ANGLOGOLD ASHANTI LTD
Form 6-K
August 20, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated August 20, 2018

Commission File Number 1-14846

AngloGold Ashanti Limited
(Name of registrant)

76 Rahima Moosa Street
Newtown, 2001
(P.O. Box 62117, Marshalltown, 2107)
South Africa
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F X Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):
Yes No X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):
Yes No X

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No X

Enclosure: Press release ANGLOGOLD ASHANTI REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2018

AngloGold Ashanti Limited
(Incorporated in the Republic of South Africa)
Reg. No. 1944/017354/06
ISIN. ZAE000043485 – JSE share code: ANG
CUSIP: 035128206 – NYSE share code: AU
JSE Bond Company Code - BIANG
("AngloGold Ashanti" or the "Company")

Report
for the six months ended 30 June 2018

Johannesburg, 20 August 2018 - AngloGold Ashanti is pleased to provide its financial and operational update for the six-month period ended 30 June 2018.

- Strong first half of 2018; production from retained operations up 4% year-on-year
- All-in sustaining costs decreased 5% to $1,020/oz versus first half of 2017
- Adjusted EBITDA up 19% to $723m versus first half of 2017
- Free cash flow for H1 2018 improved by $110m year-on-year, from -$161m to -$51m
- Q2 2018 Free cash flow generation of $19m, from an outflow of $41m in Q2 2017
- Guidance remains on track on all metrics
- Full-year production expected at the top end, and costs trending towards lower end, of guidance
- Net debt down 17% year-on-year, to $1.786bn; Net debt to Adjusted EBITDA ratio of 1.12 times
- South African footprint reduced after completion of Vaal River asset sales
- Obuasi agreements successfully delivered and ratified, paving way for project development
- Key brownfields projects remain on track and on budget
- All-injury frequency rate down 31% from H1 2017; the lowest level in the Company's history

		Six months ended Jun 2018	Six months ended Jun 2017 Restated	Year ended Dec 2017 Restated
		US Dollar / Imperial		
Operating review				
Gold				
Produced	- oz (000)	1,629	1,748	3,755
Sold	- oz (000)	1,651	1,790	3,772
Produced from retained operations	- oz (000)	1,578	1,517	3,279
Financial review				
Gold income	- $m	1,922	2,032	4,356
Cost of sales	- $m	1,602	1,790	3,736
Total cash costs	- $m	1,281	1,339	2,863
Gross profit	- $m	410	325	784
Price received *	- $/oz	1,310	1,231	1,251
All-in sustaining costs *	- $/oz	1,020	1,071	1,054
All-in costs *	- $/oz	1,110	1,144	1,126
Total cash costs *	- $/oz	823	796	792
Profit (loss) attributable to equity shareholders	- $m	33	(176)	(191)

	- cents/share	8	(43)	(46)
Headline earnings (loss)	- $m	99	(89)	27
	- cents/share	24	(22)	6
Adjusted headline earnings (loss) *	- $m	85	(93)	9
	- cents/share	21	(23)	2
Net cash flow from operating activities	- $m	321	321	997
Free cash inflow (outflow) *	- $m	(51)	(161)	1
Total borrowings	- $m	2,051	2,366	2,268
Net debt *	- $m	1,786	2,151	2,001
Capital expenditure	- $m	335	454	953

Notes: * Refer to "Non-GAAP disclosure" for definition.

$ represents US Dollar, unless otherwise stated.
For restatements refer note 16.
Rounding of figures may result in computational discrepancies.

