ANGLOGOLD ASHANTI LTD
Form 6-K
December 05, 2013

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 December 5, 2013

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. 333-182712) and our Registration Statements on Form S-8 (File Nos. 333-10990 and 333-113789) as amended, to the extent not superseded by documents or reports subsequently filed by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, in each case as amended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: ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes: ¨ **No**: x

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes: ¨ **No**: x

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes: ¨ **No**: x

Enclosures: Unaudited condensed consolidated financial statements as of September 30, 2013 and December 31, 2012 and for each of the nine month periods ended September 30, 2013 and 2012, 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

	Nine months ended September 30,	
	2013	**2012**
	(unaudited)	(unaudited)
	(in US Dollars, millions, except for share data)	
Sales and other income	4,135	5,013
Product sales	4,079	4,955
Interest, dividends and other	56	58
Cost and expenses	5,997	3,563
Production costs	2,469	2,361
Exploration costs	206	267
Related party transactions	(12)	(13)
General and administrative	176	213
Royalties	97	142
Market development costs	5	6
Depreciation, depletion and amortization	582	588
Impairment of assets (see note D)	2,142	2
Interest expense	209	151
Accretion expense	30	24
Employment severance costs	73	8
Loss/(profit) on sale of assets, realization of loans, indirect taxes and other (see note F)	370	(12)
Non-hedge derivative gain and movement on bonds (see note G)	(350)	(174)
(Loss)/income before income tax and equity income in associates	(1,862)	1,450
Taxation benefit/(expense) (see note H)	155	(555)
Equity (loss)/income in associates	(170)	18
Net (loss)/income	(1,877)	913
Less: Net loss/(income) attributable to noncontrolling interests	14	(13)
Net (loss)/income - attributable to AngloGold Ashanti	(1,863)	900
(Loss)/income per share attributable to AngloGold Ashanti common stockholders: (cents)		
(see note J)		
Net (loss)/income		
Ordinary shares	(481)	233
E Ordinary shares	(240)	117
Ordinary shares - diluted	(542)	192
E Ordinary shares - diluted	(271)	109
Weighted average number of shares used in computation		
Ordinary shares	386,677,304	384,299,440
Ordinary shares - diluted	404,487,080	419,369,278
E Ordinary shares - basic and diluted	1,598,625	2,541,262
Dividend declared per ordinary share (cents)	10	50
Dividend declared per E ordinary share (cents)	5	25

ANGLOGOLD ASHANTI LIMITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Prepared in accordance with US GAAP

	Nine months ended September 30, 2013	2012
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Net (loss)/income	(1,877)	913
Other comprehensive income consists of the following:		
Translation loss	(369)	(59)
Net loss on available-for-sale financial assets arising during the period, net of tax of $2 million and $4 million, respectively	(21)	(13)
Reclassification of other-than-temporary impairments on available-for-sale financial assets to Net (loss)/income during the period, net of tax of $nil million and $nil million, respectively	29	4
Release on disposal of available-for-sale financial assets during the period, net of tax of $nil million	(1)	
Other comprehensive income	(362)	(68)
Comprehensive income	(2,239)	845
Total comprehensive income attributable to:		
AngloGold Ashanti	(2,225)	833
Noncontrolling interests	(14)	12
	(2,239)	845

ANGLOGOLD ASHANTI LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

Prepared in accordance with US GAAP

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
ASSETS		
Current assets	2,564	2,790
Cash and cash equivalents	786	892
Restricted cash	36	35
Receivables	456	496
Trade	52	104
Recoverable taxes, rebates, levies and duties	264	247
Other	140	145
Inventories (see note C)	960	1,165
Materials on the leach pad (see note C)	124	128
Deferred taxation assets	59	74
Assets held for sale (see note M)	143	
Property, plant and equipment, net	5,625	7,235
Acquired properties, net	133	748
Goodwill and other intangibles, net	277	305
Other long-term inventory (see note C)	126	180
Materials on the leach pad (see note C)	489	445
Other long-term assets (see note N)	1,452	1,360
Deferred taxation assets	104	39
Total assets	10,770	13,102
LIABILITIES AND EQUITY		
Current liabilities	1,296	1,959
Accounts payable and other current liabilities	847	1,007
Short-term debt	308	271
Short-term debt at fair value (see note E)	18	588
Bank overdraft	25	
Tax payable	41	93
Liabilities held for sale (see note M)	57	
Other non-current liabilities	293	379
Long-term debt (see note E)	2,306	2,750
Long-term debt at fair value (see note E)	1,297	
Derivatives		10
Deferred taxation liabilities	885	1,157
Provision for environmental rehabilitation	698	758
Provision for labor, civil, compensation claims and settlements	27	32
Provision for pension and other post-retirement medical benefits	168	209
Commitments and contingencies		
Equity	3,800	5,848
Common stock		
Share capital - 600,000,000 (2012 - 600,000,000) authorized ordinary shares of 25 ZAR cents each. Share capital - 4,280,000 (2012 - 4,280,000) authorized E ordinary shares of 25 ZAR cents each. Ordinary shares issued 2013 - 402,121,801 (2012 - 383,166,205). E ordinary shares issued 2013 - 700,000 (2012 - 700,000)	13	13
Additional paid in capital	9,062	8,808
Accumulated deficit	(4,006)	(2,103)

Accumulated other comprehensive income	(1,290)	(928)
Other reserves	36	36
Total AngloGold Ashanti stockholders equity	3,815	5,826
Noncontrolling interests	(15)	22
Total liabilities and equity	10,770	13,102

ANGLOGOLD ASHANTI LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Prepared in accordance with US GAAP

