



ANGLOGOLD ASHANTI

AngloGold Ashanti Limited

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News Release

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AngloGold Q2 Operating Results Solid; Plans Overhead Savings up to \$482m

- Solid gold production of 935koz, in-line with guidance provided for the period of 900-950k oz; up 4% from Q1.
- Total cash costs of \$898/oz, better than the adjusted guidance range for the period of \$900/oz and \$920/oz.
- \$1.25bn bond issue provides additional liquidity; improves debt maturity profile.
- Net debt at 30 June 2013 was \$2.78bn, reflecting a net debt to EBITDA ratio of 1.56 times.
- Capital expenditure for 2013 reduced from \$2.1bn to \$1.95bn-\$2.0bn.
- Tropicana is ahead of schedule and remains within budget; commissioning underway.
- Kibali is progressing well and remains on budget and on schedule for production as early as October.
- No second-quarter dividend declared given volatile environment; dividend to be reviewed at year-end resumption to bi-annual dividend schedule.
- All Injury Frequency Rate (AIFR) in the quarter was 7.61 per million hours worked, 11% year-on-year improvement.

(ANGLOGOLD ASHANTI) – AngloGold Ashanti today posted a solid operating result for the second quarter and provided an update on potential savings and efficiency improvements of as much as \$482m next year that will help improve operating margins.

New Chief Executive Officer Srinivasan Venkatakrishnan (Venkat), appointed in May, is aiming to more than halve corporate costs next year from their 2012 levels, while narrowing the focus on its expensed exploration and evaluation programme to three core regions. Together, these two elements of overhead expenditure, which accounted for \$752m in 2012, are expected to decline to between \$270m and \$315m next year. Complementing these cost improvements is new production from the Tropicana mine in Australia, expected to start production before the end of next month, and the Kibali joint venture in the Democratic Republic of Congo, which is slated to pour its first ounce of gold in October.

“We have adopted a decisive, two-pronged response to this weaker gold price environment, focused on revenue enhancement and improving efficiencies by addressing costs at a number of levels,” Venkat said. “Our two important new mines are expected to contribute approximately 550,000oz to 600,000oz of new annual

production next year at below our current average cost, improving the group's cash cost and cash flow profile."

Production for the three months to June 30 was 935,000oz at a total cash cost of \$898/oz, compared to 899,000oz at \$894/oz the previous quarter, and to AngloGold Ashanti's guidance of 900,000oz to 950,000oz at total cash costs of \$900/oz to \$950/oz. The result was aided by improvements from mines in Continental Africa region, as well as from Serra Grande in Brazil.

In addition to the reduced overhead costs and new production, AngloGold Ashanti is also targeting further reductions in operating costs at its mines, lowering capital expenditure and the sale of assets that may improve the overall quality of its portfolio.

AngloGold Ashanti also moved to strengthen its balance sheet, improve liquidity and extend debt maturities by the successful issue last month of \$1.25bn in new bonds maturing in seven years. The proceeds will be used to offer early repayment of the \$732.5m convertible bond that matures in May, while the surplus provides additional liquidity if needed, during the current volatile market conditions.

The gold price has traded significantly lower this year, with current levels of around \$1,290/oz considerably weaker than about \$1,600/oz recorded at the end of 2012. AngloGold Ashanti posted an adjusted headline loss of \$135m during the quarter, which included the impact of the reduced gold price during the quarter and the consequential writedown of ore stockpiles, necessitated by the lower bullion price, as well as retrenchment costs.

While these sweeping changes are underway across the company's portfolio, the company will maintain its focus on safety. During the second quarter, two employees died in work-related accidents at AngloGold Ashanti's West Wits region in South Africa. No fatalities have been recorded at any other area of the business in 2013 and the Continental Africa region, comprising eight mines in five countries across the continent, did not record a single lost-time injury in June 2013.

"While the work to refocus the business continues at a strong pace and in a challenging environment, our first priority remains to operate safely as we work to deliver value to our stakeholders," Venkat said. "We recognise that there remains much room for improvement and we will continue to look for innovative ways to reach our ultimate goal of zero harm in the workplace."

Production in the third quarter is forecast* at 950,000oz to 1Moz at total cash cost of \$860/oz to \$890/oz.

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**Both cost and production estimates are subject to unfavourable revisions in light of recent labour-related challenges in South Africa. Other unknown 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 in the prospectus supplement to AngloGold Ashanti's prospectus dated 17 July 2012, that was filed with the Securities and Exchange Commission ("SEC") on 26 July 2013 and is available at the SEC's home page at <http://www.sec.gov>.*

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