

# AngloGold Ashanti

## Third Quarter Results



### Building's safety procedure

#### *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 Hall where safety wardens will advise of any additional procedures.



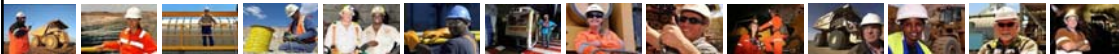
## Agenda

Results overview – Mark Cutifani.

Financial review – Venkat.

Africa region review – Richard Duffy.

Concluding comments – Mark Cutifani.



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## Third quarter overview

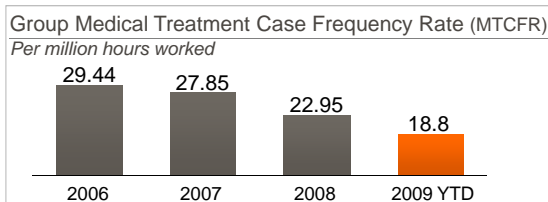
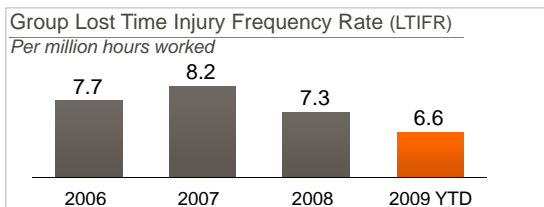
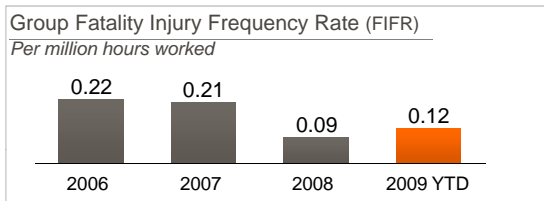
### *Normalised earnings in line despite strong appreciation of local currencies...*

- Safety improvements continue with Vaal River interventions.
- Third quarter gold production of 1.187Moz up 5% from last quarter.
- Uranium production up 10% to 366,000lbs.
- Cash operating costs of \$534/oz, \$8/oz lower than exchange adjusted guidance.
- Local currency gains impact US dollar costs; SA power and wages impact third quarter.
- Delivered adjusted headline earnings (excluding cost of hedge buyback) of \$163m.
- Another major hedge restructuring completed; commitments now at 4.3Moz.
- Geita and Obuasi turnarounds remain on track.
- Conclusion of Moto deal and joint venture formed with De Beers.
- Annual guidance changed to reflect lower South African production.

*...while July hedgebook buyback programme impacts income statement.*

## Safety performance

### *We have delivered improvements on underlying leading indicators...*



- Improvement on second quarter safety was encouraging - regrettably, four miners lost their lives at the South African mines.
- Underlying safety trends year to date remain positive.
- Great Noligwa achieved 2 million fatality free shifts on 16 July.
- Group safety transformation project on target for Q1 roll-out.
- Safety stoppages have impacted production.