	Nine months ended September 30,	
	2013	**2012**
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Net cash provided by operating activities	556	1,286
Net (loss)/income	(1,877)	913
Reconciled to net cash provided by operations:		
Loss on sale of assets, realization of loans, indirect taxes and other	361	2
Depreciation, depletion and amortization	582	588
Impairment of assets	2,142	2
Deferred taxation	(218)	135
Movement in non-hedge derivatives and bonds	(350)	(174)
Equity loss/(income) in associates	170	(18)
Dividends received from associates	23	55
Other non cash items	16	46
Net (decrease)/increase in provision for environmental rehabilitation, pension and other post-retirement medical benefits	(30)	23
Effect of changes in operating working capital items:		
Receivables	38	(186)
Inventories	(120)	(200)
Accounts payable and other current liabilities	(181)	100
Net cash used in investing activities	(1,458)	(1,819)
Available for sale investments acquired	(6)	(6)
Held to maturity investments acquired	(67)	(74)
Associates and equity accounted joint ventures acquired		(2)
Contributions to associates and equity accounted joint ventures	(394)	(215)
Acquisition of subsidiary and loan		(335)
Additions to property, plant and equipment	(1,010)	(1,135)
Interest capitalized and paid	(5)	(8)
Expenditure on intangible assets	(50)	(52)
Proceeds on sale of mining assets	7	4
Proceeds on sale of available for sale investments	2	
Proceeds on redemption of held to maturity investments	63	73
Proceeds on disposal of associates and equity accounted joint ventures	6	20
Proceeds on disposal of subsidiary	2	
Loans advanced to associates and equity accounted joint ventures	(26)	(64)
Loans repaid by associates and equity accounted joint ventures	33	1
Cash of subsidiary acquired		5
Reclassification of cash balances to held for sale assets	(6)	
Change in restricted cash	(7)	(31)
Net cash generated by financing activities	796	544
Repayments of debt	(1,226)	(212)
Issuance of stock		2
Proceeds from debt	2,106	1,212
Debt issue costs	(34)	(29)
Acquisition of noncontrolling interest		(215)
Dividends paid to common stockholders	(40)	(193)
Dividends paid to noncontrolling interests	(10)	(21)
Net (decrease)/increase in cash and cash equivalents	(106)	11
Effect of exchange rate changes on cash	(25)	

Cash and cash equivalents - January 1,	892	1,112
Cash and cash equivalents - September 30,[1]	761	1,123

[1] Cash and cash equivalents at September 30, 2013 are net of a bank overdraft of $25 million (2012: $nil million).

ANGLOGOLD ASHANTI LIMITED

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

Prepared in accordance with US GAAP

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

(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, 2012	383,866,205	13	8,808	(928)	(2,103)	36	22	5,848
Net loss					(1,863)		(14)	(1,877)
Other comprehensive income				(362)				(362)
Stock issues to settle mandatory convertible bonds	18,140,000		220					220
Stock issues as part of Share Incentive Scheme	801,294		26					26
Stock issues in exchange for E Ordinary shares cancelled	8,860							
Stock issues transferred from Employee Share Ownership Plan to exiting employees	5,442							
Stock based compensation			8					8
Dividends					(40)		(23)	(63)
Balance - September 30, 2013	402,821,801	13	9,062	(1,290)	(4,006)	36	(15)	3,800

* The cumulative charge, net of deferred taxation of $1 million (2012: $1 million), included in accumulated other comprehensive income in respect of cash flow hedges amounted to $2 million (2012: $2 million).

ANGLOGOLD ASHANTI LIMITED

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

Prepared in accordance with US GAAP

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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					900		13	913
Other comprehensive income				(67)			(1)	(68)
Acquisition of noncontrolling interest					(142)		(73)	(215)
Stock issues as part of Share Incentive Scheme	857,091		30					30
Stock issues in exchange for E Ordinary shares cancelled	10,883		1					1
Stock issues transferred from Employee Share Ownership Plan to exiting employees	20,103		1					1
Stock based compensation			12					12
Dividends					(193)		(17)	(210)
Balance - September 30, 2012	383,853,514	13	8,784	(899)	(2,010)	36	62	5,986

* 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

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

SEPTEMBER 30, 2013

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 nine-month period ended September 30, 2013 are not necessarily indicative of the results that may be expected for the year ending December 31, 2013.

The balance sheet as at December 31, 2012 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, 2012.

Note B. Accounting developments

Recently adopted pronouncements

Reporting of amounts reclassified out of accumulated other comprehensive income

In February 2013, the Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification or ASC) guidance was issued which requires additional disclosure of items reclassified from Accumulated Other Comprehensive Income (AOCI). An entity is required to provide information about the amounts reclassified out of AOCI by component. In addition, an entity is required to present, either on the face of the statement where net income is presented or in the notes, significant amounts reclassified out of AOCI by the respective line items of net income. The Company adopted the updated guidance on January 1, 2013. Except for presentation changes, the adoption of this guidance had no impact on the Company s financial statements.

Recently issued pronouncements

Cumulative translation adjustments upon derecognition

In March 2013, the FASB issued guidance which indicates that a cumulative translation adjustment (CTA) is attached to the parent s investment in a foreign entity and should be released in a manner consistent with derecognition guidance on investments in entities. For public entities the guidance is effective prospectively for reporting periods beginning on or after December 15, 2013. The Company does not expect the adoption of this guidance to have a material impact on the Company s financial statements.

Presentation of unrecognized tax benefits

In July 2013, the FASB issued guidance on how to present an unrecognized tax benefit in a financial statement when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The guidance provides that a liability related to an unrecognized tax benefit would be offset against a deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. In that case, the liability associated with the unrecognized tax benefit is presented in the financial statements as a reduction to the related deferred tax asset for a net operating loss carryforward, a similar tax loss or a tax credit carryforward. In situations in which a net operating loss carryforward, a similar tax loss or a tax credit carryforward is not available at the reporting date under the tax law of the jurisdiction or the tax law of the jurisdiction does not require, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit will be presented in the financial statements as a liability and will not be combined with deferred tax assets. For public entities the guidance is effective prospectively for reporting periods beginning on or after December 15, 2013 for all unrecognized tax benefits that exist at the effective date. Early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on the Company s financial statements.

