



Results for the second quarter  
ended 30 June 2014

AUGUST 2014



## Building safety procedure

# SAFETY IS OUR FIRST VALUE

*in case of an emergency...*

A siren will sound and information will be broadcast over the public address system.

Move quickly to the nearest exit points, which are on both sides of the auditorium and at the back right hand corner.

Please gather at the open car park behind Turbine Square where safety wardens will advise you on any additional procedures.



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## Agenda

- **Venkat – Introduction**
- Mike O'Hare – South Africa
- Ron Largent – International
- Graham Ehm – Projects & Exploration
- Richard Duffy – Financials
- Venkat – Q2 2014 Conclusion



## Building blocks for AngloGold Ashanti

Seek to maximise sustainable free cash flow from a high-quality, diversified portfolio...



...whilst maintaining the fundamentals of the business, with a focus on delivery.

## Safety performance

First fatality-free quarter in four years...

### Fatalities

	1H'12	1H'13	1H'13 vs 1H'14 Change	1H'14
South Africa	6	5	↓ (4)	1
International	2	0	↑ 2	2
Exploration	1	0	-	0
<b>Total</b>	<b>9</b>	<b>5</b>	<b>↓ (2)</b>	<b>3</b>

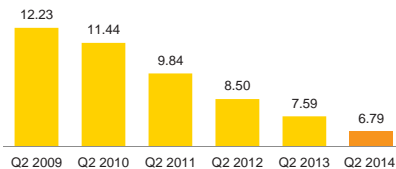
- Fatality free quarter; first since 2010, third in AGA history.

YTD FIFR 0.04, ▼25% (vs. prior YTD)

- Best second quarter AIFR performance on record (6.79), 2<sup>nd</sup> best overall.

YTD AIFR 7.24, ▼7% (vs. prior YTD)

### All injury frequency rate (AIFR) per million hours



- 26% fewer injuries and 11% (or 2,274) fewer lost work days (vs. prior YTD).

- Eleven operating entities complete quarter with zero LTIs, three with zero injuries. Eight operations have no LTIs this year.

- South Africa posts record safety performance.

...and records across each metric.

## Second quarter highlights

*Solid second quarter led by strong operating results...*

- Fatality free quarter and record safety performance on all key metrics; Longest period with no fatality.
- Production of 1.098Moz ahead of guidance; Up 17% year-on-year and 4% on prior quarter.
- Total cash costs \$836/oz, at lower end of market guidance; 7% lower year-on-year.
- AISC \$1,060/oz, a decrease of 19% year-on-year on overhead and direct cost improvements.
- Revolving Credit Facilities refinanced with five-year maturities with more favourable financial covenants.
- Normalised AHE \$76m on strong production, despite lower gold price, inflation and winter power tariffs.
- Newly agreed natural gas pipeline for Australian operations expected to reduce costs.
- Full-year production outlook remains intact.

*...in addition to progress in both balance sheet and portfolio management.*

## Highlights: quarterly and year-on-year comparisons

*Despite a significant decline in the gold price, free cash flow is positive...*

Particulars	Q2 2013	Q2 2014	Improved Q2'14 vs Q2'13?	H1 2013	H1 2014	Improved H1 14 vs H1 13?
Gold price received (\$/oz)	1 421	1 289	-9%	1 529	1 289	-16%
Gold production (kcozs)	935	1 098	17%	1 834	2 152	17%
Total cash costs (\$/oz)	898	836	7%	896	804	10%
Corporate and marketing costs (\$m)	57	20	65%	123	45	63%
Exploration and evaluation costs (\$m)	79	33	58%	158	62	61%
Capital expenditure (\$m)	556	311	44%	1 069	585	45%
All-in-sustaining costs* (\$/oz) <i>World gold council standard</i>	1 302	1 060	19%	1 288	1 027	20%
All-in-costs* (\$/oz) <i>World gold council standard</i>	1 679	1 192	29%	1 650	1 153	30%
Cash inflow from operating activities (\$m)	140	336	140%	496	687	39%
EBITDA** (\$m)	288	382	33%	796	858	8%
Free cash inflow/(outflow) (\$m)	(488)	34	107%	(727)	56	108%

