ANGLOGOLD ASHANTI LTD
Form 6-K
January 27, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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
JANUARY 27, 2005

AngloGold Ashanti Limited_
(Name of Registrant)

11 Diagonal Street
Johannesburg, 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: 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:

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:

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:

Enclosures:
ANGLOGOLD ASHANTI: REPORT FOR THE QUARTER AND YEAR ENDED
DECEMBER 31, 2004 PREPARED IN ACCORDANCE WITH IFRS

Quarter 4 2004
Report
for the quarter and year ended 31 December 2004
Group results for the quarter...

- Hedge book restructured to give greater exposure to spot gold price and to improve value of future forward sales

contracts

- Production increased by 4% to 1.699Moz

- Total cash costs increased by 2% to $278/oz, largely due to a further weakening in the dollar

- Total cash costs in South Africa reduced by almost 2% in rand terms to R59,541/kg

- Adjusted headline earnings

3
improved from $43m to $110m, $59m of which is the result of a change to the
estimated deferred tax rate
... and for the year

- Gold production increased 8% to 6.052Moz, largely due to the merger with Ashanti

- Total cash

costs
2
increased 25% to $268/oz mainly due to stronger operating currencies

- Adjusted headline earnings

3
decreased by 7% to $263m, which includes the effect of a change to the estimated
deferred tax rate

- Final dividend declared at R1.80 per share or 30 US cents per share, resulting in a total dividend of R3.50 or

56 US cents per share
Quarter
ended
Dec
2004
Quarter
ended
Sept
2004
Year
ended
Dec

2004
Year
ended
Dec
2003
Quarter
ended
Dec
2004
Quarter
ended
Sept
2004
Year
ended
Dec
2004
Year
ended
Dec
2003
SA rand / Metric
US dollar / Imperial
Operating review
Gold
Produced
- kg / oz (000)
52,852
50,623 188,223 174,668
1,699
1,628
6,052
5,616
Price received
1
- R/kg / $/oz
76,802
80,572 81,184 87,826
396
392
394
363
Total cash costs
2
- R/kg / $/oz
54,015
55,744 55,246 51,710
278
272
268
214

Total production costs
2
- R/kg / $/oz
68,703
69,582 69,036 63,541
354
340
336 263
Financial review
Operating profit
- R / $ million
110
602 1,629 4,667
2
97
232
622
Adjusted operating profit
4
- R / $ million
586
631 2,802 4,229
97
98
434
559
Net profit
- R / $ million
136
253 567
2,331
16
40
81
312
Headline earnings
- R / $ million
165
274 703
2,379
20
44
102
318
Adjusted headline earnings
3
- R / $ million
642
280 1,644 2,133
110
43

263
282
Capital expenditure
2
- R / $ million
1,181
1,004 3,764 3,396
192
156
585
449
Earnings per ordinary share
- cents/share
Basic
51
96 226
1,046
6
15
32
140
Diluted
51
96 225
1,042
6
15
32
139
Headline
62
104 280
1,068
8
17
41
143
Adjusted headline
3
243
106 654 957
42
16
105
127
Dividends -
cents/share
350
710
56
101

Notes:

Price received including realised non-hedge derivatives.

1.

2.

2003 restated to reflect the change in accounting treatment of ore reserve development expenditure.

3.

Headline earnings before unrealised non-hedge derivatives and fair value gains on interest rate swaps.

4.

Operating profit excluding unrealised non-hedge derivatives.

$ represents US dollar, unless otherwise stated.

Operations **at a glance**
for the quarter ended 31 December 2004
Price received
1
Production
Total cash costs
Cash operating
profit (loss)
2
Adjusted operating
profit (loss)
3
$/oz
%
Variance
4
oz (000)
%
Variance
4
$/oz
%
Variance
4
$m
%
Variance
4
$m
%
Variance
4
Great Noligwa
430
5
203
(2)
234
-
38
15
33
14
Sunrise Dam
433
4
114
2
282
22
28

47
20
54
Morila
5
416
15
90
143
150
(40)
24
700
19
-
Geita
6
352
(4)
190
28
264
(10)
22
175
5
-
Cerro Vanguardia
5
415
9
68
11
130
(10)
22
38
16
78
TauTona
428
5
131
(9)
278
10
18
(18)
8
(38)
Kopanang

431
6
123
3
285
(6)
16
33
12
33
AngloGold Ashanti Brazil
365
(1)
59
(8)
135
4
13
(19)
10
(23)
Mponeng
431
6
112
(5)
334
6
10
-
2
(33)
Cripple Creek & Victor
317
(2)
91
1
240
10
8
(33)
(1)
(150)
Sadiola
5
419
6
47
24
255
(4)

6
-
3
-
Serra Grande
5
362
-
24
-
147
8
5
(17)
4
(20)
Yatela
5
438
9
28
17
276
18
4
-
2
-
Tau Lekoa
433
6
75
7
397
(2)
2
-
(3)
25
Freda-Rebecca
-
(100)
-
(100)
-
(100)
-
(100)
-
-
Navachab

428
11
17
(6)
462
53
(1)
(200)
(2)
(300)
Bibiani
310
(22)
34
(26)
283
20
(1)
(114)
(4)
(300)
Savuka
427
4
42
(2)
458
2
(2)
33
(4)
20
Iduapriem
5
315
(16)
42
(24)
354
40
(2)
(140)
(7)
(450)
Ergo
416
2
48
(9)
404
3

(4)
(100)
(4)
(100)
Obuasi
314
(17)
90
(4)
320
7
(4)
(233)
(12)
(200)
Siguiri
5
310
(19)
43
87
434
(14)
(9)
(350)
(11)
(1,000)
Other
28
(20)
18
29
11
38
AngloGold Ashanti
396
1
1,699
4
278
2
211
10
97
(1)
1
Price received includes realised non-hedge derivatives.
2
Adjusted operating profit (loss) plus amortisation of mining assets less non-cash revenues.
3
Operating profit excluding unrealised non-hedge derivatives.

4
Variance December 2004 quarter on September 2004 quarter - increase (decrease).
5
Attributable.
6
Attributable 100% from May 2004.

Financial and **operating review**

OVERVIEW OF THE QUARTER AND THE YEAR

In addition to a generally sound operational performance, this quarter is characterised by two key issues - the restructuring of the hedge book and the underperformance of the Ashanti assets.

Regarding the hedge book, and in light of the company's view that the gold price is likely to trade in the current range or higher in the medium term, management has taken steps to reduce and improve the hedge position for 2005 and 2006 by delivering into a larger-than-usual number of contracts during the quarter, together with partially restructuring the hedge book. This has resulted in a reduction in the net delta of the hedge of some 2.2Moz, to a net hedge of 10.49Moz at 31 December 2004, down substantially from the 12.7Moz reported at the end of the last quarter, following the inclusion of the Ashanti hedge into AngloGold's book.

The restructured hedge now represents cover equal to 31% of five years' production of AngloGold Ashanti. The 2.2Moz reduction in this one quarter is of the same magnitude as the substantial reduction achieved in hedge restructuring by AngloGold through the second quarter of 2002.

The combined effect of these actions has been to increase the proportion of AngloGold Ashanti's gold production that is exposed to the higher spot price of gold and to improve the value of forward sales contracts in future years.

The second defining feature of the quarter is the continued underperformance of the Ashanti assets, although a number of key indicators are improving and these should lead to better production and lower costs. Both of these issues are covered in more detail later in the report.

Turning to operations, the gold price received, for the reasons referred to, was 1% higher while gold production increased by 4%. Total cash costs increased by $6/oz to $278/oz and total production costs increased by $14/oz to $354/oz.

Consequently, adjusted operating profit was virtually unchanged at $97m.

The leading production gains were: Morila (53,000oz) following the resolution of the plant expansion problems; Siguiri (20,000oz) which is recovering from the embargo on gold exports; and Geita (42,000oz) which met its planned increase in production. These increases in ounces were offset by a reduction in production in South Africa

(27,000oz), as well as at Bibiani (12,000oz) and Iduapriem (13,000oz). The major reduction in South Africa came from TauTona (13,000oz) while the other mines, with the exception of Kopanang and Tau

Lekoa, reported slight

decreases.

Total cash costs increased by 2% from $272/oz to $278/oz, largely as a result of the weakening of the dollar, which increased costs by $10/oz. Costs in South Africa continued to be well controlled, decreasing by 2% in rand terms to R59,541/kg, while the currency strengthened by 5%. At Morila, costs declined substantially as a result of the higher production. In Australia, however, total cash costs increased by A$43/oz ($49/oz) and in Ghana by $50/oz as a result of lower grade at Obuasi and production problems at Bibiani and Iduapriem.

Amortisation increased in line with production except at the former Ashanti operations, where it has been adjusted by $5m after a review of the allocation of the purchase price.

This quarter, there was an abnormal tax credit of $59m, primarily as a result of a change to the estimated deferred tax rate. This credit had a substantial, positive effect on adjusted headline earnings which from $43m to $110m.

The unrealised loss on non-hedge derivatives, partially offset by the tax gain, was the primary reason for a decline in net profit for the quarter to $16m.

The AngloGold Ashanti board approved the $121m Cuiabá deepening project in Brazil, which will increase production from that mine from 190,000oz per year to 250,000oz per year within two years of the project's completion. The Cuiabá life of mine will be extended by six years and production over this period will increase by 1.86Moz.

The company this week signed a new three year loan facility agreement for $700m to replace the $600m facility that matures in February. The facility will be used to repay the maturing facility and for general corporate purposes. The new facility will reduce the group's cost of borrowing, as the borrowing margin over Libor will reduce from 70 basis points to 40 basis points.

AngloGold Ashanti, both for the fourth quarter and the year, saw its best ever safety

1

performance. For the quarter, lost time injuries declined by 26% to 6.56 per million man hours (1.31 per 200,000 man hours), and for the year, the number of fatal accidents and the rate of fatal accidents declined by 26% and 34%, respectively. Safety improved in all of the company's operating regions and an increasing number of mines are achieving significant periods of time without a lost time injury: Iduapriem (16 months), Cripple Creek & Victor (13 months), Bibiani (9 months), Navachab (8 months), Sunrise Dam (6 months), Yatela (4 months) and Geita (4 months).

For the year ended 31

December 2004, gold

production was 8% higher at 6.05Moz, attributable largely to the Ashanti merger, as well as to higher production at Sunrise Dam and Cripple Creek & Victor. This increase was offset to some degree by the disposal of Jerritt Canyon and the closure of Union Reefs, as well as reduced production from all of the South African underground operations.

Total cash costs, at $268/oz, were $54/oz higher than those of the previous year, mainly due to stronger operating currencies and lower grades. Adjusted headline earnings for the year decreased by 7% to $263m.