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

Prepared in accordance with US GAAP

Note C. Inventories

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
The components of inventory consist of the following:		
Short-term		
Metals in process	205	267
Gold on hand (doré/bullion)	53	91
Ore stockpiles	374	512
Uranium oxide and sulfuric acid	10	11
Supplies	442	412
	1,084	1,293
Less: Materials on the leach pad[1]	(124)	(128)
	960	1,165

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

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
Long-term		
Metals in process	489	445
Ore stockpiles	126	180
	615	625
Less: Materials on the leach pad[2]	(489)	(445)
	126	180

(2) 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 NINE MONTHS ENDED SEPTEMBER 30, 2013

Prepared in accordance with US GAAP

Note D. Impairment of assets

Impairments are made up as follows:

	Nine months ended September 30, 2013 (unaudited)	2012 (unaudited)
	(in US Dollars, millions)	
South Africa		
Impairment and write-off of mine development at TauTona and Great Noligwa [(1)]	3	
Continental Africa		
Write-off of vehicles and mining equipment at Obuasi		2
Impairment and write-off of tailings storage facility at Obuasi [(2)]	5	
Impairment and write-off of mine infrastructure, development and assets at Mongbwalu [(3)]	108	
Impairment of mine infrastructure, development and assets [(4)]	864	
Impairment and write-off of mineral rights [(4)]	49	
Impairment and write-off of acquired properties [(4)]	562	
Impairment of goodwill [(4)]	10	
Americas		
Impairment and write-off of mine infrastructure, development and assets [(5)]	495	
Impairment and write-off of acquired properties [(5)]	23	
Impairment and write-off of goodwill [(5)]	18	
Impairment and write-off of licenses and software [(5)]	5	
	2,142	2

(1) Development areas at TauTona and Great Noligwa have been abandoned and are not expected to generate future cash flows.

(2) The use of the tailings storage facility was discontinued and no further economic benefit is expected to be derived.

(3) The Mongbwalu project in the Democratic Republic of the Congo was discontinued and no further economic benefit is expected to be derived.

(4) Consideration was given to a range of indicators including a declining gold price, increase in discount rates and reduction in market capitalization during 2013. As a result the carrying value of long-lived assets in Continental Africa was written down to an estimated fair value.

(5) Consideration was given to a range of indicators including a declining gold price, increase in discount rates and reduction in market capitalization during 2013. As a result the carrying value of long-lived assets in Americas was impaired and written off.

ANGLOGOLD ASHANTI LIMITED

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

SEPTEMBER 30, 2013

Prepared in accordance with US GAAP

Note D. Impairment of assets (continued)

The following estimates and assumptions were used by management when reviewing goodwill and long-lived assets for impairment:

the gold price assumption represented management s best estimate of the future price of gold. The long-term gold price is based on a range of economic and market conditions expected to exist over the remaining useful life of the assets; (1)

proven and probable ore reserves as well as value beyond proven and probable reserves estimates;

the real pre-tax discount rate per reporting unit and asset group which ranged from 6.2 percent to 18.1 percent is commensurate with the risks involved which is consistent with the basis used in 2012. The risk factors considered were country risk as well as asset risk for cash flows relating to mines that are not yet in production and deep level mining projects. The country risk factor was based on the Company s internal assessment of country risk relative to the issues experienced in the countries in which it operates and explores;

foreign currency cash flows were translated at estimated forward exchange rates and then discounted using appropriate discount rates for that currency;

cash flows used in impairment calculations were based on life of mine plans which range from 3 years to 47 years;

the Company s estimates of a range of factors, including its reserve and future production and cost levels, are premised on an extensive annual planning process (the last of which was completed at the end of 2012). The Company s impairments totaling $2.1 billion were calculated using these most recent planning estimates from the end of 2012, along with adjustments to elements that are known. They do not include information from optimized mine plans, which are currently being prepared and will include measures to mitigate the effects of the recent decline in the gold price. Bearing in mind the assumptions made and the information used, these estimates of impairments necessarily contain a greater element of uncertainty than those traditionally completed at year-end; and

variable operating cash flows are increased at local Consumer Price Index rates.

Estimates and assumptions used by management included the following:

	2013 June $ per ounce	**2012 December $ per ounce**	**2011 December $ per ounce**	**2010 December $ per ounce**
(1) Long-term real gold price	1,252	1,584	1,530	1,113

When reviewing goodwill and other long-lived assets for impairment, AngloGold Ashanti s assumption on gold price represents its best estimate of the future price of gold. In arriving at the estimated long-term gold price, AngloGold Ashanti considers all available market information including current prices, historical averages, and forward pricing information and data. The long term gold price of $1,252 per ounce in 2013 was based on a range of economic and market conditions, which were expected to exist over the remaining useful life of the assets.

AngloGold Ashanti considers the long term fundamentals that provide support to the gold price assumption. These include, amongst other things, gold as a long term store of value, hedge against inflation, safe haven status, strong physical demand from emerging markets, central bank purchases, quantitative easing and devaluation of paper currency, falling global mine production and rising costs of producing gold, all of which AngloGold Ashanti believes represent trends supportive of its gold price assumption.

The received gold price averaged $1,455 per ounce for the nine months ended September 30, 2013, while the estimated long-term gold price remained unchanged.

The Company will continue to monitor the underlying long term factors driving the gold price and will review its gold price assumption, should it consider it appropriate to do so. Should the gold price assumption used in 2013 be revised downward for any reason, goodwill related to Mine Waste Solutions and long-lived assets related to Great Noligwa, Iduapriem, Siguiri, Geita, AngloGold Ashanti Córrego do Sítío Mineração and Cerro Vanguardia are most vulnerable to impairment.

Furthermore, should the gold price fall and remain at such lower levels, management will consider, in addition to other mitigating factors, reviewing and amending the life of mine plans to reduce expenditures, optimize costs and increase cash flows in respect of its mining assets.

