ANGLOGOLD ASHANTI LTD
Form 6-K
June 27, 2012

UNITED STATES

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 June 27, 2012

This Report on Form 6-K shall be incorporated by reference in

our automatic shelf Registration Statement on Form F-3 as amended (File No. 333-161634) and our Registration

Statements on Form S-8 (File Nos. 333-10990 and 333-113789) as amended, to the extent not superseded by

documents or reports subsequently filed by us under the Securities Act of 1933 or the Securities Exchange Act of

1934, in each case as amended

Commission file number: 1-14846

AngloGold Ashanti Limited

(Name of Registrant)

76 Jeppe Street

Newtown, 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: x Form 40-F: q

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: q **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: q **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: q **No**: x

Enclosures: Unaudited condensed consolidated financial statements as of March 31, 2012 and December 31, 2011 and for each of the three month periods ended March 31, 2012 and 2011, prepared in accordance with U.S. GAAP, and related management s discussion and analysis of financial condition and results of operations.

ANGLOGOLD ASHANTI LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

Prepared in accordance with US GAAP

	Three months ended March 31, 2012 (unaudited)	Three months ended March 31, 2011 (unaudited)
	(in US Dollars, millions, except for share data)	
Sales and other income	1,720	1,435
Product sales	1,706	1,422
Interest, dividends and other	14	13
Cost and expenses	1,068	1,077
Production costs	785	708
Exploration costs	75	57
Related party transactions	(4)	(4)
General and administrative	70	68
Royalties	48	40
Market development costs	1	3
Depreciation, depletion and amortization	189	192
Impairment of assets		1
Interest expense	44	44
Accretion expense	8	7
Employment severance costs	3	4
Profit on sale of assets, realization of loans, indirect taxes and other (see note E)	(27)	(2)
Non-hedge derivative gain and movement on bonds (see note F)	(124)	(41)
Income from continuing operations before income tax and equity income in associates	652	358
Taxation expense (see note G)	(265)	(124)
Equity income in associates	10	9
Net income	397	243
Less: Net income attributable to noncontrolling interests	(13)	(6)
Net income attributable to AngloGold Ashanti	384	237
Income per share attributable to AngloGold Ashanti common stockholders: (cents) (see note I)		
Net income		
Ordinary shares	100	62
E Ordinary shares	50	31
Ordinary shares diluted	68	53
E Ordinary shares diluted	47	29
Weighted average number of shares used in computation		
Ordinary shares	384,276,242	382,859,559
Ordinary shares diluted	418,771,725	417,218,627
E Ordinary shares basic and diluted	2,569,675	2,782,784
Dividend declared per ordinary share (cents)	26	11
Dividend declared per E ordinary share (cents)	13	6

ANGLOGOLD ASHANTI LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Prepared in accordance with US GAAP

	Three months ended March 31,	
	2012	**2011**
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Net income	397	243
Other comprehensive income consists of the following:		
Translation gain/(loss)	102	(52)
Net gain/(loss) on available-for-sale financial assets arising during the period, net of tax of $nil million and $nil million, respectively	1	(2)
Reclassification of other-than-temporary impairment on available-for-sale financial assets to Net income during the period, net of tax of $nil million	1	
Other comprehensive income	104	(54)
Comprehensive income	501	189
Total comprehensive income attributable to:		
AngloGold Ashanti	486	184
Noncontrolling interests	15	5
	501	189

ANGLOGOLD ASHANTI LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

Prepared in accordance with US GAAP

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
ASSETS		
Current assets	2,822	2,631
Cash and cash equivalents	1,216	1,112
Restricted cash	54	35
Receivables	408	351
Trade	62	46
Recoverable taxes, rebates, levies and duties	181	170
Other	165	135
Inventories (see note C)	973	959
Materials on the leach pad (see note C)	103	98
Deferred taxation assets	66	75
Assets held for sale	2	1
Property, plant and equipment, net	6,359	6,123
Acquired properties, net	785	779
Goodwill and other intangibles, net	221	213
Other long-term inventory (see note C)	31	31
Materials on the leach pad (see note C)	404	393
Other long-term assets (see note K)	1,070	1,001
Deferred taxation assets	6	14
Total assets	11,698	11,185
LIABILITIES AND EQUITY		
Current liabilities	959	919
Accounts payable and other current liabilities	743	779
Short-term debt	51	30
Short-term debt at fair value (see note D)	2	2
Tax payable	163	108
Other non-current liabilities	67	63
Long-term debt (see note D)	1,722	1,715
Long-term debt at fair value (see note D)	676	758
Derivatives	50	93
Deferred taxation liabilities	1,370	1,242
Provision for environmental rehabilitation	667	653
Provision for labor, civil, compensation claims and settlements	36	35
Provision for pension and other post-retirement medical benefits	214	185
Commitments and contingencies		
Equity	5,937	5,522
Common stock		
Share capital 600,000,000 (2011 600,000,000) authorized ordinary shares of 25 ZAR cents each.		
Share capital 4,280,000 (2011 4,280,000) authorized E ordinary shares of 25 ZAR cents each.		
Ordinary shares issued 2012 382,075,676 (2011 381,915,437). E ordinary shares issued 2012 1,050,000 (2011 1,050,000)	13	13
Additional paid in capital	8,755	8,740
Accumulated deficit	(2,292)	(2,575)
Accumulated other comprehensive income	(730)	(832)
Other reserves	36	36
Total AngloGold Ashanti stockholders equity	5,782	5,382
Noncontrolling interests	155	140

Total liabilities and equity	11,698	11,185

ANGLOGOLD ASHANTI LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Prepared in accordance with US GAAP

	Three months ended March 31, 2012 (unaudited)	Three months ended March 31, 2011 (unaudited)
	(in US Dollars, millions)	
Net cash provided by operating activities	576	503
Net income	397	243
Reconciled to net cash provided by operations:		
(Profit)/loss on sale of assets, realization of loans, indirect taxes and other	(8)	6
Depreciation, depletion and amortization	189	192
Impairment of assets		1
Deferred taxation	102	69
Movement in non-hedge derivatives and bonds	(124)	(41)
Equity income in associates	(10)	(9)
Dividends received from associates	20	30
Other non cash items	16	4
Net increase in provision for environmental rehabilitation, pension and other post-retirement medical benefits	22	7
Effect of changes in operating working capital items:		
Receivables	(56)	(66)
Inventories	(23)	1
Accounts payable and other current liabilities	51	66
Net cash used in investing activities	(381)	(269)
Available for sale investments acquired		(3)
Held to maturity investments acquired	(39)	(28)
Contributions to associates and equity accounted joint ventures	(45)	(24)
Additions to property, plant and equipment	(312)	(234)
Interest capitalized and paid	(2)	
Expenditure on intangible assets	(7)	
Proceeds on sale of mining assets	1	2
Proceeds on sale of available for sale investments		1
Proceeds on redemption of held to maturity investments	36	14
Proceeds on disposal of equity accounted joint ventures	20	
Proceeds on disposal of subsidiary		9
Loans advanced to associates and equity accounted joint ventures	(15)	
Cash of subsidiary disposed		(11)
Change in restricted cash	(18)	5
Net cash used by financing activities	(113)	(194)
Repayments of debt	(4)	(152)
Issuance of stock		1
Debt issue costs	(8)	
Dividends paid to common stockholders	(101)	(43)
Net increase in cash and cash equivalents	82	40
Effect of exchange rate changes on cash	22	(7)
Cash and cash equivalents January 1,	1,112	586
Cash and cash equivalents March 31,	1,216	619

ANGLOGOLD ASHANTI LIMITED

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

Prepared in accordance with US GAAP

FOR THE THREE MONTHS ENDED MARCH 31, 2012

(unaudited)

(In millions, except share information)

		AngloGold Ashanti stockholders						
	Common stock	Common stock $	Additional paid in capital $	Accumulated other comprehensive income* $	Accumulated deficit $	Other reserves $	Noncontrolling interests $	Total $
Balance December 31, 2011	382,965,437	13	8,740	(832)	(2,575)	36	140	5,522
Net income					384		13	397
Other comprehensive income				102			2	104
Stock issues as part of Share Incentive Scheme	154,406		6					6
Stock issues in exchange for E Ordinary shares cancelled	2,269							
Stock issues transferred from Employee Share Ownership Plan to exiting employees	3,564							
Stock based compensation expense			9					9
Dividends					(101)			(101)
Balance March 31, 2012	383,125,676	13	8,755	(730)	(2,292)	36	155	5,937

* The cumulative charge, net of deferred taxation of $1 million (2011: $1 million), included in accumulated other comprehensive income in respect of cash flow hedges amounted to $2 million (2011: $2 million).

