows**

	Quarter ended December 2010	Quarter ended September 2010	Quarter ended December 2009	Year ended December 2010	Year ended December 2009
SA Rand million	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Cash flows from operating activities					
Receipts from customers	**10,955**	10,566	9,596	39,717	31,473
Payments to suppliers and employees	**(5,944)**	(7,105)	(5,889)	(26,682)	(20,896)
Cash generated from operations	**5,011**	3,461	3,707	13,035	10,577
Dividends received from equity accounted investments	**218**	116	136	939	

751
Taxation paid
(153)
(339)
(233)
(1,371)
(1,232)
Cash utilised for hedge buy-back costs
(7,312)
(11,021)
-
(18,333)
(6,315)
Net cash (outflow) inflow from operating activities
(2,236)
(7,783)
3,610
(5,730)
3,781
Cash flows from investing activities
Capital expenditure
(2,470)
(1,771)
(2,243)
(7,108)
(8,656)
Proceeds from disposal of tangible assets
12
468
1,814
500
9,029
Other investments acquired
(152)
(432)
(229)
(832)
(750)
Acquisition of associates and equity accounted joint ventures
(100)
(48)
(2,638)
(319)
(2,646)
Proceeds on disposal of associate
-
-
-
4
-
Loans advanced to associates and equity accounted joint ventures

-
-
(17)
(22)
(17)
Loans repaid from associates and equity accounted joint ventures
-
-
-
-
3
Proceeds from disposal of investments
578
280
196
1,039
680
Decrease (increase) in cash restricted for use
8
142
19
182
(91)
Interest received
59
57
129
232
445
Loans advanced
(8)
4
-
(41)
(1)
Repayment of loans advanced
2
-
2
3
4
Net cash outflow from investing activities
(2,071)
(1,300)
(2,967)
(6,362)
(2,000)
Cash flows from financing activities
Proceeds from issue of share capital
31
5,596

39
5,656
2,384
Share issue expenses
(31)
(113)
(39)
(144)
(84)
Proceeds from borrowings
1,880
7,139
162
16,666
24,901
Repayment of borrowings
(2,400)
(21)
(57)
(12,326)
(24,152)
Repayment of borrowings
(2,400)
(21)
(57)
(12,326)
(24,152)
Finance costs paid
(398)
(46)
(180)
(821)
(946)
Mandatory convertible bonds transaction costs
(30)
(155)
-
(184)
-
Dividends paid
(139)
(264)
(43)
(846)
(474)
Net cash (outflow) inflow from financing activities
(1,087)
12,136
(118)
8,001
1,629

Net (decrease) increase in cash and cash equivalents
(5,394)
3,053
525
(4,091)
3,410
Translation
(70)
(347)
(677)
(236)
(672)
Cash and cash equivalents at beginning of period
9,313
6,607
8,328
8,176
5,438
Cash and cash equivalents at end of period
(1)
3,849
9,313
8,176
3,849
8,176
Cash generated from operations
Profit (loss) before taxation
1,394
867
4,870
3,036
(1,173)
Adjusted for:
Movement on non-hedge derivatives and other commodity contracts
499
241
2,281
2,946
14,417
Amortisation of tangible assets
1,341
1,240
1,152
5,022
4,615
Finance costs and unwinding of obligations
357
285
268
1,203
1,146

Environmental, rehabilitation and other expenditure
470
53
(70)
535
(47)
Special items
279
542
(4,708)
1,076
(5,148)
Amortisation of intangible assets
7
4
4
18
18
Deferred stripping
156
237
205
921
(467)
Fair value adjustment on option component of convertible bonds
280
166
66
(39)
249
Fair value loss on mandatory convertible bonds
222
160
-
382
-
Interest received
(119)
(58)
(133)
(311)
(444)
Share of equity accounted investments' profit
(63)
(151)
(227)
(467)
(785)
Other non-cash movements
133
88

(675)
250
(853)
Movements in working capital
55
(213)
674
(1,537)
(951)
5,011
3,461
3,707
13,035
10,577
Movements in working capital
(Increase) decrease in inventories
(101)
306
(183)
(667)
634
Decrease
(increase) in trade and other receivables
(200)
(80)
438
(781)
106
Increase (decrease) in trade and other payables
356
(439)
419
(89)
(1,691)
55
(213)
674
(1,537)
(951)
Rounding of figures may result in computational discrepancies.
(1)
The cash and cash equivalents balance at 31 December 2010 includes cash and cash equivalents included on the statement of financial position as part
of non-current assets held for sale of R73m.

Group **statement of cash flows**

Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2010
2010
2009
2010
2009
US Dollar million

Unaudited
Unaudited
Unaudited
Unaudited
Audited

Cash flows from operating activities

Receipts from customers
1,589
1,441
1,283
5,448
3,845

Payments to suppliers and employees
(925)
(995)
(805)
(3,734)
(2,500)

Cash generated from operations
664
446
478
1,714
1,345

Dividends received from equity accounted investments
39
25
19
143

101
Taxation paid
(24)
(47)
(32)
(188)
(147)
Cash utilised for hedge buy-back costs
(1,061)
(1,550)
-
(2,611)
(797)
Net cash (outflow) inflow from operating activities
(382)
(1,126)
465
(942)
502
Cash flows from investing activities
Capital expenditure
(350)
(242)
(281)
(973)
(1,019)
Proceeds from disposal of tangible assets
2
64
242
69
1,142
Other investments acquired
(23)
(58)
(29)
(114)
(89)
Acquisition of associates and equity accounted joint ventures
(15)
(6)
(353)
(44)
(354)
Proceeds on disposal of associate
-
-
-
1
-
Loans advanced to associates and equity accounted joint ventures

-
-
(2)
(3)
(2)
Loans repaid from associates and equity accounted joint ventures
-
-
-
-
-
Proceeds from disposal of investments
80
38
25
142
81
Decrease (increase) in cash restricted for use
2
19
2
25
(10)
Interest received
8
8
17
32
55
Loans advanced
(1)
-
-
(6)
-
Repayment of loans advanced
-
-
-
-
1
Net cash outflow from investing activities
(297)
(177)
(379)
(871)
(195)
Cash flows from financing activities
Proceeds from issue of share capital
4
790

5
798
306
Share issue expenses
(4)
(16)
(5)
(20)
(11)
Proceeds from borrowings
276
1,011
29
2,316
2,774
Repayment of borrowings
(324)
(3)
(22)
(1,642)
(2,731)
Repayment of borrowings
(324)
(3)
(22)
(1,642)
(2,731)
Finance costs paid
(58)
(8)
(23)
(115)
(111)
Mandatory convertible bonds transaction costs
(4)
(22)
-
(26)
-
Dividends paid
(20)
(37)
(6)
(117)
(56)
Net cash (outflow) inflow from financing activities
(130)
1,715
(22)
1,194
171

Net (decrease) increase in cash and cash equivalents
(809)
412
64
(619)
478
Translation
57
60
(72)
105
47