The real pre-tax discount rates applied in the 2013 impairment calculations on a reporting unit with significant assigned goodwill were as follows:

	Percentage
Australasia	
Sunrise Dam	10.9%

ANGLOGOLD ASHANTI LIMITED

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

SEPTEMBER 30, 2013

Prepared in accordance with US GAAP

Note E. Debt

The Company s outstanding debt includes:

Debt carried at amortized cost

Rated bonds - issued April 2010

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 September 30, 2013		
	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)	8	303
		1,000	(6)	25	1,019

			At December 31, 2012		
	Coupon rate %	Total offering	Unamortized discount	Accrued interest	Total carrying value
			(in US Dollars, millions)		
10-year unsecured notes	5.375	700	(1)	7	706
30-year unsecured notes	6.500	300	(5)	4	299
		1,000	(6)	11	1,005

Rated bonds - issued July 2012

On July 25, 2012, the Company announced the pricing of an offering of $750 million aggregate principal amount of 5.125 percent notes due 2022. The notes were issued by AngloGold Ashanti Holdings plc, a wholly owned subsidiary of the Company, at an issue price of 99.398 percent. The net proceeds from the offering were $737 million, after deducting discounts and estimated expenses. The notes are unsecured and fully and unconditionally guaranteed by AngloGold Ashanti Limited. The transaction closed on July 30, 2012.

Details of the rated bonds are summarized as follows:

	At September 30, 2013				
	Coupon rate %	Total offering	Unamortized discount	Accrued interest	Total carrying value
	(unaudited) (in US Dollars, millions)				
10-year unsecured notes	5.125	750	(4)	6	752

	At December 31, 2012				
	Coupon rate %	Total offering	Unamortized discount	Accrued interest	Total carrying value
	(in US Dollars, millions)				
10-year unsecured notes	5.125	750	(5)	16	761

ANGLOGOLD ASHANTI LIMITED

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

SEPTEMBER 30, 2013

Prepared in accordance with US GAAP

Note E. Debt (continued)

Debt carried at amortized cost (continued)

Loan facilities

On July 20, 2012, 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 five-year unsecured revolving credit facility with a syndicate of lenders which replaced its $1.0 billion syndicated facility maturing in April 2014 which has been repaid and cancelled. AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Inc. each guaranteed the obligations of the borrowers under the facility. Amounts may be repaid and reborrowed under the facility during its five-year term. Amounts outstanding under the facility bear interest at LIBOR plus a margin that varies depending on the credit rating of AngloGold Ashanti Limited.

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

	At September 30, 2013				
	Interest rate [1] **%**	**Commitment fee** [2] **%**	**Total facility**	**Undrawn facility** (unaudited) (in US Dollars, millions)	**Total drawn facility**
$1.0 billion syndicated revolving credit facility	LIBOR + 1.5	0.525	1,000	1,000	

	At December 31, 2012				
	Interest rate [1] **%**	**Commitment fee** [2] **%**	**Total facility**	**Undrawn facility** (in US Dollars, millions)	**Total drawn facility**
$1.0 billion syndicated revolving credit facility	LIBOR + 1.5	0.525	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.

In February 2013, AngloGold Ashanti Holdings plc, a wholly owned subsidiary of AngloGold Ashanti Limited entered into a syndicated bridge loan facility agreement pursuant to which a syndicate of banks agreed to make available $750 million to AngloGold Ashanti Holdings plc.

AngloGold Ashanti Limited, AngloGold Ashanti Holdings plc and AngloGold Ashanti USA Inc., as guarantors, each guaranteed all payments and other obligations of the borrower and the other guarantors under the $750 million syndicated bridge loan facility.

During August 2013, the Company fully cancelled the $750 million syndicated bridge loan facility.

Syndicated revolving credit facility (A$600 million)

On December 22, 2011, AngloGold Ashanti Australia Limited, a wholly owned subsidiary of AngloGold Ashanti Limited, entered into a four-year revolving credit facility of A$600 million with a syndicate of banks. AngloGold Ashanti Limited together with AngloGold Ashanti Holdings plc 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. An amount of $304 million was drawn down during the nine months ended September 30, 2013 under the facility.

	At September 30, 2013				
	Interest rate [3] %	Commitment fee [4] %	Total facility	Undrawn facility (unaudited) (in US Dollars, millions)	Total drawn facility
A$600 million syndicated revolving credit facility	BBSY + 2	1	559	35	524

	At December 31, 2012				
	Interest rate [3] %	Commitment fee [4] %	Total facility	Undrawn facility (in US Dollars, millions)	Total drawn facility
A$600 million syndicated revolving credit facility	BBSY + 2	1	625	359	266

(3) Outstanding amounts bear interest at a margin over the Bank Bill Swap Bid Rate (BBSY).
(4) A commitment fee of 50 percent of the applicable margin is payable quarterly in arrears on the undrawn portion of the facility.

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Note E. Debt (continued)

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 were convertible into ADSs at an initial conversion price of $47.6126. The conversion price was 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 were due to mature on May 22, 2014. However, at any time on or after June 12, 2012 the Company had 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 gave notice of the redemption.

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

The Company separately accounted 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 were accreted to interest expense using the effective interest method over the 5 year term of the bonds.

On July 25, 2013, AngloGold Ashanti Holdings plc commenced a cash tender offer to purchase any and all of the outstanding $732.5 million 3.5 percent convertible bonds due May 2014 of AngloGold Ashanti Holdings Finance plc at a purchase price of $1,015 for each $1,000 principal amount of bonds validly tendered. The offer expired on August 21, 2013 and AngloGold Ashanti Holdings plc purchased $725.9 million in aggregate principal amount of the bonds, representing 99.1 percent of the total issuance. In addition, holders received, in respect of their bonds that were accepted for purchase, accrued and unpaid interest on such bonds up to, but excluding, the settlement date of the tender offer.