ANGLOGOLD ASHANTI LIMITED

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

Prepared in accordance with US GAAP

FOR THE THREE MONTHS ENDED MARCH 31, 2011

(unaudited)

(In millions, except share information)

	AngloGold Ashanti stockholders							
	Common stock	Common stock $	Additional paid in capital $	Accumulated other comprehensive income* $	Accumulated deficit $	Other reserves $	Noncontrolling interests $	Total $
Balance December 31, 2010	381,889,139	13	8,670	(385)	(3,869)	37	123	4,589
Net income					237		6	243
Other comprehensive income				(53)			(1)	(54)
Stock issues as part of Share Incentive Scheme	199,875		8					8
Stock issues in exchange for E Ordinary shares cancelled			1					1
Stock issues transferred from Employee Share Ownership Plan to exiting employees	8,085		1					1
Stock based compensation expense			5					5
Dividends					(43)			(43)
Balance March 31, 2011	382,097,099	13	8,685	(438)	(3,675)	37	128	4,750

* The cumulative charge, net of deferred taxation of $1 million (2010: $1 million), included in accumulated other comprehensive income in respect of cash flow hedges amounted to $2 million (2010: $2 million).

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note A. Basis of presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) for interim financial information. Accordingly, they do not include all of the information and footnotes required by US GAAP for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012.

The balance sheet as at December 31, 2011 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by US GAAP for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company s annual report on Form 20-F for the year ended December 31, 2011.

Note B. Accounting developments

Recently adopted pronouncements

Goodwill impairment testing

In September 2011, the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification or ASC) guidance was issued which simplifies how an entity tests goodwill for impairment. The guidance allows both public and nonpublic entities an option to first assess qualitative factors to determine whether it is necessary to perform the two-step quantitative goodwill impairment test. Under that option, an entity no longer would be required to calculate the fair value of a reporting unit unless the entity determines, based on that qualitative assessment, that it is more likely than not that its fair value is less than its carrying amount. The adoption of the updated guidance on January 1, 2012 had no impact on the Company s financial statements.

Presentation of comprehensive income

In June 2011, the FASB issued guidance for disclosures about comprehensive income. The guidance is intended to increase the prominence of other comprehensive income in financial statements. The main provisions of the guidance provide that an entity that reports items of other comprehensive income has the option to present comprehensive income in either one statement or two consecutive statements. The Company adopted the two consecutive statement approach on January 1, 2012. Except for presentation changes, the adoption had no impact on the Company s financial statements.

Fair value measurements

In May 2011, the FASB issued updated guidance on fair value measurement and disclosure requirements. The requirements do not extend the use of fair value accounting, but provide guidance on how it should be applied where its use is already required or permitted by other standards within US GAAP. The update will supersede most of the FASB ASC guidance for fair value measurements, although many of the changes are clarifications of existing guidance or wording changes. The adoption of the updated guidance on January 1, 2012 had no impact on the Company s financial statements.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note C. Inventories

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
The components of inventory consist of the following:		
Short-term		
Metals in process	207	189
Gold on hand (doré/bullion)	64	94
Ore stockpiles	475	454
Uranium oxide and sulfuric acid	25	24
Supplies	305	296
	1,076	1,057
Less: Materials on the leach pad(1)	(103)	(98)
	973	959

(1) Short-term portion relating to heap leach inventory classified separately, as materials on the leach pad.

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
Long-term		
Metals in process	404	393
Ore stockpiles	31	31
	435	424
Less: Materials on the leach pad(1)	(404)	(393)
	31	31

(1) Long-term portion relating to heap leach inventory classified separately, as materials on the leach pad.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note D. Debt

The Company s outstanding debt includes:

Debt carried at amortized cost

Rated bonds

On April 22, 2010, the Company announced the pricing of an offering of 10-year and 30-year notes. The offering closed on April 28, 2010. The notes were issued by AngloGold Ashanti Holdings plc, a wholly-owned subsidiary of AngloGold Ashanti Limited, and are fully and unconditionally guaranteed by AngloGold Ashanti Limited. The notes are unsecured and interest is payable semi-annually.

Details of the rated bonds are summarized as follows:

			At March 31, 2012		
	Coupon rate %	**Total offering**	**Unamortized discount**	**Accrued interest**	**Total carrying value**
			(unaudited) (in US Dollars, millions)		
10-year unsecured notes	5.375	700	(1)	17	716
30-year unsecured notes	6.500	300	(5)	9	304
		1,000	(6)	26	1,020

			At December 31, 2011		
	Coupon rate %	**Total offering**	**Unamortized discount**	**Accrued interest**	**Total carrying value**
			(in US Dollars, millions)		
10-year unsecured notes	5.375	700	(1)	8	707
30-year unsecured notes	6.500	300	(5)	4	299
		1,000	(6)	12	1,006

Loan facilities

On April 20, 2010, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Inc., each a wholly-owned subsidiary of AngloGold Ashanti Limited, as borrowers, and AngloGold Ashanti Limited entered into a $1.0 billion four-year revolving credit facility with a syndicate of lenders. AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Inc. each guaranteed the obligations of the borrowers and other guarantors under the facility. Amounts may be repaid and reborrowed under the facility during its four-year term. No draw down was made during the three months ended March 31, 2012 under the facility.

Details of the syndicated revolving credit facility are summarized as follows:

	At March 31, 2012				
	Interest rate [1] %	Commitment fee [2] %	Total facility	Undrawn facility (unaudited)	Total drawn facility
			(in US Dollars, millions)		
$1.0 billion syndicated revolving credit facility	LIBOR + 1.75	0.7	1,000	1,000	
			1,000	1,000	

	At December 31, 2011				
	Interest rate [1] %	Commitment fee [2] %	Total facility	Undrawn facility	Total drawn facility
			(in US Dollars, millions)		
$1.0 billion syndicated revolving credit facility	LIBOR + 1.75	0.7	1,000	1,000	
			1,000	1,000	

(1) Outstanding amounts bear interest at a margin over the London Interbank Offered Rate (LIBOR).
(2) Commitment fees are payable quarterly in arrears on the undrawn portion of the facility.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note D. Debt (continued)

Debt carried at amortized cost (continued)

Syndicated revolving credit facility (A$600 million)

On December 22, 2011, AngloGold Ashanti Australia Limited entered into a four-year revolving credit facility of A$600 million with a syndication of banks. Interest is charged at the Bank Bill Swap Bid Rate (BBSY) plus two percent per annum. AngloGold Ashanti Limited together with AngloGold Ashanti Holdings plc has each guaranteed all payments and other obligations of AngloGold Ashanti Australia Limited under the facility. Amounts may be repaid and reborrowed under the facility during its four-year term. No draw down was made during the three months ended March 31, 2012 under the facility. A commitment fee of 50 percent of the applicable margin is payable quarterly in arrears on the undrawn portion of the facility.