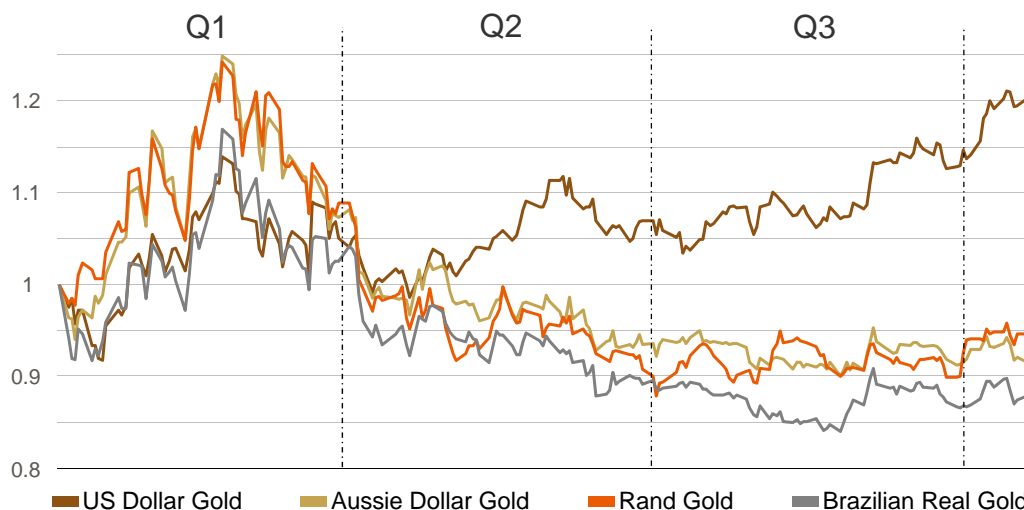
*...still much work to be done.*

## Currency movements

### Appreciation of local operating currencies...

#### Gold price performance

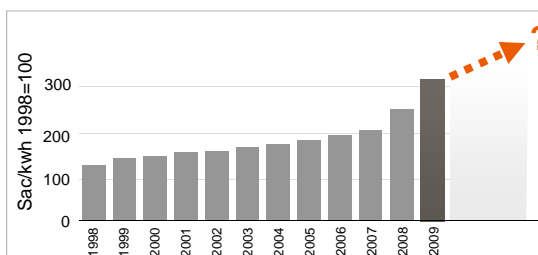
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...impact US dollar costs and earnings margins.

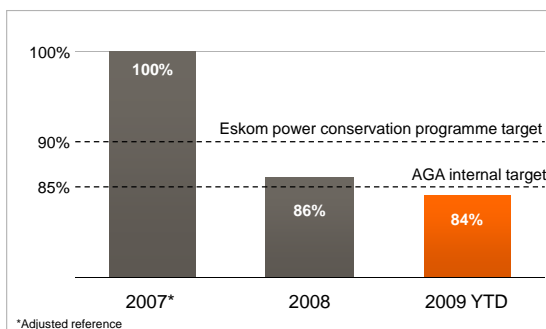
## South African power costs

### Power cost increases will impact South African production...



#### Indicative SA power costs

- Annual price increase of 31.3% came into effect on 1 July 2009.
- Eskom's multi-year pricing request submitted to regulator.
- Still subject to review and public debate.



#### Internal Energy Management Initiatives

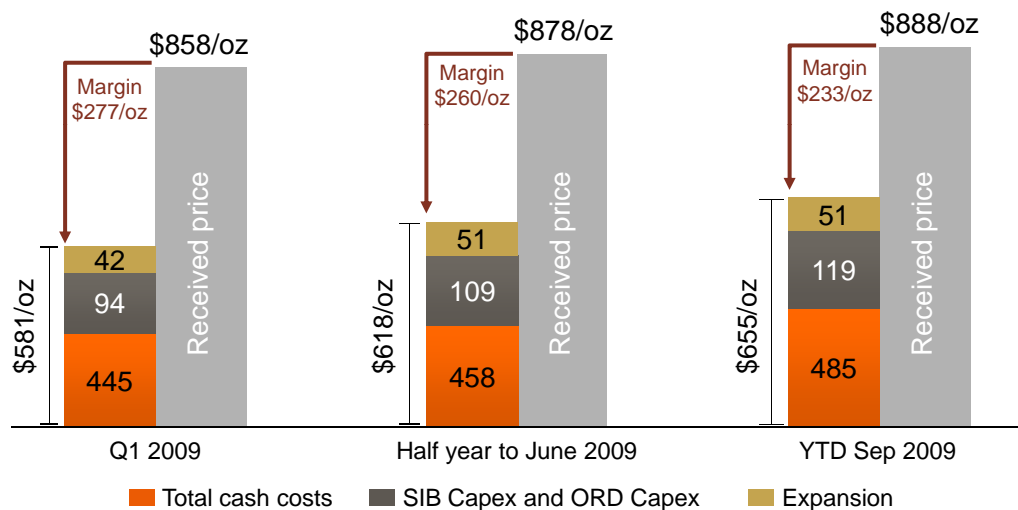
- Winner of Eskom award for energy efficiency.
- Maximum demand management.
- Usage reduction.
  - Awareness programmes across all sites.
  - Regular efficiency testing.
- New technology.
  - Compressed airless drilling (Hilti Drills).
  - Electro Hydraulic power/Hydro Power.