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

	At September 30, 2013	At December 31, 2012
	(unaudited)	
	(in US Dollars, millions)	
Convertible bonds		
Senior unsecured fixed rate bonds [1]	6	686
Accrued interest		3

	6	689
Convertible bond derivative liability		
Balance at beginning of period	9	92
Fair value movements on conversion features of convertible bonds [2]	(9)	(83)
Balance at end of period [3]		9

(1) During August 2013, 99.1 percent aggregate principal amount of the bonds were settled.

(2) Fair value movements for nine months ended September 30, 2013 and twelve months ended December 31, 2012, respectively.

(3) As a result of the significant decrease in the Company s share price, the conversion feature of the convertible bonds as at September 30, 2013 amounts to nil.

On November 8, 2013, AngloGold Ashanti Holdings Finance plc completed the redemption of all of its outstanding 3.5 percent convertible bonds for $6.6 million, plus accrued, and unpaid interest to, but excluding, the redemption date.

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Note E. 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.

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 was 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 G.

On September 16, 2013, AngloGold Ashanti Holdings Finance plc paid and discharged the 6.00 percent mandatory convertible bonds (which matured on September 15, 2013) by delivering 18,140,000 American Depository Shares, or ADSs, which represent an equivalent number of shares of the Company s common stock, and the cash equivalent of 177,859 shares of AngloGold Ashanti Limited as determined in the manner set out in the indenture governing the mandatory convertible bonds.

The mandatory convertible bonds are summarized as follows:

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
Mandatory convertible bonds		
Short-term debt at fair value		588

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Note E. Debt (continued)

Debt carried at fair value

$1.25 billion bonds

On July 30, 2013, the Company issued $1.25 billion aggregate principal amount of 8.5 percent notes. The notes were issued by AngloGold Ashanti Holdings plc, a wholly owned subsidiary of the Company, at an issue price of 100 percent of the principal amount of the notes. The net proceeds from the offering were $1.237 billion, after deducting discounts and expenses. The notes are unsecured and fully and unconditionally guaranteed by AngloGold Ashanti Limited. There are no significant restrictions on the ability of AngloGold Ashanti Limited to obtain funds from its subsidiaries by dividend or loan.

These bonds contain certain embedded derivatives relating to early settlement provisions as described below. 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 bonds mature on July 30, 2020. However, at any time prior to July 30, 2016, the Company or AngloGold Ashanti Holdings plc may redeem the notes, in whole or in part, at a redemption price based on a make whole premium, plus accrued interest, if any, to the redemption date. At any time after July 30, 2016, the Company or AngloGold Ashanti Holdings plc may redeem the notes, in whole or in part, at the redemption prices set forth in the indenture. In addition, at any time prior to July 30, 2016, the Company or AngloGold Ashanti Holdings plc may redeem up to 35 percent of the original principal amount of the notes with the net proceeds from certain equity offerings by the Company, at a price of 108.500 percent of the aggregate principal amount thereof, plus accrued interest, if any, to the redemption date, if at least 65 percent of the principal amount of the notes remains outstanding.

Upon the occurrence of both a change of control of the Company and certain ratings downgrade, within a specified period, of the notes by each of Moody s Investors Service, Inc. and Standard & Poor s Ratings Services, AngloGold Ashanti Holdings plc will be required to make an offer to purchase the notes at a price equal to 101 percent of its principal amount plus accrued interest, if any, to the date of repurchase. The notes were issued in denominations of $1,000 and integral multiples of $1,000 in excess thereof.

In determining the fair value liability of the $1.25 billion bonds, the Company has measured the effect based on the ex interest NYSE closing price on the reporting date. The ISIN bond code used by the NYSE for the $1.25 billion bonds is US03512TAD37. 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 semi-annual coupon rate of 8.5 percent per annum. Fair value adjustments are included in Non-hedge derivative gain and movement on bonds in the income statement. See note G.

The $1.25 billion bonds are summarized as follows:

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
$1.25 billion bonds		
Long-term debt at fair value	1,297	
Short-term debt at fair value	18	

1,315

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ANGLOGOLD ASHANTI LIMITED

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Note F. Loss/(profit) on sale of assets, realization of loans, indirect taxes and other

	Nine months ended September 30, 2013	2012
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Write-down of ore stockpiles and materials on the leach pad to net realizable value	238	
Indirect taxes and legal claims [1]	36	8
Impairment of investments	29	4
Inventory write-off due to fire at Geita	14	
Loans written off	7	
Legal fees and other costs related to Mining and Building Contractors Limited contract termination	1	
Settlement costs of a legal claim at First Uranium (Pty) Limited	2	
Profit on disposal of AGA-Polymetal Strategic Alliance [2]		(20)
Royalties received [3]	(17)	(18)
Loss on disposal of land, equipment and assets, mineral rights, exploration properties and other	1	13
Impairment of other receivables		1
Corporate bond and standby facility underwriting and professional fees	20	
Once-off charges related to cancellation of convertible bonds	39	
	370	(12)
Taxation (benefit)/expense on above items	(14)	1
[1] Indirect taxes and legal claims are in respect of:		
Tanzania	25	
Guinea	9	8
Colombia	4	
Brazil	(3)	1
United States of America		2
Argentina		(2)
Namibia	1	(1)
[2] On February 8, 2012, the transaction to dispose of the AGA-Polymetal Strategic Alliance to Polyholding Limited was completed. These assets were fully impaired as at December 31, 2011.		
[3] Royalties received include:		
Newmont Mining Corporation (2009 sale of Boddington Gold mine)	(13)	(14)
Simmers & Jack Mines Limited (2010 sale of Tau Lekoa Gold mine)	(4)	(4)

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

	Nine months ended September 30,	
	2013	**2012**
	(unaudited)	(unaudited)
	(in US dollars, millions)	
Non-hedge derivative gain		
Gain on non-hedge derivatives	32	70

The net gain recorded in the nine months ended September 30, 2013 relates to fair value movements of the conversion features of convertible bonds and movements on other commodity contracts.

