

ANGLOGOLD LTD
Form 6-K
July 30, 2004

**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 July 30, 2004**

This Report on Form 6-K shall be incorporated by reference in our Registration Statement on Form F-3 as amended (File No. 333-101891) and our Registration Statement on Form F-3 (File No. 333-114857) to the extent not superseded by documents or reports subsequently filed by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, in each case as amended

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:

Yes

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 unaudited condensed consolidated financial statements as of June 30, 2004 and December 31, 2003 and for each of the six month periods ended June 30, 2004 and 2003, prepared in accordance with U.S. GAAP, and related management's discussion and analysis of financial condition and results of operations.

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ANGLOGOLD ASHANTI LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENT

Prepared in accordance with US GAAP

Six months ended June 30,

2004

(unaudited)

2003

(unaudited)

(in US Dollars, millions, except for share data)

Sales and other income

1,077

991

Product sales

1,050

972

Interest, dividends and other

27

19

Cost and expenses

1,245

815

Production costs

652

600

Exploration costs

20

18

Related party transactions

26

10

General and administrative

25

23

Royalties

15

14

Market development costs

7

8

Depreciation, depletion and amortization

209

155

Impairment of assets (see note G)

183

12

Interest expense

33

17

Accretion expense

3

3	
Employment severance costs	
5	
1	
Profit on sale of assets (see note H)	
(4)	
(7)	
Non-hedge derivative loss/(gains)	
71	
(39)	
(Loss)/income before equity income and income tax	
(168)	
176	
Equity income in affiliates	
-	
-	
(Loss)/income before income tax provision	
(168)	
176	
Deferred income and mining tax benefit/(expensed)	
11	
(67)	
(Loss)/income before minority interest	
(157)	
109	
Minority interest	
(9)	
(9)	
(Loss)/income before cumulative effect of accounting change	
(166)	
100	
Cumulative effect of accounting change (see note F)	
-	
(3)	
Net (loss)/income - applicable to common stockholders	
(166)	
97	
Basic (loss)/earnings per common share : (cents)	
Before cumulative effect of accounting change	
(70)	
45	
Cumulative effect of accounting change	
-	
(1)	
Net (loss)/income - applicable to common stockholders	
(70)	
44	
Diluted (loss)/earnings per common share : (cents)	
Before cumulative effect of accounting change	
(70)	
45	

Cumulative effect of accounting change

-

(1)

Net (loss)/income - applicable to common stockholders

(70)

44

Weighted average number of common shares used in computation

238,129,583

222,737,513

Dividend per common share (cents)

50

82

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ANGLOGOLD ASHANTI LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET

Prepared in accordance with US GAAP

At June 30,

2004

(unaudited)

At December 31,

2003

(in US Dollars, millions)

Assets

Current assets

1,602

1,410

Cash and cash equivalents

555

505

Receivables

663

602

Trade

80

47

Derivatives

306

377

Value added taxes

31

27

Other

246

151

Inventories (see note D)

282

202

Materials on the leach pad (see note D)

102

101

Property, plant and equipment, net

4,423

2,555

Acquired properties, net

1,855

936

Goodwill

391

410

Derivatives

134

94

Materials on the leach pad (see note D)

22

7

Other long-term assets

109

170

(1)

Total assets

8,536

5,582

Liabilities and Stockholders' equity

Current liabilities

1,305

1,202

Accounts payable and accrued liabilities

511

385

Derivatives

428

441

Short-term debt

341

351

Income and mining tax payable

25

25

Long-term debt

1,376

807

Derivatives

341

329

Deferred income and mining tax

1,629

845

Provision for environmental rehabilitation

178

134

Other accrued liabilities

26

12

Provision for post-retirement medical benefits

136

130

Minority interest

55

52

Commitments and contingencies

Share capital and reserves

3,490

2,071

Common stock

Stock issued 2004 - 264,403,394 (2003 - 223,136,342)

11

9

Additional paid in capital

4,955

3,415

Accumulated deficit

(893)

(616)

Accumulated other comprehensive income (see note L)

(583)

(737)

(1)

Total liabilities and stockholders' equity

8,536

5,582

(1)

Certain amounts have been reclassified to conform with the current period presentation.

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ANGLOGOLD ASHANTI LIMITED
CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Prepared in accordance with US GAAP

Six months ended June 30,

2004

(unaudited)

2003

(unaudited)

(in US Dollars, millions)

Net cash provided by operating activities

171

226

(Loss)/income before cumulative effect of accounting change

(166)

100

Reconciled to net cash provided by operations:

Profit on sale of assets

(4)

(7)

Depreciation, depletion and amortization

209

155

Deferred stripping costs

(17)

(16)

Impairment of assets

183

12

Deferred income and mining tax

(30)

19

Other non cash items

94

21

Net decrease in provision for environmental

rehabilitation and post-retirement medical

benefits

(5)

(10)

Effect of changes in operating working capital items:

Receivables

(52)

(39)

Inventories

(16)

(24)

Accounts payable and accrued liabilities

(25)

15

Net cash used in investing activities

(344)	
(125)	
Additions to property, plant and equipment	
(234)	
(128)	
Proceeds on sale of mining assets	
5	
2	
Cash received as part of disposal	
-	
1	
Cash paid as part of acquisition	
(126)	
-	
Loans receivable advanced	
(5)	
(1)	
Loans receivable repaid	
16	
1	
Net cash generated/(used) in financing activities	
214	
(221)	
Payments of short-term debt	
(685)	
(51)	
Issuance of stock	
2	
2	
Share issue expenses	
-	
-	
Proceeds of long-term debt	
1,019	
18	
Dividends paid	
(122)	
(190)	
Net increase/(decrease) in cash and cash equivalents	
41	
(120)	
Effect of exchange rate changes on cash	
9	
18	
Cash and cash equivalents - January 1,	
505	
413	
Cash and cash equivalents - June 30,	
555	
311	

ANGLOGOLD ASHANTI LIMITED

**NOTES TO THE CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2004**

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 complete 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 six-month period ended June 30, 2004 are not necessarily indicative of the results that may be expected for the year ending December 31, 2004.