A dividend of 180 South African cents (30 US cents) per share has been declared for the six months ended 31 December 2004. This has been based on the adjusted headline earnings, which excludes unrealised non-hedge derivatives.

Looking ahead, production for the first quarter is estimated to be 1.6Moz at an average total cash cost of $280/oz, assuming the following exchange rates: R/$6.05:1, A$/$0.77:1, BRL/$2.7:1 and Argentinean Peso/$3:1. Capital expenditure for the quarter is estimated at $174m but will be managed in line with profitability and cash generation.

For the year, production is estimated to be 6.5Moz at an average total cash cost of $273/oz, assuming the following exchange rates: R/$6.20:1, A$/$0.77:1, BRL/$2.8:1 and Argentinean Peso/$3:1. Capital expenditure for the year is estimated at $701m.

OPERATING RESULTS FOR THE QUARTER

SOUTH AFRICA

At **Great Noligwa**, gold production fell 2% to

6,314kg (203,000oz) due to a 4% drop in yield to

10.21g/t, as mining moved toward the extremities of

the lease area. Volume mined, however, increased

4% as a consequence of improved blasting

efficiencies.

Total cash costs decreased 4% to R45,517/kg

($234/oz) due to the lower summer power tariffs

and the implementation of several new cost saving initiatives. These lower total cash costs, combined with favourable inventory movements, meant adjusted operating profit improved by 6% to R196m ($33m).

The Lost Time Injury Frequency Rate (LTIFR) improved by 8% to 9.8 lost time injuries per million hours worked. Regrettably, two employees lost their lives due to falls of ground.

At **Kopanang**, volume mined was 8% higher this quarter due to five additional shifts. Yield was slightly down at 7.23g/t. Gold production increased 3% to 3,825kg (123,000oz). Total cash costs, at R55,491/kg ($285/oz), decreased 10% from the previous quarter, mainly due to the higher production, lower summer power charges, lower treatment costs, improved efficiencies and the implementation of various cost saving initiatives. Adjusted operating profit increased 29% to R72m ($12m), reflecting the improved gold output.

The mine achieved 500,000 fatality-free shifts on 23 November 2004, although the LTIFR deteriorated by 23% to 14.45 for the quarter.

Tau Lekoa's volume mined increased 5% this quarter, following a particularly strong performance in October and November. Gold production, favourably impacted by the

increased volumes and a marginal improvement

in yield, closed 7% higher at 2,335kg

(75,000oz). Total cash costs reduced 7% to

R77,233/kg ($397/oz), reflecting the lower

summer power costs and cost saving initiatives

focused on mine overheads. Tau Lekoa's

operating loss was consistent with that of the

previous quarter, at R21m ($3m).

LTIFR deteriorated 22% to 15.29, although the

mine achieved 500,000 fatality-free shifts on

16 November 2004.

Moab Khotsong's improved gold production of 91kg (3,000oz) is not included in the South Africa region's production, as the revenue continues to be capitalised against pre- production costs. Commercial production is scheduled for 2006.

The LTIFR deteriorated 28% to 8.41.

Improved face advance at **Savuka** translated

into a 2% increase in volume mined this quarter.

Despite the higher volumes and 3% improved

yield however, a drop in tonnes milled resulted

in a 3% decrease in gold production to 1,302kg

(42,000oz). Total cash costs, which benefited

from the lower summer power tariffs and new

2

cost saving initiatives, were 3% lower at R88,981/kg ($458/oz). Operating losses decreased by 43% to R17m ($4m), predominantly from lower rehabilitation charges related to a two-year extension to the life of mine plan.

The LTIFR improved 51% to 8.85, although one employee died in a shaft accident.

At **Mponeng**, volume mined increased 6% to assist in countering the impact of high grade lock-up from recently commenced ledging operations. The lock-up resulted in an 11% yield reduction and a 5% decrease in gold production to 3,477kg (112,000oz), although grade at Mponeng is expected to improve in the first quarter.

Total cash costs increased marginally to R64,994/kg ($334/oz) due to the lower gold output, though this increase was partially offset by the lower summer power tariffs and the cost saving initiatives.

Adjusted operating profit decreased 32% to R13m ($2m), reflecting the impact of the lower gold production.

The LTIFR deteriorated by 17% to 10.77.

At **TauTona**, volume mined decreased 11% after mining was impeded on several panels by seismicity and face advance declined on the basis of rock engineering recommendations. Yield fell 4% from higher dilution in the tonnages and increased levels

of off-reef mining. Gold production, down 9% to

4,081kg (131,000oz), was negatively impacted by

the lower tonnages and decreased yield. Total cash

costs were consequently impacted by the lower gold

output, rising 5% to R54,011/kg ($278/oz). Adjusted

operating profit decreased 44% to R48m ($8m).

Two employees lost their lives in heavy machinery accidents this quarter and two employees died from falls of ground.

The LTIFR deteriorated 16% to 14.53.

At **Ergo**, which is due to close during 2005, tonnes treated declined by 11% as a result of a decrease in available high face material for reclamation. Yield, at 0.25g/t, was marginally above that of the previous period. Gold production declined 9% to 1,493kg (48,000oz), in line with planned lower tonnage profiles, while total cash costs improved 1% to R78,651/kg ($404/oz) due to lower throughput, more efficient cyanide usage and reduced by-product losses from the closure of the acid plant. Operating losses increased R13m to R24m ($4m).

Ergo had no lost time injuries.

ARGENTINA

At **Cerro Vanguardia** (92.5% attributable), gold production increased as expected by 11% to 68,000oz due to a 12% increase in ore treated.

Total cash costs were 10% lower at $130/oz, mainly owing to improved production and higher silver by-product revenue. Adjusted operating profit climbed to $16m as a result of a 28% increase in gold revenue following a 9% improvement in the received price.

The LTIFR improved slightly to 4.61.

AUSTRALIA

Sunrise Dam reported its highest-ever quarterly production of 114,000oz. Although mining continued in the higher grade areas as planned, recovered grade, at 3.73g/t, was marginally lower than last quarter's level and total cash costs increased 13% to A$383/oz ($282/oz) due to increased ore movement, higher mining costs and crusher maintenance requirements.

Adjusted operating profit improved 50% to A$27m ($20m), as a result of increased inventory.

The underground project at Sunrise Dam is well underway, with 397m of underground capital development and 1,058m of operational development completed. As anticipated, the first underground gold was produced this quarter.

There were no lost time injuries at Sunrise Dam.

Work continued this quarter on the November 2000 **Boddington** Expansion Feasibility Study update. All three parties involved remain committed to completing the study and optimising the project.

BRAZIL

At **AngloGold Ashanti Brazil**, gold production declined 8% to 59,000oz, mainly due to a planned decrease in tonnage treated at Córrego do Sítio (a heap leach mine) and lower feed grade at Cuiabá mine.

Total cash costs were 4% higher at $135/oz, as a consequence of the lower gold production and the 6% appreciation of the Brazilian real. The increased total cash costs and an 8% decrease in gold sold resulted in a 23% decline in adjusted operating profit to $10m.

3

Cuiaba mine and the Queiroz plant experienced significant improvements in health and safety this quarter, with LTIFR improving to 0.75. The Queiroz plant was awarded an ISO 14001 certification.

At **Serra Grande** (50% attributable), gold production was maintained at last quarter's level of 24,000oz. Total cash costs were 8% higher at $147/oz due to local currency appreciation and higher power costs and adjusted operating profit reduced marginally to $4m.

The LTIFR for the quarter was 2.46.

GHANA

At **Bibiani**, production decreased 26% to 34,000oz, largely due to problems with plant availability and expected constraints related to the south pit wall failure reported last quarter. Buttressing of the pit wall was successfully completed during the fourth quarter and mining resumed in the main pit in November. Total cash costs increased 20% to $283/oz, mainly due to lower production levels.

Bibiani had no lost time injuries this quarter.

At **Iduapriem** (85% attributable), gold production decreased 24% to 42,000oz due to lower-than- anticipated throughput levels and problems with plant availability related to the new gearbox installation, as detailed last quarter. Total cash costs increased significantly to $354/oz, primarily as a result of lower production.

Work is currently in progress on the Iduapriem mine- to-mill study reported last quarter.

Iduapriem had no lost time injuries this quarter.

At **Obuasi**, gold production declined 4% to 90,000oz, primarily due to the continued effect of insufficient developed and drilled underground reserves, coupled with ground instability and rock transfer problems, which are being resolved. Total cash costs increased to $320/oz, mainly as a result of lower production levels.

The LTIFR was 2.56 for the quarter.

The reorganisation of the planning and technical functions at Obuasi was completed during the quarter as planned. This reorganisation, combined with focused management attention on increasing development rates and improving underground production rates, should continue to strengthen the operating base on which to plan and develop the longer-term value of the mine.

REPUBLIC OF GUINEA

At **Siguiri** (85% attributable), production

increased 87% quarter-on-quarter to 43,000oz, although, as previously reported, the mine continued to be impacted by the cement shortage during the first part of the quarter, the delay in the carbon-in-pulp (CIP) plant construction, and the relocation of one cement silo in December. In spite of these constraints, total cash costs decreased 14% to $434/oz as a result of the increased production.

The LTIFR for the quarter was 0.46.

The CIP plant is on track for commissioning during the first quarter of 2005 and production is expected to increase. As previously reported, the gold embargo was lifted in the third quarter of 2004, although discussions with the Guinean government to resolve the impassse regarding withholding and other taxes are ongoing.

MALI

At **Morila** (40% attributable), production

increased 143% to 90,000oz, reflecting a 93% increase in recovered grade and a 28% increase in tonnage throughput, as the plant expansion realised full operational capacity in the last quarter of the year. Mining progressed as planned into the higher zones of Phase Three, formerly Pit Three, giving rise to Morila's significant grade increase.

Total cash costs declined by 40% quarter-on- quarter to $150/oz, mainly due to the improved gold production. Adjusted operating profit also improved to $19m from the break-even position of the previous quarter.

The LTIFR for the quarter was 3.71.

The productivity bonus dispute was successfully resolved during the quarter, as both parties have agreed to implement a productivity bonus scheme going forward.

Looking ahead, Morila's grades in the first quarter of 2005 are expected to be lower as mining moves away from the high grade zones but, overall, grades are likely to be higher for the year than they were in 2004.

At **Sadiola** (38% attributable), gold production improved 24% to 47,000oz due to increases in both the recovered grade and tonnage throughput.

4

Total cash costs decreased by 4% to $255/oz, while adjusted operating profit was consistent with that of the previous quarter at $3m, as increased revenue was offset by higher operating costs.

The LTIFR for the quarter was 2.32.

Production at **Yatela** (40% attributable), at 28,000oz, was 17% above that of the previous quarter. The improved production performance resulted from increased tonnage stacked due to improved footing conditions on the leach pad.

Total cash costs increased by 18% to $276/oz after a higher estimated life-of-mine stripping ratio in the Alamoutala pit led to increased mining costs.