Movement on bonds

	Nine months ended September 30,	
	2013	**2012**
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Fair value gain on mandatory convertible bonds (See Note E)	364	104
Fair value loss on $1.25 billion bonds (See Note E)	(46)	
	318	104

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

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Note H. Taxation

The net taxation benefit in the nine months ended September 30, 2013 compared to a net expense for the same period in 2012, constitutes the following:

	Nine months ended September 30, 2013 (unaudited)	2012 (unaudited)
	(in US Dollars, millions)	
Charge for current taxation [1]	63	420
(Benefit)/charge for deferred taxation [2]	(218)	135
	(155)	555
(Loss)/income before income tax and equity income in associates	(1,862)	1,450

(1) The decrease in current taxation in 2013 is mainly due to lower earnings as a result of a decline in the gold price and production with higher operating costs when compared to 2012.

(2) The lower deferred taxation in 2013 mainly relates to the tax credits on impairments of assets and inventory write-down to net realizable value, partly negated by the reversal of deferred tax assets not considered recoverable in Ghana and North America.

Uncertain taxes

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

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
Balance at beginning of period	93	78
Additions for tax positions of prior years	2	17
Reductions for tax positions of prior years	(4)	
Translation	(8)	(2)
Balance at end of period	83	93
Unrecognized tax benefits are summarized as follows:		
Recognized as a reduction of deferred tax assets	36	40
Recognized in other non-current liabilities [1]	47	53
Balance at end of period	83	93

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

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 nine months ended and as at September 30, 2013, interest recognized and interest accrued amounted to:

	(in US Dollars, millions)
Interest recognized during the nine months ended September 30, 2013	1
Interest accrued as at September 30, 2013	14

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

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Note I. 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 Committee, in evaluating operating performance of the Company and making resource allocation decisions.

	Nine months ended September 30,	
	2013	**2012**
	(unaudited)	(unaudited)
	(in US Dollars, millions)	
Revenues by area		
South Africa	1,412	1,701
Continental Africa	1,553	1,964
Australasia	249	335
Americas	1,098	1,243
Other, including Corporate and Non-gold producing subsidiaries	13	16
	4,325	5,259
Less: Equity method investments included above	(190)	(246)
Total revenues	4,135	5,013
Segment income/(loss)		
South Africa	276	583
Continental Africa	(1,583)	730
Australasia	(54)	87
Americas	(198)	535
Other, including Corporate and Non-gold producing subsidiaries	(436)	(155)
Total segment (loss)/income	(1,995)	1,780
The following are included in segment (loss)/income:		
Interest revenue		
South Africa	11	17
Continental Africa	2	5
Australasia	1	1
Americas	8	5
Other, including Corporate and Non-gold producing subsidiaries	2	2
Total interest revenue	24	30
Interest expense		
South Africa	12	3
Continental Africa	2	2

Australasia	16	1
Americas	3	2
Other, including Corporate and Non-gold producing subsidiaries	176	143
Total interest expense	209	151

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Note I. Segment information (continued)

	Nine months ended September 30, 2013 (unaudited)	2012 (unaudited)
	(in US Dollars, millions)	
Equity income/(loss) in associates		
South Africa	5	
Continental Africa	(165)	42
Americas	(3)	
Other, including Corporate and Non-gold producing subsidiaries	(7)	(24)
Total equity (loss)/income in associates	(170)	18
Reconciliation of segment (loss)/income to Net (loss)/income - attributable to AngloGold Ashanti		
Segment total	(1,995)	1,780
Exploration costs	(206)	(267)
General and administrative expenses	(176)	(213)
Market development costs	(5)	(6)
Non-hedge derivative gain and movement on bonds	350	174
Taxation benefit/(expense)	155	(555)
Noncontrolling interests	14	(13)
Net (loss)/income - attributable to AngloGold Ashanti	(1,863)	900

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
Segment assets		
South Africa	3,068	3,570
Continental Africa [1]	3,581	4,752
Australasia	1,129	1,007
Americas	2,472	2,894
Other, including Corporate and Non-gold producing subsidiaries	520	879
Total segment assets	10,770	13,102

(1) Includes the following which have been classified as assets held for sale:		
Navachab	143	

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Note J. (Loss)/income per share data

	Nine months ended September 30, 2013 (unaudited)	Nine months ended September 30, 2012 (unaudited)
The following table sets forth the computation of basic and diluted (loss)/income per share (in US dollars millions, except per share data):		
Ordinary shares undistributed (loss)/income	(1,899)	704
E Ordinary shares undistributed (loss)/income	(4)	2
Total undistributed (loss)/income	(1,903)	706
Ordinary shares distributed income	40	193
E Ordinary shares distributed income		1
Total distributed income [1]	40	194
Numerator - Net (loss)/income		
Attributable to Ordinary shares	(1,859)	897
Attributable to E Ordinary shares	(4)	3
Total attributable to AngloGold Ashanti	(1,863)	900
In calculating diluted (loss)/income per ordinary share, the following were taken into consideration:		
(Loss)/income attributable to equity shareholders	(1,859)	897
Loss attributable to E Ordinary shareholders	(4)	
Interest expense on convertible bonds	33	55
Amortization of issue cost and discount on convertible bonds		24
Fair value adjustment on convertible bonds included in (loss)/income	(364)	(170)
(Loss)/income used in calculation of diluted earnings per ordinary share	(2,194)	806

	Nine months ended September 30, 2013 (unaudited)	Nine months ended September 30, 2012 (unaudited)
Denominator for basic (loss)/income per ordinary share		
Ordinary shares	384,706,398	382,593,036
Fully vested options [2]	1,970,906	1,706,404
Weighted average number of ordinary shares	386,677,304	384,299,440
Effect of dilutive potential ordinary shares		
Dilutive potential of stock incentive options [3]		1,545,223

Dilutive potential of convertible bonds (3)	17,339,706	33,524,615
Dilutive potential of E Ordinary shares (3)	470,070	
Denominator for diluted (loss)/income per share adjusted weighted average number of ordinary shares and assumed conversions	404,487,080	419,369,278
Weighted average number of E Ordinary shares used in calculation of basic and diluted (loss)/income per E Ordinary share	1,598,625	2,541,262

(1) 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, replaced the Secondary Tax on Companies.

