

# London Bullion Market Association

*"Impact of the Financial Crisis on Precious Metals Industry"*



November 2009

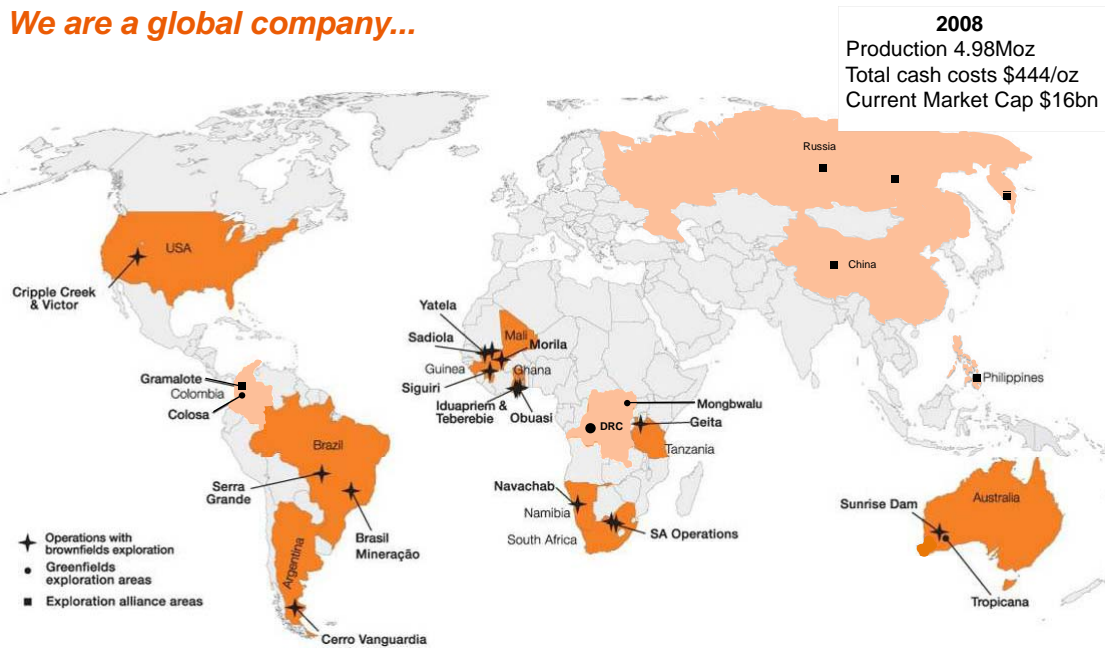


## Agenda

- AngloGold Ashanti background
- Looking back at the Financial Crisis
- Refinancing a Gold Major Amid the Storm
- Lessons Learned
- Gold Outlook

## Global Footprint

*We are a global company...*



*...with significant positions across key gold producing regions.*

## Looking Back at the Financial Crisis

*The financial crisis threatened the modern financial system...*

- Marquee financial institutions crashed
- Widespread hedge fund failures
- Interbank lending froze
- Credit markets seized

*...and claimed several victims in its wake.*

## Paralysis in Interbank Lending

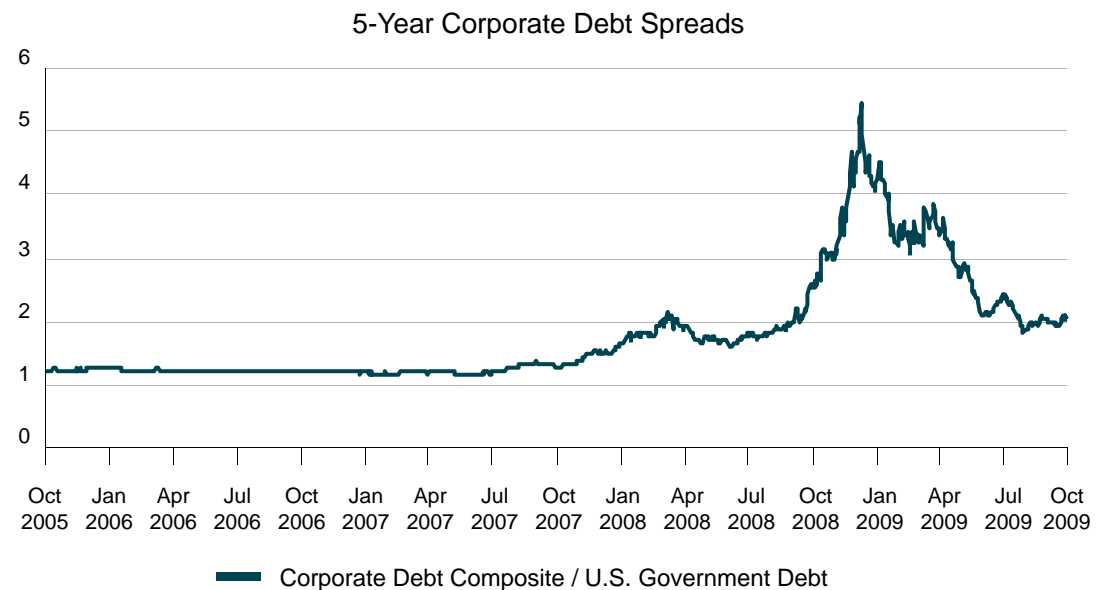
*Cash scarcity among banks rose to a record...*