Convertible bonds

The issue of convertible bonds in the aggregate principal amount of $732.5 million at an interest rate of 3.5 percent was concluded on May 22, 2009. These bonds are convertible into ADSs at an initial conversion price of $47.6126. The conversion price is subject to standard weighted average anti-dilution protection. The convertible bonds were issued by AngloGold Ashanti Holdings Finance plc, a finance company wholly-owned by AngloGold Ashanti Limited. AngloGold Ashanti Limited has fully and unconditionally guaranteed the convertible bonds issued by AngloGold Ashanti Holdings Finance plc. There are no significant restrictions on the ability of AngloGold Ashanti Limited to obtain funds from its subsidiaries by dividend or loan.

The convertible bonds mature on May 22, 2014. However, at any time on or after June 12, 2012 the Company has the right, but not the obligation, to redeem all (but not part) of the convertible bonds at their principal amount together with accrued interest if the volume weighted average price of the ADSs that would be delivered by the Company on the conversion of a convertible bond of a principal amount of $100,000 exceeds $130,000 on each of at least 20 consecutive dealing days ending not earlier than five days prior to the date that the Company gives notice of the redemption.

Upon the occurrence of a change of control of the Company, each convertible bond holder will have the right to require the Company to redeem its convertible bonds at their principal amount plus accrued interest thereon. If the convertible bond holder elects to convert its convertible bonds in connection with such change of control, the Company will pay a make whole premium to such convertible bond holder in connection with such conversion. The conversion price is subject to adjustment on occurrence of certain events, as described in the terms and conditions of the bonds.

The Company is separately accounting for the conversion features of the convertible bonds at fair value as a derivative liability with subsequent changes in fair value recorded in earnings each period. The total fair value of the derivative liability on May 22, 2009 (date of issue) amounted to $142.2 million. The difference between the initial carrying value and the stated value of the convertible bonds is being accreted to interest expense using the effective interest method over the 5 year term of the bonds.

The convertible bonds and associated derivative liability (which has been accounted for separately) are summarized as follows:

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
Convertible bonds		

Senior unsecured fixed rate bonds	664	656
Accrued interest	9	3
	673	659

Convertible bond derivative liability		
Balance at beginning of period	92	176
Fair value movements on conversion features of convertible bonds	(43)	(84)
Balance at end of period	49	92

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note D. Debt (continued)

Debt carried at fair value

Mandatory convertible bonds

In September 2010, the Company issued mandatory convertible bonds at a coupon rate of 6 percent due in September 2013. The conversion of the mandatory convertible bonds into ADSs was subject to shareholder approval, which was granted in October 2010. These bonds are convertible into a variable number of ADSs, ranging from 18,140,000 at a share price equal to or lesser than $43.50, to 14,511,937 at a share price equal to or greater than $54.375, each as calculated in accordance with the formula set forth in the indenture and subject to adjustment.

The mandatory convertible bonds contain certain embedded derivatives relating to change in control and anti-dilution protection provisions. The FASB ASC guidance contains an election for the Company to record the entire instrument at fair value as opposed to separating the embedded derivatives from the instrument. The shareholders have authorized that the convertible bonds will be settled in equity and not have any cash settlement potential except if a fundamental change or conversion rate adjustment causes the number of ADSs deliverable upon conversion to exceed the number of shares reserved for such purpose, among other circumstances provided in the indenture, and therefore the Company has chosen to recognize the instrument, in its entirety, at fair value. Depending on the final calculated share price on the date of conversion, the liability recognized may differ from the principal amount.

Other convertible bonds that have been issued by the Company will only be settled in equity if future events, outside of the control of the Company, result in equity settlement and thus have a potential cash settlement at maturity that will not exceed the principal amount, in those circumstances the liabilities are recognized at amortized cost.

In determining the fair value liability of the mandatory convertible bonds, the Company has measured the effect based on the ex interest NYSE closing price on the reporting date. The ticker code used by the NYSE for the mandatory convertible bonds is AUPRA. The accounting policy of the Company is to recognize interest expense separately from the fair value adjustments in the income statement. Interest is recognized at a quarterly coupon rate of 6 percent per annum. Fair value adjustments are included in Non-hedge derivative gain and movement on bonds in the income statement. See note F.

The contractual principal amount of the mandatory convertible bonds is $789 million, provided the calculated share price of the Company is within the range of $43.50 to $54.375. If the calculated share price is below $43.50, the Company will recognize a gain on the principal amount and above $54.375 a loss. As at March 31, 2012, the actual share price was $36.92.

The mandatory convertible bonds were issued by AngloGold Ashanti Holdings Finance plc, a finance company wholly-owned by AngloGold Ashanti Limited. AngloGold Ashanti Limited has fully and unconditionally guaranteed the mandatory subordinated convertible bonds issued by AngloGold Ashanti Holdings Finance plc. There are no significant restrictions on the ability of AngloGold Ashanti Limited to obtain funds from its subsidiaries by dividend or loan.

The mandatory convertible bonds are summarized as follows:

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
Mandatory convertible bonds		
Long-term debt at fair value	676	758

Accrued interest included in short-term debt at fair value	2	2
	678	760

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note E. (Profit)/loss on sale of assets, realization of loans, indirect taxes and other

		Three months ended March 31,	
		2012	2011
		(unaudited)	(unaudited)
		(in US Dollars, millions)	
Indirect tax expenses and legal claims [1]		6	5
Loss on disposal of land, equipment and assets in South Africa, mineral rights and exploration properties		2	2
Impairment of investments		1	
Impairment of other receivables			1
Profit on disposal of AGA-Polymetal Strategic Alliance [2]		(20)	
Royalties received [3]		(16)	(8)
Profit on disposal of the Company s subsidiary ISS International Limited [4]			(2)
		(27)	(2)
Taxation expense/(benefit) on above items		4	
(1)	Indirect taxes and legal claims are in respect of:		
	Ghana		5
	Guinea	3	
	United States of America	2	
	Argentina	1	
(2)	On February 8, 2012, the transaction to dispose of the AGA-Polymetal Strategic Alliance consisting of AGA-Polymetal Strategic Alliance Management Company Holdings Limited, Amikan Holding Limited, AS APK Holdings Limited, Imitzoloto Holdings Limited and Yeniseiskaya Holdings Limited to Polyholding Limited was completed. These assets were fully impaired as at December 31, 2011.		
(3)	Royalties received include:		
	Newmont Mining Corporation (2009 Boddington Gold mine sale)	(14)	(6)
	Simmers & Jack Mines Limited (2010 sale of Tau Lekoa Gold mine)	(1)	(1)
	Other royalties	(1)	(1)
(4)	ISS International Limited (ISSI) was classified as held for sale in 2010. The sale was concluded on February 28, 2011.		

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note F. Non-hedge derivative gain and movement on bonds

	Three months ended March 31,	
	2012	**2011**
	(unaudited)	(unaudited)
	(in US dollars, millions)	
Non-hedge derivative gain		
Gain on non-hedge derivatives	43	17

The net gain recorded in the three months ended March 31, 2012 relates to the fair value movements of the conversion features of convertible bonds.