(2) Compensation awards are included in the calculation of basic (loss)/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.

(3) The calculation of diluted (loss)/income per common share did not assume the effect of the following number of shares as their effects are anti-dilutive:

Issuable upon the conversion of E Ordinary shares		347,618
Issuable upon the conversion of convertible bonds	13,254,660	
Issuable upon the conversion of stock incentive options	1,718,208	

The effect of rounding may result in computational differences.

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Note K. Reclassifications out of accumulated other comprehensive income

	For the nine months ended September 30, 2013 (unaudited) (in US Dollars, millions)			
	Unrealized gain on marketable securities, net $	**Foreign currency translation adjustments** $	**Changes in fair value of cash flow hedge instruments** $	**Total** $
Balance - December 31, 2012	25	(951)	(2)	(928)
Change in other comprehensive income before reclassifications	(21)	(369)		(390)
Reclassifications from accumulated other comprehensive income	28			28
Net current period other comprehensive income	7	(369)		(362)
Balance - September 30, 2013	32	(1,320)	(2)	(1,290)

Details about accumulated other comprehensive income components	**Reclassifications from accumulated other comprehensive income** $	**Affected line item in the condensed consolidated statement of income**
Unrealized gain on marketable securities:		
Impairment of marketable securities	29	Loss/(profit) on sale of assets, realization of loans, indirect taxes and other
Disposal of marketable securities	(1)	Interest, dividends and other
Total before tax	28	
Tax expense/(benefit)		
Net of tax	28	

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Note L. Employee benefit plans

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

	Nine months ended September 30,			
	2013 (unaudited)		2012 (unaudited)	
	(in US Dollars, millions)			
	Pension benefits	**Other benefits**	**Pension benefits**	**Other benefits**
Service cost	4	1	5	23
Interest cost	16	10	14	10
Expected return on plan assets	(33)		(19)	
Net periodic benefit cost	(13)	11		33

Employer contributions

	(in US Dollars, millions)
Expected contribution for 2013 [(1)]	17
Actual contribution for the nine months ended September 30, 2013	11

(1) The Company s expected contribution to its pension plan and other post-retirement medical benefits in 2013 as disclosed in the Company s Form 20-F for the year ended December 31, 2012.

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Note M. Assets and (liabilities) held for sale

AngloGold Ashanti to sell Navachab mine

On April 30, 2013, the Company announced its plan to sell the Navachab mine in Namibia. The Navachab gold mine is situated close to Karibib, about 170 kilometres northwest of the Namibian capital, Windhoek. It is included in the Continental Africa reporting segment. The open-pit mine, which began operations in 1989, has a processing plant that handles 120,000 metric tons a month. The mine produced 74,000 ounces of gold in 2012.

Management has selected certain offers received from potential bidders who meet management s qualifying criteria and have asked them to confirm certain terms of their submissions in the form of firm and final offers. Navachab is not viewed as part of the core assets of the Company and no longer forms part of the long-term business strategy of the group. There can be no assurance, however, that a sale and purchase agreement for this transaction will be entered into or that any sales transaction will be completed.

The Company will continue to generate significant cash flows from the production and sale of gold from its remaining operations in Continental Africa. Consequently, due to the migration of cash flows and in accordance with FASB ASC guidance on discontinued operations, Navachab will not be classified as a discontinued operation.

The carrying amounts of major classes of assets and liabilities of Navachab included:

	At September 30, 2013 (unaudited) (in US Dollars, millions)
Cash and cash equivalents	6
Trade and other receivables	4
Inventories	65
Property, plant and equipment	66
Goodwill and other intangibles	2
Trade and other payables	(11)
Short and long-term debt	(13)
Deferred taxation	(29)
Provision for environmental rehabilitation	(4)
Net assets	86

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Note N. Other long-term assets

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
Investments in associates - unlisted	52	63
Investments in associates - listed	10	18
Investments in equity accounted joint ventures	1,170	972
Carrying value of equity method investments	1,232	1,053
Investment in marketable equity securities - available for sale	45	69
Investment in marketable debt securities - held to maturity	7	7
Investment in non-marketable equity securities - available for sale	2	2
Investment in non-marketable assets - held to maturity	2	3
Investment in non-marketable debt securities - held to maturity	78	86
Restricted cash	30	29
Other non-current assets	56	111
	1,452	1,360

Investment in associates

During the third quarter of 2013, the Company recovered $31 million (net of expenses) of an outstanding loan to Thani Ashanti Alliance Limited. The recovery is reflected in equity (loss)/income in associates for 2013. The loan to Thani Ashanti Alliance Limited was fully impaired in 2012.

Impairment of associates and equity accounted joint ventures [1]

The Company recognized the following impairments which are included in equity (loss)/income in associates:

	Nine months ended September 30, 2013 (unaudited)	2012 (unaudited)
	(in US Dollars, millions)	
Associates		
Mariana Resources Limited [2]	4	
Equity accounted joint ventures		
Société d Exploitation des Mines d Or de Sadiola S.A. [3]	184	
Société des Mines de Morila S.A. [4]	12	
Thani Ashanti Alliance Limited [5]	1	

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(1) The impairments recognized had no tax effects.
(2) The carrying amount of the listed associate was written down to fair value.
(3) Consideration was given to a range of indicators including a declining gold price, increase in discount rates and reduction in market capitalization during 2013. As a result the carrying value of the investment was impaired and written off.
(4) The carrying amount was written down to a fair value of $14 million.
(5) Investment fully impaired.

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Note N. Other long-term assets (continued)

Investment in marketable equity securities - available for sale

Available for sale investments in marketable equity securities consists of investments in ordinary shares and collective investment schemes.