The balance sheet at December 31, 2003 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, 2003.

Note B. Business Combination between AngloGold and Ashanti

On April 8, 2004, at the general meeting of AngloGold shareholders, the special resolution approving the change of name of AngloGold to AngloGold Ashanti Limited was passed by the requisite majority of shareholders, while on the same day, Ashanti announced that its shareholders had voted overwhelmingly in favor of the scheme of arrangements for the business combination at a shareholder's meeting held on April 7, 2004. This followed the approval of the Stability Agreement between the Government of Ghana and AngloGold as announced on February 20, 2004.

On April 26, 2004, AngloGold announced that on Friday, April 23, 2004, the High Court in Ghana confirmed the scheme of arrangement, in terms of which AngloGold acquired the entire issued share capital of Ashanti Goldfields Company Limited. The court order approving the scheme was lodged with the Registrar of Companies in Ghana on Monday, April 26, 2004, thereby giving effect to the merger of the two companies and the name change to AngloGold Ashanti Limited. The new company was listed on the Ghana Stock Exchange on Tuesday, April 27, 2004. Following the Business Combination, Ashanti became a private company and a wholly-owned subsidiary of AngloGold.

Under the terms of the Business Combination, holders of Ashanti securities received for every Ashanti share or Ashanti GDS, 0.29 ordinary shares or 0.29 ADSs of AngloGold. Each ADS represents one ordinary AngloGold share. On April 26, 2004, AngloGold issued 38,400,021 ordinary shares to former Ashanti shareholders and 2,658,000 ordinary shares under the Stability Agreement to the Government of Ghana. On June 29, 2004, AngloGold issued a total of 75,731 ordinary shares to former Ashanti warrant holders pursuant to the Business Combination.

The market value of the issued AngloGold shares was approximately \$1,547 million, based on the average quoted value of the shares of \$37.62 two days before and after October 15, 2003, the date the terms of the transaction were announced. The market value of the issued shares, together with the cash consideration paid to the Government of Ghana as part of the Stability Agreement and cash consideration paid for outstanding options over Ashanti ordinary shares of approximately \$73 million (including transaction costs), gave rise to a total purchase price of approximately \$1,620 million.

The transaction was accounted for as a purchase business combination under US GAAP in the second quarter of 2004. Ashanti Goldfields Company Limited was delisted from the London, New York and Ghana stock exchanges in late April 2004. AngloGold Ashanti has performed a preliminary purchase price allocation based on independent appraisals and valuations and in accordance with the provisions of SFAS142, recorded an impairment charge of goodwill on acquisition, relating to the portion of the purchase price which cannot be attributed to the fair value of assets acquired of \$183 million in the six months ended June 30, 2004. (Refer to Note G). The final purchase price allocation is not expected to vary significantly from the preliminary allocation. The operations and financial condition of the interests in the companies and assets acquired in Ashanti are included in the US GAAP condensed consolidated financial statements from April 26, 2004, the effective date of the Business Combination.

For information purposes only, the following unaudited pro forma financial data reflects the consolidated results of operations of AngloGold Ashanti as if the Business Combination had taken place on January 1, 2004 and on January 1, 2003:

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ANGLOGOLD ASHANTI LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
JUNE 30, 2004**

Prepared in accordance with US GAAP

Note B. Business Combination between AngloGold and Ashanti (continued)

Six months ended June 30,

2004

2003

(unaudited)

(unaudited)

(in US Dollars, millions, except for share data)

Total revenue

1,248

1,239

Per basic and

diluted

common

share

(1)

(cents)

Per basic and

diluted

common

share (cents)

Net loss before cumulative effect of accounting change

(13)

(5)

(49)

(19)

Cumulative effect of accounting change

-

-

(3)

(1)

Net loss - applicable to common stockholders

(13)

(5)

(52)

(20)

Basic weighted average number of common shares used in computation

264,373,330

263,871,265

Diluted weighted average number of common shares used in computation

264,373,330

264,571,342

(1)

The calculation of diluted loss per common share for the six months ended

June 30, 2004 did not assume the effect of 10,566,356 shares issuable upon the exercise of Convertible Bonds as their effects are ant-dilutive for this period.

Note C. Ore Reserve development expenditure

The Company has reassessed the useful life of on-reef Ore Reserve development expenditure with effect from January 1, 2004. The effect of this change in estimate

on the results for the six months ended June 30, 2004 is as follows:

Six months ended June 30, 2004

(in US Dollars, millions, except for share data)

Impact

Per basic

common

share

(cents)

Per diluted

common

share

(1)

(cents)

Income before income tax provision

20

8

8

Deferred income and mining tax

(9)

(4)

(4)

Net income

11

4

4

(1)

The calculation of diluted earnings per common share for the six months ended June 30, 2004

did not assume the effect of 10,566,356 shares issuable upon the exercise of Convertible Bonds as their effects are ant-dilutive for this period.

Note D. Inventories

At June 30,

2004

At December 31,

2003

(unaudited)

(in US Dollars, millions)

The components of inventory consists of the following :

Gold in process

168

146

Gold on hand

18

14

Ore stockpiles

70

35

Uranium oxide and sulfuric acid

27

49

Supplies

123

66

406

310

Less: Heap leach inventory

(1)

(124)

(108)

282

202

(1)

Long-term and short-term portions relating to heap leach inventory classified separately as materials on the leach pad.

Note E. Deferred stripping costs

Movements in the deferred stripping costs balance were as follows:

Opening balance

57

5

Addition due to the Business Combination between AngloGold and Ashanti (Refer to Note B)

9

-

Net amount deferred/(amortized)

17

43

Other movements

-

2

Translation

(4)

7

Closing balance

79

57

Deferred stripping costs are classified as a component of Property, plant and equipment and are considered to be insignificant to the balance sheet on a cumulative basis and the amounts deferred or amortized are included in production costs in the condensed consolidated statements of income for all periods presented.