*...causing a drought in credit markets.*

## Credit Spreads Widen

*Corporate debt costs soared...*

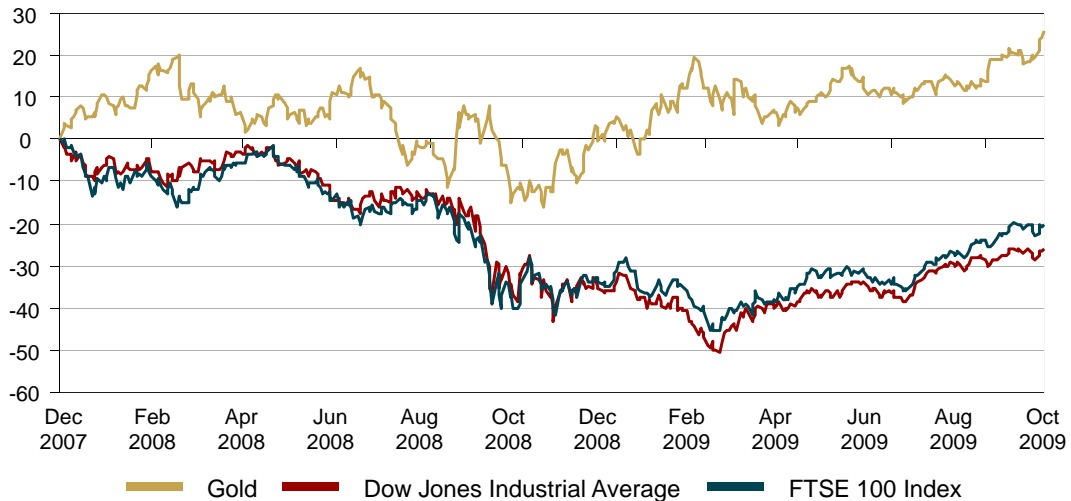


*...making borrowing expensive or impossible.*

## Gold Outperforms During Crisis

*Gold stepped up during the worst of the crisis...*

GOLD VS DOW JONES & FTSE100

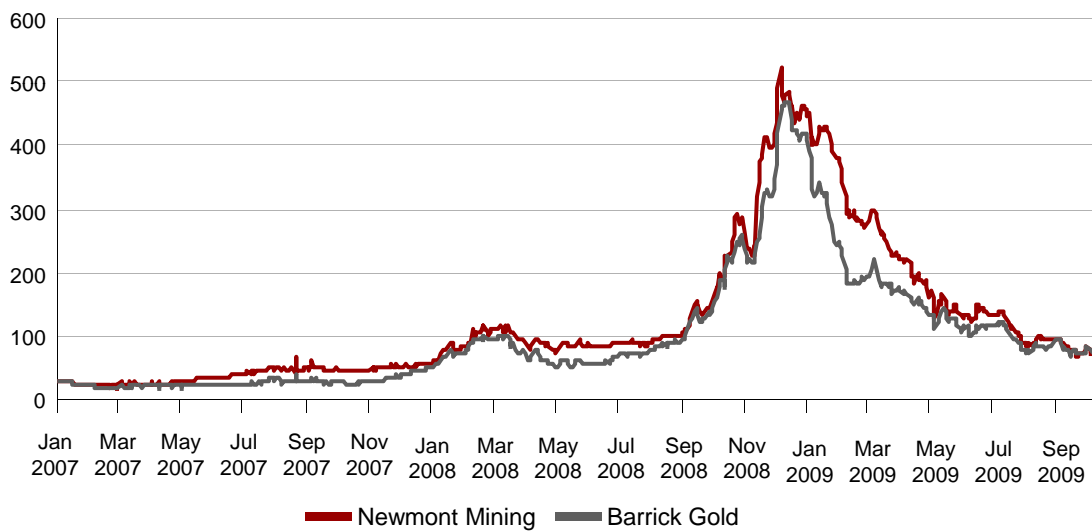


*...holding its value and outperforming most asset classes.*

## Gold Producers Not Immune From Credit Crunch

*While bullion was the safe haven...*

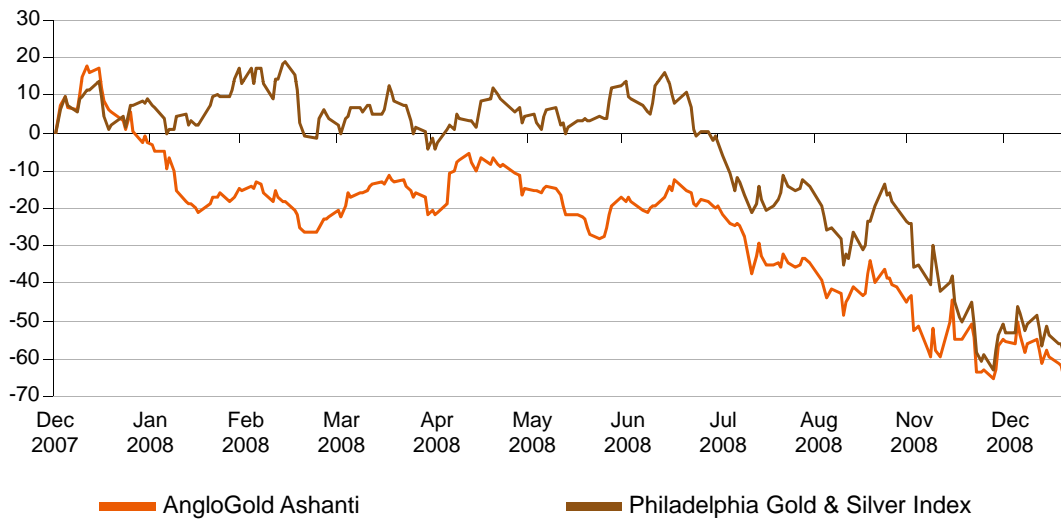
Gold Producer Credit Default Swaps



*...gold producers were not exempt from the credit freeze.*

## Refinancing Overhang

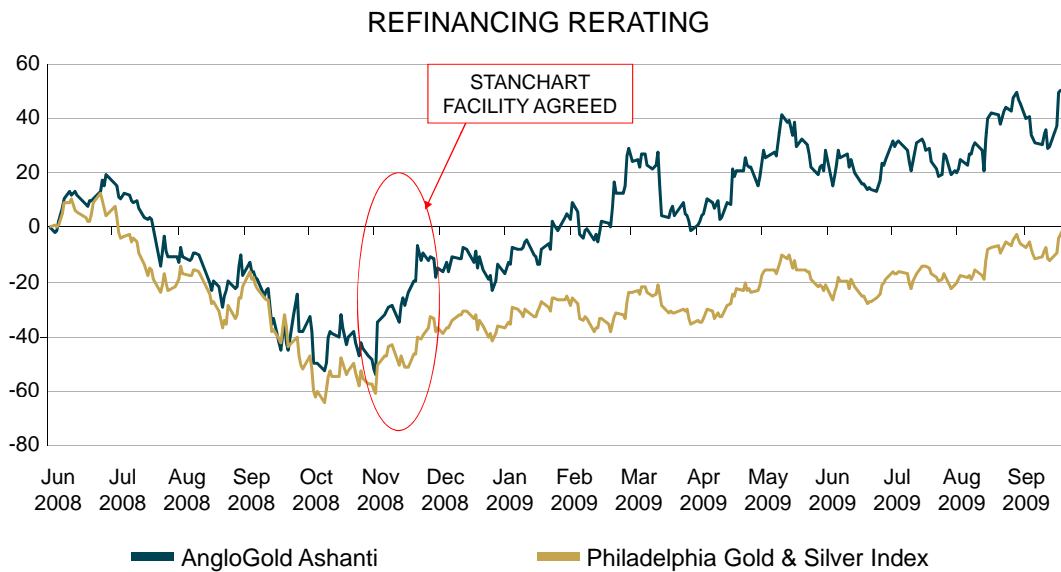
*AngloGold Ashanti's looming \$1bn refinancing...*



*...created a drag on equity performance.*

## Refinancing Premium

*Successful negotiation of bridge facility with Standard Chartered...*