\*Excludes stockpiles written off  
\*\*Adjusted

*...as significant improvements are being realised in operating and overhead costs.*

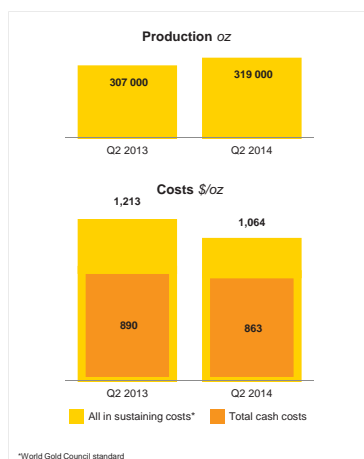
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## Regional overview: South Africa

*South Africa continues to be a key operating region for the business...*

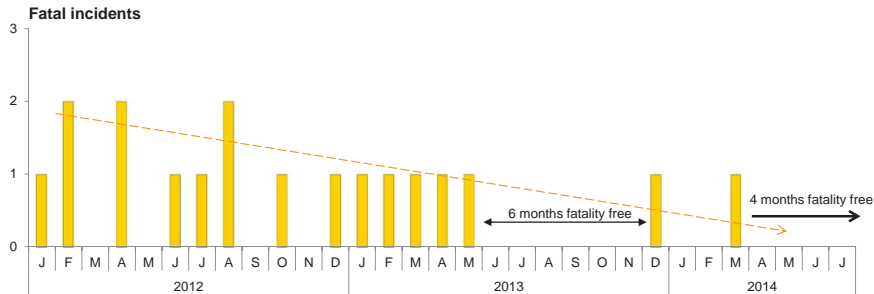


- Total cash costs improved year-on-year despite wage increases and inflation.
- **West Wits** operations saw an improvement with less seismic related activity and fewer safety stoppages.
- At **Mponeng**, operating results benefitted from reduced stope-widths and an increased overall grade due to lower intake of waste tonnages.
- In the **Vaal River**, a focus on cost management helped mitigate inflationary pressure.
- **Moab Khotsong** was the lowest cost producer in the region at \$707/oz. The integration of Great Noligwa into Moab Khotsong continues.

*...as consolidation continues to deliver better cost performance.*

## SA Region safety

The South Africa Region has made enormous strides in improving safety...



### Q1'2014

**SAR Services** 1m fatality-free shifts  
**Great Norigwa** 1m fatality-free shifts  
**TauTona\*** 1m fatality-free shifts  
**Kopanang** 3m fatality-free shifts

\*Includes Savuka

### Q2'2014

**SA Region** Fatality Free  
**TauTona\*** 1 year fatality-free (May 27)  
**Great Norigwa** 2 years fatality-free (June 13)  
**Moab** 2 years FOG fatality-free (June 22)

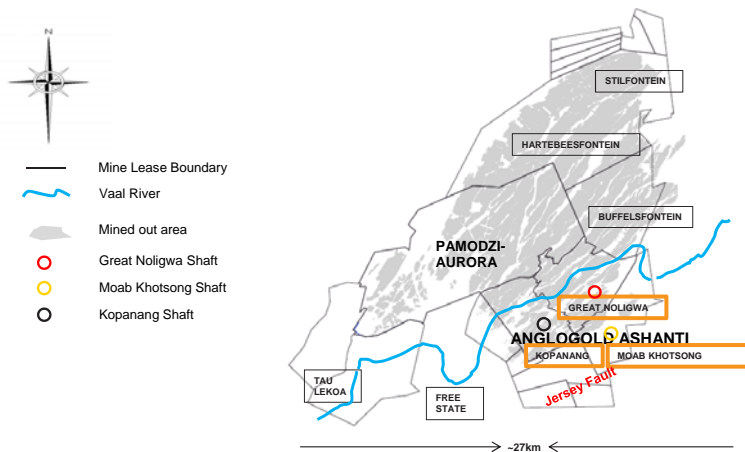
### Q3' to date

**SAR Services** 1m LTI-free shifts  
**Moab** 3m shifts no FOG fatality  
**SAR** 4.1m fatality free shifts 156 Days

...with strong gains on all operations.