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED

JUNE 30, 2004...continued

Prepared in accordance with US GAAP

Note F. Accounting change

The Company has adopted SFAS143 "Accounting for Asset Retirement Obligations (AROs)" with effect from 1 January 2003 as follows:

Under SFAS143 the fair value of a liability for an asset retirement obligation is recorded in the period in which it is incurred. When the liability is initially recorded, the cost is capitalized by increasing the carrying amount of the related long-lived asset.

Over time, the liability is increased to reflect an interest element (accretion) considered in its initial measurement at fair value, and the capitalized cost is amortized over the useful life of the related asset. Where the obligation is operational of nature, and does not give rise to future economic benefit, the capitalized cost is amortized in the period incurred. Upon settlement of the liability, a gain or loss will be recorded if the actual cost incurred is different than the liability recorded.

The adoption of SFAS143 on January 1, 2003 resulted in an increase in Property, plant and equipment of \$1 million, an increase in Provision for environmental rehabilitation of \$4 million and a cumulative effect of adoption which decreased net income and stockholder's equity by \$3 million. No increase in Deferred income and mining tax was recorded upon the adoption of SFAS143.

(in US Dollars,

The following is a reconciliation of the total liabilities for asset retirement obligations:

millions)

Balance as at December 31, 2003

134

Addition due to the Business Combination between AngloGold and Ashanti (Refer to Note B)

37

Additions to liabilities

7

Liabilities settled

(3)

Accretion expense

3

Revisions

(2)

Translation

2

Balance as at June 30, 2004

178

Note G. Impairment of assets

In the six months ended June 30, 2004 the Company recorded an impairment of assets of \$183 million relating to the purchase price allocated to goodwill in the Business Combination between AngloGold and Ashanti (Refer to Note B), as part of interim impairment testing performed in accordance with the provisions of SFAS142. An impairment of \$12 million was recorded in the six months ended June 30, 2003 relating to the abandonment of exploration activities in the Australian region.

Note H. Profit on sale of assets

The profit on sale of assets of \$4 million recorded in the six months ended June 30, 2004 mainly comprises a profit of \$3 million (before taxation of \$1 million) on sale of the Western Tanami Project in Australia to Tanami Gold NL. In the six months ended June 30, 2003 the Company recorded a profit on disposal of \$10 million (\$nil million tax effect) on the sale of its 70 percent interest in the Jerritt Canyon Joint Venture in North America to Queenstake Resources USA Inc. and a loss of \$3 million (before taxation expense of \$1 million) on the sale of its wholly owned Amapari Project to Mineração Pedra Branca do Amapari, located in North Brazil.

Note I. Stock-based compensation plans

The Company has adopted the disclosure-only provisions of SFAS123 and applies Accounting Principles Board Opinion No. 25 (APB No. 25) and related interpretations in accounting for its employee stock-based compensation plans.

At June 30, 2004, the Company has two stock-based employee compensation plans, which consists of time-based awards and the performance related awards as disclosed in the Company's annual report on Form 20-F for the year ended December 31, 2003. During the six months ended June 30, 2004 and 2003 there was no compensation expense recognized related to time-based awards as the exercise price of all awards was greater than or equal to the fair market value of the underlying stock on the date of grants.

As of June 30, 2004 \$4 million compensation credit was recognized and reversed in additional paid in capital, related to the performance awards under APB No. 25, of which the exercise price was greater than or equal to the fair market value at the end of the reporting period. The performance related options are accounted for as variable compensation awards, accordingly the compensation expense is calculated at the end of each reporting period until the performance obligation has been met or waived. Compensation expense will vary based on the fluctuations of the underlying stock price in excess of the exercise price. The following table illustrates the effect on net income and earnings per share if

the Company had applied the fair value recognition provisions of SFAS123 to stock-based employee compensation.

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED

JUNE 30, 2004...continued

Prepared in accordance with US GAAP

Note I. Stock-based compensation plans (continued)

Six months ended June 30,

2004

2003

(unaudited)

(unaudited)

(in US Dollars, millions)

Net (loss)/income, as reported

(166)

97

Deduct: Variable compensation awards credit as calculated under APB No. 25

(4)

-

Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects

(6)

(5)

Pro forma net (loss)/income

(176)

92

Earnings per share (cents)

Basic - as reported

(70)

44

Basic - pro forma

(74)

41

Diluted

(1)

- as reported

(70)

44

Diluted

(1)

- pro forma

(74)

41

(1)

The calculation of diluted (loss)/earnings per common share for the six months

ended June 30, 2004 did not assume the effect of 10,566,356 shares issuable upon the exercise of Convertible Bonds as their effects are ant-dilutive for this period.

Six months ended June 30,

Note J. Segment information

2004

2003

(unaudited)

(unaudited)

(in US Dollars, millions)

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. In the six months ended June 30, 2004 the Company changed its presentation of segment information from a regional basis to operating segments by country. Following the change in the composition of reportable segments and where applicable, the Company has restated the corresponding items of segment information for all earlier periods presented.