Published : 20 August 2018

June 2018

Operations at a glance
for the six months ended 30 June 2018

	Production		Cost of sales		All-in sustaining costs[1]		Total cash costs [2]		Gross profit (loss)	
	oz (000)	Year-on-year % Variance [3]	$m	Year-on-year % Variance [3]	$/oz	Year-on-year % Variance [3]	$/oz	Year-on-year % Variance [3]	$m	Year-on-year $m Variance [3]
SOUTH AFRICA	257	(41)	(352)	(38)	1,306	4	1,152	6	(10)	18
Vaal River Operations	51	(71)	(76)	(65)	1,445	24	1,307	30	1	(6)
Kopanang	12	(72)	(28)	(64)	2,076	23	2,007	36	(9)	11
Moab Khotsong	39	(70)	(48)	(66)	1,250	25	1,086	28	10	(17)
West Wits Operations	119	(27)	(171)	(31)	1,359	(8)	1,153	(8)	(13)	30
Mponeng	119	12	(171)	24	1,359	6	1,147	10	(13)	(8)
TauTona	—	(100)	—	(100)	—	(100)	—	(100)	—	38
Total Surface Operations	87	(6)	(104)	6	1,146	14	1,061	9	3	(6)
INTERNATIONAL OPERATIONS	1,372	4	(1,509)	4	948	(4)	769	10	442	104
CONTINENTAL AFRICA	695	5	(788)	6	939	(3)	816	13	185	42
DRC										
Kibali - Attr. 45% [4]	168	32	(195)	7	876	(26)	699	(20)	32	50
Ghana										
Iduapriem	126	18	(117)	21	928	(10)	781	(8)	57	21
Obuasi	—	(100)	4	276	—	—	—	—	4	—
Guinea										
Siguiri - Attr. 85%	127	(19)	(139)	(23)	826	4	798	12	50	(10)
Mali										
Morila - Attr. 40% [4]	15	22	(19)	30	1,319	10	1,075	8	1	—
Sadiola - Attr. 41% [4]	30	(1)	(36)	13	1,050	11	980	14	4	(2)
Tanzania										
Geita	229	—	(284)	20	1,030	10	891	60	30	(16)
Non-controlling interests, exploration and other			(21)	(23)					9	(1)
AUSTRALASIA	306	20	(290)	16	1,052	(3)	790	2	100	35
Australia										
Sunrise Dam	153	43	(149)	25	1,124	(3)	888	(9)	46	32
Tropicana - Attr. 70%	153	3	(132)	10	938	(1)	655	14	64	1
Exploration and other			(10)	(16)					(10)	2
AMERICAS	371	(6)	(430)	(7)	877	(9)	662	7	157	27
Argentina										
Cerro Vanguardia - Attr. 92.50%	141	1	(179)	(8)	657	(17)	489	—	85	21
Brazil										
AngloGold Ashanti Mineração	175	(11)	(188)	(5)	999	—	761	19	53	(8)
Serra Grande	55	(4)	(64)	(12)	1,075	(18)	802	(8)	10	10
Non-controlling interests, exploration and other			1	41					8	4

Total	1,629	(7)			1,020	(5)	823	3		
OTHER			8	432					15	12
			(1,852)	(8)					447	134
Equity accounted investments included above			250	10					(37)	(49)
AngloGold Ashanti			(1,602)	(10)					410	85

[1] Refer to note C under "Non-GAAP disclosure" for definition.
[2] Refer to note D under "Non-GAAP disclosure" for definition.
[3] Variance June 2018 six months on June 2017 six months - increase (decrease).
[4] Equity accounted joint ventures.

Financial and Operating Report

FINANCIAL AND CORPORATE REVIEW [1]

AngloGold Ashanti continued to deliver on its strategy to improve free cash flow and returns, with a strong first-half operating and financial result. Production from retained operations increased by 4% year-on-year, which along with good cost control and a higher gold price, helped drive improvements in earnings and free cash flow. Productivity rates, up 58% from 2012, continued to improve as the effects of portfolio restructuring became evident, brownfields investments started to yield returns, and operational efficiency initiatives gained traction. Strong progress on many fronts allowed AngloGold Ashanti to maintain guidance across all metrics with production expected at the top end of the range and costs trending towards the lower end of the range.