## Update on recent earthquake

Our infrastructure and safety protocols worked as they should...



...safely hoisting to surface each one of the 3,300 employees working underground.

## Immediate actions and emergency response

*All safety systems and protocols were observed...*

- Immediately activated disaster protocols, established control centre.
- Re-established power – secured ventilation and hoisting capability.
- Conducted shaft examinations to enable safe hoisting.
- Evacuated 28 injured employees to waiting medical staff.
- Safely hoisted to surface remaining underground employees.
- Accounted for all 3,300 employees.
- Trauma counselling immediately available and is ongoing.
- Commenced with major shaft infrastructure assessment.
- Removal of staff from buildings with serious damage.
- Established community and media liaison.
- Ongoing communications with employees, regulators, unions and local communities.

*...and all employees and contractors were instrumental in ensuring a positive outcome.*

## Further actions and priorities

*A thorough examination of all underground infrastructure will take place...*

- Diminishing seismic intensity determines safe re-entry.
- Rock engineers and seismologists working closely with mine management.
- Schedule and complete work to repair damage.
- Production scheduled to commence at night shift, Monday Aug. 11 once working places deemed safe.
- Secure redundant power from Eskom.
- Safety will not be compromised.
- AngloGold Ashanti working with communities and local authorities to offer assistance.
- Production loss estimated at about 30,000oz.\*

\*may be adjusted higher or lower as our recovery work continues

*...once it is deemed safe for inspection crews to proceed underground.*

## Update on technology and innovation

*We have progressed beyond pure technology trials...*

### Reef Boring (Stoping):

- Nine holes drilled at the test site in Q2; focus on drilling sequences to optimise efficiencies and extraction ratios – results remain encouraging.
- Three mid-range production machines commissioned at TauTona Mine.
- Small-range prototype rig delivered to Great Noligwa; testing commenced.

### Site Equipping:

- Opening up and development of the 2014 production sites at TauTona and Great Noligwa complete; work continues at the other sites.
- 2015 production sites identified and scheduled for site preparation.

### Ultra High Strength Backfill (UHSB)

- Available reef-boreholes in production block and test site block filled.
- Underground backfill plant commissioned; allows semi-automated process.
- Surface testing continues to improve horizontal reticulation process.

### Geological Drilling:

- Rotary percussion drilling comparisons with reverse circulation method.
- Delivery of the newly designed compressor for RC drilling awaited upon which RC testing will continue to test drilling efficiencies of 8m/hr to depths of 300m.



*...and are in the preliminary stages of starting to produce from our trial mining sites.*

## Agenda

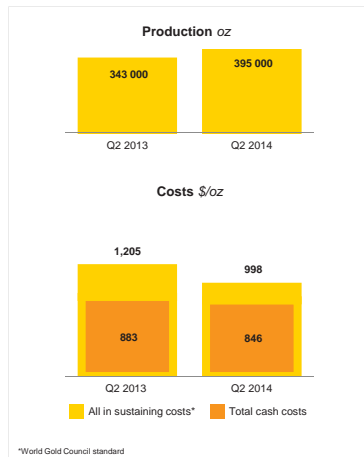
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## Regional overview: Continental Africa

*Cost rationalisation in the region has contributed significantly to group performance...*

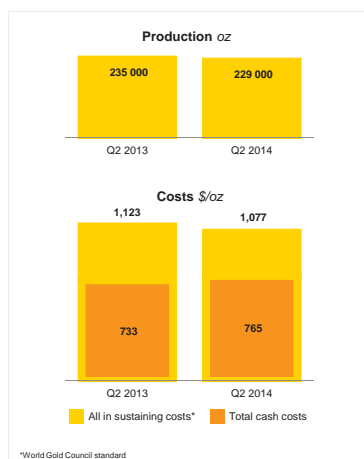


- Production during the quarter saw an improvement reflecting contributions from **Kibali** and strong production at **Sigiri**.
- Total cash costs, excluding **Kibali**, continued to improve with the realization of company wide cost reduction initiatives offsetting inflation pressures.
- **Sigiri** production benefited from accessing higher grade ore sources; with a 33% increase in recovered grade to 1.01g/t.
- **Kibali** affected by start-up challenges encountered during the sulfide-circuit commissioning; good recovery from these issues is underway.