	Three months ended March 31,	
	2012	**2011**
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Movement on bonds		
Fair value gain on mandatory convertible bonds (See Note D)	81	24

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note G. Taxation

The net taxation expense in the three months ended March 31, 2012 compared to a net expense for the same period in 2011, constitutes the following:

	Three months ended March 31,	
	2012 (unaudited)	**2011** (unaudited)
	(in US Dollars, millions)	
Charge for current taxation [(1)]	163	55
Charge for deferred taxation [(2)]	102	69
	265	124
Income from continuing operations before income tax and equity income in associates	652	358

(1) The higher current taxation is mainly due to higher earnings in Tanzania, South Africa and South America for the three months ended March 31, 2012.

(2) The higher deferred taxation in 2012 mainly relates to the reversal of timing differences in North America and the taxation rate change in Ghana from 25 percent to 35 percent, which is limited to 30 percent for AngloGold Ashanti in terms of the stability agreement between the Company and the Ghanaian government.

Uncertain taxes

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
Balance at beginning of period	78	52
Additions for tax positions identified in prior years	9	38
Reductions for tax positions identified in prior years		(3)
Translation	2	(9)
Balance at end of period	89	78
Unrecognized tax benefits are summarized as follows:		
Recognized as a reduction of deferred tax assets	36	29
Recognized in other non-current liabilities [(1)]	53	49

Balance at end of period	89	78

(1) Unrecognized tax benefits which, if recognized, would affect the Company s effective tax rate.

	(in US Dollars, millions)
The Company s continuing practice is to recognize interest and penalties related to unrecognized tax benefits as part of its income tax expense. For the three months ended and as at March 31, 2012, interest recognized and interest accrued amounted to:	
Interest recognized during the three months ended March 31, 2012	1
Interest accrued as at March 31, 2012	13

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note H. Segment information

The Company produces gold as its primary product and does not have distinct divisional segments in terms of principal business activity, but manages its business on the basis of different geographic segments. This information is consistent with the information used by the Company s Chief Operating Decision Maker, defined as the Executive Management team, in evaluating operating performance of, and making resource allocation decisions among operations.

	Three months ended March 31,	
	2012	**2011**
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Revenues by area		
South Africa	529	564
Continental Africa	728	543
Australasia	115	98
Americas	427	305
Other, including Corporate and Non-gold producing subsidiaries	7	5
	1,806	1,515
Less: Equity method investments included above	(86)	(80)
Total revenues	1,720	1,435
Segment income/(loss)		
South Africa	156	197
Continental Africa	302	157
Australasia	33	8
Americas	222	146
Other, including Corporate and Non-gold producing subsidiaries	(29)	(54)
Total segment income	684	454
The following are included in segment income/(loss):		
Interest revenue		
South Africa	7	4
Continental Africa	2	1
Australasia	1	2
Americas	1	1
Other, including Corporate and Non-gold producing subsidiaries	1	
Total interest revenue	12	8
Interest expense		

South Africa	1	2
Continental Africa	1	
Other, including Corporate and Non-gold producing subsidiaries	42	42
Total interest expense	44	44

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note H. Segment information (continued)

	Three months ended March 31, 2012 (unaudited)	2011 (unaudited)
	(in US Dollars, millions)	
Equity income/(loss) in associates		
Continental Africa	12	15
Other, including Corporate and Non-gold producing subsidiaries	(2)	(6)
Total equity income in associates	10	9
Reconciliation of segment income to Net income - attributable to AngloGold Ashanti		
Segment total	684	454
Exploration costs	(75)	(57)
General and administrative expenses	(70)	(68)
Market development costs	(1)	(3)
Non-hedge derivative gain and movement on bonds	124	41
Taxation expense	(265)	(124)
Noncontrolling interests	(13)	(6)
Net income attributable to AngloGold Ashanti	384	237

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
Segment assets		
South Africa [1]	3,091	2,974
Continental Africa	4,562	4,365
Australasia	731	714
Americas	2,636	2,527
Other, including Corporate and Non-gold producing subsidiaries	678	605
Total segment assets	11,698	11,185
[1] Includes the following which have been classified as assets held for sale: Rand Refinery Limited	2	1

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note I. Income per share data

	Three months ended March 31,	
	2012 (unaudited)	**2011** (unaudited)
The following table sets forth the computation of basic and diluted income per share (in US dollars millions, except per share data):		
Ordinary shares undistributed income	282	193
E Ordinary shares undistributed income	1	1
Total undistributed income	283	194
Ordinary shares distributed income	101	43
E Ordinary shares distributed income		
Total distributed income	101	43
Numerator Net income		
Attributable to Ordinary shares	383	236
Attributable to E Ordinary shares	1	1
Total attributable to AngloGold Ashanti	384	237
In calculating diluted income per ordinary share, the following were taken into consideration:		
Income attributable to equity shareholders	383	236
Interest expense on convertible bonds	18	
Amortization of issue cost and discount on convertible bonds	8	
Fair value adjustment on convertible bonds included in income	(124)	
Income used in calculation of diluted earnings per ordinary share	285	236

	Three months ended March 31,	
	2012 (unaudited)	**2011** (unaudited)
Denominator for basic income per ordinary share		
Ordinary shares	382,305,903	381,272,542
Fully vested options[(1)]	1,970,339	1,587,017
Weighted average number of ordinary shares	384,276,242	382,859,559

Effect of dilutive potential ordinary shares		
Dilutive potential of stock incentive options	970,868	834,453
Dilutive potential of convertible bonds	33,524,615	33,524,615
Dilutive potential of E Ordinary shares		
Denominator for diluted income per share adjusted weighted average number of ordinary shares and assumed conversions	418,771,725	417,218,627
Weighted average number of E Ordinary shares used in calculation of basic and diluted income per E Ordinary share	2,569,675	2,782,784

(1) Compensation awards are included in the calculation of basic income per common share from when the necessary conditions have been met, and it is virtually certain that shares will be issued as a result of employees exercising their options.

The mandatory convertible bonds issued during 2010 are not included in basic income per common share as they contain features that could result in their settlement in cash and therefore do not meet the definition of an equity instrument.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note J. Employee benefit plans

The Company has made provision for pension and provident schemes covering substantially all employees.

	Three months ended March 31,			
	2012 (unaudited)			2011 (unaudited)
	(in US Dollars, millions)			
	Pension benefits	**Other benefits**	**Pension benefits**	**Other benefits**
Service cost	1	19	2	
Interest cost	5	4	5	4
Expected return on plan assets	(6)		(7)	
Net periodic benefit cost		23		4

Employer contributions

	(in US Dollars, millions)
Expected contribution for 2012 [(1)]	5
Actual contribution for the three months ended March 31, 2012	2

(1) The Company s expected contribution to its pension plan in 2012 as disclosed in the Company s Form 20-F for the year ended December 31, 2011.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note K. Other long-term assets

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
Investments in associates unlisted	5	5
Investments in associates listed	20	15
Investments in equity accounted joint ventures	720	671
Carrying value of equity method investments	745	691
Investment in marketable equity securities available for sale	85	82
Investment in marketable debt securities held to maturity	8	8
Investment in non-marketable assets held to maturity	2	2
Cost method investment	9	9
Investment in non-marketable debt securities held to maturity	92	85
Restricted cash	24	23
Other non-current assets	105	101
	1,070	1,001
Investment in marketable equity securities available for sale		
Available for sale investments in marketable equity securities consists of investments in ordinary shares.		
Cost	52	51
Gross unrealized gains	35	34
Gross unrealized losses	(2)	(3)
Fair value (net carrying value)	85	82

	Three months ended March 31, 2012 (unaudited)	2011 (unaudited)
	(in US Dollars, millions)	
Other-than-temporary impairments of marketable equity securities available for sale		
First Uranium Corporation (South Africa)	1	

The impairment recognized resulted in a transfer of fair value adjustments to the income statement.