The sale of the Vaal River underground mines was completed at the end of February, and the proceeds were immediately applied to reduce debt and further improve balance sheet flexibility. Brownfields projects remained on track and on budget. The ratification of investment agreements by Ghana's Parliament in June 2018 allowed the redevelopment of the high-grade Obuasi Gold Mine to commence in earnest.

"We continued to improve our portfolio, strengthen our balance sheet and increase productivity, all of which are the cornerstones of our strategy to improve free cash flow and returns over the long term," Chief Executive Officer Srinivasan Venkatakrishnan said. "The business is in good shape - production is strong, costs are improving and our pipeline is well stocked with options."

Group Operating Performance

Production from retained operations for the first six months of 2018 (excluding Moab Khotsong, Kopanang and TauTona mines) was 1.578Moz at a total cash cost of $807/oz, compared to 1.517Moz at a total cash cost of $740/oz for the first six months of 2017. All-in sustaining costs (AISC) for these retained operations were $1,005/oz for the first six months of 2018, compared to $1,030/oz in the same period last year.

The International Operations achieved a 4% year-on-year reduction on AISC to $948/oz during the first half of 2018 from $988/oz during the first half of 2017, alongside a 4% increase in production to 1.372Moz from 1.313Moz.

Total production for the group, including those operations either sold or closed earlier this year, was 1.629Moz at a total cash cost of $823/oz for the six months ended 30 June 2018, compared to 1.748Moz at a total cash cost of $796/oz in the first six months of 2017. AISC for this set of assets fell 5% to $1,020/oz, versus $1,071/oz in the first half of 2017.

There was a $16/oz improvement in group total cash costs from the first to the second quarter of this year, reflecting a positive trend in performance as the Operational Excellence initiative starts to gain traction. This trend is expected to continue over the remainder of the year and beyond, as underground production at Kibali continues to ramp up, Sunrise Dam's improving productivity trend continues, Brazil recovers from minor disruptions related to a nationwide trucker strike during the first half of this year, and South Africa completes its restructuring and ramp-up at Mponeng's below 120 area.

Group Cash Flow and Earnings

Free cash flow for the six months ended 30 June 2018 improved by $110m to an outflow of $51m from an outflow of $161m in the first six months of last year. Free cash flow of $19m was recorded during the second quarter of the year. The year-on-year movement in free cash flow was aided by a higher gold price received, lower capital expenditure and an improved operating performance, and was partially offset by a reduction in gold sold and the lock-up of $29m indirect taxes in Tanzania ($19m) and the Democratic Republic of Congo ($10m). The Company generated $13m of free cash flow before investment of growth capital during the first six months of the year.

The Company reported basic earnings attributable to shareholders of $33m, or 8 US cents per share for the first six months of 2018. This includes the adverse impact of $66m, or 16 US cents per share (post-tax) related to the impairment of the Mine Waste Solutions Uranium plant in South Africa, given that, under current market conditions, the plant is unlikely to be utilised. This compared to a loss of $176m, or 43 US cents per share in the first half of last year, which included impairments on certain South African assets of $86m, or 21 US cents per share (post tax). Adjusted headline earnings were $85m, or 21 US cents per share, for the first six months of 2018 versus a loss of $93m, or 23 US cents per share in the first half of 2017. Increases in adjusted headline earnings were due mainly to the improved operating performance and the higher gold price received.

Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) grew 19% to $723m, during the first half of 2018, compared to $610m in the first half of last year, which included the $63m pre-tax impact from the silicosis class-action law suit settlement provision made last year.

Net debt declined by 17% to $1.786bn at 30 June 2018, from $2.151bn at the same time last year. The balance sheet remains robust, with the $1bn US Dollar RCF undrawn, A$325m undrawn on the A$500m Australian dollar RCF, approximately R4.5bn available from the South African RCF's and other facilities, and cash and cash equivalents of $215m, at 30 June 2018.