*...with opportunities still available for continued savings.*

## Regional overview: Americas

*The Americas region saw stable production year-on-year...*

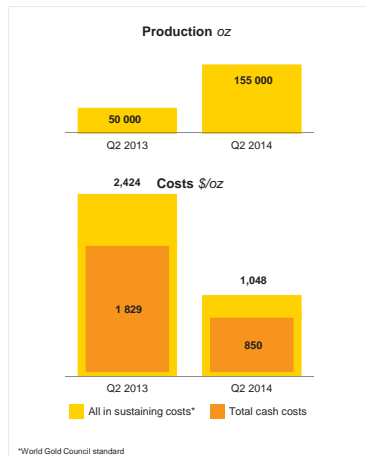


- Production slightly lower than prior year mainly due to a decline in production at **CC&V**.
- The heap leach stacking plan at **CC&V** was modified to defer production in the first half of the year.
- Production in **Brazil** saw year-on-year increase with the help of production from new ore body at CDS (Sulphide II).
- **Argentina** costs increased due to higher equipment maintenance costs and greater materials consumption.

*...with lower production at CC&V offset by output in Brazil.*

## Regional overview: Australia

*Both Tropicana and Sunrise Dam reported strong results...*



- Operating performance in the region continues to benefit from a strong contribution from the **Tropicana Mine**.
- **Sunrise Dam** gold production increased in line with the strategy to steadily increase underground ore production, which has now reached an annualised rate of more than 2 Mtpa.
- **Tropicana** continues to meet project expectations. Grades and productivities are as expected. Regular plant shutdowns continue to be undertaken to monitor wear and make improvements as necessary.
- The **change to natural gas as the fuel for power generation** is expected to reduce cash operating costs at both sites by between A\$25-A\$30/ounce in 2016.

*...with costs in the region improving significantly.*

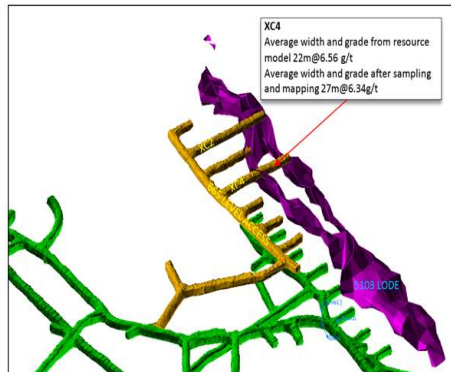
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## Project update: Kibali (45% AngloGold Ashanti)

*Kibali continues to make strong progress toward completion...*

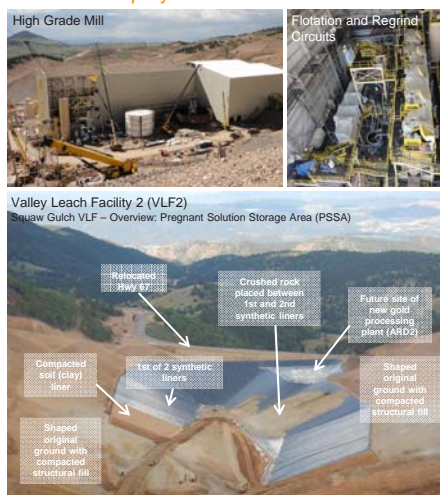


- Completion and commissioning of sulphide circuit.
- Commenced ramp-up of the sulphide circuit operation – 91,000oz production.
- Declines and vertical shafts progressing well.
- Vertical shaft now at 525m. First load-level development well advanced.
- Nzoro hydropower station commissioned and delivering power.
- Decline development ahead of schedule.
- Cross-cut development into the 3,000 load progressing on three levels.

