



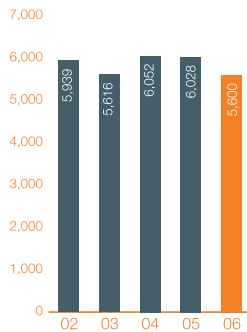
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Our business is gold
– economic performance

ECONOMIC PERFORMANCE

Annual gold production (000oz)



1. Living our values

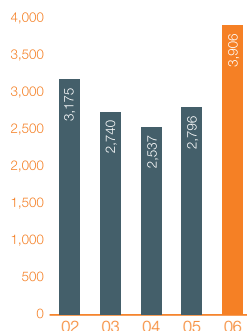
At AngloGold Ashanti, our business is gold and our activities range from exploring for gold to the mining, processing and marketing of our product. We also produce uranium as a by-product. (See case study *Report to Society 2005: Uranium mined as a by-product contributes to the bottom line on page E12*).

We recognise that as a mining company our business entails the recovery, processing and sale of a non-renewable resource. Thus, our direct economic impact in terms of any orebody will always be finite. It is therefore imperative that the economic benefits which are derived from the resources that we exploit are not limited to one particular set of stakeholders, but accrue to a broader stakeholder group in advance of, during and after mining. The economic benefit must also be balanced against the impacts that we have on the broader socio-economic and natural landscapes.

We also recognise that our operations – and indeed our product – are about people: employees and their families, our neighbours, our customers and suppliers, our shareholders and other interested parties.

The Economic Performance section of this report is based on information drawn from our Annual Financial Statements 2006 (www.aga-reports.com) which is published concurrently with the Report to Society. In addition, on a regular basis through the year, a comprehensive review of the operational activities of the group and its individual operations is published in the company's quarterly reports to shareholders. These documents are available at www.anglogoldashanti.com.

Average annual gold price received (R/oz)

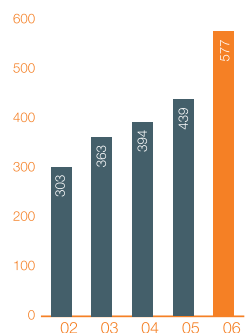


2. Our scorecard

The following are features of our performance during 2006:

- Gold production down 9% to 5.6 million ounces
- Total cash costs increased by 10% to \$308 per ounce
- Adjusted gross profit up by 125% to \$1,058 million
- Adjusted headline earnings 105% higher at \$413 million
- Capital expenditure increased by 13% to \$817 million
- Total dividend declared per ordinary share \$0.62 (2005: \$0.36)
- Ore reserves of 66.9 million ounces of gold, an increase of 6% on 2005

Average annual gold price received (\$/oz)



Key drivers of our business



ECONOMIC PERFORMANCE

3. Review 2006

Financial performance

In 2006, AngloGold Ashanti produced 5.6 million ounces of gold from 22 operations in 10 countries, a decline of 9% on the total for 2005 (6.2 million ounces). (The sale of the Bibiani mine became effective on 1 December 2006 and statistics for Bibiani are included in the financial and operating results for 11 months of the year.)

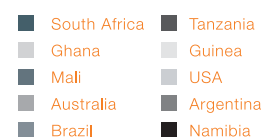
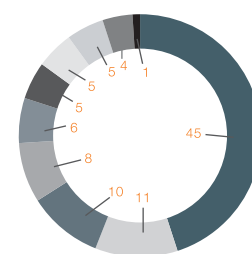
The group's South African operations continue to contribute the greatest proportion of attributable ounces (45% in 2006, as against 43% in 2005). Attributable contributions to production from Guinea (5% versus 4% in 2005), Mali (10% versus 8% in 2005) and Namibia (2% versus 1% in 2005) rose in 2006.

Attributable gold production (000oz)	2006	2005
Argentina	215	211
Australia	465	455
Brazil	339	346
Ghana	592	680
Guinea	256	246
Mali	537	528
Namibia	86	81
South Africa	2,554	2,676
Tanzania	308	613
USA	283	330
Total	5,635	6,166

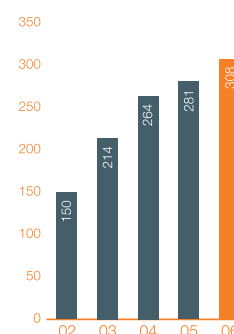
The average gold price received for the year increased by 31% to \$577 per ounce from \$439 per ounce in 2005. Total gold income during 2006 amounted to \$2,964 million (2005: \$2,629 million), an increase of 13%.

