



AngloGold Ashanti Limited \ (Incorporated in the Republic of South Africa)
(Reg. No. 1944/017354/06) \ ISIN Number: ZAE000043485
Corporate Affairs Department: \ 76 Jeppe Street \ Newtown \ 2001 \ South Africa
Tel +27 (0) 11 637 6248 \ Fax +27 (0) 11 637 6399/6400 \ www.AngloGoldAshanti.com

news release

31 July 2008

ANGLOGOLD ASHANTI RESULTS FOR THE SECOND QUARTER 2008

Highlights

- Operated a record 110 days without a fatality, with good progress made on safety across the business.
- Gold production at 1.25Moz, 5% higher than prior quarter, and 3% above guidance.
- Total cash costs at \$434/oz, marginally higher than the previous quarter, a 6% improvement on guidance.
- Hedge book reduced by 3.15Moz during the quarter, ahead of schedule, with commitments now at 6.88Moz.
- Following gold hedge book and uranium contract reductions, adjusted headline loss at \$946m. Adjusted headline earnings (excluding such one-off items) at \$50m - down from \$105m in the prior quarter.
- Interim dividend declared of 50 South African cents per share and 6.7 US cents per share, for the six months ended 30 June 2008.

Detail

AngloGold Ashanti reported an improved safety performance during the quarter, with the company operating a record 110 days without experiencing a fatal accident. The achievement of further safety improvements through initiatives such as the company's 'Safety is our first value' campaign remains a top priority across the business. Since the introduction of the campaign in November 2007, the company has seen a 75% reduction in fatality rates.

Operational performance saw second quarter production at 1.25Moz, 5% higher than the previous quarter and 3% better than guidance provided in May 2008, primarily due to improved performances from Mponeng and TauTona in South Africa and Geita Gold Mine in Tanzania. At its South African operations, the company achieved its target of a 5% saving of power, six month's ahead of schedule, while operating at 100% production capacity.

Total cash costs for the quarter at \$434/oz were marginally higher than the prior quarter and 7% better than guidance. Cost increases were driven primarily by input cost inflation, but were partially offset by improved production and stock-pile movements.

AngloGold Ashanti reported that following its successful offer to raise \$1.7bn, substantial progress was made ahead of schedule in the reduction in its hedge book. The company capitalised on a weaker gold market during the quarter to execute a combination of delivery and early settlement of non-hedge derivatives, reducing total hedge commitments from 10.03Moz at the end of the March 2008 quarter to 6.88Moz at 30 June 2008. The cost of reducing these gold non-hedge derivative contracts was \$977m, after tax.



The company also cancelled 1m pounds of uranium contracts during the quarter, representing a reduction (including deliveries effected during the year) of 30% in uranium contracts outstanding as at 1 January 2008, at an after tax charge of \$11m.

As a result of the reduction in the gold hedge book (\$977m) and uranium commodity contracts (\$11m), an adjusted headline loss of \$946m was recorded for the quarter. Excluding the impact of these adjustments, adjusted headline earnings would have been \$50m.

During the quarter, the company concluded the sale of various exploration interests in Colombia to B2Gold, finalised the acquisition of Golden Cycle Gold Corporation and the sale of its 50% share in its uranium marketing, trading and advisory business, Nufcor International Limited. AngloGold Ashanti still retains its local uranium calcining business, Nuclear Fuels Corporation of South Africa (Pty) Ltd.

AngloGold Ashanti also announced today that it has entered into a letter agreement (subject to certain conditions and regulatory approvals) with Eldorado Gold Corporation to acquire 100% of Eldorado's wholly owned subsidiary, São Bento Gold Limited, for a consideration of US\$70m, to be settled by the issue of AngloGold Ashanti shares. The acquisition of São Bento allows AngloGold Ashanti the potential to double the scale and considerably enhance the potential of its Córrego do Sítio project in Brazil.

The company declared an interim dividend of 50 South African cents per share and 6.7 US cents per share, for the six months ended 30 June 2008.

Commenting on the quarter, CEO Mark Cutifani said, "We are very proud of what our team has achieved on the safety front - and we are also very mindful of the need to continue to improve. On the financial front, we delivered on our commitment to significantly reduce the hedge book, ahead of schedule, and we also terminated low price uranium contracts. I'm also pleased to see progress on the turnaround at Geita, where the team has developed a comprehensive plan that addresses the key issues. We are also making good progress on non-core asset disposals, combined with consolidating our interest in assets that we want to further develop, such as at CC&V and in Brazil. We understand our asset portfolio and we know what actions are needed to bring about operational improvement, and the building process has already started."

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Contacts

South Africa

Himesh Persotam (Investor Relations)
Alan Fine (Media)
Joanne Jones (Media)

Tel:

+27 (0) 11 637-6647
+27 (0) 11 637-6383
+27 (0) 11 637- 6813

Mobile:

+27 (0) 82 339 3890
+27 (0) 83 250 0757
+27 (0) 82 896 0306

E-mail:

hpersotam@AngloGoldAshanti.com
afine@AngloGoldAshanti.com
jjones@AngloGoldAshanti.com

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