*...with off-shaft development now commencing.*

## Project update: CC&V MLE2

*CC&V MLE2 project remains on track ...*



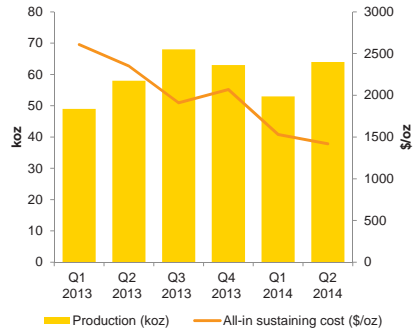
- MLE2 Project was 47% complete through the second quarter.
- Mill is on schedule and is expected to deliver first gold production in the fourth quarter of 2014.
- Stockpiling of mill grade ore continues to ensure mill production can commence when the mill is commissioned.
- Valley leach facility (VLF) and associated gold recovery plant is on schedule to commission in mid-2016.

*... to increase the mine life of the asset.*

## Obuasi

*Meaningful action taken to correct Obuasi underperformance...*

Production and All-in sustaining cost trend



### Areas of progress

- Amendment to Programme of Mining Operations submitted to regulators.
- Labour reductions continue.
- Rationalisation of site footprint continues.
- Stakeholder dialogue continues on a range of issues, including security and economic development.
- New decline development breaks through.

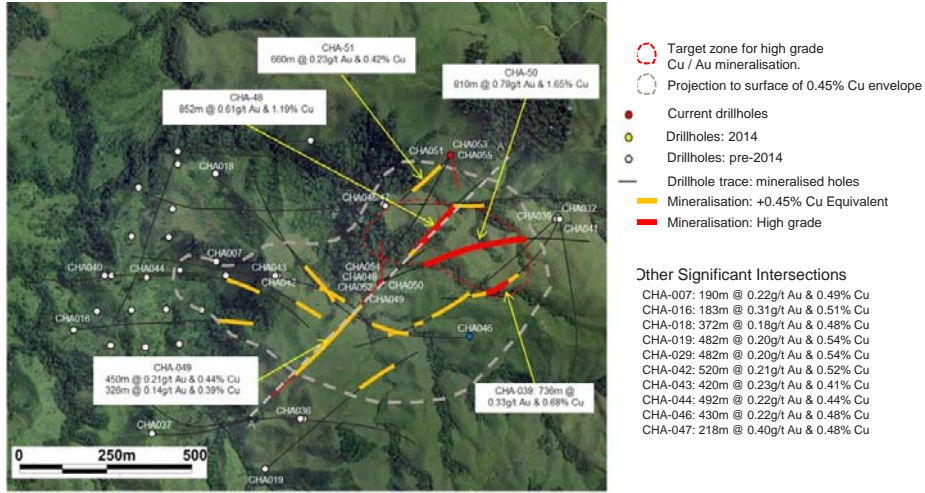
*...with progress in key areas.*

## Obuasi



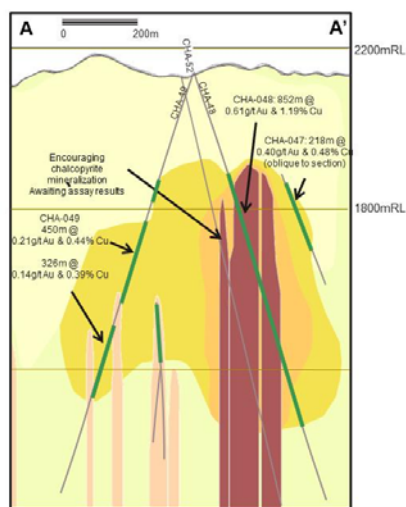
## Nuevo Chaquiro Cu-Au Porphyry discovery