The gold market was characterised by robust investor and speculator interest during 2006. This, combined with exceptional price volatility in the first half of the year, resulted in the price peaking at \$725 per ounce, and averaging \$604 per ounce, up by 36% on 2005. Given this price volatility,

Contribution to group production (%) - 2006



Total cash costs (\$/oz)

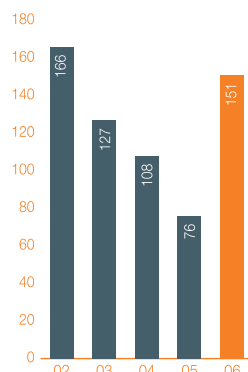


The economic success of AngloGold Ashanti is determined by a number of key drivers:

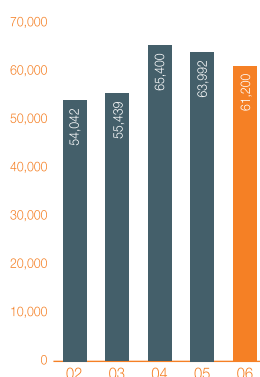
- The amount of gold that is produced.
- The price that is achieved in the marketplace for our gold.
- The costs we incur through the purchase of goods and services, as well as through the payment of taxes and royalties, in producing gold and in managing the company.
- The expenses we incur in terms of capital development and exploration to identify and develop new ounces of gold for mining in the future.

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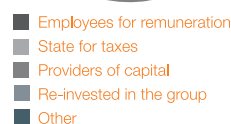
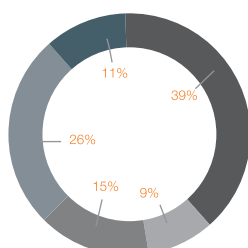
Adjusted headline earnings per ordinary share (US cents)



Number of employees (monthly average)



Distribution of wealth 2006



global demand for gold, and gold jewellery in particular, was affected for the year. Total demand was 5% lower at 3,866 tonnes.

Total cost of sales declined by 1% to \$2,282 million in 2006 (2005: \$2,309 million), with average total cash costs increasing by 10% to \$308 per ounce (2005: \$281 per ounce).

Adjusted headline earnings increased by 105% to \$413 million in 2006 (2005:\$201 million).

Group value-added statement

Dollar million	%	2006 R million	%	2005 R million
Value added				
Gold income		2,964		2,629
Less: Purchases of goods and services in order to operate mines and produce refined metal, including market development costs net of other income		(1,041)		(1,087)
Value-added by operations	85	1,923	80	1,542
Fair value gain/(loss) on interest rate swaps and option component of convertible bond	1	16	(2)	(33)
Profit on disposal of assets	2	54	–	5
Income from investments and interest received	1	31	1	22
Government				
Deferred taxation	1	30	6	117
Utilised in the group				
Retained income	10	218	15	277
Total value added	100	2,272	100	1,930
Value distributed				
Employees				
Salaries, wages and other benefits	39	887	46	877
Government				
– Current taxation	9	210	4	82
Providers of capital				
– Finance costs and unwinding of decommissioning and restoration obligations	6	123	6	108
– Dividends declared	8	173	5	95
– Minorities	1	31	1	23
Other				
– Impairment of tangible and intangible assets	–	6	3	64
– Loss from discontinued operations	–	2	2	36
– Exchange loss	–	2	–	5
– Loss on non-hedge derivatives and other commodity contracts	11	239	7	135
Total value distributed	74	1,673	74	1,425
Re-invested in the group				
– Amortisation and depreciation	26	599	26	505
	100	2,272	100	1,930

Further details and notes may be found in the Annual Financial Statements at www.aga-reports.com.

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Distributing value – to employees

During 2006, AngloGold Ashanti employed (on an average monthly basis) 61,453 people (employees and contractors) (2005: 63,993). Total distributions of \$887 million were made to employees (including executive directors), an increase of 1% on the distributions made in 2005. This represents 39% of the value distributed by the group in 2006.