Adjusted operating profit was in line with that of the previous quarter at $2m, as increased revenue at Yatela was offset by higher operating costs.

There were no lost time injuries during the quarter.

NAMIBIA

At **Navachab**, gold production dropped 6% to 17,000oz due to a 21% decrease in tonnage throughput, although the effect of this decline was partially offset by a 17% improvement in recovered grade. Tonnage throughput was adversely affected by a crusher breakdown in November that resulted in considerable plant downtime. Total cash costs increased by 53% to $462/oz as a result of the reduced production volume, the cost of repairing the crusher and the effect of the US dollar exchange rate. Increased production costs led to an adjusted operating loss of $2m.

The mine recorded no lost time injuries.

TANZANIA

At **Geita**, as anticipated, production increased 28% to 190,000oz. Tonnage throughput increased 6% and recovered grade improved 21% in line with

expectations reported last quarter. Total cash costs, at $264/oz, were lower than those of the previous quarter, due to the positive impact of the improved grade.

Adjusted operating profit rose to $5m, compared to the break-even position of the previous quarter. This was chiefly due to improved production and cost performance.

The mine recorded a LTIFR of 1.02.

USA

At **Cripple Creek & Victor** (67% ownership with 100% interest in production until initial loans are repaid), production, at 91,000oz, was marginally higher than that of the previous quarter, due to the continued improvement of the head grade solution through the processing plant. Total cash costs, at $240/oz, were 10% higher than those of the previous quarter and adjusted operating profit decreased from $2m to a loss of $1m, as the benefit of the improved grade was more than offset by inventory movement and higher costs.

CC&V had no lost time injuries this quarter.

The processing facilities at CC&V met design capacity for the year, although levels for the quarter were slightly lower than expected. Crusher throughput was negatively impacted in December for ten operating days during major repairs to the gyratory portion; haul truck hours ended the quarter below planned levels.

Phase 4C of the leach pad construction was finished in October. The leach pad drilling programme completed in the third quarter confirmed that the recoverable ounces in the leach pad inventory are reflected in the financials and require no adjustments.

Notes:

- All references to price received include the realised non-hedge derivatives.
- All references to adjusted operating profit refer to operating profit excluding unrealised non-hedge derivatives.
- All references to adjusted headline earnings refer to headline earnings excluding unrealised non-hedge derivatives and fair value gains on interest rate swaps.
- In the case of joint venture operations, all production and financial results are attributable to AngloGold Ashanti.
- Rounding of figures may result in computational discrepancies.

Exploration

In **South Africa,** assay results of surface borehole MMB4 drilled at Moab Khotsong was completed during the quarter. This borehole returned encouraging grades and confirmed the existing geological model, with an average grade of 32.46g/t over a channel width of 119.68cm for six deflections.

At Geita in **Tanzania**, diamond drilling of the Geita Hill down-dip extension continued in order to optimise the open-pit and potential underground interphase. Step-out drilling continued in the North East Extension area at Geita Hill, tracing gold mineralisation along strike and down-dip to define areas for infill drilling in 2005.

At Sadiola in **Mali**, an additional hole was drilled in the Hard Sulphide Drilling Project, which verified the mineralisation previously encountered 100m below the exisitng Mineral Resource model. Satellite Mineral Resource oxide modelling focused on FE3 South and drilling intersected mineralisation 300m further south. Infill drilling was completed over the western edge of the FE4 pit.

At Yatela, four holes were drilled to investigate the sulphide potential below the Alamoutala pit. Assay results received from the first two holes intersected uneconomic mineralisation.

At Morila, drill intercepts at Samacline to the west of the pit remain encouraging but deep. A regional target generation study within the lease area identified several targets for follow-up drilling but no significant mineralisation was intercepted.

At Obuasi in **Ghana**, underground exploration continues to focus on the below 50 Level Deeps project where results from drilling remain encouraging. The tender has been awarded for the drilling of two 3,000m holes from surface in the Deeps project. A further six deep holes are anticipated during the course of this exploration project. Drilling of the West Lode sulphide orebody on the 32 Level project also yielded positive results.

At Bibiani North, drilling continued to focus on the delineation of additional underground Mineral Resources with moderate results.

At Siguiri in **Guinea**, drilling for depth extensions in the Kami pit has intersected narrow but relatively high grade zones. Mineral Resource definition

drilling continued south west of the Kozan pit and to the south of the Kosise pit.

The start of the planned diamond drilling campaign at the Kimin project in **Democratic Republic of Congo** is due to commence during January 2005.

In **Namibia** at Navachab, drilling at Anomaly 16, situated 5km from the current pit, delineated an Inferred Mineral Resource of 5.4Mt at 1.03g/t for 178,000oz. Further drilling is required to test additional mineralisation along strike and down- dip.

At Cripple Creek & Victor in the **United States**, efforts focused on evaluating the metallurgical character of the Mineral Resource at the Wildhorse Extension project, where results are pending. Mineral Resource expansion drilling continued on this project with positive results. Drill testing of the Hoosier Pass target, a sheeted vein system, continued with drill intersections of 1g/t to 2g/t.

In **Alaska**, drilling at Livengood delineated a stratigraphically controlled, shallow-dipping gold system, and further drilling is warranted. In the Pogo district, the ER and Eagle projects will be farmed out in 2005, with exploration focusing on three new targets identified during the 2004 regional geochemical programme.

In **Brazil**, Mineral Resource definition drilling continued at Lamego. Drilling confirmed multiple mineralised horizons at the southern extremity of the Cabeça da Pedra fold hinge and the Carruagem exploration ramp advanced 227m during the quarter to 242m.

At Córrego do Sítio, drilling at Carvoaria Velha- Bocaina (situated 2km north-east of Cachorro Bravo) confirmed the presence of multiple narrow, locally high grade, mineralised sulphide horizons. Drilling at Bocaina at the northern end of the property has extended the known oxide Mineral Resource to the north and confirmed the down-plunge continuity of the sulphide mineralisation. Ongoing underground drilling at Cachorro Bravo continues to intersect high grade mineralisation within the 300 ore horizon.

Seven holes drilled to test the Biquinha target adjacent to the Cuiabá mine failed to intersect significant mineralisation.

At Serra Grande, drilling concentrated on potential open-pit targets and Mineral Resource modeling is in progress.

At Cerro Vanguardia, in **Argentina**, drilling at the Zorro, Gabriela and Liliana veins highlighted continued upside in under-explored veins within the licence area.

Diamond drilling was completed on one target in **Peru,** with further drilling planned for early in 2005. A further three targets will be drill tested in 2005. The Pichacani property in southern Peru was farmed out to Bear Creek Mining in December.

In **Colombia**, target definition work continues and fieldwork is in progress.

At Sunrise Dam in **Australia**, drilling from surface and underground continued to focus on the underground targets of Astro, Cosmo, GQ and Hammerhead. At Neville, located 1km north of the underground portal, drilling intersected narrow, high- grade mineralisation. At Lord Byron, located approximately 60km east of Sunrise Dam, Reverse Circulation (RC) drilling targeted zones of higher- grade mineralisation within the known mineralised area.

At Yamarna, diamond drilling tested priority targets in the southern portions of the project area, intersecting extensive alteration with low gold values. Aircore drilling in the northern portions

defined a large geochemical anomaly requiring further testing.

At Tropicana East, diamond drilling was undertaken to provide detailed geological controls of the recently discovered gold mineralisation. Extensive geochemical sampling along strike defined broad anomalous areas, which require further infill sampling in order to define drill targets.

In the Northern Territory, AngloGold Ashanti and Newmont Australia have agreed that AngloGold Ashanti will exit the Tanami Mine Joint Venture and the Central Desert Joint Venture. The Tanami Mine Joint Venture includes the Tanami Mill and associated infrastructure and tenements.

In December, an exploration alliance was established with Oxiana Resources, targeting new mineralisation in **Laos.**

In **Mongolia**, two new targets were drill tested this quarter. Drill results are awaited from the Tsagaan Tolgoi and Altan Uul projects.

In **China**, target generation and project reviews continue.

In **Russia**, AngloGold Ashanti continues to provide Trans-Siberian Gold with geological input at both the Veduga and Asacha projects. where drilling is in progress to increase the Mineral Resource.

7

Review of the **gold market**

The return of investor interest to gold produced a sustained rise in the gold price during the latter half of 2004. The gold price rose almost uninterruptedly for three months to early December. The quarter produced a high spot gold price of $457/oz (see Graph 1), the highest price seen in almost 17 years. The price closed the quarter at $435/oz, up by 5% from the beginning of 2004. The market has corrected further since the end of the year to a low of $416/oz, but buying interest returned in January 2005 and the price rally of the past three years still appears intact.

The average spot price of $434/oz for the last quarter of 2004 was $33/oz or 8% stronger than the average price for the previous quarter. However, the rand strengthened against the dollar by some 13% during this period, and the South African gold price hardly benefited from the higher dollar prices. The average local price of R83,983/kg was only 2% higher than the rand price in the previous quarter. The gold price in rands of R79,442/kg at the end of 2004 was over 10% or R9,000/kg lower than the local gold price at the beginning of the year.

GOLD

The gold price driver for the quarter was definitively the weakening of the US dollar, particularly against the euro, but also against the Japanese ¥en. The weakening of the US currency has been the primary driver of the gold price rise over the past three and a half years, and the correlation between the rising US dollar spot price of gold and the weakening of the dollar against the euro reached a remarkable 97% over a three month period to December 2004. This does not mean that other factors will not have some effect on the gold market and the price of gold from time to time. It does, however, underline the primary influence of the health of the US currency on the gold price in this current market cycle for gold.

In this respect, the gold market differs from the parallel cycle of rising base metal and commodity prices. Unlike the industrial metals, the price of gold is not a bet on Chinese demand, on which many commodity prices depend. The gold price correlation with the US dollar is an important one for the year ahead. With market commentators and analysts uniformly forecasting a weaker US dollar at the end of 2005, these forecasts have translated to a forecast of higher spot prices of gold as well. Any stabilisation or recovery in the US currency would have the opposite effect on the gold price in the current market.

Investment demand remains the vehicle through which this influence on the gold price is exercised. During the past quarter, the role played by investors and speculators in gold on the New York Comex was supplemented by the launch in the USA of the gold exchange-traded fund, the streetTRACKS Gold Shares. The fund was created by the World Gold Council in partnership with State Street Global Markets. By early 2005, this fund had purchased on behalf of its investors over 140t of physical gold in the market. This level of investment is equal to over 25% of the net long position in gold on the New York Comex. On the Comex itself, during the quarter the total open position in gold reached a record high of over 56Moz, or 1,750t. The net long position remained consistently strong (at around 20Moz) throughout the final quarter of 2004, although it failed to reach the record high levels seen in early April.