*New results from drilling of high grade zone are very encouraging...*



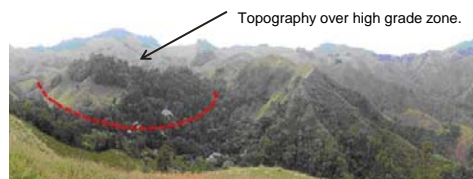
*...and support potential for 200Mt Zone.*

## Nuevo Chaquiro Cu-Au Porphyry discovery



### Section A-A'

- Q2 results support potential for +200Mt high grade core.
- Good continuity at depth.
- Potential zone of very high grade >2% Copper between 350m-450m depth.



## Agenda

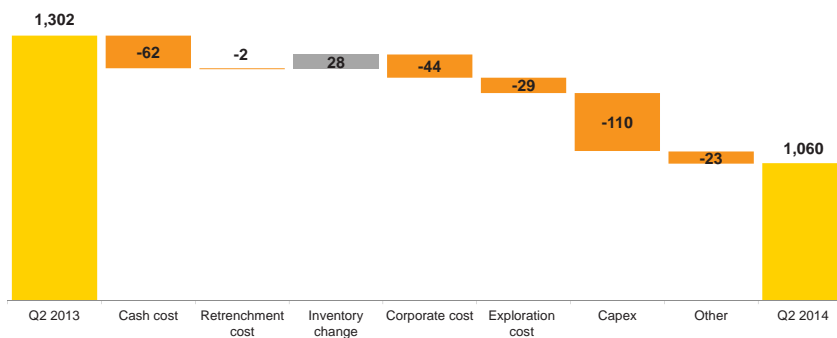
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## Quarter-on-quarter cost reconciliation

*Our efforts to tackle costs across a broad front...*

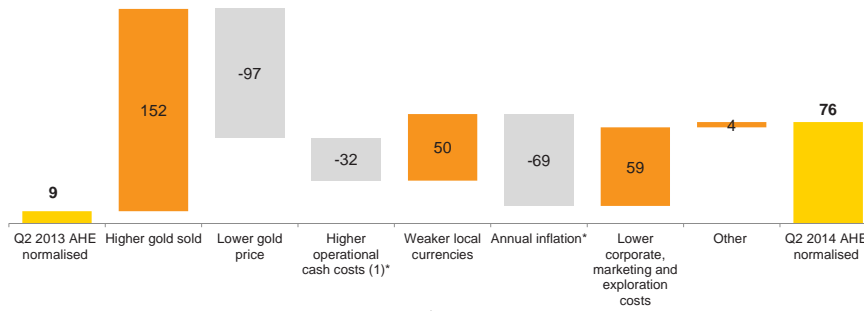
**All-in sustaining cost (\$/oz sold)**  
*Excluding stockpile NRV and other adjustments*



*...continue to bear fruit.*

## Year-on-year earnings reconciliation

### Q2 2014 vs Q2 2013 Adjusted Headline Earnings normalised (\$m)

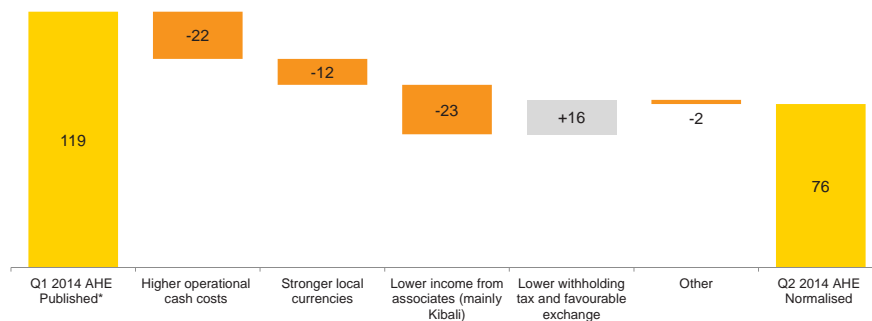


\*Both reflect introduction for the first time of two additional mines into the US\$m cost base.