*...was the catalyst for significant rerating of equity.*

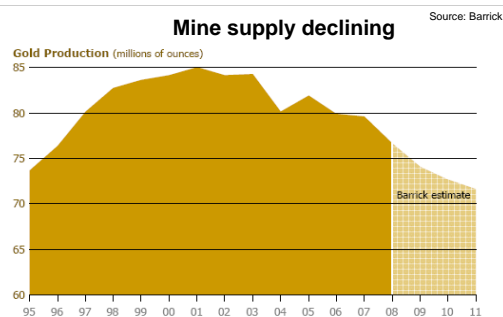
## Lessons Learned

- Increased vigilance on balance sheet
- Proactive management of banking relationships
- Critical assessment of legal risks
- Fewer counterparties, rising cost of doing business
- Less flexibility in managing hedge book
- Threat of increased regulation in OTC markets

## Gold Outlook

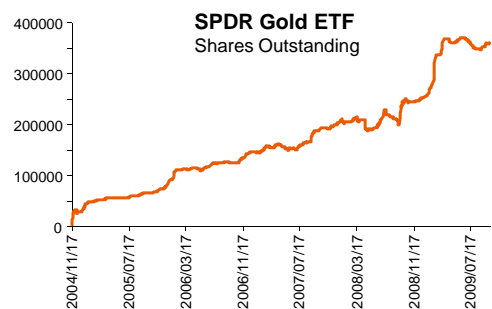
### Supply picture improving

- Secular grade decline
- Rising costs
- Permitting difficulties endemic
- Dearth of new discoveries



### Demand picture improving

- Government bailouts undermining paper currencies
- Long-term inflation threat
- Dollar diversification trend emerging
- Central bank sales coming to an end
- Gold ETF stoking investment demand





**ANGLOGOLD ASHANTI**