PHYSICAL DEMAND

The physical market for gold for the first half of 2004 showed some positive adjustment, and some acceptance of higher gold prices. The upshot has been a slight recovery in aggregate demand, and some slippage in supply, and a physical market more in balance for that.

In the important area of demand for gold in jewellery, latest reports show improved offtake in the Middle East (particularly in Turkey) and in South East Asia (particularly in Vietnam), and sustained demand in India. Set against this demand, the market has seen lower official sales of gold in 2004, due in part to the process of renegotiation and extension of the Washington Agreement for a further five years, and lower gold scrap sales, as the temptation of a higher dollar spot price of gold has been dampened by the weakening of the US currency and consequently generally lower local prices of gold in many countries.

A further contribution to an improved supply/demand balance is likely to come from improving gold offtake in jewellery in China, for the first time in several years. This improvement has come with the completion in 2003 of the deregulation of the gold jewellery market in China, and the subsequent introduction by the World Gold Council of modern, 18 carat gold jewellery to metropolitan markets in China. This new product is able to compete with platinum jewellery on price, colour

and design and it has been interesting to see

growing sales of this new product and a

8

simultaneous fall in platinum jewellery sales in the China mainland market during 2004.

CURRENCIES

The recovery in the US dollar which commenced early in the first quarter of 2004 lasted well into the third quarter of the year. For over six months, the US currency traded most of the time between $1.20 and $1.25 to the euro, and reached ¥115 during May 2004. The dollar's strength during this time was a product largely of purchases of US dollar instruments by monetary authorities of China and Japan. As this Asian intervention ended, so did the recovery in the US currency. The dollar's devaluation resumed late in the third quarter, and continued unbroken for four months, to close 2004 at almost $1.36 to the euro, and ¥102. By the end of the year, the euro had gained 8% and the ¥en 5% against the US dollar compared with their exchange rates at the beginning of 2004.

The cycle of dollar weakness continued as the market took the view that the challenge of the US budget deficit was unlikely to be resolved and the US currency would have to weaken in order to set in train the economic corrections necessary to reduce the US deficits. This market view was reinforced by the public announcement in mid-November by Alan

Greenspan, Chairman of the US Federal Reserve Bank, that the current account deficit of the USA was unsustainable and the willingness of foreign investors to finance that deficit through investments in the US currency was finite. After that announcement, the US currency went on to touch a record low of over \$1,37 to the euro, and to lose ground also against the Japanese ¥en. With the weaker dollar came a stronger gold price, and the behaviour of gold as a currency trade against the US dollar was reinforced.

Since the end of 2004, the dollar has recovered somewhat against both the Euro and the ¥en, this time without the support of US Treasury bonds by Japan and China that triggered and sustained the dollar recovery during the first half of 2004. Whilst this looks in part like profit-taking by the forex markets, the dollar's revival does raise the issue of an appropriate exchange rate for the US currency, given the healthier economic growth rates projected for 2005 for the USA by comparison with the alternative economies of Japan and Europe. For the moment, the dollar recovery remains intact. However, it is likely to be only a matter of time before the economic reality of the massive US current account deficit reasserts itself, and market sentiment again turns against the US dollar.

Against this background, the turn in the US interest rate policy is likely to be maintained into 2005. Five rate increases during the second half of 2004 have brought US rates up to 2.25%p.a. The rate increases have been implemented steadily and with a degree of caution to avoid damaging US economic growth. The balance is a delicate one, but the Federal Reserve seems committed to further interest rate increases in 2005 as a means of improving the ability of the US dollar to attract foreign investment flows to address the deficits of the US economy.

Turning to the rand, the local currency has strengthened against the US dollar by significantly more than the dollar has weakened against the euro and the ¥en. At their peak in 2004, the European and Japanese currencies had strengthened by 8% and 5% against the opening exchange rates against the US dollar at the beginning of 2004. By comparison, the rand gained fully 17% against the US dollar. The local currency also showed significantly higher volatility during the year than did the two other currencies (see Graph 2). The rand benefited from strong commodity prices and from sustained investor interest in the South African economy. In addition, sound economic policies in recent years have translated to sustained growth in the country and to a further upgrading of the country's sovereign risk rating by international rating agencies. Whilst the value of the rand remains vulnerable to a recovery in the US dollar, or to specific event-driven reactions, it is otherwise likely to sustain its strength against major currencies into 2005.

HEDGING

As at 31 December 2004, the net delta hedge position of AngloGold Ashanti was 10.49Moz or 326t, valued at the spot price of gold on that date of $435/oz. This net delta position reflects a decrease of just under 2.2Moz or 69t in the net size of the AngloGold Ashanti hedge compared with the position at the end of the previous quarter. This decrease has been achieved by the restructuring of the combined hedge position of AngloGold and Ashanti.

The marked-to-market value of the hedge position as at 31 December 2004 was negative $1,161m, little changed from the negative value of $1,139m recorded at the end of 30 September 2004, notwithstanding the fact that the spot gold price of $435/oz, on which

this value is based, was $16/oz higher than the

spot price at 30

September 2004. The

company continues to manage its hedged

positions actively, and to reduce overall levels

of pricing commitments in respect of future gold

production by the company.

9

10

Restructuring the AngloGold Ashanti **Hedge Book**

This company has an established practice of actively managing its hedged commitments under changing market circumstances. This is reflected in the reduction of the book from its high of 17.8Moz at 31 December 2000 to 7.01Moz at 30 June 2004. At the level of 7.01Moz, the hedge had been reduced to cover an average of 22% of the annual production from AngloGold assets over the next five years.

Following the merger with Ashanti, the combined hedge books amounted to 12.7Moz at the end of last quarter, and the level of cover increased to 40% of five years' production of the combined company.

The company has previously indicated its intention to continue with the reduction in hedging levels.

The argument for this reduction has been further supported by the company's positive view of the gold price in the current market cycle. The company believes that the market circumstances favourable for the gold price are likely to remain in place for some time, and that the gold price will continue to trade in its current range, or higher.

A substantial restructuring of the hedge was commenced in late December 2004 and completed in January 2005. This has resulted in a reduction in the net delta of the combined hedge by some

2.2Moz or 69t of gold, down to a net hedge delta of 10.49Moz at 31 December 2004. The restructured hedge now represents cover equal to 31% of five years' production spread over a ten-year period.

The reduction of 2.2Moz in this one quarter is of the same order of magnitude as the substantial reduction achieved in hedge restructuring by AngloGold through the second quarter of 2002.

Notwithstanding a spot price at 31 December 2004 that was $16/oz higher than that at 30 September 2004, the marked-to-market valuation of the hedge book at the end of the year is almost unchanged quarter-on-quarter at negative $1,161m, compared with negative $1,139m at the end of the third quarter. By comparison, the marked-to-market value of the now restructured book at the same spot price of $418.80/oz at which the 30 September valuation was undertaken, would result in a value of negative $922m, reflecting a positive variance of $217m.

This improvement was achieved through a combination of the elimination from the hedge of lower-priced contracts and the cash injection of $83m into the book in the final quarter of 2004, followed by a further $76m in January 2005.

The level of cover for 2005 is at approximately 10%

of projected production for that year, while in 2006 it is at approximately 17% of projected production.

In broad terms, the steps undertaken in the restructuring included:

- the effective buy-back of poorly-priced forward and call option contracts in years 2005, 2006 and 2007 in order to remove the concentration of hedging in these years following the incorporation of the Ashanti hedge book, and to increase exposure to the spot price of gold in this period; and
- the sale of new forward and call options contracts in the years beyond 2007 at higher gold prices than had been the case in the previous hedge structure, and spread more evenly than in the previous hedge structure.

Because of the nature of the current accounting treatment of derivative contracts, much of the restructuring of the hedge has been effected by overlaying the existing hedge commitments with new contracts in order to achieve the effect of buying-back and replacing with new contracts at different dates and rates. The cash earnings will reflect the significantly greater exposure of the company to the spot price during 2005 and

2006 in particular. Beyond these years, the significantly higher contracted prices in the restructured forward positions will provide further benefit. It is the intention of management to continue to actively manage the hedge book. This includes delivering into contracts, continuing to reduce the size of the book, and continuing to seek the maximum economic benefit from the book. As much of the impact of the restructuring as possible has been taken in the fourth quarter of 2004. What remained to be concluded of the restructuring after the year-end was the apportionment of the net long position against existing short forward positions, and the rollout of the balance of the longer-dated new forward and option positions that complete the restructuring. The shortfall in the received price in relation to the average spot price for the fourth quarter of 2004 was a consequence of both the bunching of Ashanti hedge contracts at year-end and the restructuring of the hedge book, and a gap of this magnitude, is not expected to recur in anticipated market conditions. For the year ahead, it is the company's intention to track the spot price more closely than in this previous quarter, and to manage the hedge book actively with the goal of moderating any negative impact on the price received of the

remaining lower-priced hedge positions in the

year.

11

Hedge position **at year end**

As at 31 December 2004, the group had outstanding the following forward-pricing commitments against future production. The total net delta tonnage of the hedge of the company on this date was 10.49Moz or 326t (at 30 September 2004: 12.7Moz or 395.2t).

The marked-to-market value of all hedge transactions making up the hedge positions was a negative $1.161bn (negative R6.583bn) as at 31 December 2004 (as at 30 September 2004: $1.139bn or R7.346bn). This value at 31 December 2004 was based on a gold price of $434.70/oz, exchange rates of R/$5.67 and A$/$0.7745 and the prevailing market interest rates and volatilities at that date.

As at 25 January 2005, the marked-to-market value of the hedge book was a negative $993m (negative R5.869bn), based on a gold price of $426.35/oz and exchange rates of R/$5.93 and A$/$0.7710 and the prevailing market interest rates and volatilities at the time.

These marked-to-market valuations are not predictive of the future value of the hedge position, nor of future impact on the revenue of the company. The valuation represents the cost of buying all hedge contracts at the time of valuation, at market prices and rates available at the time.