(1) Includes inventory movements

## Quarter-on-quarter earnings reconciliation

### Q1 2014 published to Q2 2014 normalised Adjusted Headline Earnings (\$m)

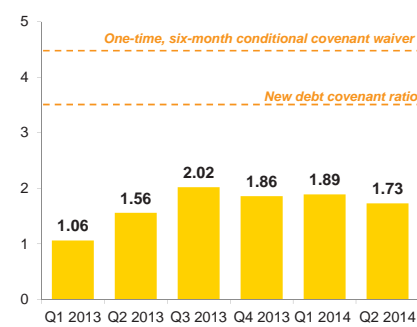


\*Q1 earnings did not contain extraordinary items subject to normalisation

## Continued financial flexibility

*Focus remains on continuously improving our balance sheet...*

### Net debt: EBITDA vs. Credit facilities' covenant ratio



- New, five-year \$1bn RCF at increased covenant ratio of 3.5x net debt: EBITDA.
- One six-month conditional waiver period <4.5x.
- New A\$500m, five-year RCF agreed at same terms – replaces previous A\$600m RCF.
- Net debt improved to \$2.994bn, from \$3.095bn at March 31.
- Debt reduction remains a key management focus.

*...through proactive actions and ongoing debt repayments.*

## Outlook

	Production	Total cash costs	Assumptions	Notes
Q3 2014	1,060koz – 1,090koz	\$850/oz – \$890/oz	Exchange rates of ZAR10.65/\$, A\$0.93/\$, BRL2.28/\$ and AP8.55/\$; Brent \$110/bl.	<ul style="list-style-type: none"> <li>• Navachab sale complete</li> <li>• Winter power tariffs</li> <li>• Obuasi production winding down</li> <li>• Includes impact of earthquake on Vaal River operations given current knowledge</li> </ul>
2014 Full Year	4.2Moz – 4.5Moz	\$740/oz – \$790/oz	Exchange rates of ZAR11/\$, A\$0.85/\$, BRL2.45/\$ and AP6.45/\$; Brent \$100/bl.	<ul style="list-style-type: none"> <li>• Guidance remains intact, based on current knowledge of impact of South Africa earthquake. We reserve the right to amend the guidance should there be additional negative impact.</li> </ul>

Both production and cost estimates assume no labour interruptions, successful ramp-up at Kibali and Tropicana, and no changes to asset portfolio/operating mines. Other known or unpredictable factors could also have material adverse effects on our future results and no assurance can be given that any expectations expressed by AngloGold Ashanti will prove to have been correct. Please refer to the Risk Factors section in AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2013, filed with the United States Securities and Exchange Commission ("SEC") on 14 April 2014 and available on the SEC's homepage at <http://www.sec.gov>.



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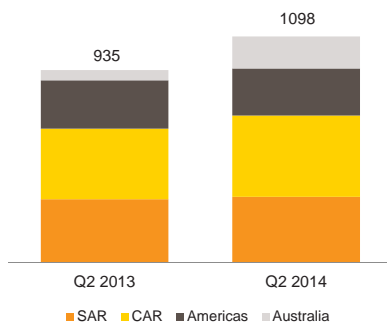
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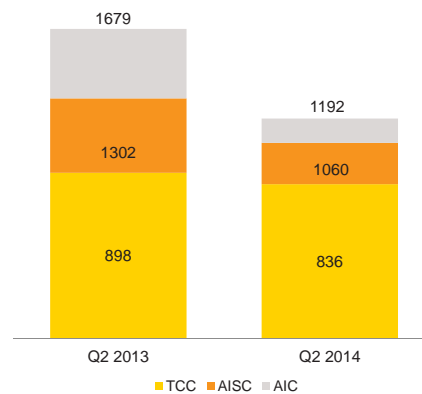
## Improvements in production and costs