The ratio of Net debt to Adjusted EBITDA at the end of June was 1.12 times, compared to 1.56 times at 30 June 2017. The current Net debt to Adjusted EBITDA ratio falls well below the covenant ratio of 3.5 times which applies under the revolving credit facilities, and also below AngloGold Ashanti’s own target of 1.5 times, through the cycle

(1) Production and financial results from retained operations for the six months ended 30 June 2018 have been presented as part of this financial and corporate review. Retained operations exclude any results from Moab Khotsong, Kopanang and TauTona and these results have been provided for illustrative purposes only. This information constitutes pro forma information.

Capital expenditure (including equity accounted investments) decreased by 26% from $454m for the six months ended 30 June 2017 to $335m for the six months ended 30 June 2018. This decrease was largely due to a decrease in capital expenditure in South Africa, the Americas and in Continental Africa. It is expected that group capital expenditure will increase in the second half of the year relative to the first half, in line with past trends, whilst remaining within the guided range.

Summary of six months-on-six months operating and cost variations:

Particulars	Six months ended June 2018	Six months ended June 2017	% Variation six months vs prior year six months	Six months ended June 2018 Excluding Closed and sold operations	Six months ended June 2017 Excluding Closed and sold operations	% Variation six months vs prior year six months
Operating review						
Gold						
Production (kozs)	1,629	1,748	(7)	1,578	1,517	4
Financial review						
Gold price received ($/oz)	1,310	1,231	6	1,310	1,231	6
Total cash costs ($/oz)	823	796	3	807	740	9
Corporate & marketing costs ($m) *	37	35	6	37	35	6
Exploration & evaluation costs ($m)	46	62	(26)	46	62	(26)
All-in sustaining costs ($/oz) **	1,020	1,071	(5)	1,005	1,030	(2)
All-in costs ($/oz) **	1,110	1,144	(3)	1,099	1,114	(1)
Adjusted EBITDA ($m)	723	610	19	722	594	22
Cash inflow from operating activities ($m)	321	321	—	320	312	3
Free cash outflow ($m)	(51)	(161)	68	(44)	(130)	66
Free cash outflow excluding SAR redundancies ($m)	(12)	(152)	92	(5)	(121)	96
Capital expenditure ($m)	335	454	(26)	328	414	(21)

* Includes administration and other expenses.
** World Gold Council standard, excludes stockpiles written off.

2018 Guidance Update

	Guidance	Notes

Production (000oz)		3,325 - 3,450	Includes two months production from Moab Khotsong and Kopanang at ~30koz per month
Costs	All-in sustaining costs ($/oz)	990 - 1,060	See economic assumptions below
	Total cash costs ($/oz)	770 - 830	
Overheads	Corporate costs ($m)	70 - 80	
	Expensed exploration and study costs ($m)	115 - 125	Including equity accounted joint ventures
Capex	Total ($m)	800 - 920	
	Sustaining capex ($m)	600 - 670	
	Non-sustaining capex ($m)	200 - 250	Expenditure related to Obuasi, Siguiri Hard Rock project, Kibali and Mponeng
Depreciation and amortisation ($m)		775	
Depreciation and amortisation - included in equity accounted earnings ($m)		150	Earnings of associates and joint ventures
Interest and finance costs ($m) - income statement		140	
Other operating expenses ($m)		90	Primarily related to the costs of care and maintenance

The 2018 guidance is maintained at the previous levels reported, with production expected at the top end of the range and costs trending towards the lower end of the range. Economic assumptions have been adjusted as follows: ZAR12.90/$, $/A$0.76, BRL3.56/$, AP25.06/$; Brent $74/bl.

Both production and cost estimates assume neither operational or labour interruptions, or power disruptions, nor further changes to asset portfolio and/or operating mines and have not been reviewed by our external auditors. Other unknown or unpredictable factors could also have material adverse effects on our future results and no assurance can be given that any expectations expressed by AngloGold Ashanti will prove to have been correct. Please refer to the Risk Factors section in AngloGold Ashanti's annual report on Form 20-F for the year ended 31 December 2017, filed with the United States Securities and Exchange Commission (SEC).