Year
2005
2006
2007
2008
2009
2010-2014
Total
DOLLAR
GOLD
Forward contracts
Amount (kg)
34,021
30,428
35,481
29,111
25,324
48,745
203,110
$ per oz
$315
$338
$343
$363
$377
$395
$357
*Restructure longs
Amount (kg)
17,676
17,676
$ per oz
$440
$440
Put options purchased
Amount (kg)
3,381

5,481
1,455
10,317
$ per oz
$347
$355
$292
$344
Put options sold
Amount (kg)
6,221
4,354
855
1,882
9,409
22,721
$ per oz
$397
$339
$390
$400
$430
$400
Call options purchased
Amount (kg)
9,880
3,030
2,003
14,913
$ per oz
$340
$353
$361
$345
Call options sold
Amount (kg)
29,490
18,017
20,375
26,179
22,852
57,604
174,517
$ per oz
$363
$386
$372
$377
$399
$455
$403

RAND GOLD
Forward contracts
Amount (kg)
933
933
Rand per kg
R116,335
R116,335
Put options purchased
Amount (kg)
1,875
1,875
Rand per kg
R93,602
R93,602
Put options sold
Amount (kg)
8,025
1,400
9,425
Rand per kg
R80,840
R88,414
R81,965
Call options purchased
Amount (kg)
Rand
per
kg
Call options sold
Amount (kg)
12,657
4,517
311
2,986
5,972
26,443
Rand per kg
R88,509
R102,447
R108,123
R202,054
R223,756
R134,486
A DOLLAR GOLD
Forward contracts
Amount (kg)
2,969
3,110
8,398
3,110

3,390
3,110
24,087
A$ per oz
A$560
A$746
A$650
A$673
A$667
A$692
A$662
Put options purchased
Amount (kg)
1,244
1,244
A$ per
oz
A$585
A$585
Put options sold
Amount (kg)
2,644
2,644
A$ per
oz
A$565
A$565
Call options purchased
Amount (kg)
3,110
6,221
3,732
3,110
1,244
3,110
20,527
A$ per oz
A$724
A$673
A$668
A$680
A$694
A$712
A$688
Call options sold
Amount (kg)
1,711
1,711
A$ per
oz
A$597

A$597
Delta (kg)
32,280
44,577
57,531
52,221
47,107
92,492
326,208
**Total net gold:
Delta (oz)
1,037,825
1,433,182
1,849,662
1,678,942
1,514,523
2,973,683
10,487,817
*
At 31 December 2004, the group was in the process of restructuring the hedge book and had acquired a long spot position in gold.
This long gold position will be applied to the restructure during the first quarter of 2005.
**
The Delta of the hedge position indicated above, is the equivalent gold position that would have the same marked-to-market sensitivity for a small change in the gold price. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities as at 31 December 2004.
12

Year
2005
2006
2007
2008
2009
2010-2014
Total
DOLLAR
SILVER
Forward
contracts
Amount
(kg)
$ per oz
Put options purchased
Amount (kg)
43,545
43,545
43,545
130,635
$ per oz
$7.11
$7.11
$7.40
$7.21
Put options sold
Amount (kg)
43,545
43,545
43,545
130,635
$ per oz
$6.02
$6.02
$5.93
$5.99
Call options purchased
Amount (kg) $ per oz
Call options sold
Amount (kg)
43,545
43,545
43,545
130,635
$ per oz
$8.11
$8.11
$8.40
$8.21
The following table indicates the group's currency hedge position at 31 December 2004

Year
2005
2006
2007
2008
2009
2010-2014
Total
RAND DOLLAR (000)
Forward contracts
Amount ($)
130,509
130,509
Rand per $
R5.71
R5.71
Put options purchased
Amount ($) Rand per $
Put options sold
Amount ($) Rand per $
Call options purchased
Amount ($) Rand per $
Call options sold
Amount ($)
65,000
65,000
Rand per $
R5.72
R5.72
A DOLLAR (000)
Forward contracts
Amount ($)
55,237
39,222
94,459
$ per A$
A$0.59
A$0.75
A$0.65
Put options purchased
Amount ($) $ per A$
Put options sold
Amount ($) $ per A$
Call options purchased
Amount ($) $ per A$
Call options sold
Amount ($)
20,000
20,000
40,000
$ per A$

A$0.76
A$0.74
A$0.75
BRAZILIAN
REAL (000)
Forward contracts
Amount ($) $ per BRL
Put options purchased
Amount ($)
600
600
$ per BRL
BRL3.38
BRL3.38
Put options sold
Amount ($)
600
600
$ per BRL
BRL3.21
BRL3.21
Call options purchased
Amount ($) $ per BRL
Call options sold
Amount ($)
600
600
$ per BRL
BRL3.55
BRL3.55
13

Current hedge **position**

As at 25 January 2005, following further restructuring of the hedge book, the group had outstanding, the following forward-pricing commitments against future production. The total net delta of the hedge on this date was 10.49Moz or 326t (at 31 December 2004: 10.49Moz or 326t).

The marked-to-market value of all hedge transactions making up the hedge positions was a negative $993m (negative R5.869bn) as at 25 January 2005 (as at 31 December 2004: $1.161bn or R6.583bn).

This value was based on a gold price of $426.35/oz, exchange rates of R/$5.93 and A$/$0.7710 and the prevailing market interest rates and volatilities at 25 January 2005.

These marked-to-market valuations are in no way predictive of the future value of the hedge position, nor of future impact on the revenue of the company. The valuation represents the cost of buying all hedge contracts at the time of valuation, at market prices and rates available at the time.

Year
2005
2006
2007
2008
2009
2010-2014
Total
DOLLAR
GOLD
Forward contracts
Amount (kg)
8,127
19,510
32,993
30,076
26,288
53,566
170,560
$ per oz
$231
$336
$344
$365
$380
$402
$365
Put options purchased
Amount (kg)
9,135
8,592
1,455
19,182
$ per oz
$334
$345
$292
$336
Put options sold
Amount (kg)

6,221
4,354
855
1,882
9,409
22,721
$ per oz
$386
$339
$390
$400
$430
$397
Call options purchased
Amount (kg)
15,001
3,435
2,003
20,439
$ per oz
$338
$350
$361
$342
Call options sold
Amount (kg)
29,117
20,466
23,330
27,536
26,211
76,155
202,815
$ per oz
$366
$392
$381
$380
$407
$468
$416
RAND GOLD
Forward contracts
Amount (kg)
933
933
Rand per kg
R116,335
$116,335
Put options purchased
Amount (kg)

1,875
1,875
Rand per kg
R93,602
R93,602
Put options sold
Amount (kg)
8,025
1,400
9,425
Rand per kg
R81,457
R88,414
R82,491
Call options purchased
Amount (kg)
Rand
per
kg
Call options sold
Amount (kg)
12,657
4,517
311
2,986
5,972
26,443
Rand per kg
R89,054
R102,447
R108,123
R202,054
R223,756
R134,747
A DOLLAR GOLD
Forward contracts
Amount (kg)
2,036
3,110
8,398
3,110
3,390
3,110
23,154
A$ per oz
A$573
A$746
A$650
A$673
A$667
A$692

A$667
Put options purchased
Amount (kg)
1,244
1,244
A$ per
oz
A$585
A$585
Put options sold
Amount (kg)
3,110
3,110
A$ per
oz
A$553
A$553
Call options purchased
Amount (kg)
3,110
6,221
3,732
3,110
1,244
3,110
20,527
A$ per oz
A$724
A$673
A$668
A$680
A$694
A$712
A$688
Call options sold
Amount (kg)
3,110
3,110
A$ per
oz
A$577
A$577
Delta (kg)
22,017
34,937
56,920
54,089
50,034
108,534
326,531
*Total net gold:

Delta (oz)
707,862
1,123,249
1,830,018
1,738,999
1,608,628
3,489,444
10,498,200
*
The Delta of the hedge position indicated above, is the equivalent gold position that would have the same marked-to-market sensitivity for a small change in the gold price. This is calculated using the Black-Scholes option formula with the ruling market prices, interest rates and volatilities as at 25 January 2005.
14

Group
operating results
Quarter
Quarter
Year
Year
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
ended
ended
ended
December
September
December
December
December
September
December
December
2004
2004
2004
2003
2004
2004
2004
2003
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Unaudited
Rand / Metric
Dollar / Imperial
OPERATING RESULTS
UNDERGROUND OPERATION
Milled
- 000 tonnes
/
- 000 tons
3,643

3,634
13,554
13,047
4,016
4,006
14,940
14,382
Yield
- g / t
/
- oz / t
7.20
7.40
7.50
8.03
0.210
0.216
0.219
0.234
Gold produced
- kg
/
- oz (000)
26,246
26,907
101,717
104,741
844
865
3,270
3,367
SURFACE AND DUMP RECLAMATION
Treated
- 000 tonnes
/
- 000 tons
8,086
8,439
35,800
36,822
8,913
9,303
39,463
40,589
Yield
- g / t
/
- oz / t
0.32
0.35
0.31

0.27
0.009
0.010
0.009
0.008
Gold produced
- kg
/
- oz (000)
2,570
2,921
11,191
9,958
83
94
360
320
OPEN-PIT OPERATION
Mined
- 000 tonnes
/
- 000 tons
35,188
37,407
135,171
125,529
38,788
41,234
149,001
138,372
Treated
- 000 tonnes
/
- 000 tons
5,176
5,462
18,236
13,967
5,706
6,021
20,102
15,396
Stripping ratio
- t (mined total - mined ore) / t mined ore
5.33
6.03
6.34
8.95
5.33
6.03
6.34

8.95
Yield
- g / t
/
- oz / t
3.63
2.97
3.21
3.43
0.106
0.087
0.094
0.100
Gold in ore
- kg
/
- oz (000)
21,065
15,684
54,056
27,105
677
504
1,738
871
Gold produced
- kg
/
- oz (000)
18,798
16,200
58,572
47,893
604
521
1,884
1,540
HEAP LEACH OPERATION
Mined
- 000 tonnes
/
- 000 tons
18,934
17,733
71,837
59,507
20,871
19,547
79,187
65,595
Placed

1
- 000 tonnes
/
- 000 tons
6,378
5,359
22,120
18,265
7,031
5,907
24,383
20,133
Stripping ratio
- t (mined total - mined ore) / t mined ore
1.91
1.82
2.08
2.59
1.91
1.82
2.08
2.59
Yield
2
- g / t
/
- oz / t
0.88
0.78
0.84
0.81
0.026
0.023
0.024
0.024
Gold placed
3
- kg
/
- oz (000)
5,608
4,200
18,534
14,782
180
135
596
475
Gold produced
- kg
/

- oz (000)
5,238
4,595
16,743
12,076
168
148
538
389
TOTAL
Gold produced
- kg
/
- oz (000)
52,852
50,623
188,223
174,668
1,699
1,628
6,052
5,616
Gold sold
- kg
/
- oz (000)
52,957
51,511
188,497
174,587
1,703
1,656
6,060
5,613
Price received
- R / kg
/
- $ / oz
- sold
76,802
80,572
81,184
87,826
396
392
394
363
Total cash costs
4
- R / kg
/

- $ / oz
- produced
54,015
55,744
55,246
51,710
278
272
268
214
Total production costs
4
- R / kg
/
- $ / oz
- produced
68,703
69,582
69,036
63,541
354
340
336
263
PRODUCTIVITY PER EMPLOYEE
Target
- g
/
- oz
385
375
372
343
12.36
12.05
11.95
11.04
Actual
- g
/
- oz
393
367
366
327
12.65
11.78
11.76
10.51
CAPITAL EXPENDITURE
4

