



ANGLOGOLD ASHANTI

AngloGold Ashanti Limited

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News Release

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AngloGold Ashanti Takes Prudent Step to Relax Loan Covenant

(JOHANNESBURG) – AngloGold Ashanti Limited has continued its strategy of proactively managing its balance sheet by reaching agreement with its two banking syndicates to temporarily relax the financial covenant on both of its revolving credit facilities (RCFs). This is purely a proactive step by the company providing it protection, if required, against volatile market and operating conditions.

AngloGold Ashanti currently has a single financial covenant common to its two RCFs, namely that the ratio of net debt to the rolling twelve month EBITDA (earnings before interest, tax, depreciation and amortisation) may not exceed 3.0 : 1. This financial covenant, which is tested twice yearly at the end of June and December, was 1.56: 1 at 30 June 2013.

AngloGold Ashanti has received consent from its banking syndicates providing both facilities to loosen the net debt to EBITDA ratio from 3:0: 1 to a maximum of 4.5 : 1 for the next two testing periods, being 31 December 2013 and 30 June 2014, after which this financial covenant will revert to 3.0 : 1.

Whilst AngloGold Ashanti does not anticipate requiring this additional headroom on the financial covenant, it believes this prudent move will provide the company with greater flexibility to address any volatile market and operating conditions in the short term, as it proceeds with plans to bring its two new projects into production, reduce operating and overhead costs and improve its overall production profile.

“This move is consistent with our track record of proactive balance sheet management, whilst keeping our prudent financial policies intact,” AngloGold Ashanti Group Treasurer Rob Hayes said. “This support from our two banking syndicates demonstrates confidence in our business and the decisive steps we’ve taken to reposition the company to weather a lower gold price environment. It also improves our financial flexibility in a period of high volatility.”

The company has an undrawn US\$1.0bn RCF at 30 June 2013 which matures in 2017, and a A\$600m RCF, of which A\$480m was drawn at 30 June 2013, which matures in 2015.

AngloGold Ashanti’s strategy is focused on improving free cash flow from its portfolio. The company is aiming to more than halve corporate costs next year from their 2012 levels, while narrowing the focus on its expensed exploration programme. 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 about between 550,000oz and 600,000oz of new production expected from the Tropicana and Kibali mines in coming months, both at cash costs which are lower than the group’s current average.

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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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