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news release

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ANGLOGOLD ASHANTI POSTS STRONG FIRST QUARTER EARNINGS

Results for the quarter...

- ❖ Continued progress on safety, with lowest-ever number of Lost Time Injuries, while maintaining an improved fatality rate.
- ❖ Production of 1.103Moz, in line with updated guidance.
- ❖ Total cash costs of \$445/oz, in line with original guidance.
- ❖ Gold spot price up 14%; received price up 25% quarter-on-quarter.
- ❖ Hedge book commitments reduced by further 154,000oz, with 6% discount to average spot price received.
- ❖ Adjusted headline earnings of \$150m, up significantly from prior-quarter \$17m loss.
- ❖ Further portfolio optimisation through sale of Boddington mine to Newmont Mining Corp. and Tau Lekoa mine to Simmer & Jack Mines Limited.
- ❖ Anglo American Plc sale of remaining stake to Paulson & Company removes overhang.

AngloGold Ashanti Ltd. reported adjusted headline earnings of \$150 million, or 42 cents a share, in the three months through March 31, compared with a loss of \$17 million, or 5 cents, the previous quarter.

“The earnings performance shows strong leverage to higher gold prices, even during what is traditionally a slow production quarter,” Chief Executive Officer Mark Cutifani said. “Our strategy of reducing the hedge book by almost half over the past year is yielding real results, giving a good kicker to our received gold price.”

The company continued with its strategy of reducing the hedge book, delivering 154,000oz against commitments during the quarter. This helped achieve a 5.6% discount to spot gold-prices, improving on the target of a 6% discount this year.

Hedge commitments stand at 5.84Moz as of March 31, representing an overall reduction of almost 50% over the past year. While the average spot gold price rose 14% compared with the previous quarter, AngloGold Ashanti’s received gold-price jumped by 25%.

“The improved earnings are due to higher spot gold prices, a lower hedge discount and weaker local operating currencies,” Chief Financial Officer Srinivasan Venkatakrisnan said. “We remain committed to reducing the hedge book further and achieving the narrowest possible discount to spot gold prices.”

Total cash costs for the group were well contained from the prior quarter, rising 5% to \$445/oz, in line with initial guidance.

Production in the first three months of the year, traditionally the weakest operational period as it follows the annual 10-day, year-end break at the South African mines, declined by 13% to 1.103Moz from the previous quarter. As indicated in revised guidance issued on April 2, output was further affected by the effective loss of three production days across our entire South African division for safety interventions and extended maintenance to the mill at the Geita Gold Mine in Tanzania.

In a move aimed at speeding up the turnaround at the Geita in Tanzania, Graham Ehm, Executive Vice President for AngloGold Ashanti's Australian operations and one of the company's most experienced open-pit mine operators, has been seconded to Geita. He will be working in co-operation with Richard Duffy, the Executive Vice President for AngloGold Ashanti's African operations.

Keith Faulkner, the new head of AngloGold Ashanti's operations in Ghana, is making good progress at Obuasi, where development metres continue to increase and cost management is improving.

"The issues that affected our operational performance in the first quarter have largely been resolved," said Duffy. "We are now looking forward to building on successes at Obuasi and getting Geita back on track."

Strong achievements made in improving safety were marred by two fatalities during the quarter at AngloGold Ashanti's South African mines. Safety remains the company's top priority and operational management continued to make good progress on all fronts during the past year, recording the lowest-ever number of lost-time injuries and a 58% decline in the fatality injury frequency rate. Regrettably, the second quarter thus far has been disappointing with four fatalities.

AngloGold Ashanti also noted the Colombian government's decision to award exploration permits covering a portion of the company's La Colosa concession. Once formally awarded, the permits will allow the resumption of exploration and further work on the pre-feasibility study. The company will co-operate closely with local communities and non-governmental organizations in developing a sustainable development plan to benefit all stakeholders.

Initial estimates indicate an investment of about \$200 million is needed over the next three to four years to increase knowledge of one of the most significant gold discoveries of the past decade and the first significant gold porphyry discovery in the Colombian Andes. An investment of that magnitude will create roughly 700 direct jobs and about three times that number in indirect employment opportunities.

"Receiving the permits from government will be a significant step forward," Chief Executive Officer Mark Cutifani said. "The La Colosa development could ultimately be a game-changer not only for AngloGold Ashanti, but also for Colombia's mining industry."

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