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
Cost	15	50
Gross unrealized gains	30	21
Gross unrealized losses		(2)
Fair value (net carrying value)	45	69

Other-than-temporary impairments and disposal of marketable equity securities available for sale

	Nine months ended September 30, 2013 (unaudited)	2012 (unaudited)
	(in US Dollars, millions)	
Other-than-temporary impairments		
International Tower Hill Mines Ltd (United States of America)	23	
Corvus Gold Incorporated (United States of America)	2	
First Uranium Corporation (South Africa)	2	4
Village Main Reef Limited (South Africa)	1	
Stratex International plc (Isle of Man)	1	
	29	4
The impairments recognized resulted in a transfer of fair value adjustments previously included in accumulated other comprehensive income to the income statement.		
Disposal of marketable equity securities		
The Company s disposal of marketable equity securities resulted in the following reclassification of gains of fair value adjustments to the income statement:		
Equity investments held by the Environmental Rehabilitation Trust Fund (net of tax of $nil million)	(1)	

In addition, the Company holds various equities as strategic investments in gold exploration companies. Two 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.

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 September 30, 2013			
Aggregate fair value of investments with unrealized losses			
Aggregate unrealized losses			
At December 31, 2012			
Aggregate fair value of investments with unrealized losses	27		27
Aggregate unrealized losses	(2)		(2)

ANGLOGOLD ASHANTI LIMITED

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

Prepared in accordance with US GAAP

Note N. Other long-term assets (continued)

	At September 30, 2013 (unaudited)	At December 31, 2012
	(in US Dollars, millions)	
Investment in marketable debt securities - held to maturity	7	7
Investments in marketable debt securities represent held to maturity government bonds held by the Environmental Rehabilitation Trust Fund with a total fair value of $8 million (2012: $11 million) and gross unrealized gains of $1 million (2012: $4 million).		
Investment in non-marketable equity securities - available for sale	2	2
The non-marketable equity investments mainly represent shares held in XDM Resources Limited.		
Investment in non-marketable assets - held to maturity	2	3
Investments in non-marketable assets represent secured loans and receivables secured by pledge of assets.		
Investment in non-marketable debt securities - held to maturity	78	86
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 September 30, 2013 the contractual maturities of debt securities were as follows:		
Marketable debt securities		
After five years	3	
After ten years	4	
	7	
Non-marketable debt securities		
Less than one year	78	
Restricted cash	30	29
Restricted cash mainly represent cash balances held by environmental rehabilitation trust funds and an environmental protection bond.		
Financing receivables		
Loans of $2 million (2012: $40 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.		

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

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Note O. 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 Audit and Corporate Governance Committee 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 September 30, 2013, 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 September 30, 2013 are expected to be reclassified from accumulated other comprehensive income and recognized as an adjustment to depreciation expense equally until 2019.

A gain on non-hedge derivatives of $32 million was recorded in the nine months ended September 30, 2013 (2012: $70 million). See note G 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 eliminated its hedge book during 2010 and has since had full exposure to the spot price of gold.

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 September 30, 2013, 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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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED

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Note O. 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 September 30, 2013 amounts to $206 million. Credit risk exposure netted by open derivative positions with counterparts was $nil million as at September 30, 2013. 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 September 30, 2013 and December 31, 2012, are as follows (assets (liabilities)):

	September 30, 2013 (unaudited)		December 31, 2012	
	(in US Dollars, millions)			
	Carrying amount	Fair Value	Carrying amount	Fair Value
Cash and cash equivalents	786	786	892	892
Restricted cash	66	66	64	64
Short-term debt	(308)	(308)	(271)	(271)
Short-term debt at fair value	(18)	(18)	(588)	(588)
Long-term debt	(2,306)	(2,070)	(2,750)	(2,871)
Long-term debt at fair value	(1,297)	(1,297)		
Derivatives			(10)	(10)
Marketable equity securities - available for sale	45	45	69	69
Marketable debt securities - held to maturity	7	8	7	11
Non-marketable equity securities - available for sale	2	2	2	2
Non-marketable assets - held to maturity	2	2	3	3
Non-marketable debt securities - held to maturity	78	78	86	86

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

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Note O. 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 and short-term debt

The mandatory convertible bonds and $1.25 billion 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) is 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. Non-marketable equity securities classified as available for sale are carried at cost or fair value, where fair value can be reliably measured.

Fair value of the derivative liabilities split by accounting designation

		At September 30, 2013 (unaudited) (in US Dollars, millions)	
Liabilities			
	Balance Sheet location	**Non-hedge accounted**	**Total**
Option component of convertible bonds	Non-current liabilities - derivatives		
Embedded derivatives	Non-current liabilities - derivatives		
Total derivatives			

		At December 31, 2012 (in US Dollars, millions)	
Liabilities			
	Balance Sheet location	**Non-hedge accounted**	**Total**
Option component of convertible bonds	Non-current liabilities - derivatives	(9)	(9)
Embedded derivatives	Non-current liabilities - derivatives	(1)	(1)
Total derivatives		(10)	(10)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013

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Note O. Financial and derivative instruments (continued)

Non-hedge derivative gain and movement on bonds recognized

	Nine months ended September 30, 2013 (unaudited)	2012 (unaudited)
	(in US Dollars, millions)	
Unrealized [(1)]		
Option component of convertible bonds	9	66
Other commodity contracts	23	4
Fair value movement on mandatory convertible bonds	364	104
Fair value movement on $1.25 billion bonds	(46)	
Non-hedge derivative gain and movement on bonds	350	174

(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, 2013	Changes in fair value and other movements recognized in 2013	Reclassification adjustments	Accumulated other comprehensive income as of September 30, 2013
	(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	Changes in fair value and	Reclassification adjustments	Accumulated other comprehensive

	income as of January 1, 2012	other movements recognized in 2012		income as of September 30, 2012
			(unaudited) (in US Dollars, millions)	
Derivatives designated as				
Capital expenditure	(3)			(3)
Before tax totals	(3)			(3)
After tax totals	(2			