Revenues by area

South Africa

607

550

Argentina

36

42

Australia

78

82

Brazil

76

71

Ghana

(1)

54

-

Guinea

(1)

1

-

Mali

82

111

Namibia

13

14

North America

51

83

Tanzania

(2)

77

38

Zimbabwe

(1)

2

-

Corporate and other

-

-

Total revenues

1,077

991

Segment (loss)/income before deferred income and mining tax

South Africa

44

92

Argentina

1

13

Australia

24

(4)

Brazil

36

32

Ghana

(1)

(121)

-

Guinea

(1)

(9)

-

Mali

8

37

Namibia

2

6

North America

-

3

Tanzania

(2)

(39)

-

Zimbabwe

(1)

-

-

Corporate and other

2

(1)

Total segment (loss)/income

(52)

178

(1)

Operations acquired as part of the Business Combination between AngloGold and

Ashanti (Refer to Note B)

(2)

Segment information presented for the six months ended June 30, 2004 includes

an additional 50 percent interest in the Geita mine in Tanzania acquired as part of the Business Combination between AngloGold and Ashanti (Refer to Note B)

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED

JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note J. Segment information (continued)

Six months ended June 30,

2004

2003

(unaudited)

(unaudited)

(in US Dollars, millions)

Reconciliation of segment (loss)/income to Net (loss)/income

Segment total

(52)

178

Exploration costs

(20)

(18)

General and administrative expenses

(25)

(23)

Non-hedge derivative (loss)/gains

(71)

39

Deferred income and mining tax benefit/(expensed)

11

(67)

Minority interest

(9)

(9)

Cumulative effect of accounting change

-

(3)

Net (loss)/income

(166)

97

At Jun 30,

2004

At December 31,

2003

(unaudited)

(in US Dollars, millions)

Segment assets

South Africa

3,379

3,123

Argentina

238

264

Australia

613

649

Brazil

297

286

Ghana

(1)

1,886

-

Guinea

(1)

143

-

Mali

289

301

Namibia

32

30

North America

410

416

Tanzania

(2)

898

154

Zimbabwe

(1)

3

-

Corporate and other

348

359

Total segment assets

8,536

5,582

(1)

Operations acquired as part of the Business Combination between AngloGold and Ashanti (Refer to Note B)

(2)

Segment information presented for the six months ended June 30, 2004

includes an additional 50 percent interest in the Geita mine in Tanzania acquired

as part of the Business Combination between AngloGold and Ashanti (Refer to Note B)

Six months ended June 30,

Note K. Loss/(earnings) per share data

2004

2003

The following table sets forth the computation of basic and diluted

(unaudited)

(unaudited)

(loss)/earnings per share for the periods indicated.

(in US Dollars, millions)

Numerator

(Loss)/income before cumulative effect of accounting change

(166)

100

Cumulative effect of accounting change

-

(3)

Net (loss)/income - applicable to common stockholders

(166)

97

Denominator for basic (loss)/earnings per common share

Weighted average number of common shares

238,129,583

222,737,513

Basic (loss)/earnings per common share (cents)

(70)

44

Dilutive potential common shares

Weighted average number of common shares

238,129,583

222,737,513

Dilutive potential of stock incentive options

-

700,077

Dilutive potential of Convertible Bonds

-

(1)

-

Denominator for diluted (loss)/earnings per common share

Adjusted weighted average number of common shares and assumed conversions

238,129,583

223,437,590

Diluted (loss)/earnings per common share (cents)

(70)

44

(1)

The calculation of diluted (loss)/earnings per common share for the six months

ended June 30, 2004 did not assume the effect of 10,566,356 shares issuable

upon the exercise of Convertible Bonds as their effects are ant-dilutive for this period.

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ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED

JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note L. Accumulated other comprehensive income

Other comprehensive income, consists of the following:

Six months ended June 30,

2004

2003

(unaudited)

(unaudited)

(in US Dollars, millions)

Opening balance

(737)

(1,021)

Translation gain / (loss)

31

217

Financial instruments

123

80

(583)

(724)

Note M. Employee benefit plans

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

Components of net periodic benefit cost

Six months ended June 30,

2004

2003

(unaudited)

(unaudited)

(in US Dollars, millions)

Pension benefits

Other benefits

Pension benefits

Other benefits

Service cost

1

-

2

-

Interest cost

6

6

6

6

Expected return on plan assets

6

-

(6)

-

Amortization of prior service cost

-

-

1

9

Amortization of net (gain)/loss

4

-

-

-

Net periodic benefit cost

17

6

3

15

Employer contributions

As disclosed in the Company's annual report on Form 20-F for the year ended December 31, 2003, it expected to contribute \$8 million to its pension plan in 2004. As of June 30, 2004, \$4 million of contributions have been made, with an expected \$4 million to be made towards the total expected contributions during the remaining six months of 2004.

In addition, on June 30, 2004 the Company contributed \$5 million to fund its pension plan, as part of a total anticipated contribution of \$28 million over a period of eight years.

Note N. Commitments and contingencies

North America - Reclamation

Pursuant to US environmental regulations, gold mining companies are obligated to close their operations and rehabilitate the lands that they mine in accordance with these regulations. AngloGold North America has posted reclamation bonds with various federal and governmental agencies to cover potential environmental obligations in amounts aggregating approximately: \$45 million. AngloGold Ashanti has provided a guarantee for these obligations which would be payable in the event of AngloGold North America not being able to meet their environmental obligations. As at June 30, 2004 the carrying value of these environmental obligations relating to AngloGold North America amounted to \$21 million and are included in the Provision for environmental rehabilitation in the Company's

consolidated balance sheet. The environmental obligations will expire upon completion of such rehabilitation. There are no recourse provisions that would enable AngloGold Ashanti to recover from third parties any of the amounts paid under the guarantee.

North America - Equipment leases

Pursuant to the assignment of equipment leases to Queenstake Resources USA Inc., as a result of the sale of Jerritt Canyon effective June 30, 2003, AngloGold North America has become secondarily liable in the event of a default by Queenstake Resources USA Inc. in performance of any of the lessee's obligations arising under the Lease. These agreements have a approximate term of 3 years and the maximum potential amount of future payments amounted to \$1 million.

Net (loss)/income

(166)

97

Translation gain / (loss)

31

217

Financial instruments

123

80

Total other comprehensive income is:

(12)

394

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED

JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note N. Commitments and contingencies (continued)

Geita - Project finance loan

AngloGold Ashanti has provided a letter of credit in favor of the Geita project finance lenders for: \$19 million. The letter of credit may be called if Geita Gold Mining Limited fails to perform under their project finance agreement and has a potential maximum tenor in accordance with this agreement. The Geita Project Finance loan is included in Long-term debt in the Company's consolidated balance sheet. In this event, Geita Gold Mining Limited would be liable to AngloGold Ashanti.