- Rm
- $m
1,181
1,004
3,764
3,396
192
156
585
449
1
Tonnes (Tons) placed onto leach pad.
2
Gold placed / tonnes (tons) placed.
3
Gold placed into leach pad inventory.
4
2003 restated to reflect the change in accounting treatment of ore reserve development expenditure.
15

Group
income statement
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2004
2004
2003
2004
2003
SA Rand million
Notes
Unaudited
Unaudited
Unaudited
Reviewed
Audited
Gold income
4,174
4,171
3,685
15,348
15,264
Cost of sales
2
(3,610)
(3,651)
(2,821)
(12,933)
(11,458)
564
520
864
2,415
3,806
Non-hedge derivatives
(454)
82
196

(786)
861
Operating profit
110
602
1,060
1,629
4,667
Corporate administration and other expenses
(66)
(84)
(60)
(331)
(273)
Market development costs
(23)
(30)
(46)
(100)
(139)
Exploration costs
(77)
(75)
(68)
(283)
(283)
Interest receivable
66
63
94
285
285
Other net (expense) income
(28)
13
7
(61)
(123)
Finance costs
(127)
(129)
(145)
(512)
(362)
Fair value gains on interest rate swaps
20
24
32
10
38
Abnormal items

-
-
(122)
-
(122)
(Loss) profit before exceptional items
(125)
384
752
637
3,688
Amortisation of intangible assets
(46)
(48)
(52)
(200)
(221)
Impairment of tangible assets
-
(8)
20
(8)
(327)
Profit on disposal of assets and subsidiaries
23
36
19
88
75
Profit on disposal of investments
-
-
51
-
331
(Loss) profit on ordinary activities before taxation
(148)
364
790
517
3,546
Taxation
3
307
(72)
(142)
174
(1,080)
Profit on ordinary activities after taxation
159
292

648
691
2,466
Minority interest
(23)
(39)
(32)
(124)
(130)
Minority interest in abnormal items
-
-
(5)
-
(5)
Net profit
136
253
611
567
2,331
Operating profit
110
602
1,060
1,629
4,667
Unrealised non-hedge derivatives
476
29
(134)
1,173
(438)
Adjusted operating profit
586
631
926
2,802
4,229
Headline earnings
Net profit
136
253
611
567
2,331
Amortisation of intangible assets
46
48
52
200

221
Impairment of tangible assets
-
8
(20)
8
327
Profit on disposal of assets and subsidiaries
(23)
(36)
(19)
(88)
(75)
Profit on disposal of investments
-
-
(51)
-
(331)
Current and deferred taxation on exceptional items
3
6
1
12
16
(94)
Headline earnings
165
274
585
703
2,379
Unrealised non-hedge derivatives and fair
value gains on interest rate swaps
456
5
(166)
1,163
(476)
3
21
1
87
(222)
230
642
280
506
1,644
2,133

Earnings per ordinary share (cents)
- Basic
51
96
274
226
1,046
- Diluted
51
96
273
225
1,042
- Headline
62
104
263
280
1,068
- Adjusted headline
243
106
227
654
957
Dividends ~
- Rm
926
1,584
- cents per share
350
710
The results have been prepared in accordance with International Financial Reporting Standards (IFRS).
~ Dividends are translated at actual rates on date of payment. The current period is only an indicative amount.
Adjusted headline earnings
Adjusted operating profit
The operating profit has been adjusted by the following to
arrive at adjusted operating profit:
The net profit has been adjusted by the following to
arrive at headline earnings:
Deferred tax on unrealised non-hedge derivatives and fair
value gains on interest rate swaps
16

Group **income statement**
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2004
2004
2003
2004
2003
US Dollar million
Notes
Unaudited
Unaudited
Unaudited
Reviewed
Audited
Gold income
692
653
547
2,396
2,029
Cost of sales
2
(599)
(572)
(419)
(2,022)
(1,526)
93
81
128
374
503
Non-hedge derivatives
(91)
16
31
(142)

119
Operating profit
2
97
159
232
622
Corporate administration and other expenses
(11)
(13)
(9)
(51)
(36)
Market development costs
(4)
(5)
(7)
(15)
(19)
Exploration costs
(13)
(12)
(10)
(44)
(38)
Interest receivable
11
10
14
44
38
Other net (expense) income
(4)
2
1
(10)
(15)
Finance costs
(21)
(20)
(21)
(79)
(49)
Fair value gains on interest rate swaps
3
3
5
2
6
Abnormal items
-

-
(19)
-
(19)
(Loss) profit before exceptional items
(37)
62
113
79
490
Amortisation of intangible assets
(7)
(7)
(8)
(31)
(29)
Impairment of tangible assets
-
(1)
2
(1)
(44)
Profit on disposal of assets and subsidiaries
4
5
3
13
10
Profit on disposal of investments
-
-
8
-
45
(Loss) profit on ordinary activities before taxation
(40)
59
118
60
472
Taxation
3
60
(13)
(20)
40
(142)
Profit on ordinary activities after taxation
20
46
98

100
330
Minority interest
(4)
(6)
(4)
(19)
(17)
Minority interest in abnormal items
-
-
(1)
-
(1)
Net profit
16
40
93
81
312
Operating profit
2
97
159
232
622
Unrealised non-hedge derivatives
95
1
(22)
202
(63)
Adjusted operating profit
97
98
137
434
559
Headline earnings
Net profit
16
40
93
81
312
Amortisation of intangible assets
7
7
8
31
29

Impairment of tangible assets
-
1
(2)
1
44
Profit on disposal of assets and subsidiaries
(4)
(5)
(3)
(13)
(10)
Profit on disposal of investments
-
-
(8)
-
(45)
Current and deferred taxation on exceptional items
3
1
1
1
2
(12)
Headline earnings
20
44
89
102
318
Unrealised non-hedge derivatives and fair value
gains on interest rate swaps
92
(2)
(27)
200
(69)
3
(2)
1
13
(39)
33
110
43
75
263
282
Earnings per ordinary share (cents)
- Basic

6
15
42
32
140
- Diluted
6
15
42
32
139
- Headline
8
17
40
41
143
- Adjusted headline
42
16
34
105
127
Dividends ~
- $m
148
224
- cents per share
56
101
The results have been prepared in accordance with International Financial Reporting Standards (IFRS).
~ Dividends are translated at actual rates on date of payment. The current period is only an indicative amount.
Adjusted headline earnings
Adjusted operating profit
The operating profit has been adjusted by the following to
arrive at adjusted operating profit:
Deferred tax on unrealised non-hedge derivatives and fair
value gains on interest rate swaps
The net profit has been adjusted by the following to
arrive at headline earnings:
17

Group
balance sheet
As at
As at
As at
December
September
December
2004
2004
2003
SA Rand million
Reviewed
Unaudited
Audited
ASSETS
Non-current assets
Tangible assets
33,188
35,450
18,427
Intangible assets
2,354
2,636
2,749
Investments in associates
43
42
47
Other investments
259
239
81
Inventories
(1)
124
142
47
Derivatives
1,055
796
630
Other non-current assets
521
493
1,000
37,544
39,798
22,981
Current assets
Inventories

2,363
2,531
2,003
Trade and other receivables
1,853
1,790
1,461
Derivatives
2,767
1,984
2,515
Current portion of other non-current assets
5
390
59
Cash and cash equivalents
1,758
2,846
3,367
8,746
9,541
9,405
TOTAL ASSETS
46,290
49,339
32,386
EQUITY AND LIABILITIES
Equity
Shareholders' equity
18,228
19,781
10,852
Minority interests
327
397
354
18,555
20,178
11,206
Non-current liabilities
Borrowings
7,262
8,360
5,383
Provisions
2,267
2,162
1,832
Derivatives
2,716
2,854

2,194
Deferred taxation
7,611
8,463
3,986
19,856
21,839
13,395
Current liabilities
Trade and other payables
2,665
2,841
2,339
Current portion of borrowings
1,800
2,078
2,340
Derivatives
3,052
2,273
2,942
Taxation
362
130
164
7,879
7,322
7,785
TOTAL EQUITY AND LIABILITIES
46,290
49,339
32,386
The results have been prepared in accordance with International Financial Reporting Standards (IFRS).
(1)
Relates to heap leach operations.
Net asset value - cents per share
6,892
7,480
4,863
18

Group
balance sheet
As at
As at
As at
December
September
December
2004
2004
2003
US Dollar million
Reviewed
Unaudited
Audited
ASSETS
Non-current assets
Tangible assets
5,879
5,474
2,764
Intangible assets
417
407
412
Investments in associates
8
7
7
Other investments
46
37
12
Inventories
(1)
22
22
7
Derivatives
187
123
94
Other non-current assets
92
76
151
6,651
6,146
3,447
Current assets
Inventories

419
391
300
Trade and other receivables
328
276
219
Derivatives
490
306
377
Current portion of other non-current assets
1
60
9
Cash and cash equivalents
312
440
505
1,550
1,473
1,410
TOTAL ASSETS
8,201
7,619
4,857
EQUITY AND LIABILITIES
Equity
Shareholders' equity
3,229
3,055
1,628
Minority interests
58
61
53
3,287
3,116
1,681
Non-current liabilities
Borrowings
1,286
1,291
807
Provisions
402
334
275
Derivatives
481
440

329
Deferred taxation
1,349
1,307
598
3,518
3,372
2,009
Current liabilities
Trade and other payables
472
439
350
Current portion of borrowings
319
321
351
Derivatives
541
351
441
Taxation
64
20
25
1,396
1,131
1,167
TOTAL EQUITY AND LIABILITIES
8,201
7,619
4,857
The results have been prepared in accordance with International Financial Reporting Standards (IFRS).
(1)
Relates to heap leach operations.
Net asset value - cents per share
1,221
1,155
730
19

Group
cash flow statement
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2004
2004
2003
2004
2003
SA Rand million
Unaudited
Unaudited
Unaudited
Reviewed
Audited
Cash flows from operating activities
Cash generated from operations
879
1,344
901
3,505
4,527
Interest received
50
53
84
236
245
Environmental and other expenditure
(80)
(38)
(108)
(148)
(232)
Dividends received from associates
-
-
-

-
9
Finance costs
(23)
(189)
(80)
(465)
(291)
Recoupment tax received: Free State assets
-
-
-
-
681
Recoupment tax paid: Free State assets
-
-
-
-
(681)
Taxation paid
(25)
(32)
(101)
(218)
(780)
Net cash inflow from operating activities
801
1,138
696
2,910
3,478
Cash flows from investing activities
Capital expenditure
(1,181)
(1,004)
(1,057)
(3,764)
(2,744)
Proceeds from disposal of tangible assets
20
14
19
69
38
Investments acquired
(26)
(98)
(5)
(127)
(8)