In addition, the Company holds various equities as strategic investments in gold exploration companies. Three of the strategic investments are in an unrealized loss position and the Company has the intent and ability to hold these investments until the losses are recovered.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note K. Other long-term assets (continued)

The following tables present the gross unrealized losses and fair value of the Company s investments with unrealized losses that are not deemed to be other-than-temporarily impaired, aggregated by length of time that the individual securities have been in a continuous unrealized loss position:

	Less than 12 months	More than 12 months	Total
		(in US Dollars, millions)	
At March 31, 2012			
Aggregate fair value of investments with unrealized losses		1	1
Aggregate unrealized losses		(2)	(2)
At December 31, 2011			
Aggregate fair value of investments with unrealized losses	8		8
Aggregate unrealized losses	(3)		(3)

	At March 31, 2012 (unaudited)	At December 31, 2011
	(in US Dollars, millions)	
Investment in marketable debt securities held to maturity	8	8
Investments in marketable debt securities represent held to maturity government bonds held by the Environmental Rehabilitation Trust Fund with a total fair value of $11 million (2011: $11 million) and gross unrealized gains of $3 million (2011: $3 million).		
Investment in non-marketable assets held to maturity	2	2
Investments in non-marketable assets represent secured loans and receivables secured by pledge of assets.		
Cost method investment	9	9
The cost method investment mainly represent shares held in XDM Resources Limited. (1)		
Investment in non-marketable debt securities held to maturity	92	85
Investments in non-marketable debt securities represent the held to maturity fixed-term deposits required by legislation for the Environmental Rehabilitation Trust Fund and Nufcor Uranium Trust Fund.		

As at March 31, 2012 the contractual maturities of debt securities were as follows:

Marketable debt securities	
Three to seven years	8

Non-marketable debt securities		
Less than one year	92	
Restricted cash	24	23

Restricted cash mainly represent cash balances held by Environmental Rehabilitation Trust Fund and Environmental Protection Bond.

Financing receivables

Loans of $42 million (2011: $29 million) to equity accounted joint ventures and associates are included in Other long-term assets. There are no allowances for credit losses relating to these loans. Credit quality of loans is monitored on an ongoing basis.

(1) The fair value is not estimated as there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment and it is not practicable to estimate the fair value of the investment.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note L. Financial and derivative instruments

In the normal course of its operations, the Company is exposed to gold and other commodity price, currency, interest rate, equity price, liquidity and non-performance risk, which includes credit risk. The Company is also exposed to certain by-product commodity price risk. In order to manage these risks, the Company may enter into transactions which make use of derivatives. The Company has developed a risk management process to facilitate, control and monitor these risks. The board has approved and monitors this risk management process, inclusive of documented treasury policies, counterpart limits, controlling and reporting structures. The Company does not acquire, hold or issue derivatives for speculative purposes.

Contracts that meet the criteria for hedge accounting are designated as the hedging instruments hedging the variability of forecasted cash flows from the sale of production into the spot market and from capital expenditure denominated in a foreign currency and are classified as cash flow hedges under the FASB ASC guidance on derivatives and hedging. Cash flows related to these instruments designated as qualifying hedges are reflected in the consolidated statement of cash flows in the same category as the cash flow from the items being hedged. Accordingly, cash flows relating to the settlement of forward sale commodity derivatives contracts hedging the forecasted sale of production into the spot market as well as the forward sale currency derivative contracts hedging the forecasted capital expenditure, have been reflected upon settlement as a component of operating cash flows. As at March 31, 2012, the Company does not have any open cash flow hedge contracts relating to product sales or forecasted capital expenditure. Cash flow hedge losses pertaining to capital expenditure of $3 million as at March 31, 2012 are expected to be reclassified from accumulated other comprehensive income and recognized as an adjustment to depreciation expense until 2019.

A gain on non-hedge derivatives of $124 million was recorded in the three months ended March 31, 2012 (2011:$41 million). See note F Non-hedge derivative gain and movement on bonds for additional information.

Gold price management activities

Gold price risk arises from the risk of an adverse effect of current or future earnings resulting from fluctuations in the price of gold. The Company historically utilized derivatives as part of its hedging of the risk. At March 31, 2012, there were no net forward sales contracts, net call options sold and net put options sold.

Foreign exchange price risk protection agreements

The Company, from time to time, may enter into currency forward exchange and currency option contracts to hedge certain anticipated transactions denominated in foreign currencies. The objective of the Company s foreign currency hedging activities is to protect the Company from the risk that the eventual cash flows resulting from transactions denominated in US dollars will be adversely affected by changes in exchange rates.

As at March 31, 2012, the Company had no open forward exchange or currency option contracts in its currency hedge position.

Interest and liquidity risk

Fluctuations in interest rates impacts interest paid and received on the short-term cash investments and financing activities, giving rise to interest rate risk.

In the ordinary course of business, the Company receives cash from the proceeds of its gold sales and is required to fund working capital requirements. This cash is managed to ensure surplus funds are invested in a manner to achieve market related returns while minimizing risks.

The Company is able to actively source financing at competitive rates. The counterparts are financial and banking institutions and their credit ratings are regularly monitored by the Company.

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note L. Financial and derivative instruments (continued)

Non-performance risk

Realization of contracts is dependent upon counterparts performance. The Company has not obtained collateral or other security to support the financial instruments subject to non-performance risk, but the credit standing of counterparts was monitored on a regular basis throughout the period. The Company spreads it business over a number of financial and banking institutions to minimize the risk of potential non-performance risk. Furthermore, the approval process of counterparts and the limits applied to each counterpart were monitored by the board of directors. Where possible, ISDA netting agreements were put into place by management.

The combined maximum credit risk exposure at March 31, 2012 amounts to $242 million. Credit risk exposure netted by open derivative positions with counterparts was $nil million as at March 31, 2012. No set-off is applied to balance sheet amounts due to the different maturity profiles of assets and liabilities.

Fair value of financial instruments

The estimated fair values of financial instruments are determined at discrete points in time based on relevant market information. The estimated fair values of the Company s financial instruments, as measured at March 31, 2012 and December 31, 2011, are as follows (assets (liabilities)):

	March 31, 2012 (unaudited)		December 31, 2011	
	(in US Dollars, millions)			
	Carrying amount	Fair Value	Carrying amount	Fair Value
Cash and cash equivalents	1,216	1,216	1,112	1,112
Restricted cash	78	78	58	58
Short-term debt	(51)	(51)	(30)	(30)
Short-term debt at fair value	(2)	(2)	(2)	(2)
Long-term debt	(1,722)	(1,861)	(1,715)	(1,857)
Long-term debt at fair value	(676)	(676)	(758)	(758)
Derivatives	(50)	(50)	(93)	(93)
Marketable equity securities available for sale	85	85	82	82
Marketable debt securities held to maturity	8	11	8	11
Non-marketable assets held to maturity	2	2	2	2
Non-marketable debt securities held to maturity	92	92	85	85

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note L. Financial and derivative instruments (continued)

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash restricted for use, cash and cash equivalents and short-term debt

The carrying amounts approximate fair value because of the short-term duration of these instruments.

Long-term debt

The mandatory convertible bonds are carried at fair value. The fair value of the convertible and rated bonds are shown at their quoted market value. Other long-term debt re-prices on a short-term floating rate basis, and accordingly the carrying amount approximates fair value.

Derivatives

The fair value of volatility-based instruments (i.e. options) are estimated based on market prices, volatilities, credit risk and interest rates for the periods under review.