Yatela loan

AngloGold Ashanti has signed as surety in favor of the bankers on the Yatela loan for \$5 million. This loan is included in Long-term debt in the Company's consolidated balance sheet.

AngloGold Offshore Investments Limited - Nufcor International Limited loan facility

During September 2003, AngloGold Offshore Investments Limited a wholly-owned subsidiary of AngloGold Ashanti increased its existing guarantee of 50 percent of the Nufcor International Limited loan facility with RMB International (Dublin) Limited from \$25 million to \$40 million. AngloGold Ashanti has a 50 percent interest in its subsidiary Nufcor International Limited. This loan is included in Long-term debt in the Company's consolidated balance sheet.

Australia - Exploration and development tenements

AngloGold Ashanti has given collateral to certain bankers for satisfactory contract performance in relation to exploration and development tenements and mining operations in Australia amounting to: \$12 million.

North America - Gold shipments claims

AngloGold North America has a potential liability in respect of preference claims from a third party amounting to: \$2 million. The potential liability is in respect of gold shipments returned by the third party to AngloGold North America, which the bankruptcy trustee is claiming should not have been returned and final shipments that should not have been paid as the third party had filed for protection under Chapter 11 of the U.S. Bankruptcy Code.

Tax claims - Mali and South America

Tax claims in Mali including interest and penalties of: \$6 million Discussions with the Mali Government continue as to the validity of tax claims including interest and penalties. The claims have arisen due to new legislation that is in conflict with AngloGold Ashanti's prior mining convention stability agreements and different interpretations of the legislation. The final outcome of these claims cannot be determined at present.

Various existing equipment tax claim guarantees in South America amounting to: \$3 million.

US Class Actions

The consolidated class action which commenced in the year 2000 against the former Ashanti Goldfields Company Limited, is pending against the Company and one officer and director and one former director of Ashanti Goldfields Company Limited under United States Federal Securities laws in the United States District Court for the Eastern District of New York. The complaint alleges non-disclosures and misstatements regarding Ashanti Goldfields Company Limited's hedging position and hedging programme. The plaintiffs contend that the Company and the individual defendants' actions violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated under that Act. The plaintiffs seek unspecified damages, attorneys' and experts' fees and other reliefs. The damages sought by the plaintiffs have not yet been specified, as is common practice in US litigation at the current state of proceedings. The Company continues to vigorously defend the action. Depositions of key witnesses have been taken. Certain pre-trial motions filed by both parties have yet to be resolved by the trial court. Although the Company cannot make any assurances regarding the ultimate result of the litigation at this stage, based on its current knowledge, it believes that the outcome will have no material adverse effect on the Company's financial position.

Kimin - Employee Actions

A number of expatriate employees instituted an action against Kilo-Moto Mining Corporation ("Kimin"), a subsidiary of the Company, and against the Company in the Brussels Labour Court for arrears of salary, severance payments and payment in lieu of holiday. Other claims have been made against the Company and Kimin by other ex-employees, consultants and third party creditors. The Company is currently evaluating these claims. Based on information currently available, the Company believes that this potential liability has been reasonably provided for in its consolidated financial statements.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED

JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note N. Commitments and contingencies (continued)

Siguiri - Tax Demands

The Government of the Republic of Guinea has demanded 23 billion Guinean francs (approximately \$11 million) from Société Ashanti Goldfields de Guinée S.A. ("SAG") in respect of withholding and other taxes. SAG has a Convention de Base with the Republic of Guinea which provides for exemptions from these items and is therefore contesting this demand. During May 2004 the Government of Guinea had placed an embargo on all imports and exports by the Siguiri mine, including the export of gold bullion and the import of diesel (Refer to Note O).

Note O. Recent developments

During the six months ended June 30, 2004 AngloGold Ashanti made the following announcements:

Embargo by the Government of Guinea for Siguiri Mine

On May 26, 2004, the Company announced that the Government of Guinea had placed an embargo on imports and exports by AngloGold Ashanti's Siguiri Mine. This was followed by a further announcement on June 14, 2004 in which the Company advised that constructive discussions had commenced and that the supply of diesel fuel to the mine had resumed. However, the embargo on the export of gold from Siguiri remains in place. AngloGold Ashanti is using its best efforts to bring this undesirable state of affairs to a speedy and satisfactory resolution.

Three-day strike at Morila

On June 21, 2004, AngloGold Ashanti announced that talks between management and union representatives were continuing, following the return to work by the workforce after a three day strike at Morila.

Termination - sale of Union Reefs Gold Mine

Following an announcement made on November 14, 2003 in which the Company advised that an agreement had been entered into for the sale of Union Reefs Gold Mine and associated assets and tenements, AngloGold Ashanti advises that the agreement has been terminated and related negotiations for the sale have ceased but that the Company continues to explore other options for the sale of these gold mining assets.

AngloGold Ashanti acquires 29.9 % stake in Trans-Siberian Gold plc

On July 1, 2004 AngloGold Ashanti announced that it had entered into an agreement with Trans-Siberian Gold plc for the acquisition of a 29.9 percent stake in the company through an equity investment of approximately £17.6m (approximately \$32 million). This first move into Russia allows AngloGold Ashanti the opportunity of establishing an association with credible partners familiar with the environment.