Employee benefits (\$m)	2006		2005	
Salaries, wages and other benefits	723	82%	752	86%
Health care and medical schemes, including defined post-retirement medical expenses	70	8%	61	7%
Contribution to pension and provident plans	41	5%	36	4%
Retrenchments costs	22	2%	26	3%
Share-based payment/expense	31	5%	2	–
Total included in cost of sales, other operating expenses and operating special items	887	100%	877	100%

For further information on AngloGold Ashanti's performance as an employer, see the section on Human Resources on page 64 of this report. In 2006, AngloGold Ashanti initiated an Employee Share Ownership Programme (ESOP) in South Africa. (See case study on page 138, *Harvesting for the future – Bokamoso ESOP*.)

Distributing value – to governments

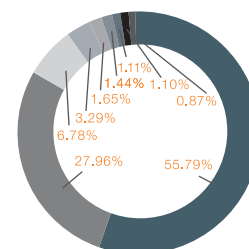
Taxation of \$210 million was provided for during 2006. This represents an increase of 156% on the \$82 million provided for in 2005. Other payments made to governments include value added tax, royalties and dividends. Further detail may be found in the Country and Operational Reports which are available on the company's website at www.aga-reports.com.

Taxation by country (\$m)	2006	2005
Argentina	13	–
Australia	25	6
Brazil	38	23
Ghana	5	–
Guinea	–	–
Mali	47	12
Namibia	4	–
South Africa	77	42
Tanzania	1	–
USA	–	-1
Total	210	82

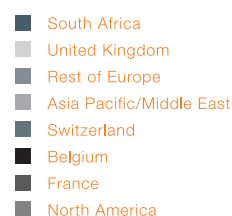
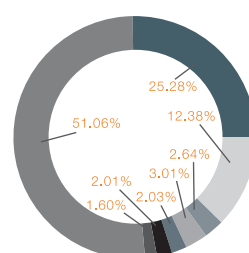
Distributing value – shareholders and providers of capital

AngloGold Ashanti has a vast range of shareholders around the world, ranging from private individuals to institutions and governments. These shareholders may benefit from their investment in two ways: by the appreciation in the share price of the company during the year and with the payment of dividends.

Geographical distribution of shares outstanding

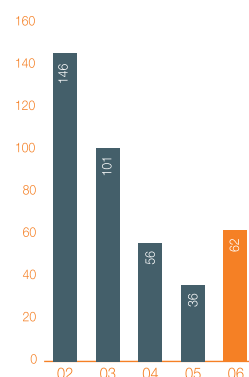


Geographical distribution of free-float shareholders*



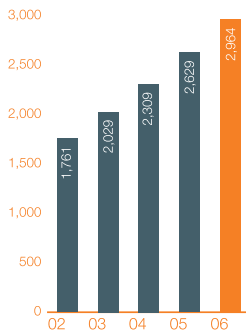
*Excludes holdings by Anglo American plc and the Government of Ghana

Declared dividends per ordinary share (US cents)

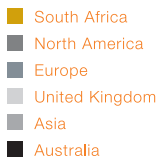
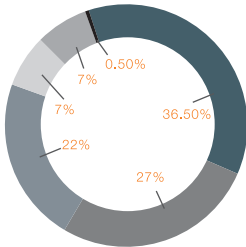


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Gold income (\$m)



Gold income by destination – 2006



The share price appreciated by 5% to end the year, to R330 on 31 December 2006 (31 December 2005: R314). Dividend payments for 2006 totalled \$132 million compared with total dividends paid of \$169 million in 2005. Payments to providers of capital increased by 45% to \$326 million. These payments included those made to banks and other financial institutions as well as dividends declared.

Distributing value – our customers

AngloGold Ashanti's customers are located around the world. A geographical analysis of gold income by destination is provided in the chart alongside.

The gold market

AngloGold Ashanti's commitment to gold extends beyond the refinery gates and supports a number of global marketing initiatives. We believe that our marketing programme, comprising projects designed to increase the demand for and enhance the desirability of gold, will assure a future market for our product. As more than 60% of gold mined each year is consumed by the gold jewellery sector, we actively support the development of a vibrant gold jewellery industry.