\*Adjusted reference

...management is delivering on mitigation strategies.

## Focus on margins

*We remain focused on margins...*



Note: Excludes Boddington capital and the received price is normalised for accelerated hedge reduction.

*...exchange rates impacting cash costs and realised margins.*

## Unlocking asset potential

*Project One pilot sites exceeding expectations...*

### AGA Strategy – Major Goals

- 1 Safety
- 2 People
- 3 Environment
- 4 Production
- 5 Costs
- 6 Financial

### Our Future – Our Vision

“0” Accidents  
 +5% per year  
 “0” Incidents  
 Global leader  
 < Industry Midpoint  
 +15% RoCE through cycle

- Good progress on business improvement program at pilot sites.
- Obuasi turnaround continues.
- Geita stabilised and improving.
- International operations deliver strong performance.

*...commencing next phases of broader business implementation.*

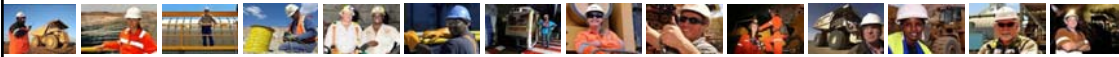
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Financial review – **Venkat.**

Africa region review – Richard Duffy.

Concluding comments – Mark Cutifani.

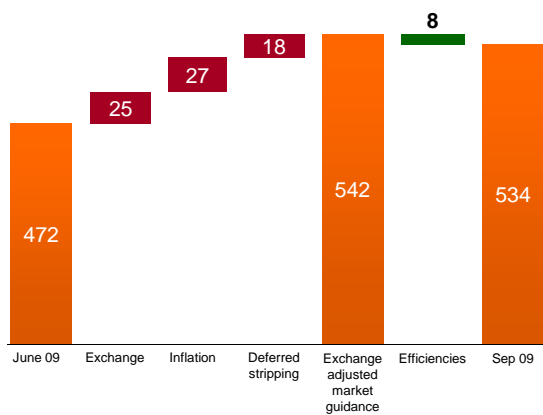


## Financial results for the quarter

**Despite impact of stronger local currencies, SA wage hikes and power increases...**

### Total cash cost reconciliation

(\$/oz)



- Production up 5% to 1.187Moz.
- Total cash costs \$8/oz better than exchange adjusted guidance.
- Received price up 1% to \$906/oz; achieved 5.5% discount to spot.
- Adjusted headline earnings (excluding cost of hedge buyback) \$163m, in line with previous quarter.
- Adjusted headline loss of \$596m or US165cents/share or R13.19/share.
- Fair value of hedgebook now fully included in balance sheet.

**...total cash costs beat guidance by \$8/oz.**

## Market guidance

*Annual guidance reviewed to take account of...*

Q4 2009 guidance	Production	Total cash costs	Sensitivities
	1.160Moz	\$590/oz	R7.50/\$

2009 full year guidance	Production	Total cash costs	Sensitivities (last 3 months of 2009)
	4.55Moz – 4.6Moz	\$515/oz - \$530/oz	R7.50/\$ - R7.00/\$

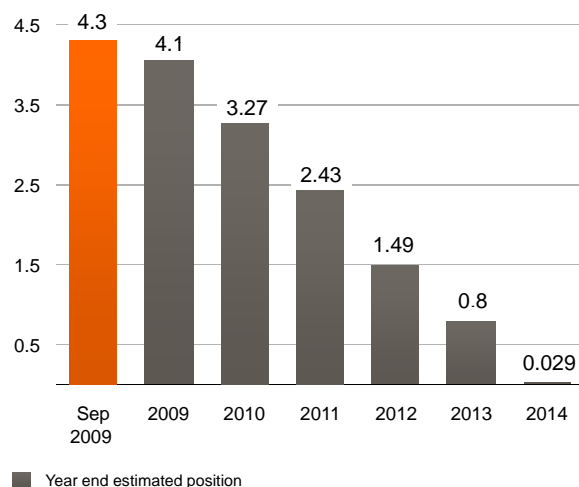
*...South African and CC&V production performance and currency movements.*