OPERATING HIGHLIGHTS

International operations have delivered a reduction in AISC, reflecting the results of the intensified work on the Operational Excellence initiative. The Company continued to deliver on its strategic objective to improve the quality of its portfolio, as the higher spending on capital in the last year has begun to bear fruit. There have been delays in permitting in Brazil, which although now resolved, are expected to have only a minor impact on the region's production for the year.

The Continental Africa region posted a strong operating performance, led by higher grades and volumes at Iduapriem, and also at Kibali where underground production continued to ramp up. Inflationary pressure, dominated by higher fuel prices, led to higher total cash costs year-on-year of $816/oz, up from $721/oz in the first half of 2017. Quarter-on-quarter production rose 21% to 380,000oz at the end of the second quarter, compared to 314,000oz in the first quarter, and total cash costs improved quarter-on-quarter to $794/oz, down $48/oz, or 6% from the first quarter.

In Ghana, Iduapriem produced 126,000oz at a total cash cost of $781/oz for the six months ended 30 June 2018, compared to 107,000oz at a total cash cost of $847/oz in the same period in 2017. Production increased by 18% as a result of a 7% increase in recovered grade from mining of marginally higher grade areas and an 11% increase in tonnage treated due to improved plant reliability and utilisation compared to the previous period. Total cash costs per ounce decreased by 8% mainly due to the higher gold production, partly offset by higher mining costs from higher volumes mined and increased fuel prices. Obuasi remained in care and maintenance during the period.

In Mali, Morila's production increased by 22% to 15,000oz for the six months ended 30 June 2018 as a result of a 37% increase in recovered grade as the operation recommenced mining activities in N'tiola pit with access to higher grade ore, compared to tailings treatment in the previous period. Morila produced 12,000oz in the same period last year. At Sadiola, production was 30,000oz at a total cash cost of $980/oz for the six months ended 30 June 2018, compared to 31,000oz at a total cash cost of $862/oz in the same period last year. Production decreased in line with reduced recovered grade as the mine transitions to a stockpile treatment plan, partly offset by a 1% increase in tonnage throughput. Total cash costs per ounce increased because of stockpile treatment transition costs, full grade ore stockpile utilisation and lower production compared to the previous period.

In Guinea, at Siguiri, lower planned grades resulted in lower production and higher costs. In Tanzania, at Geita, the increase in treated volumes was offset by a 6% drop in recovered grades and additional cost pressures from higher fees and royalties when compared to the first half of last year. However, Geita's total cash costs remained flat quarter-on-quarter.

In the Americas region, production declined mainly due to lower tonnes treated in Brazil, where operations were impacted by a 10-day trucker strike in the region.

In Brazil, at AngloGold Ashanti Mineração, production was 11% lower due to lower grades and less tonnes treated. Cuiabá was impacted by lower tonnages and challenges accessing high-grade areas. Córrego do Sítio was mainly affected by lower grades.

At Serra Grande, production was 55,000oz for the six months ended 30 June 2018, compared to 57,000oz for the same period last year, due to lower tonnages mined and treated, partially offset by higher grade. Total cash cost was at $802/oz for the six months ended 30 June 2018, a decrease of 8%, compared to a total cash cost of $876/oz in the same period last year. Such decrease is mainly due to contributions from the higher grades and the favourable impact of exchange rates, partly offsetting lower volumes, stockpile movements and higher inflation.

In Argentina, Cerro Vanguardia's production and costs remained relatively flat. The operation experienced unfavourable stockpile movements, due to lower tonnes mined and higher tonnes treated, which was partially ameliorated by lower heap leach costs. Higher inflation also impacted costs negatively, following the second round of wage negotiations during the period. These negative effects were attenuated by the continued weakening of the Argentine peso and favourable efficiencies derived from lower spending on fuel, lubricants, energy, mine contractors, maintenance services, explosives and spare parts. Higher by-product income due to higher volumes sold was partially offset by the lower average silver price.

