



AngloGold Ashanti Limited  
(Incorporated in the Republic of South Africa)  
Reg. No. 1944/017354/06  
ISIN. ZAE000043485 – JSE share code: ANG  
CUSIP: 035128206 – NYSE share code: AU  
JSE Bond Company Code - BIANG  
("AngloGold Ashanti" or the "Company")

**8 May 2018**

## **NEWS RELEASE**

### **AngloGold Posts Strong Q1 Cost, Production Performance; Net Debt Falls**

(JOHANNESBURG – PRESS RELEASE) – AngloGold Ashanti posted a strong first-quarter performance, with lower debt and improvements in both production and all-in sustaining costs, driving wider margins and stronger cash flows. The Australian operations were the standout performers.

Production of 824,000oz at all-in sustaining cost of \$1,029/oz in the three months through 31 March, compared with 830,000oz at AISC of \$1,060/oz in the first quarter of last year. Production was little changed despite TauTona undergoing orderly closure and the sales of Moab Khotsong and Kopanang concluding a month before the end of the quarter. Looking only at retained operations (operations excluding closed and sold operations), production rose 6% to 773,000oz at an AISC of \$1,002/oz, representing a margin of 25% to the gold price received for the period.

"Our hard work in restructuring the business to focus on portfolio quality is starting to bear fruit as our operations are demonstrating strong, consistent results," Chief Executive Officer Srinivasan Venkatakrishnan, said. "The core portfolio is performing well, the balance sheet is solid, our projects are on schedule and we see good potential for further efficiencies in both our International and South African Operations."

AngloGold Ashanti has restructured its portfolio to focus on higher-margin, longer-life assets, while investing in a series of brownfield projects with strong return profiles. The company has focused on tight cost control and disciplined capital allocation across its portfolio, which now has about 87% of production from its International Operations.

With roughly a quarter of the full year's guided production delivered in the seasonally weak first quarter, AngloGold Ashanti remains on track to meet its annual production, cost and capital guidance.

Production at the International Operations increased 5% year-on-year to 666,000oz, with AISC improving further to \$950/oz from \$963/oz in the first quarter of last year, as the continued focus on operating efficiencies gains momentum. Standout performers include Sunrise Dam in Australia which recorded a 54% increase in production, and Tropicana, Kibali, Iduapriem and Serra Grande.

In South Africa, the smaller and more focused footprint delivered an encouraging performance as production from Mponeng increased 29%, while rand-denominated all-in sustaining costs fell 14%. Restructuring of the asset portfolio in South Africa is still underway to ensure that both the on- and off-mine cost structures are appropriate for the size of the smaller production base in the country.

## **BALANCE SHEET**

Cash generation from retained operations remained strong despite the smaller asset base, with adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA) rising 21%, from \$316m to \$382m.

The Company further improved its balance sheet after applying asset-sale proceeds to reduce South Africa debt. Net Debt to adjusted EBITDA improved to 1.14 times, down from 1.35 times at the end of 2017. Net Debt at 31 March was \$1.77bn, compared with \$2.05bn at the end of March last year.

## **SAFETY UPDATE**

Regrettably, two fatalities were recorded during the quarter. South Africa region suffered one fatality following a tramming accident at Moab Khotsong, and an electricity-related fatality occurred in Brazil. These incidents are a reminder of the importance of adhering to our safety standards.

The group All-Injury Frequency Rate, the broadest measure of workplace safety, was 6.35 injuries per million hours worked for the period, down 28% from the first quarter of last year demonstrating improvement for the fourth consecutive quarter. Sadiola and Geita passed the quarter without a single injury, demonstrating the potential possible when there is strong oversight and compliance to world-class standards.

Despite these setbacks, the Company remains focused on this critical area of our business and concerted efforts are underway to not only understand the cause of each of these incidents, but also the root cause of other high potential incidents that could have resulted in fatalities.

## **Outlook\***

Full- year guidance remains unchanged as follows:

- Production is estimated to be between 3.325Moz and 3.450Moz;
- Total cash costs are between \$770/oz and \$830/oz; and
- AISC between \$990/oz and \$1,060/oz, assuming average exchange rates against the US dollar of 12.79ZAR (Rand), 3.20BRL (Brazil Real), 0.78AUD (Aus\$) and 19.61ARS (Argentina Peso), with the Brent Crude oil price at \$62/bbl average for the year. Capital expenditure is anticipated to be between \$800m and \$920m.

## **ENDS**

### **Johannesburg**

### **JSE Sponsor: Deutsche Securities (SA) Proprietary Limited**

\* Both production and cost estimates assume no labour or other interruptions, or changes to asset portfolio and/or operating mines and have not been reviewed by our external auditors. 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 section in AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2017, filed with the United States Securities and Exchange Commission.

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#### **Non-GAAP financial measures**

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