Note P. Declaration of dividends

On January 29, 2004, AngloGold declared a final dividend of 335 South African cents (49.82 US cents) per ordinary share for the year ended December 31, 2003 with a record date of February 20, 2004 and a payment date of February 27, 2004 for holders of ordinary shares and CDIs, and March 8, 2004 for holders of ADSs. On July 29, 2004 AngloGold Ashanti declared an interim dividend of 170 South African cents (approximately 27 US cents) per ordinary share for the six months ended June 30, 2004 with a record date of August 20, 2004 and a payment date of August 27, 2004 for holders of ordinary shares and CDIs, August 30, 2004 for holders of GhDSs and September 7, 2004 for holders of ADSs. 100 GhDSs represents one ordinary share. Each ADS represents one ordinary share.

Note Q. Supplemental condensed consolidating financial information

Subject to the necessary regulatory approvals, it is AngloGold Ashanti's current intention to transfer certain of its operations and assets located outside South Africa (excluding certain operations and assets in the United States) to AngloGold Holdings plc. (originally SMI Holdings Limited and formerly AngloGold Holdings Limited) ("IOMco"), its wholly-owned subsidiary. IOMco is an Isle of Man registered company.

It is AngloGold Ashanti's current intention that from time to time IOMco may assume or issue debt securities which may be fully and unconditionally guaranteed by AngloGold Ashanti Limited (being the "Guarantor"). The following is condensed consolidating financial information for the AngloGold Ashanti group as of June 30, 2004 and December 31, 2003 and for the six months ended June 30, 2004 and 2003, with a separate column for each of IOMco as Issuer, AngloGold Ashanti Limited as Guarantor and the other businesses of the AngloGold Ashanti group combined (the "Non-Guarantor Subsidiaries"). For the purposes of the condensed consolidating financial information, AngloGold Ashanti carries its investments under the equity method.

ANGLOGOLD ASHANTI LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note Q. Supplemental condensed consolidating financial information (continued)

Condensed consolidating statements of income
FOR THE SIX MONTHS ENDED JUNE 30, 2004

(In million US dollars, except share information)

AngloGold Ashanti

(the "Guarantor")

IOMco

(the "Issuer")

Other subsidiaries

(the "Non-Guarantor
Subsidiaries")

Cons

adjustments

Total

Sales and other income

612

1

475

(11)

1,077

Product sales

585

-

465

-

1,050

Interest, dividends and other

27

1

10

(11)

27

Costs and expenses

634

1

610

-

1,245

Production costs

422

-

230

-

652

Exploration costs

4

-

16	
-	
20	
Related party transactions	
14	
-	
12	
-	
26	
General and administrative	
21	
-	
4	
-	
25	
Royalties paid/(received)	
-	
-	
15	
-	
15	
Market development costs	
5	
-	
2	
-	
7	
Depreciation, depletion and amortization	
77	
-	
132	
-	
209	
Impairment of assets	
-	
-	
183	
-	
183	
Interest expense	
21	
1	
11	
-	
33	
Accretion expense	
3	
-	
-	
-	
3	

Employment severance costs	
5	
-	
-	
-	
5	
Profit on sale of assets	
-	
-	
(4)	
-	
(4)	
Non-hedge derivative loss	
62	
-	
9	
-	
71	
Loss before equity income and income tax	
(22)	
-	
(135)	
(11)	
(168)	
Equity income in affiliates	
-	
-	
-	
-	
-	
Equity (loss)/income in subsidiaries	
(164)	
-	
-	
164	
-	
(Loss)/income before income tax provision	
(186)	
-	
(135)	
153	
(168)	
Deferred income and mining tax benefit/(expensed)	
25	
-	
(14)	
-	
11	
(Loss)/income before minority interest	
(161)	
-	

(149)
153
(157)
Minority interest
-
-
(9)
-
(9)
(Loss)/income after minority interest
(161)
-
(158)
153
(166)
Preferred stock dividends
(5)
-
(6)
11
-
(Loss)/income before cumulative effect of accounting change
(166)
-
(164)
164
(166)
Cumulative effect of accounting change
-
-
-
-
-
Net (loss)/income - applicable to common stockholders
(166)
-
(164)
164
(166)
13

ANGLOGOLD ASHANTI LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note Q. Supplemental condensed consolidating financial information (continued)

Condensed consolidating statements of income
FOR THE SIX MONTHS ENDED JUNE 30, 2003

(In million US dollars, except share information)

AngloGold Ashanti

(the "Guarantor")

IOMco

(the "Issuer")

Other subsidiaries

(the "Non-Guarantor
Subsidiaries")

Cons

adjustments

Total

Sales and other income

573

-

446

(28)

991

Product sales

536

-

436

-

972

Interest, dividends and other

37

-

10

(28)

19

Costs and expenses

439

-

376

-

815

Production costs

382

-

218

-

600

Exploration costs

1

-

	17
-	-
18	
Related party transactions	
10	
-	
-	
-	
10	
General and administrative	
21	
-	
2	
-	
23	
Royalties paid/(received)	
29	
-	
(15)	
-	
14	
Market development costs	
8	
-	
-	
-	
8	
Depreciation, depletion and amortization	
39	
-	
116	
-	
155	
Impairment of assets	
-	
-	
12	
-	
12	
Interest expense	
5	
-	
12	
-	
17	
Accretion expense	
1	
-	
2	
-	
3	

Employment severance costs	
1	
-	
-	
-	
1	
Loss/(profit) on sale of assets	
1	
-	
(8)	
-	
(7)	
Non-hedge derivative (gains)/loss	
(59)	
-	
20	
-	
(39)	
Income/(loss) before equity income and income tax	
134	
-	
70	
(28)	
176	
Equity income in affiliates	
-	
-	
-	
-	
-	
Equity income/(loss) in subsidiaries	
25	
-	
-	
(25)	
-	
Income/(loss) before income tax provision	
159	
-	
70	
(53)	
176	
Deferred income and mining tax expensed	
(57)	
-	
(10)	
-	
(67)	
Income/(loss) before minority interest	
102	
-	

60
(53)
109
Minority interest
-
-
(9)
-
(9)
Income/(loss) after minority interest
102
-
51
(53)
100
Preferred stock dividends
(5)
-
(23)
28
-
Income/(loss) before cumulative effect of accounting change
97
-
28
(25)
100
Cumulative effect of accounting change
-
-
(3)
-
(3)
Net income/(loss) - applicable to common stockholders
97
-
25
(25)
97
14