*New production coming on stream at lower costs, as planned...*

**Quarterly gold production**  
koz



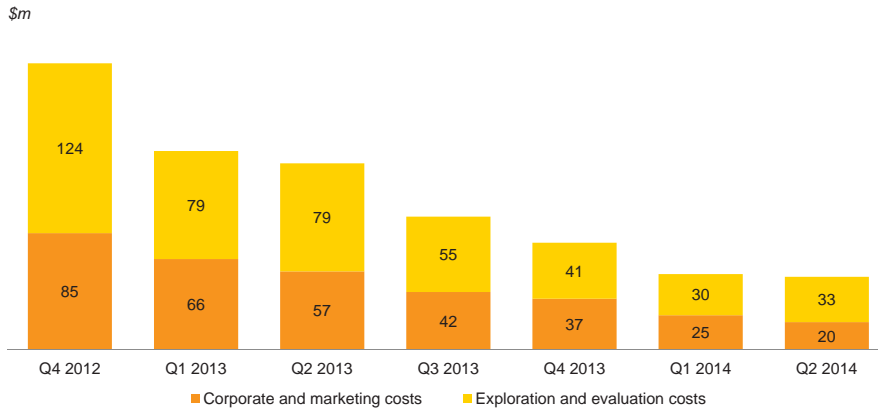
**All-in costs (AIC)**  
\$/oz



*...delivering first annual quality-production growth in 9 years.*

## Corporate and exploration cost reductions

*Significant overhead savings have been realised and maintained...*

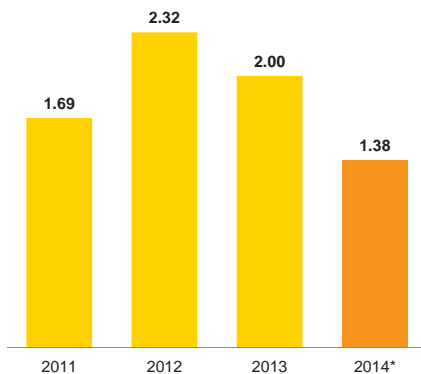


*...as we focus on generating sustainable cash flow.*

## Capital expenditures

*Total capex profile has reduced significantly since 2012...*

Capital expenditure  
\$bn



- Reduced capex from 2012 onwards reflecting delivery of Kibali and Tropicana.
- Medium term capex focused on:
  - CC&V MLE2
  - Mponeng B120
  - Kibali underground
  - Obuasi decline
- Sustaining capex for 2013 was \$1bn.

\*midpoint of guidance \$1.3bn-\$1.45bn, includes deferred stripping

*...as Kibali and Tropicana are completed on-time and on-budget.*

## Delivery on key strategic objectives

*Progress has been made in achieving strategic objectives despite tough headwinds...*



*...with the focus now on Obuasi and continuing to preserve our financial flexibility.*



## Technology - site preparation for 2014

*In order to develop technologies for the different reef width applications...*

Site Number	Location	Production Start	% Complete	Objective
Site 1	TauTona Mine - 97 Level CLR Block 1/3	Q2 2014	100%	High Grade Pillar
Site 2	TauTona Mine - 97 Level CLR Block 6	Q2 2014	100%	High Grade Pillar
Site 3	Kopanang Mine - 42 B/West 10 Nth X/Cut	Q3 2014	100%	Narrow Reef
Site 4	Great Noligwa Mine - 64 DW 48 X/Cut	Q2 2014	100%	Thin "C" Reef
Site 5	Moab Khotsong Mine - 98 Level 105 X/Cut	Q3 2014	55%	High Grade Vertical Reef

*...sites have been specifically selected.*

## Technology - sample of test holes drilled to date

*The key is to increase boring speed...*

	Average	Range
Holes drilled	30	
Hole length (m)	28.3	25.5 – 28.4
Days to complete	4.6	3.2 – 8.8
Tons per hole	28.14	14.1- 64.6
Diameter of holes (m)	0.67	0.54 – 1.060
Grades (g/t)	74.6	12.5 – 209
Gold per hole	1.961	0.4 – 7.3kg
<b>Total Gold</b>	<b>58.848kg (1891 oz)</b>	

*...through improving equipment capability by design.*