## Impact of July 2009 hedge restructure

*Restructuring executed ahead of recent gold price rally...*

### Decay of hedge commitments

(Moz)



- Hedge buyback in July 2009 reduces commitments to 4.3Moz.
- Hedge free by 2015.
- Estimated 7% discount from 2010 at \$950/oz real spot price.
- Hedge book to decay by about 800,000oz per annum from 2010.

*...creates further value for the business.*

## Balance sheet update

### *Balance sheet remains strong...*

#### Q3 2009

- Cash outflow: \$797m for July 2009 hedge buyback.
- Cash inflow: \$278m from equity raising to fund Moto deal.
- Net debt: \$845m (Q2 = \$435m).
- Net debt/EBITDA 0.6 times.

#### Year end Pro-forma

- Cash outflow: \$337m for acquisition of 45% stake in Moto project.
- Cash inflow: \$240m second tranche from Boddington sale.
- Net debt: approximately \$1 billion.
- Net debt/EBITDA < 1.

*...providing good platform for growth.*

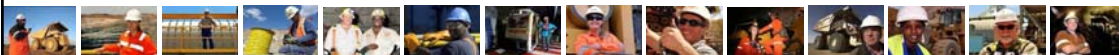
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## South Africa – Vaal River operations

### *Improved production performance...*

Vaal River Operations	Q2 2009	%	Q3 2009
Production (oz)	222,000	20% ↑	267,000
Total Cash Costs (\$/oz)	504	11% ↓	561
Adjusted gross profit (\$m)*	46	13% ↑	52
Uranium production (lbs)	332,000	10% ↑	366,000

\*normalised for accelerated hedge restructure



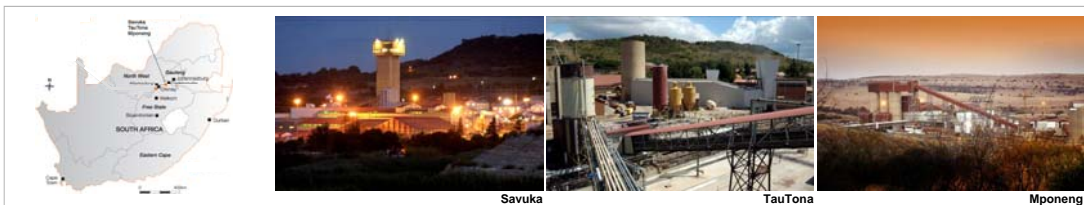
*...in line with better safety performance.*

## South Africa – West Wits operations

### *Stoppages at Mponeng and Savuka's rehabilitation impact production...*

West Wits Operations	Q2 2009	%	Q3 2009
Production (oz)	214,000	6,5% ↓	200,000
Total Cash Costs (\$/oz)	366	28% ↑	469
Adjusted gross profit (\$m)*	96	33% ↓	64

\*normalised for accelerated hedge restructure



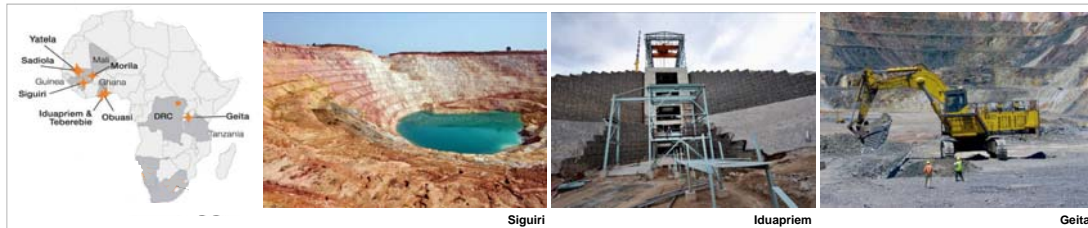
*...while assessing impact of shaft incident at TauTona.*