Investments

Marketable equity securities classified as available-for-sale are carried at fair value. Marketable debt securities classified as held to maturity are measured at amortized cost. Non-marketable assets classified as held to maturity are measured at amortized cost. The fair value of marketable debt securities and non-marketable assets has been calculated using market interest rates. Investments in non-marketable debt securities classified as held to maturity are measured at amortized cost. The cost method investment is carried at cost. There is no active market for the investment and the fair value cannot be reliably measured.

Fair value of the derivative liabilities split by accounting designation

		At March 31, 2012 (unaudited) (in US Dollars, millions)	
Liabilities			
	Balance Sheet location	**Non-hedge accounted**	**Total**
Option component of convertible bonds	Non-current liabilities derivatives	(49)	(49)
Embedded derivatives	Non-current liabilities derivatives	(1)	(1)
Total derivatives		(50)	(50)

		At December 31, 2011 (in US Dollars, millions)	
Liabilities			
	Balance Sheet location	**Non-hedge accounted**	**Total**

Option component of convertible bonds	Non-current liabilities	derivatives	(92)	(92)
Embedded derivatives	Non-current liabilities	derivatives	(1)	(1)
Total derivatives			(93)	(93)

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note L. Financial and derivative instruments (continued)

Non-hedge derivative gain and movement on bonds recognized

	Three months ended March 31, 2012 (unaudited)	2011 (unaudited)
	(in US Dollars, millions)	
Unrealized [1]		
Option component of convertible bonds	43	14
Warrants on shares		3
Fair value movement on mandatory convertible bonds	81	24
Non-hedge derivative gain and movement on bonds	124	41

[1] Unrealized gains on non-hedge derivatives are included in Non-hedge derivative gain and movement on bonds in the income statement.

Other comprehensive income

	Accumulated other comprehensive income as of January 1, 2012	Changes in fair value and other movements recognized in 2012	Reclassification adjustments	Accumulated other comprehensive income as of March 31, 2012
		(unaudited)		
		(in US Dollars, millions)		
Derivatives designated as Capital expenditure	(3)			(3)
Before tax totals	(3)			(3)
After tax totals	(2)			(2)

	Accumulated other comprehensive income as of	Changes in fair value and other movements	Reclassification adjustments	Accumulated other comprehensive income as of March 31, 2011

	January 1, 2011	recognized in 2011	
		(unaudited)	
		(in US Dollars, millions)	
Derivatives designated as Capital expenditure	(3)		(3)
Before tax totals	(3)		(3)
After tax totals	(2)		(2)

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note M. Commitments and contingencies

Capital expenditure commitments:

	At March 31, 2012 (unaudited) (in US Dollars, millions)
Contracts for capital expenditure	370
Authorized by the directors but not yet contracted for	1,444
	1,814

The Company intends to finance these capital expenditures from cash on hand, cash flow from operations, existing and new replacement credit facilities and long-term debt financing and, potentially if deemed appropriate, the issuance of equity and equity linked instruments.

Contingencies and guarantees are summarized as follows for disclosure purposes. Amounts represent possible losses for loss contingencies, where an estimate can be made, and quantification of guarantees:

	At March 31, 2012 (unaudited) (in US Dollars, millions)
Contingent liabilities	
Groundwater pollution (1)	
Deep groundwater pollution South Africa (2)	
Sales tax on gold deliveries Brazil (3)	91
Other tax disputes Brazil (4)	42
Indirect taxes Ghana (5)	14
Tax disputes Tanzania (6)	
Occupational Diseases in Mines and Works Act (ODMWA) litigation (7)	
Contingent assets	
Royalty Boddington Gold Mine (8)	
Royalty Tau Lekoa Gold Mine (9)	
Financial guarantees	
Oro Group surety (10)	13
AngloGold Ashanti USA reclamation bonds (11)	101
AngloGold Ashanti Australia environmental bonds (12)	33
AngloGold Ashanti environmental guarantees (13)	175
Guarantee provided for syndicated revolving credit facility (14)	
Guarantee provided for mandatory convertible bonds (15)	791
Guarantee provided for rated bonds (16)	1,026
Guarantee provided for convertible bonds (17)	742

Guarantee provided for A$ syndicated revolving credit facility (18)	
Hedging guarantees	
Gold delivery guarantees (19)	
Ashanti Treasury Services Limited (ATS) hedging guarantees (20)	
Geita Management Company Limited (GMC) hedging guarantees (21)	
	3,028

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note M. Commitments and contingencies (continued)

(1) Ground water pollution

The Company has identified groundwater contamination plumes at certain of its operations, which have occurred primarily as a result of seepage from mine residue stockpiles. Numerous scientific, technical and legal studies have been undertaken to assist in determining the magnitude of the contamination and to find sustainable remediation solutions. The Company has instituted processes to reduce future potential seepage and it has been demonstrated that Monitored Natural Attenuation (MNA) by the existing environment will contribute to improvement in some instances. Furthermore, literature reviews, field trials and base line modeling techniques suggest, but are not yet proven, that the use of phyto-technologies can address the soil and groundwater contamination. Subject to the completion of trials and the technology being a proven remediation technique, no reasonable estimate can be made for the obligation.

(2) Deep ground water pollution South Africa

The Company has identified a flooding and future pollution risk posed by deep groundwater in the Klerksdorp and Far West Rand gold fields. Various studies have been undertaken by AngloGold Ashanti since 1999. Due to the interconnected nature of mining operations, any proposed solution needs to be a combined one supported by all the mines located in these gold fields. As a result, the Department of Mineral Resources and affected mining companies are involved in the development of a Regional Mine Closure Strategy . In view of the limitation of current information for the estimation of a liability, no reasonable estimate can be made for the obligation.

	At March 31, 2012 (unaudited) (in US Dollars, millions)
(3) Sales tax on gold deliveries Brazil	

In 2006, Mineração Serra Grande S.A. (MSG) received two tax assessments from the State of Goiás related to payments of state sales taxes at the rate of 12 percent on gold deliveries for export from one Brazilian state to another during the period from February 2004 to the end of May 2006. AngloGold Ashanti Córrego do Sitío Mineração S.A. manages the operation. In November 2006, the administrative council s second chamber ruled in favor of MSG and fully cancelled the tax liability related to the first period. In July 2011, the administrative council s second chamber ruled in favor of MSG and fully cancelled the tax liability related to the second period. The State of Goiás has appealed to the full board of the State of Goiás tax administrative council. In November 2011, the administrative council s second chamber approved the suspension of proceedings and the remittance of the matter to the Department of Supervision of Foreign Trade (Comex) for review and verification. The Company believes both assessments are in violation of federal legislation on sales taxes.

The Company s attributable share of the assessments are as follows:	
First assessment	56
Second assessment	35
	91

(4) Other tax disputes Brazil

MSG received a tax assessment in October 2003 from the State of Minas Gerais related to sales taxes on gold. The tax administrators rejected the Company s appeal against the assessment. The Company is now appealing the dismissal of the case. The Company s attributable share of the assessment is approximately:	10
In addition, in November 2007, the Departamento Nacional de Produçâo Mineral (DNPM), a Brazilian federal mining authority, issued a tax assessment against AngloGold Ashanti Brazil Mineração (AABM) relating to the calculation and payment by AABM of the financial contribution on mining exploitation (CFEM) in the period from 1991 to 2006. The amount involved is approximately:	23
Subsidiaries of the Company in Brazil are involved in various other disputes with tax authorities. These disputes involve federal tax assessments including income tax, royalties, social contributions and annual property tax. The amount involved is approximately:	9
	42

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note M. Commitments and contingencies (continued)

	At March 31, 2012 (unaudited) (in US Dollars, millions)
(5) Indirect taxes Ghana	
AngloGold Ashanti (Ghana) Limited received a tax assessment during September 2009 in respect of the 2006, 2007 and 2008 tax years following an audit by the tax authorities related to indirect taxes on various items. Management is of the opinion that the indirect taxes are not payable and the Company has lodged an objection.	
The assessment is approximately:	14

(6) Tax disputes Tanzania

Geita Gold Mine Limited (GGML) and Samax Resources Limited (Tanzania Branch) received a letter from the Tanzania Revenue Authority (TRA) dated March 15, 2012.