The Australia region produced 306,000oz at a total cash cost of $790/oz, compared to 255,000oz at a total cash cost of $775/oz in the same period last year. AISC for the first half of 2018 was $1,052/oz compared to $1,083/oz in the first half of last year. The 20% increase in gold production was largely due to a significant lift in the contribution from Sunrise Dam.

At Sunrise Dam the successful implementation of a strategy to lift mined grade and underground ore production resulted in a 43% increase in gold production to 153,000oz for the first half of 2018 compared to 107,000oz in the same period last year. The total cash costs decreased by 9% to $888/oz for the six months ended 30 June 2018 from $977/oz in the first half of 2017, largely due to the higher gold production. The Recovery Enhancement Project (REP) at Sunrise Dam, involving the addition of a flotation and ultra-fine circuit, was successfully commissioned on schedule in June. The REP is expected to deliver an average increase in gold recovery of 8%.

Tropicana's production (70%) was 153,000oz for the six months ended 30 June 2018, an increase of 3% compared to the output in the amount of 148,000oz in the same period last year. The total cash costs increased by 14% to $655/oz for the six months ended 30 June 2018, compared to $575/oz in the first half of 2017. The increase in the cash cost was due to a lesser proportion of waste mining being allocated to capital in the first half of 2018 compared to the corresponding period last year. During the first half of 2018, concrete works were completed for installation of a second, 6MW ball mill in the Tropicana processing plant. This project is on schedule for completion at the end of 2018.

The South Africa region produced 257,000oz at a total cash cost of $1,152/oz for the six months ended 30 June 2018, compared to 435,000oz at a total cash cost of $1,092/oz in the same period in 2017. Total cash costs increased 6% year-on-year given inflationary pressure, particularly in wages, power and consumables, and the negative impact of the exchange rate as the Rand remained stronger against the US Dollar during the half year.

Production from retained operations (excluding Moab Khotsong and Kopanang which were sold, and TauTona undergoing orderly closure), was up 1% year-on-year to 206,000oz at a total cash cost of $1,115/oz for the six months ended 30 June 2018, compared to 204,000oz at a total cash cost of $1,014/oz in the same period in 2017. AISC from the retained operations was $1,269/oz for the first half of 2018, up from

$1,166/oz for the first half of 2017, with the increase attributable mainly to the 10% rise in cash costs year-on-year. The restructuring of the asset portfolio in South Africa, announced in May 2018, is underway to ensure that both on- and off-mine cost structures are appropriate for the considerably smaller production base. Discussions with affected employees and their representatives in organised labour are in progress and are anticipated to be completed in the second half of the year.

Mponeng delivered a 12% production improvement year-on-year at 119,000oz at a total cash cost of $1,147/oz for the six months ended 30 June 2018, compared to 106,000oz at a total cash cost of $1,046/oz in the same period in 2017. The improvement was mainly a result of a higher reef value and the operation improving mining practices. Total cash costs were 10% higher year-on-year, mainly due to inflationary increases and the negative impact of the Rand/US Dollar exchange rate.

Surface Operations produced 87,000oz at a total cash cost of $1,061/oz for the six months ended 30 June 2018, compared to 92,000oz at a total cash cost $970/oz in the same period in 2017. Production at the Vaal River Surface Sources was impacted by the sale of Mispah and West Gold plants. West Wits Surface Sources' production was down for the first six months of the year as a result of the low-grade areas reclaimed at the Savuka marginal ore dumps and the tailings storage facilities.

Mine Waste Solutions' production was assisted by significant recovery improvements (four percentage points higher), as the operations reverted to normal production levels compared to the first half of 2017, which was impacted by significant storms.

The Vaal River operations, which included Moab Khotsong and Kopanang, produced 51,000oz at a total cash cost of $1,307/oz for the six months ended 30 June 2018, compared to 174,000oz at a total cash cost of $1,003/oz in the same period in 2017. The decrease in production results from the fact that only two months of contribution from the mines, which were sold on 28 February 2018, have been reflected.