## Continental Africa

*Operations deliver solid operating quarter...*

Continental Africa	Q2 2009	%	Q3 2009
Production (oz)	386,000	1%	391,000
Total Cash Costs (\$/oz)	564	9%	615
Adjusted gross profit (\$m)*	78	5%	82

\*normalised for accelerated hedge restructure



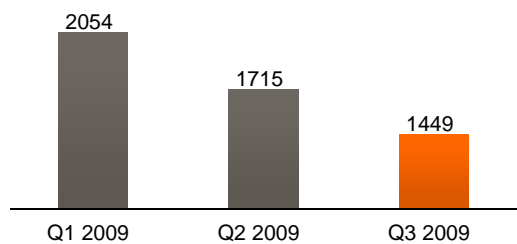
*...with Geita and Obuasi building on turnaround success.*

## Ghana strategy

*A new Ghana strategy is emerging...*

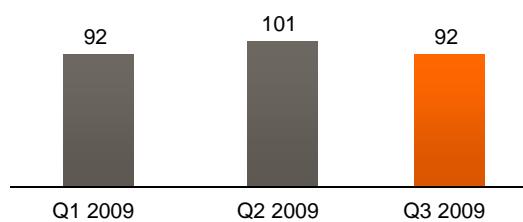
### Obuasi - Development meters

(average meters per month)



### Obuasi - Production

000' ounces



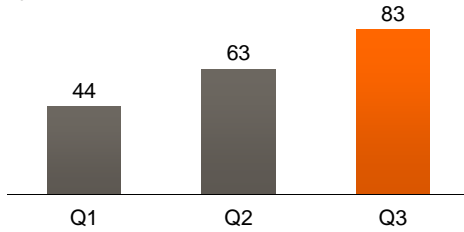
- Underlying operating costs declining; obscured by once off items.
- Development meters declining due to change in mining method.
- Production in line with expectation.
- Kwesi Enyon appointed Obuasi MD under Keith Faulkner.
- Iduapriem production up 11%.

*...with focus on long-term value creation.*

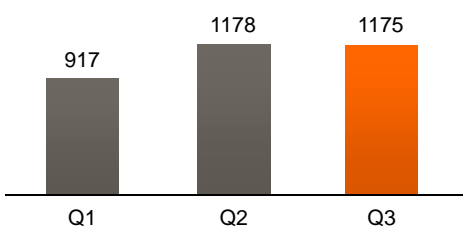
## Asset opportunity: Geita

### *Business improvement initiatives are gaining traction...*

Gold Production  
Koz



Tonnes treated  
000'

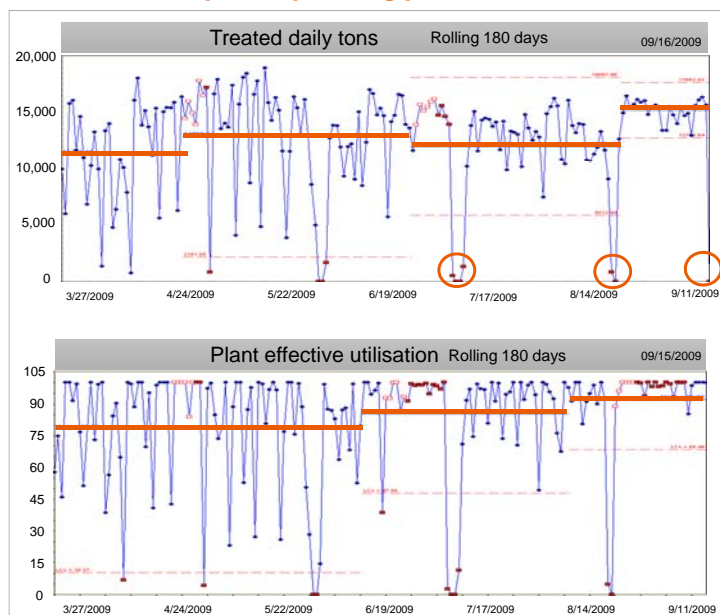


- Management appointments support improvements.
- BPF live in mill and heavy mobile equipment.
- Organisational redesign is well advanced.
- Improvements in drill and blast quality and productivity.
- Improvements to bench floors and haul roads has increased truck speeds and therefore cycle times.
- Analysing and modelling communiton circuit underway
- High grade ore to be accessed in 2H2009 achieved.