The TRA advised that it intends to issue assessments or demands in relation to a number of tax matters. The Company intends to defend the assessments and demands. As no assessments or demands have been received to date, no reasonable estimate can be made for the obligation.

(7) ODMWA litigation

The case of Mr Thembekile Mankayi was heard in the High Court of South Africa in June 2008, and an appeal heard in the Supreme Court of Appeal in 2010. In both instances judgment was awarded in favor of AngloGold Ashanti Limited on the basis that an employer is indemnified against such a claim for damages by virtue of the provisions of section 35 of the Compensation for Occupational Injuries and Diseases Act, 1993 (COIDA). A further appeal that was lodged by Mr Mankayi was heard in the Constitutional Court in 2010. Judgment in the Constitutional Court was handed down on March 3, 2011. The Constitutional Court held that section 35 of COIDA does not indemnify the employer against such claims.

Mr Mankayi passed away subsequent to the hearing in the Supreme Court of Appeal. Following the Constitutional Court judgment, Mr Mankayi s executor may proceed with his case in the High Court. This will comprise, amongst others, providing evidence showing that Mr Mankayi contracted silicosis as a result of negligent conduct on the part of AngloGold Ashanti Limited.

The Company will defend the case and any subsequent claims on their merits. Should other individuals or groups lodge similar claims, these too will be defended by the Company and adjudicated by the Courts on their merits. In view of the limitation of current information for the estimation of a possible liability, no reasonable estimate can be made of this possible obligation.

(8) Royalty Boddington Gold Mine

As a result of the sale of the interest in the Boddington Gold Mine during 2009, the Company is entitled to receive a royalty on any gold recovered or produced by the Boddington Gold Mine, where the gold price is in excess of Boddington Gold Mine s cash costs plus $600 per ounce. The royalty is payable in each quarter from and after the second quarter in 2010, within forty five days of reporting period close and is capped at a total amount of $100 million.

Details of the royalty are as follows:	
Total royalties received and receivable to date	56

(9) Royalty Tau Lekoa Gold Mine

As a result of the sale of the Tau Lekoa Gold Mine during 2010, the Company is entitled to receive a royalty on the production of a total of 1.5 million ounces by the Tau Lekoa Gold Mine and in the event that the average monthly rand price of gold exceeds R180,000 per kilogram (subject to an inflation adjustment). Where the average monthly rand price of gold does not exceed R180,000 per kilogram (subject to an inflation adjustment), the ounces produced in that quarter do not count towards the total 1.5 million ounces upon which the royalty is payable. The royalty will be determined at 3 percent of the net revenue (being gross revenue less state royalties) generated by the Tau Lekoa assets. Royalties on 219,005 ounces produced have been received to date.

Royalties received in cash during the three months ended March 31, 2012	1

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note M. Commitments and contingencies (continued)

	At March 31, 2012 (unaudited) (in US Dollars, millions)
(10) Oro Group surety	13

The Company has provided surety in favor of a lender on a gold loan facility with its associate Oro Group (Proprietary) Limited and one of its subsidiaries. The Company has a total maximum liability, in terms of the suretyships, of R100 million. The probability of the non-performance under the suretyships is considered minimal.

(11) AngloGold Ashanti USA reclamation bonds	101

Pursuant to US environmental and mining requirements, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these requirements. AngloGold Ashanti USA has posted reclamation bonds with various federal and state governmental agencies to cover potential rehabilitation obligations. The Company has provided a guarantee for these obligations which would be payable in the event of AngloGold Ashanti USA not being able to meet its rehabilitation obligations. The obligations will expire upon completion of such rehabilitation and release of such areas by the applicable federal and/or state agency. AngloGold Ashanti is not indemnified by third parties for any of the amounts that may be paid by AngloGold Ashanti under its guarantee.

(12) AngloGold Ashanti Australia environmental bonds	33

Pursuant to Australia environmental and mining requirements, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these requirements. AngloGold Ashanti Australia has posted bonds with state governmental agencies to cover potential rehabilitation obligations. The Company has provided a guarantee for these obligations which would be payable in the event of AngloGold Ashanti Australia not being able to meet its rehabilitation obligations. The obligations will expire upon completion of such rehabilitation and release of such areas by the applicable state agency. AngloGold Ashanti is not indemnified by third parties for any of the amounts that may be paid by AngloGold Ashanti under its guarantee.

(13) AngloGold Ashanti environmental guarantees	175

Pursuant to South African mining laws, mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these laws. In order to cover against premature closure costs, the Company has secured bank guarantees to cover potential rehabilitation obligations of certain mines in South Africa. The Company has provided a guarantee for these obligations which would be payable in the event of the South African mines not being able to meet such rehabilitation obligations. The obligations will expire upon compliance with all provisions of the environment management program in terms of South African mining laws. AngloGold Ashanti is not indemnified by third parties for any of the amounts that may be paid by AngloGold Ashanti under its guarantee.

(14) Guarantee provided for syndicated revolving credit facility	

AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Incorporated, as guarantors, have each guaranteed all payments and other obligations of the borrowers and the other guarantors under the $1.0 billion four-year revolving credit facility.

The total amount outstanding under this facility as at March 31, 2012 amounted to:

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

Prepared in accordance with US GAAP

Note M. Commitments and contingencies (continued)

		At March 31, 2012 (unaudited) (in US Dollars, millions)
(15)	Guarantee provided for mandatory convertible bonds	791
	AngloGold Ashanti Limited has fully and unconditionally guaranteed all payments and other obligations of AngloGold Ashanti Holdings Finance plc regarding the issued $789 million 6 percent mandatory convertible bonds due 2013.	
(16)	Guarantee provided for rated bonds	1,026
	AngloGold Ashanti Limited has fully and unconditionally guaranteed all payments and other obligations of AngloGold Ashanti Holdings plc regarding the issued $700 million 5.375 percent rated bonds due 2020 and the issued $300 million 6.5 percent rated bonds due 2040.	
(17)	Guarantee provided for convertible bonds	742
	AngloGold Ashanti Limited has fully and unconditionally guaranteed all payments and other obligations of AngloGold Ashanti Holdings Finance plc regarding the issued $732.5 million 3.5 percent convertible bonds due 2014.	
(18)	Guarantee provided for A$ syndicated revolving credit facility	
	AngloGold Ashanti Limited together with AngloGold Ashanti Holdings plc, as guarantors, has each guaranteed all payments and other obligations of AngloGold Ashanti Australia Limited under the A$600 million four-year revolving credit facility entered into during December 2011.	
	The total amount outstanding under this facility as at March 31, 2012 amounted to:	
(19)	Gold delivery guarantees	
	The Company has issued gold delivery guarantees to several counterpart banks pursuant to which it guarantees the due performance of its subsidiaries AngloGold (USA) Trading Company, AngloGold South America Limited and Cerro Vanguardia S.A. under their respective gold hedging agreements. At March 31, 2012 the Company had no open gold hedge contracts.	
(20)	ATS hedging guarantees	
	The Company together with its wholly-owned subsidiary AngloGold Ashanti Holdings plc has provided guarantees to several counterpart banks for the hedging commitments of its wholly-owned subsidiary ATS. The maximum potential amount of future payments is all moneys due, owing or incurred by ATS under or pursuant to the hedging agreements. At March 31, 2012 the Company had no open gold hedge contracts. The guarantee was cancelled subsequent to quarter end.	
(21)	GMC hedging guarantees	
	The Company and its wholly-owned subsidiary AngloGold Ashanti Holdings plc have issued hedging guarantees to several counterpart banks in which they have guaranteed the due performance by GMC of its obligations under or pursuant to the hedging agreements entered into by GMC, and to the payment of all money owing or incurred by GMC as and when due. The maximum potential amount of future payments is	

all moneys due, owing or incurred by GMC under or pursuant to the hedging agreements. At March 31, 2012 the Company had no open gold hedge contracts. The guarantee was cancelled subsequent to quarter end.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note N. Recent developments