In addition to supporting the efforts of the World Gold Council (WGC), AngloGold Ashanti's independent strategic marketing initiatives include a focus on taking the lead in the gold jewellery market in the areas of design innovation, branding, marketing and retail. These marketing initiatives are undertaken in the major markets for gold jewellery, namely, India, the Middle East, the United States and China, usually in conjunction with local partners or the WGC. (See the case study, *AuDITIONS goes global* at www.aga-reports.com/06/AuDITIONS.htm).

Sustaining operations

As a mining company exploiting a set of finite resources, it is incumbent on AngloGold Ashanti to:

- incur capital expenditure, both to prolong the viability and sustainability of existing operations, and to develop access to new reserves;
- undertake exploration, both greenfields and brownfields, to identify and possibly develop new operations; and
- acquire projects and operations that might extend the production profile of the group in years to come.

Gold – a rare, safe and recyclable product



Given its inherent value, gold has been recycled ever since it was first discovered before the Bronze Age. It can be melted down, re-refined and re-used. It is therefore quite possible that modern jewellery and dental crowns may contain gold that was mined in prehistoric times. In modern times, roughly 15% of annual gold consumption is recycled each year. Gold can be melted down, re-refined and re-used. But it is never lost.

Gold is the most malleable and ductile of all metals and is usually alloyed to increase its strength. Gold is a good conductor of electricity and heat. It is not affected by exposure to air or to most reagents. It is inert and a good reflector of infrared radiation. Pure gold is measured in troy weight, but when gold is alloyed with other metals the term carat is used to express the amount of gold present.

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A part of the process of sustaining operations is the protection of the company's assets to ensure their profitable and sustainable use and to encourage local economic development. See the case studies on our website at www.aga-reports.com/06/case-studies.htm

4. Case studies

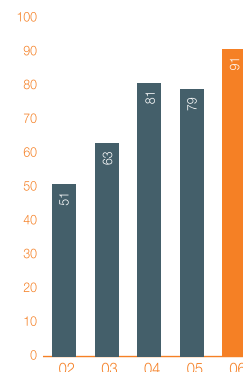
To illustrate the link between sustainable development and economic performance in practice, the following case studies (summaries of which appear below) are presented on our website.

SMEDI continues to grow small businesses – the Stone and Allied example

AngloGold Ashanti's Small and Medium Enterprises Development Initiative (SMEDI) began in 1999 with the aim of identifying and helping small businesses in the communities around the South African mines as a way of stimulating economic growth in these areas. To illustrate how SMEDI operates, this case study focuses on Stone and Allied, an AngloGold Ashanti subsidiary which was sold in 2002 to a black empowerment group (45%) and Stone and Allied management (45%). The 10% was sold to Basil Read in July 2006. See www.aga-reports.com/06/SMEDI.htm



Annual exploration expenditure 2002-2006 (\$m)

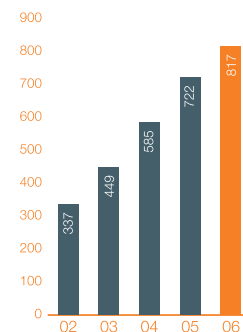


Re-developing company-owned land in Brazil

AngloGold Ashanti in Brazil is contributing to sustainable development in the city of Nova Lima – where its operations are headquartered – and the surrounding area in partnership with local real estate developers to sell and develop company-owned land for residential development. The project, in which local labour is given preference and to which strict environmental criteria are applied, forms part of a master plan covering the next two decades which is intended to form the cornerstone of economic development as the area moves from a mining- to a services-oriented economy. See www.aga-reports.com/06/real-estate.htm



Capital expenditure (\$m)



AuDITIONS goes global

This case study discusses the establishment of a global identity for AngloGold Ashanti's gold jewellery design competitions now held under the banner of AuDITIONS. While existing contests (in South Africa and Brazil) have been given fresh impetus, new competitions have been started in India and China. To provide some insight into these marketing initiatives – their aims, how they are adapted to the countries in which they are held, their outcomes – the study examines in some detail the events held in Brazil in 2006. See www.aga-reports.com/06/AuDITIONS.htm