*...with more to do to bring Geita to its full potential.*

## Geita: Impact of business improvement at process plant

### *Stabilization of plant operating parameters...*

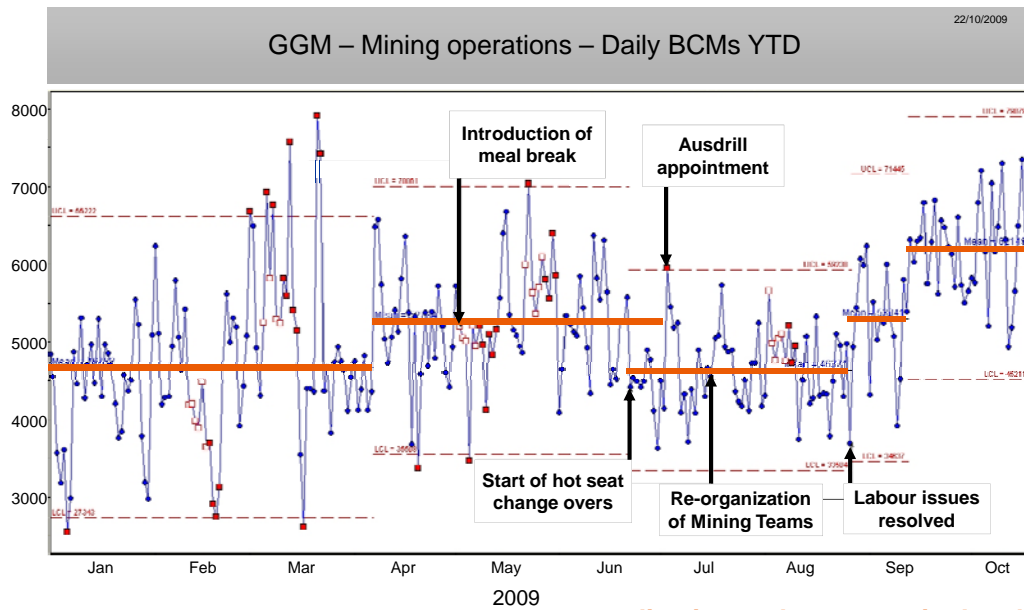


- New business process implemented.
- Changed from weekly to monthly shutdowns.
- Focus on stability and control.
- Ore blending strategy.
- Maintenance improvement drawing increased throughput and reliability.