Announcements made after March 31, 2012:

On May 29, 2012, AngloGold Ashanti, which currently holds, through a subsidiary, a 50 percent interest in the Serra Grande (Crixás) mine in Brazil, agreed to acquire the remaining 50 percent stake in the mine from Kinross Gold Corporation for $220 million in cash. The transaction which will be funded from existing cash reserves and debt facilities; is expected to be completed during the second quarter of 2012, and is subject to the fulfillment of various conditions.

On June 14, 2012, AngloGold Ashanti announced that the First Uranium Corporation shareholders and security holders approved, in a general meeting, the proposed acquisition by AngloGold Ashanti of First Uranium (Pty) Ltd, the owner of Mine Waste Solutions in South Africa, for a cash consideration of $335 million. The transaction which was originally announced on March 2, 2012 is expected to close before the end of June 2012, subject to the remaining conditions precedent being fulfilled. Mine Waste Solutions is a recently commissioned tailings retreatment operation located in South Africa s Vaal River region and in the immediate proximity of AngloGold Ashanti s own tailings facilities.

Note O. Declaration of dividends

Details of the final dividends of 2011 and interim dividends of 2012 are set forth in the table below:

	Ordinary shareholders		**E ordinary shareholders**	
	Final dividend 2011	**Interim dividends 2012**	**Final dividend 2011**	**Interim dividends 2012**
Declaration date	Feb 14, 2012	May 8, 2012	Feb 14, 2012	May 8, 2012
Record date	Mar 9, 2012	Jun 1, 2012	Mar 9, 2012	Jun 1, 2012
Payment date Ordinary / E ordinary shareholders	Mar 16, 2012	Jun 8, 2012	Mar 16, 2012	Jun 8, 2012
Payment date CDIs	Mar 16, 2012	Jun 8, 2012		
Payment date GhDSs	Mar 19, 2012	Jun 11, 2012		
Payment date ADSs	Mar 26, 2012	Jun 18, 2012		
Dividend amount per share declared (US cents)	26.401	11.806	13.201	5.903
Dividend amount per share declared (South African cents)	200.0	100.0	100.0	50.0
Dividend amount per share paid (US cents)	26.401	10.035(1)	13.201	5.018(1)
Dividend amount per share paid (South African cents)	200.0	85.0(1)	100.0	42.5(1)

(1) Net of 15 percent withholding tax.

During the third quarter of 2011, the Company changed its frequency of dividend payments to quarterly rather than half-yearly.

Withholding tax on dividends and other distributions to shareholders of 15 percent became effective on April 1, 2012. The withholding tax, which was announced by the South African government on February 21, 2007, replaces the Secondary Tax on Companies.

Dividends are declared in South African cents. Dollar cents per share figures have been calculated based on exchange rates prevailing on each of the respective payment dates.

In addition to the cash dividend, an amount equal to the dividend paid to holders of E ordinary shares will be offset when calculating the strike price of E ordinary shares.

Each CDI represents one-fifth of an ordinary share and 100 GhDSs represents one ordinary share. Each ADS represents one ordinary share.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note P. Fair value measurements

The FASB ASC guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company utilizes the market approach to measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The following table sets out the Company s financial assets and (liabilities) measured at fair value, by level, within the hierarchy as at March 31, 2012 (in US Dollars, millions):

Items measured at fair value on a recurring basis

Description	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	1,216			1,216
Marketable equity securities	85			85
Mandatory convertible bonds	(678)			(678)
Embedded derivatives		(1)		(1)
Option component of convertible bonds		(49)		(49)

The Company s cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices. The cash instruments that are valued based on quoted market prices in active markets are primarily money market securities. Due to the short maturity of cash, carrying amounts approximate fair values.

The Company s marketable equity securities are included in Other long-term assets in the Company s consolidated balance sheet. They consist of investments in ordinary shares and are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy. The fair value of the marketable equity securities is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company.

The Company s mandatory convertible bonds are included in debt in the Company s consolidated balance sheet. The bonds are valued using quoted market prices in an active market and as such are classified within Level 1 of the fair value hierarchy. The fair value of the bonds is calculated as the quoted market price of the bond multiplied by the quantity of bonds issued by the Company.

Embedded derivatives and the conversion features of convertible bonds are included as derivatives on the balance sheet. Such instruments are typically classified within Level 2 of the fair value hierarchy.

The following inputs were used in the valuation of the conversion features of convertible bonds as at March 31:

	2012
Market quoted bond price (percent)	109.625
Fair value of bond excluding conversion feature (percent)	102.930
Fair value of conversion feature (percent)	6.695
Total issued bond value ($ million)	732.5

The option component of the convertible bonds is calculated as the difference between the price of the bond including the option component (bond price) and the price excluding the option component (bond floor price).

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note Q. Supplemental condensed consolidating financial information

AngloGold Ashanti Holdings plc (IOMco), a wholly-owned subsidiary of AngloGold Ashanti, has issued debt securities which are fully and unconditionally guaranteed by AngloGold Ashanti Limited (being the Guarantor). Refer to Notes D Debt and M Commitments and Contingencies . IOMco is an Isle of Man registered company that holds certain of AngloGold Ashanti s operations and assets located outside South Africa (excluding certain operations and assets in the United States of America and Namibia). The following is condensed consolidating financial information for the Company as of March 31, 2012 and December 31, 2011 and for the three months ended March 31, 2012 and 2011, with a separate column for each of AngloGold Ashanti Limited as Guarantor, IOMco as Issuer and the other subsidiaries of the Company combined (the Non-Guarantor Subsidiaries). For the purposes of the condensed consolidating financial information, the Company carries its investments under the equity method. The following supplemental condensed consolidating financial information should be read in conjunction with the Company s condensed consolidated financial statements.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2012

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Note Q. Supplemental condensed consolidating financial information (continued)

Condensed consolidating statements of income

FOR THE THREE MONTHS ENDED MARCH 31, 2012

(unaudited)

(in US dollars, millions)

	AngloGold Ashanti (the Guarantor)	**IOMco** (the Issuer)	**Other subsidiaries** (the Non-Guarantor Subsidiaries)	**Consolidation adjustments**	**Total**
Sales and other income	554	1	1,201	(36)	1,720
Product sales	524		1,182		1,706
Interest, dividends and other	30	1	19	(36)	14
Costs and expenses	437	25	644	(38)	1,068
Production costs	281		504		785
Exploration costs	8	2	65		75
Related party transactions	(4)				(4)
General and administrative expenses/(recoveries)	50	(3)	15	8	70
Royalties paid	12		36		48
Market development costs			1		1
Depreciation, depletion and amortization	80		109		189
Interest expense	1	17	26		44
Accretion expense	3		5		8
Employment severance costs	2		1		3
Loss/(profit) on sale of assets, realization of loans, indirect taxes and other	4	9	6	(46)	(27)
Non-hedge derivative gain and movement on bonds			(124)		(124)
Income/(loss) before income tax provision	117	(24)			