

AngloGold Ashanti Limited
(Incorporated in the Republic of South Africa)
Reg. No. 1944/017354/06)
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CUSIP: 035128206 – NYSE share code: AU
("AngloGold" or the "company")

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NEWS RELEASE

AngloGold Generates Free Cash Flow After Beating Operating Guidance

(JOHANNESBURG – PRESS RELEASE) – AngloGold Ashanti today said it generated \$71m of free cash flow in the second quarter with production and costs beating guidance on the back of another strong performance from its international mines and a recovery from its South African operations.

Production was 1.007Moz at a total cash cost of \$718/oz* in the three months to June 30, 2015, compared with 1.098Moz at a total cash cost of \$833/oz in the second quarter of 2014. The result compared with guidance of 960,000oz to 1Moz at \$770/oz to \$820/oz.

"Cost management will continue to be a key driver for us," Srinivasan Venkatakrishnan, Chief Executive Officer of AngloGold Ashanti, said. "Whilst we've greatly improved the balance sheet following the sale of CC&V, this will not diminish our focus on improving free cash flow and returns through active portfolio management, capital discipline, and unrelenting focus on our operations."

AngloGold Ashanti has responded to lower gold prices by cutting overhead expenditure by more than two-thirds since the end of 2012, whilst lowering all-in sustaining costs (AISC) by about a quarter over the same period. The group has introduced two new, low-cost mines, sold or closed higher-cost assets and removed unprofitable ounces from its portfolio. The company also sold its Cripple Creek & Victor mine (CC&V) in the US for \$820m in June of this year to reduce net debt, and is now intensifying efficiency efforts to complement the cost benefit it receives from weakening local currencies and plummeting oil prices.

The company's international mines saw AISC 17% lower than the second quarter of 2014 at \$844/oz. Standout performances were delivered by the Geita and the South American mines in Brazil and Argentina, while the contribution from Tropicana and Kibali reflected their full ramp-up. Work continues on a brownfield project options to extend life, improve production or enhance efficiencies, at the Geita, Serra Grande, Siguiri and Sunrise Dam mines.

Cost management continues to be a hallmark of the AngloGold Ashanti's performance. Whilst cash costs beat guidance by a wide margin, AISC fell by 12% from \$1,052/oz in the second quarter of last year to \$928/oz. All-in-costs also decreased by 12% from \$1,155/oz to \$1,021/oz. Second-quarter production was lower compared to the same period last year given the sale of Navachab in June 2014, Obuasi's move to limited operations phase and continued safety-related interruptions in South Africa.

Whilst production from South Africa was lower year-on-year, the mines improved their performance from the first quarter with a 9% increase in production. At Mponeng, where

safety-related stoppages over the past year have caused delays in accessing higher-grade ore from the Below 120 Level project, production was 34% higher than the previous quarter.

The improved performance reflected in second-quarter adjusted headline earnings was \$26m, or 6 US cents per share in the three months to 30 June 2015, compared with a loss of \$4m, or 1 US cents per share, in the second quarter of 2014. Adjusted headline profit of \$35m, or 9 US cents per share, was recorded the previous quarter.

Adjusted earnings before interest, tax, depreciation and amortization was \$391m, compared with \$372m in the second quarter of 2014, with the resulting improvement despite the 8% reduction in the gold price received and lower production.

**from continuing operations*

Outlook

Gold production for the third quarter of 2015 is estimated to be between 900,000oz to 950,000oz and total cash costs of \$770/oz to \$820/oz assuming average exchange rates of R12.20/\$, BRL3.00/\$, \$0.77/A\$ and AP9.33/\$. Brent at \$62/bl average for the quarter.

The production and total cash cost estimates assumes one month of operating results from CC&V.

The annual guidance for production has been revised to exclude CC&V with effect from 1 August 2015 at 3.8Moz to 4.1Moz. The guidance for total cash costs and AISC remain at \$770/oz to \$820/oz and \$1,000/oz to \$1,050/oz, assuming average exchange rates of R12.05/\$, BRL 2.98/\$, \$0.78/A\$ and AP9.19/\$. Brent at \$62/bl average for the year.

Capital expenditure guidance for the year revised downward (excluding CC&V) by \$100m to \$0.9bn to \$1.0bn.

Both production and cost estimates assume neither labour related interruptions, power or other disruptions at our operating mines. Other unknown or unpredictable factors could also have material adverse effects on our future results.

ENDS

17 August 2015

Johannesburg

JSE Sponsor: Deutsche Securities (SA) Proprietary Ltd

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