Condensed consolidating balance sheets

AT JUNE 30, 2004

(In million US dollars, except share information)

AngloGold Ashanti

(the "Guarantor")

IOMco

(the "Issuer")

Other subsidiaries

(the "Non-Guarantor

Subsidiaries")

Cons

adjustments

Total

ASSETS

Current Assets

1,294

1,072

4,295

(5,059)

1,602

Cash and cash equivalents

122

199

234

-

555

Receivables

1,087

873

3,762

(5,059)

663

Trade

38

-

42

-

80

Inter-group balances

695

853

3,511

(5,059)

-

Derivatives

232

-

74

-

306

Value added taxes

4
-
27
-
31
Other
118
20
108
-
246
Inventories
85
-
197
-
282
Materials on the leach pad
-
-
102
-
102
Property, plant and equipment, net
1,698
-
2,725
-
4,423
Acquired properties, net
314
-
1,541
-
1,855
Goodwill
-
-
650
(259)
391
Derivatives
125
-
9
-
134
Materials on the leach pad
-
-
22

-
22
Other long-term assets
2,768
1,522
160
(4,341)
109
Total assets
6,199
2,594
9,402
(9,659)
8,536
LIABILITIES AND STOCKHOLDERS' EQUITY
Current liabilities
1,237
24
5,048
(5,004)
1,305
Accounts payable and accrued liabilities
245
16
210
40
511
Inter-group balances
637
-
4,407
(5,044)
-
Derivatives
311
-
117
-
428
Short-term debt
25
8
308
-
341
Income and mining tax payable
19
-
6
-
25

Long-term debt

318
 989
 69
 -
 1,376

Derivatives

115
 -
 226
 -
 341

Deferred income and mining tax

827
 -
 842
 (40)
 1,629

Provision for environmental rehabilitation

62
 -
 116
 -
 178

Other accrued liabilities

1
 -
 25
 -
 26

Provision for post-retirement medical benefits

134
 -
 2
 -
 136

Minority interest

15
 -
 40
 -
 55

Commitments and contingencies

Share capital and reserves

3,490
 1,581
 3,034
 (4,615)
 3,490
 Common stock issued
 11

-
1,056
(1,056)
11
Additional paid in capital
4,955
1,581
901
(2,482)
4,955
Accumulated deficit
(893)
-
(389)
389
(893)
Accumulated other comprehensive income
(583)
-
1,466
(1,466)
(583)
Total liabilities and stockholders' equity
6,199
2,594
9,402
(9,659)
8,536

ANGLOGOLD ASHANTI LIMITED

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED JUNE 30, 2004.....continued**

Prepared in accordance with US GAAP

Note Q. Supplemental condensed consolidating financial information (continued)

15

Condensed consolidating balance sheets

AT DECEMBER 31, 2003

(In million US dollars, except share information)

AngloGold Ashanti

(the "Guarantor")

IOMco

(the "Issuer")

Other subsidiaries

(the "Non-Guarantor

Subsidiaries")

Cons

adjustments

Total

ASSETS

Current Assets

1,547

-

1,475

(1,612)

1,410

Cash and cash equivalents

280

-

225

-

505

Receivables

1,157

-

1,057

(1,612)

602

Trade

23

-

24

-

47

Inter-group balances

746

-

866

(1,612)

-

Derivatives

316

-

61

-

377

Value added taxes

11
-
16
-
27
Other
61
-
90
-
151
Inventories
110
-
92
-
202
Materials on the leach pad
-
-
101
-
101
Property, plant and equipment, net
1,452
-
1,103
-
2,555
Acquired properties, net
313
-
623
-
936
Goodwill
3
-
666
(259)
410
Derivatives
85
-
9
-
94
Materials on the leach pad
-
-
7

-	
7	
Other long-term assets	
1,545	
-	
171	
(1,546)	
170	
Total assets	
4,945	
-	
4,054	
(3,417)	
5,582	
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
1,526	
-	
1,228	
(1,552)	
1,202	
Accounts payable and accrued liabilities	
244	
-	
106	
35	
385	
Inter-group balances	
662	
-	
925	
(1,587)	
-	
Derivatives	
328	
-	
113	
-	
441	
Short-term debt	
284	
-	
67	
-	
351	
Income and mining tax payable	
8	
-	
17	
-	
25	

Long-term debt	
297	
-	
510	
-	
807	
Derivatives	
144	
-	
185	
-	
329	
Deferred income and mining tax	
716	
-	
164	
(35)	
845	
Provision for environmental rehabilitation	
49	
-	
85	
-	
134	
Other accrued liabilities	
-	
-	
12	
-	
12	
Provision for post-retirement medical benefits	
128	
-	
2	
-	
130	
Minority interest	
14	
-	
38	
-	
52	
Commitments and contingencies	
Share capital and reserves	
2,071	
-	
1,830	
(1,830)	
2,071	
Common stock issued	
9	

-
451
(451)
9
Additional paid in capital
3,415
-
1,111
(1,111)
3,415
Retained deficit
(616)
-
220
(220)
(616)
Accumulated other comprehensive income
(737)
-
48
(48)
(737)
Total liabilities and stockholders' equity
4,945
-
4,054
(3,417)
5,582

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note Q. Supplemental condensed consolidating financial information (continued)

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ANGLOGOLD ASHANTI LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note Q. Supplemental condensed consolidating financial information (continued)

Condensed consolidating statements of cash flow
FOR THE SIX MONTHS ENDED JUNE 30, 2004

(In million US dollars, except share information)

AngloGold Ashanti

(the "Guarantor")

IOMco

(the "Issuer")

Other subsidiaries

(the "Non-Guarantor
Subsidiaries")