Proceeds from disposal of investments
-
-
72
-
423
(Acquisition) disposal of subsidiary net of cash
(40)
(260)
58
(1,139)
66
Net loans repaid (advanced)
399
50
(115)
526
(104)
Utilised in hedge restructure
(475)
-
-
(475)
-
Net cash outflow from investing activities
(1,303)
(1,298)
(1,028)
(4,910)
(2,329)
Cash flows from financing activities
Proceeds from issue of share capital
6
4
22
22
63
Share issue expenses
-
-
-
(1)
(2)
Proceeds from borrowings
90
271
347
7,236
2,678
Repayment of borrowings
(477)

(319)
(460)
(5,348)
(1,241)
Dividends paid
(52)
(453)
(35)
(1,322)
(2,476)
Net cash inflow (outflow) from financing activities
(433)
(497)
(126)
587
(978)
Net (decrease) increase in cash and cash equivalents
(935)
(657)
(458)
(1,413)
171
Translation
(153)
45
60
(196)
(348)
Opening cash and cash equivalents
2,846
3,458
3,765
3,367
3,544
Closing cash and cash equivalents
1,758
2,846
3,367
1,758
3,367
Cash generated from operations
(Loss) profit on ordinary activities before taxation
(148)
364
790
517
3,546
Adjusted for:
Non-cash movements
84
(43)

24
22
159
Movement on non-hedge derivatives
422
45
(98)
1,081
(449)
Amortisation of tangible assets
726
660
455
2,431
1,739
Deferred stripping costs
17
(15)
(88)
(112)
(325)
Interest receivable
(66)
(63)
(94)
(285)
(285)
Finance costs
127
129
145
512
362
Abnormal items
-
-
122
-
122
Amortisation of intangible assets
46
48
52
200
221
Impairment of tangible assets
-
8
(20)
8
327

Profit on disposal of investments
-
-
(51)
-
(331)
Profit on disposal of assets and subsidiaries
(23)
(36)
(19)
(88)
(75)
Movement in working capital
(306)
247
(317)
(781)
(484)
879
1,344
901
3,505
4,527
Movement in working capital
Decrease (increase) in inventories
122
(162)
(219)
(1)
(165)
(Increase) decrease in trade and other receivables
(37)
273
(135)
11
57
(Decrease) increase in trade and other payables
(391)
136
37
(791)
(376)
(306)
247
(317)
(781)
(484)
The results have been prepared in accordance with International Financial Reporting Standards (IFRS).
20

Group
cash flow statement
Quarter
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
December
September
December
December
December
2004
2004
2003
2004
2003
US Dollar million
Unaudited
Unaudited
Unaudited
Reviewed
Audited
Cash flows from operating activities
Cash generated from operations
168
196
136
585
592
Interest received
9
8
13
37
33
Environmental and other expenditure
(14)
(5)
(15)
(24)
(31)
Dividends received from associates
-
-
-

-
1
Finance costs
(5)
(29)
(13)
(72)
(40)
Recoupment tax received: Free State assets
-
-
-
-
91
Recoupment tax paid: Free State assets
-
-
-
-
(91)
Taxation paid
(5)
(5)
(20)
(34)
(102)
Net cash inflow from operating activities
153
165
101
492
453
Cash flows from investing activities
Capital expenditure
(192)
(156)
(148)
(585)
(363)
Proceeds from disposal of tangible assets
3
2
3
10
6
Investments acquired
(5)
(15)
(1)
(20)
(1)

Proceeds from disposal of investments
-
-
11
-
56
(Acquisition) disposal of subsidiary net of cash
(6)
(39)
9
(171)
10
Net loans repaid (advanced)
64
8
(15)
83
(15)
Utilised in hedge restructure
(83)
-
-
(83)
-
Net cash outflow from investing activities
(219)
(200)
(141)
(766)
(307)
Cash flows from financing activities
Proceeds from issue of share capital
-
1
4
3
10
Share issue expenses
-
-
-
-
-
Proceeds from borrowings
16
42
48
1,077
362
Repayment of borrowings
(82)

(51)
(65)
(818)
(165)
Dividends paid
(8)
(68)
(5)
(198)
(314)
Net cash (outflow) inflow from financing activities
(74)
(76)
(18)
64
(107)
Net (decrease) increase in cash and cash equivalents
(140)
(111)
(58)
(210)
39
Translation
12
(4)
21
17
53
Opening cash and cash equivalents
440
555
542
505
413
Closing cash and cash equivalents
312
440
505
312
505
Cash generated from operations
(Loss) profit on ordinary activities before taxation
(40)
59
118
60
472
Adjusted for:
Non-cash movements
11
(9)

4
6
19
Movement on non-hedge derivatives
83
5
(17)
185
(65)
Amortisation of tangible assets
121
104
68
381
232
Deferred stripping costs
3
(2)
(13)
(16)
(43)
Interest receivable
(11)
(10)
(14)
(44)
(38)
Finance costs
21
20
21
79
49
Abnormal items
-
-
19
-
19
Amortisation of intangible assets
7
7
8
31
29
Impairment of tangible assets
-
1
(2)
1
44

Profit on disposal of investments
-
-
(8)
-
(45)
Profit on disposal of assets and subsidiaries
(4)
(5)
(3)
(13)
(10)
Movement in working capital
(23)
26
(45)
(85)
(71)
168
196
136
585
592
Movement in working capital
Increase in inventories
(27)
(13)
(44)
(56)
(87)
(Increase) decrease in trade and other receivables
(39)
53
(28)
(38)
(53)
Increase (decrease) in trade and other payables
43
(14)
27
9
69
(23)
26
(45)
(85)
(71)
The results have been prepared in accordance with International Financial Reporting Standards (IFRS).
21

Statement of
changes in equity
Ordinary
Equity
Foreign
Other
Total
share
portion of
currency
compre-
share-
capital and
convertible
translation
hensive
Retained
holders'
Minority
premium
bond
reserves
reserve
income
earnings
equity
interests
Equity
SA Rand million
Balance at December 2002
9,607
-
138
360
(1,583)
3,853
12,375
347
12,722
Net profit
2,331
2,331
135
2,466
Dividends paid
(2,336)
(2,336)
(140)
(2,476)
Ordinary shares issued
61

61
61
Net loss on cash flow hedges
removed from equity and reported in
income
375
375
5
380
Net loss on cash flow hedges
(956)
(956)
(18)
(974)
(38)
(38)
(38)
Net gain on available-for-sale
financial assets
114
114
114
Net gain on available-for-sale
financial assets removed from equity
and reported in net income
(174)
(174)
(174)
Net gain on repayment of net
investment
3
3
3
At acquisition of subsidiaries
-
103
103
Translation
(1,118)
215
(903)
(78)
(981)
Balance at December 2003
9,668
-
138
(755)
(2,047)
3,848
10,852

354
11,206
Balance at December 2003
9,668
-
138
(755)
(2,047)
3,848
10,852
354
11,206
Net profit
567
567
124
691
Dividends paid
(1,197)
(1,197)
(125)
(1,322)
Ordinary shares issued
9,319
9,319
9,319
Issue of convertible bond
542
542
542
Net loss on cash flow hedges
removed from equity and reported in
income
864
864
3
867
Net gain (loss) on cash flow hedges
245
245
(3)
242
(291)
(291)
(291)
Net gain on available-for-sale financial assets
6
6
6
At acquisition of subsidiaries
-

18
18
Translation
(78)
(2,784)
183
(2,679)
(44)
(2,723)
Balance at December 2004
18,987
464
138
(3,539)
(1,040)
3,218
18,228
327
18,555
The results have been prepared in accordance with International Financial Reporting Standards (IFRS)
Attributable equity holders of the group
Non -
distribu-
table
Deferred taxation on cash flow
hedges
Deferred taxation on cash flow
hedges
22

Statement of
changes in equity
Ordinary
Equity
Foreign
Other
Total
share
portion of
currency
compre-
share-
capital and
convertible
translation
hensive
Retained
holders'
Minority
premium
bond
reserves
reserve
income
earnings
equity
interests
Equity
Attributable equity holders of the group
Non -
distribu-
table
US Dollar million
Balance at December 2002
1,120
-
16
43
(185)
449
1,443
40
1,483
Net profit
312
312
18
330
Dividends paid
(296)
(296)

(18)
(314)
Ordinary shares issued
10
10
10
Net loss on cash flow hedges
removed from equity and reported in
income
47
47
1
48
Net loss on cash flow hedges
(142)
(142)
(2)
(144)
7
7
7
Net gain on available-for-sale
financial assets
15
15
15
Net gain on available-for-sale
financial assets removed from equity
and reported in income
(22)
(22)
(22)
Net gain on repayment of net
investment
-
-
At acquisition of subsidiaries
-
13
13
Translation
320
5
(156)
(27)
112
254
1
255
Balance at December 2003
1,450

-
21
(113)
(307)
577
1,628
53
1,681
Balance at December 2003
1,450
-
21
(113)
(307)
577
1,628
53
1,681
Net profit
81
81
19
100
Dividends paid
(179)
(179)
(19)
(198)
Ordinary shares issued
1,369
1,369
1,369
Issue of convertible bond
82
82
82
Net loss on cash flow hedges
removed from equity and reported in
income
137
137
137
Net gain on cash flow hedges
44
44
44
(43)
(43)
(43)
Net gain on available-for-sale
financial assets

3
3
3
At acquisition of subsidiaries
-
3
3
Translation
545
3
(514)
(18)
91
107
2
109
Balance at December 2004
3,364
82
24
(627)
(184)
570
3,229
58
3,287
The results have been prepared in accordance with International Financial Reporting Standards (IFRS)
Deferred taxation on cash flow
hedges
Deferred taxation on cash flow
hedges
23

Notes

for the quarter and year ended 31 December 2004

1.

Basis of preparation

The financial statements have been prepared in accordance with the historic cost convention except for certain financial instruments which are stated at fair value. The group's accounting policies used in the preparation of these financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2003.

The financial statements of AngloGold Ashanti have been prepared in accordance with International Financial Reporting Standards (IAS34), South African Generally Accepted Accounting Practices (AC127), in compliance with the JSE Securities Exchange South Africa and in the manner required by the South African Companies Act, 1973 for the preparation of financial information of the group for the quarter and year ended 31 December 2004.

Where the preparation or classification of an item has been amended, comparative amounts have been reclassified to ensure comparability with the current period. The amendments have been made to provide the users of the financial statements with additional information.

2.