*...leads to improved plant utilization and throughput.*

## Geita: Impact of business improvement on mining

*Project One is being implemented in the open pit...*



*...replicating early success in the plant.*

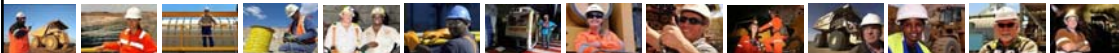
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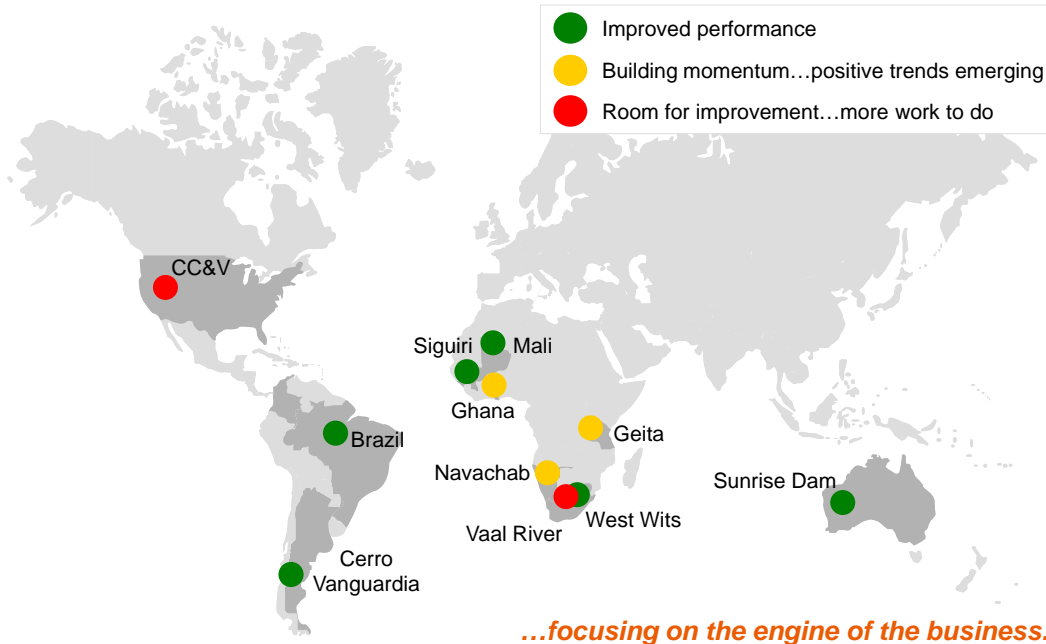
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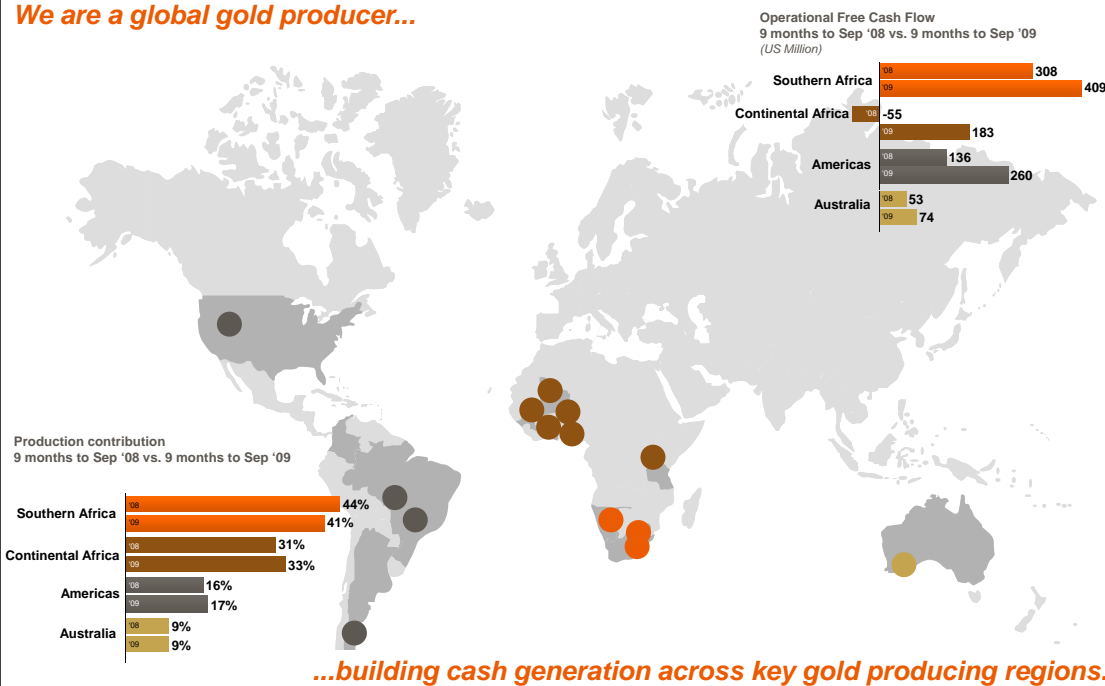
## Measuring progress