Cons

adjustments

Total

(the "Non-Guarantor Subsidiaries")

Net cash provided by/(used in) operating activities

367

(606)

421

(11)

171

(Loss)/income after minority interest

(161)

-

(158)

153

(166)

Reconciled to net cash provided by/(used in) operations:

Profit on sale of assets

-

-

(4)

-

(4)

Depreciation, depletion and amortization

77

-

132

-

209

Deferred stripping costs

-

-

(17)

-

(17)

Impairment of assets

-
-
183
-
183
Deferred income and mining tax
(36)
-
6
-
(30)
Other non cash items
262
(5)
1
(164)
94
Net decrease in provision for environmental rehabilitation and post-retirement medical benefits
-
-
(5)
-
(5)
Effect of changes in operating working capital items:
Net movement in inter-group receivables and payables
240
(602)
362
-
-
Receivables
(48)
1
(5)
-
(52)
Inventories
25
-
(41)
-
(16)
Accounts payable and accrued liabilities
8
-
(33)
-
(25)
Net cash used in investing activities
(147)

(183)
(14)
-
(344)
Additions to property, plant and equipment
(142)
-
(92)
-
(234)
Proceeds on sale of mining assets
-
-
5
-
5
Cash received as part of disposal
-
-
-
-
-
Cash paid as part of acquisition
-
(183)
57
-
(126)
Loans receivable advanced
(5)
-
-
-
(5)
Loans receivable repaid
-
-
16
-
16
Net cash (used)/generated in financing activities
(375)
988
(410)
11
214
Payments of short-term debt
(286)
-
(399)
-

(685)
Insurance of stock
2
-
-
-
2
Share issue expenses
-
-
-
-
Proceeds of long-term debt
25
988
6
-
1,019
Dividends paid
(116)
-
(17)
11
(122)
Net (decrease)/increase in cash and cash equivalents
(155)
199
(3)
-
41
Effect of exchange rate changes on cash
(3)
-
12
-
9
Cash and cash equivalents - January 1,
280
-
225
-
505
Cash and cash equivalents - June 30,
122
199
234
-
555
17

ANGLOGOLD ASHANTI LIMITED
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS
ENDED JUNE 30, 2004.....continued

Prepared in accordance with US GAAP

Note Q. Supplemental condensed consolidating financial information (continued)

Condensed consolidating statements of cash flow
FOR THE SIX MONTHS ENDED JUNE 30, 2003

(In million US dollars, except share information)

AngloGold Ashanti

(the "Guarantor")

IOMco

(the "Issuer")

Other subsidiaries

(the "Non-Guarantor
Subsidiaries")

Cons

adjustments

Total

Net cash provided by/(used in) operating activities

89

-

165

(28)

226

Income/(loss) after minority interest

102

-

51

(53)

100

Reconciled to net cash provided by/(used in) operations:

Loss/(profit) on sale of assets

1

-

(8)

-

(7)

Depreciation, depletion and amortization

39

-

116

-

155

Deferred stripping costs

-

-

(16)

-

(16)

Impairment of assets

-

-	
12	
-	
12	
Deferred income and mining tax	
37	
-	
(18)	
-	
19	
Other non cash items	
(54)	
-	
50	
25	
21	
Net decrease in provision for environmental rehabilitation and post-retirement medical benefits	
(6)	
-	
(4)	
-	
(10)	
Effect of changes in operating working capital items:	
Net movement in inter-group receivables and payables	
11	
-	
(11)	
-	
-	
Receivables	
(42)	
-	
3	
-	
(39)	
Inventories	
(8)	
-	
(16)	
-	
(24)	
Accounts payable and accrued liabilities	
9	
-	
6	
-	
15	
Net cash used in investing activities	
(77)	
-	

(48)
 -
 (125)
 Additions to property, plant and equipment
 (76)
 -
 (52)
 -
 (128)
 Proceeds on sale of mining assets
 (1)
 -
 3
 -
 2
 Cash received as part of disposal
 -
 -
 1
 -
 1
 Cash paid as part of acquisition
 -
 -
 -
 -
 -
 Loans receivable advanced
 -
 -
 (1)
 -
 (1)
 Loans receivable repaid
 -
 -
 1
 -
 1
Net cash (used)/generated in financing activities
 (188)
 -
 (61)
 28
 (221)
 Payments of short-term debt
 (7)
 -
 (44)
 -
 (51)

Insurance of stock	
2	
-	
-	
-	
2	
Share issue expenses	
-	
-	
-	
-	
-	
Proceeds of long-term debt	
12	
-	
6	
-	
18	
Dividends paid	
(195)	
-	
(23)	
28	
(190)	
Net (decrease)/increase in cash and cash equivalents	
(176)	
-	
56	
-	
(120)	
Effect of exchange rate changes on cash	
9	
-	
9	
-	
18	
Cash and cash equivalents - January 1,	
184	
-	
229	
-	
413	
Cash and cash equivalents - June 30,	
17	
-	
294	
-	
311	
18	

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Operating and financial review and prospects

In the following related management's discussion of operating and financial review and prospects, references to \$ are to the lawful currency of the United States, references to A\$ are to the lawful currency of Australia and references to BRL are to the lawful currency of Brazil.

Overview

AngloGold Ashanti is a global gold producer with 25 operations in 11 countries, and gold production nearing 7 million ounces annually. The company was formed in 2004 as a result of the completed Business Combination of AngloGold and Ashanti Goldfields. The combined company has one of the world's largest reserves and resources bases and focused exploration activities around the globe. Employing more than 62,500 people around the world, AngloGold Ashanti is listed on the following exchanges: JSE Securities Exchange South Africa (JSE) as well as the London, New York, Ghana and Australian stock exchanges and Euronext Paris and Euronext Brussels.

Introduction

Operating results

AngloGold Ashanti's revenues are derived primarily from the sale of gold produced at its mines. An insignificant portion of its revenue is derived from the sales of silver, uranium