Cost of sales

Quarter ended

Year ended

Quarter ended

Year ended

Dec

2004

Sept

2004

Dec

2004

Dec

2003

Dec

2004

Sept 2004

Dec

2004

Dec

2003

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

Unaudited

SA Rand million

US Dollar million

Cash operating costs

2,778

2,762

10,127

9,473

460
434
1,581
1,260
Other cash costs
109
97
345
255
18
15
54
34
Total cash costs
2,887
2,859
10,472
9,728
478
449
1,635
1,294
Retrenchment costs
16
12
60
27
3
2
9
4
Rehabilitation & other non-cash costs
63
50
196
97
10
7
32
13
Production costs
2,966
2,921
10,728
9,852
491
458
1,676
1,311
Amortisation of tangible assets
726

660
2,431
1,739
121
104
381
232
Total production costs
3,692
3,581
13,159
11,591
612
562
2,057
1,543
Inventory change
(82)
70
(226)
(133)
(13)
10
(35)
(17)
3,610
3,651
12,933
11,458
599
572
2,022
1,526
3. Taxation
Quarter ended
Year ended
Quarter ended
Year ended
Dec
2004
Sept
2004
Dec
2004
Dec
2003
Dec
2004
Sept
2004
Dec

2004
Dec
2003
Unaudited
Unaudited
Reviewed
Audited
Unaudited
Unaudited
Reviewed
Audited
SA Rand million
US Dollar million
Normal and deferred taxation
(4)
(70)
(370)
(1,123)
-
(11)
(56)
(148)
Change in estimates
338
-
338
-
59
-
59
-
Deferred tax on unrealised non-hedge derivatives and fair value gains on interest rate swaps
(21)
(1)
222
(230)
2
(1)
39
(33)
Taxation on abnormal items
-
-
-
179
-
-
-
27
Taxation on exceptional items
(6)

(1)
(16)
94
(1)
(1)
(2)
12
307
(72)
174
(1,080)
60
(13)
40
(142)
24

4. Capital commitments

	Dec 2004	**Sept 2004**	**Dec 2003**	**Dec 2004**	**Sept 2004**	**Dec 2003**
	SA Rand million			US Dollar million		
Orders placed and outstanding on capital contracts at the prevailing rate of exchange	494	1,005	650	87	155	98

5. Shares

	Quarter ended			**Year ended**	
	Dec 2004	**Sept 2004**	**Dec 2003**	**Dec 2004**	**Dec 2003**
Authorised share capital:					
Ordinary shares of 25 SA cents each	400,000,000	400,000,000	400,000,000	400,000,000	400,000,000
A redeemable preference shares of 50 SA cents each	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
B redeemable preference shares of 1 SA cent each	5,000,000	5,000,000	5,000,000		

5,000,000
5,000,000
Issued share capital:
Ordinary shares
264,462,894 264,439,294 223,136,342 264,462,894 223,136,342
A redeemable preference shares
2,000,000
2,000,000
2,000,000
2,000,000
2,000,000
B redeemable preference shares
778,896
778,896
778,896
778,896
778,896
Weighted average number of ordinary
shares for the period
Basic
ordinary
shares
264,451,226 264,412,359 222,836,574 251,352,552 222,836,574
Diluted number of ordinary shares
265,085,959
279,796,974
223,717,575
252,048,301
223,717,575
During the quarter, 23,600 ordinary shares were allotted in terms of the AngloGold Share Incentive Scheme. All the preference shares are held by a wholly-owned subsidiary company.
6. Exchange
rates
Dec 2004
Sept 2004
Dec 2003
Rand/US dollar average for the period
6.44
6.57
7.55
Rand/US dollar average for the quarter
6.05
6.37
6.74
Rand/US dollar closing
5.65
6.48
6.67
Rand/Australian dollar average for the period
4.82
4.80

4.90
Rand/Australian dollar average for the quarter
4.58
4.52
4.82
Rand/Australian dollar closing
4.42
4.69
5.02

7.
Contingent liabilities

AngloGold Ashanti acts as ultimate guarantor in respect of sureties provided to bankers and other parties by its subsidiaries in respect of certain loans and commitments. At 31 December 2004, the contingent liability is approximately $71m. Discussions are underway in respect of the class action being brought against the former Ashanti Goldfields and it is anticipated that the final outcome of this claim will have no material effect on the company.

8. Attributable
interest

Although AngloGold Ashanti holds a 66.7% interest in Cripple Creek & Victor Gold Mining Company Limited, it is currently entitled to receive 100% of the cash flows from the operation until the loan, extended to the joint venture by AngloGold Ashanti USA Inc., is repaid.

25

9. Acquisition of Ashanti assets

The transaction was accounted for as a purchase business combination during the second quarter of 2004. AngloGold Ashanti has performed a preliminary purchase price allocation based on independent appraisals. The purchase price allocation is in the final stage of completion and is not expected to vary significantly from the preliminary allocation.

10. Announcements

10.1 On 13 December 2004, AngloGold Ashanti announced that it had entered into an exploration alliance with Oxiana Limited, to explore for gold in Laos. Laos is highly prospective for both gold and copper, but is under-explored. Projects generated will be owned jointly by AngloGold Ashanti and Oxiana, with AngloGold Ashanti having an option to earn an additional 10% equity in any project generated, by either sole funding the first $10m of expenditure where a project is still to be drilled, or sole funding through to completion of a bankable feasibility study where a significant drill intersection has already been made.

10.2 On 23 December 2004, AngloGold Ashanti announced that the deadline to subscribe for the second tranche of new ordinary shares in Trans-Siberian Gold plc had been extended from 31 December 2004, to 15 April 2005. The extension has been agreed because the condition in the subscription agreement relating to the financing of Trans-Siberian's Asacha project would not be satisfied by 31 December 2004.

11. Dividend

The directors have today declared Final Dividend No. 97 of 180 (Final Dividend No. 95: 335) South African cents per ordinary share for the year ended 31 December 2004. In compliance with the requirements of STRATE, given the company's primary listing on the JSE Securities Exchange South Africa, the salient dates for payment of the dividend are as follows:

To holders of ordinary shares and to holders of CHESS Depositary Interests (CDIs)

Each CDI represents one-fifth of an ordinary share.

2005

Currency conversion date for UK pounds, Australian dollars and Ghanaian cedis
Thursday, 3 February
Last date to trade ordinary shares cum dividend
Friday, 11 February
Last date to register transfers of certificated securities cum dividend
Friday, 11 February
Ordinary shares trade ex dividend
Monday, 14 February
Record date
Friday, 18 February
Payment date
Friday, 25 February

On the payment date, dividends due to holders of certificated securities on the South African share register will either be electronically transferred to shareholders' bank accounts or, in the absence of suitable mandates, dividend cheques will be posted to such shareholders.

Dividends in respect of dematerialised shareholdings will be credited to shareholders' accounts with the relevant CSDP or broker.

To comply with the further requirements of STRATE, between Monday, 14 February 2005 and Friday, 18 February 2005, both days inclusive, no transfers between the South African, United Kingdom, Australian and Ghana share registers will be permitted and no ordinary shares pertaining to the South African share register may be dematerialised or rematerialised.

To holders of American Depositary Shares

Each American Depositary Share (ADS) represents one ordinary share.

2005

Ex dividend on New York Stock Exchange
Wednesday, 16 February
Record date

Friday, 18 February
Approximate date for currency conversion
Friday, 25 February
Approximate payment date of dividend
Monday, 7 March
26

Assuming an exchange rate of R5.9435/$1, the dividend payable on an ADS is equivalent to 30 US cents. This compares with the interim dividend of 25.62 US cents per ADS paid on 7 September 2004. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion.

To holders of Ghanaian Depositary Shares (GhDSs)

100 GhDSs represent one ordinary share.

2005

Last date to trade and to register GhDSs cum dividend
Friday, 11 February
GhDSs trade ex dividend
Monday, 14 February
Record date
Friday, 18 February
Approximate payment date of dividend
Monday, 28 February

Assuming an exchange rate of R1/c1,499 the dividend payable per GhDS is equivalent to 26.98 cedis. This compares with the interim dividend of 24.848 cedis per GhDS paid on 30 August 2004. However, the actual rate of payment will depend on the exchange rate on the date for currency conversion. In Ghana, the authorities have determined that dividends payable to residents on the Ghana share register be subject to a final withholding tax at a rate of 10%, similar to the rate applicable to dividend payments made by resident companies which is currently at 10%.

12.

The group financial statements for the quarter and year ended 31 December 2004 were authorised for issue in accordance with a resolution of the directors passed on 26 January 2005. AngloGold Ashanti is a limited liability company incorporated in the Republic of South Africa.

13.

AngloGold Ashanti's borrowings are interest bearing. AngloGold Ashanti issued a $1bn convertible bond in February 2004. The bond matures on 27 February 2009. The net effect of the issue of the convertible bond on basic earnings and adjusted headline earnings is 43 South African cents or 7 US cents per ordinary share for the year. The calculation is based on a weighted average number of ordinary shares in the amount of 251,352,552.

14.

The results have been reviewed by AngloGold Ashanti's auditors, Ernst & Young, Registered Accountants and Auditors, Chartered Accountants (SA), and their unmodified review opinion is available for inspection at AngloGold Ashanti's registered office in South Africa.

By order of the Board

R P EDEY

R M GODSELL

Chairman
Chief Executive Officer
26 January 2005
27

Segmental
reporting
for the quarter and year ended December 2004
Quarter
Quarter
Year
Year
Quarter
Quarter
Year
Year
ended
ended
ended
ended
ended
ended
ended
ended
December
September
December
December
December
September
December
December
2004
2004
2004
2003
2004
2004
2004
2003
Unaudited
Unaudited
Reviewed
Audited
Unaudited
Unaudited
Reviewed
Audited
SA Rand million
US Dollar million
1. Gold income
South Africa
1,911
1,934
7,749
8,846

317
303
1,205
1,179
Argentina
207
169
620
606
34
27
97
80
Australia
293
286
1,099
1,187
49
45
172
157
Brazil
240
267
1,014
1,109
40
42
158
147
Ghana
377
531
1,257
-
62
83
198
-
Guinea
111
142
259
-
18
22
41
-
Mali
410

239
1,192
1,550
69
38
188
205
Namibia
44
47
176
198
7
7
27
26
Tanzania
412
359
1,285
787
68
56
201
107
USA
169
182
671
981
28
28
105
128
Zimbabwe
-
15
26
-
-
2
4
-
4,174
4,171
15,348
15,264
692
653
2,396
2,029

2. Adjusted operating profit
(loss)
1
South Africa
288
321
1,420
2,398
48
49
221
317
Argentina
103
61
202
192
17
9
32
25
Australia
124
81
390
248
20
13
61
33
Brazil
125
147
547
422
21
23
85
55
Ghana
(134)
4
(130)
-
(23)
1
(22)
-
Guinea
(67)
(10)

(93)
-
(11)
(2)
(16)
-
Mali
141
34
306
557
24
5
49
72
Namibia
(9)
6
11
55
(2)
1
1
7
Tanzania
27
(2)
150
242
5
-
23
34
USA
(4)
13
43
24
(1)
2
7
3
Zimbabwe
-
(5)
(9)
-
-
-
(1)
-

Other
(8)
(19)
(35)
91
(1)
(3)