*Second phase of restructuring well underway...*



## Focus on cash generation

*We are a global gold producer...*

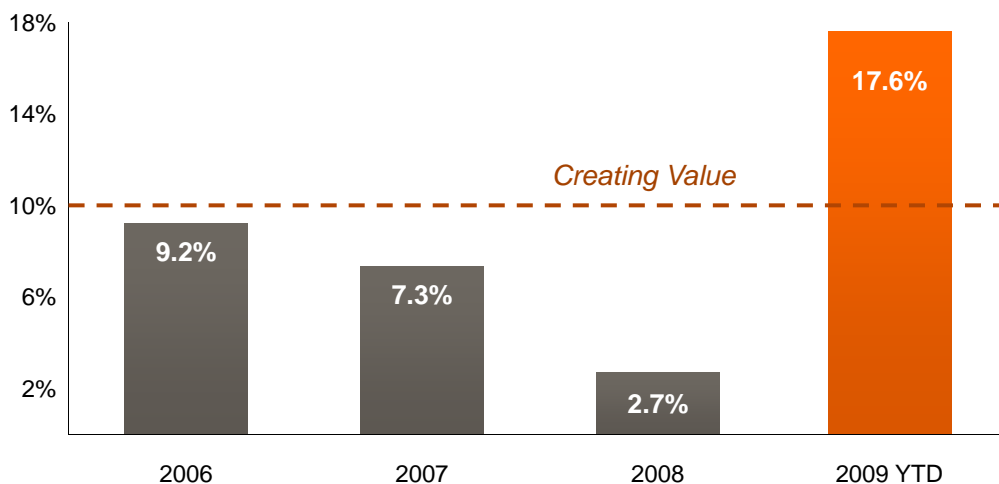


## One measure of progress

*We have restructured and are turning the business around...*

### Return on Net Capital Employed

% return

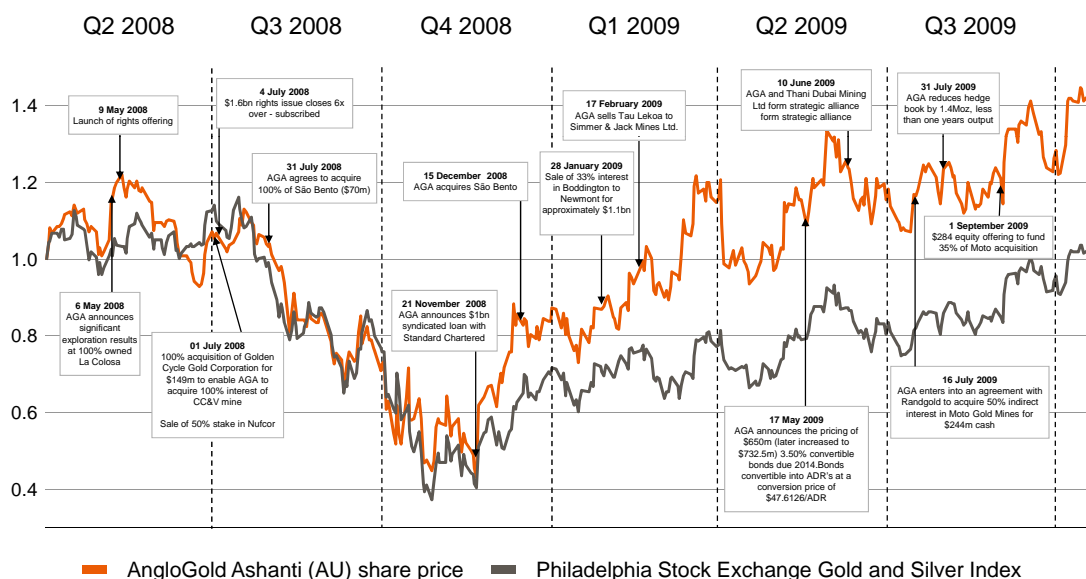


Note: exclude cost of hedge buybacks

*...improving capital efficiencies and returns to shareholders.*

## Relative share price performance

*We are delivering on our commitments since strategy launch in Q1 2008...*



— AngloGold Ashanti (AU) share price — Philadelphia Stock Exchange Gold and Silver Index

*...still with lots to do.*

**ANGLOGOLD ASHANTI**