SAFETY UPDATE

It is with great sadness that we report three fatalities in the first half of 2018. The South Africa region suffered two fatal accidents. At Moab Khotsong a tramming accident caused one fatality and at Mponeng a mechanical loader operator was fatally injured in a seismic fall of ground. In Brazil there was one fatality following an electricity-related incident. AngloGold Ashanti remains committed to establishing and adhering to the best safety practices in the industry. The group's All-Injury Frequency Rate, the broadest measure of workplace safety, was 5.6 injuries per million hours worked for the six months ended 30 June 2018, down 31% from the first half of last year and its lowest level in the Company's history.

UPDATE ON CAPITAL PROJECTS

Kibali

At Kibali, the underground ore production has now stabilised at planned capacity and the underground materials handling system and ore hoisting via the shaft is on track to reach name plate capacity. The total underground ore tonnes mined for the first half of the year are 1,686t (compared to 1,595kt in the same period last year), of which 1,194kt were hoisted (compared to 118kt in the same period last year). In addition, 5km of development was completed from the declines. The third hydropower station at Azambi is still on track for completion in the second half of 2018. Construction of the next phase of tailings storage facility was initiated at the end of 2017, providing additional capacity for carbon in leach (CIL) tails and is scheduled for completion in the second half of 2018.

Mponeng Phase 1 and 2

Phase 1 was negatively impacted by a fatal accident which occurred on 126 level in April 2018. This fatal accident caused a delay in the ore reserve development and also had an impact on the construction activities to a lesser extent.

Progress on the construction activities was as follows:

- Water Management Infrastructure - piping installation completed;
- Ore Handling Infrastructure - construction completed with commissioning planned for the third quarter of 2018;
- The reef pass between 123 and 126 level is delayed due to the breakdown on the raiseborer reamer head. This is an additional scope to overcome congestion on 123 level tramming;
- The ventilation hole from 116 level to decline 3 was stopped due to repeated non-compliance in accuracy by the contractor. A procurement process has been initiated for the replacement of the contractor; and
- Ore Reserve Development at 126 level - encountered slow advance rates in areas of high geological complexity, which require additional secondary support.

The Mponeng feasibility study

A technical review was undertaken in the period ended June 2018, resulting in various technical recommendations which include optimising capital expenditure, and conducting further studies in the ventilation and tailing storage strategies.

The Technology Innovation project has been scaled down in line with the accelerated closure of the TauTona mine. Work continues to establish the site for the High Strength Backfill (HSB) plant at Mponeng mine. However, delays were encountered in the development of the excavation and it is estimated that the plant construction will now commence in third quarter of 2018.

Siguiri Combination Plant

Siguiri is undergoing construction of a new Combination Plant, which is expected to be completed by year end and will allow for the treatment of harder rock. Most of the civil work is nearing completion, which is anticipated by the third quarter of the year. The mill was lifted into position and the installation of the secondary and tertiary crushers was completed during the first half of the year. The conversion of the carbon-in-leach tanks has been completed. Construction of the new power plant, to meet additional power requirements, will be ready for commercial operations during the fourth quarter, as planned.

Obuasi project

In June 2018 the parliament of Ghana ratified the development and fiscal agreement for the redevelopment of Obuasi. After considering the environmental impact statements for the project, the EPA issued the permits for the project. Work has started in earnest towards the redevelopment of the Obuasi high-grade orebody, including commencement of the recruitment of the project and operating teams. Detailed planning for execution and preparation for early works contracts continue, with focus on redeveloping the mine into a modern and mechanised operation. AUMS, through its 70/30 JV with Rocksure International (a Ghanaian mining contractor), is the preferred contractor for delivery of underground mining services. Negotiations of the final contract terms and conditions are well advanced with an expectation that project works will commence later in 2018. The joint venture will trade under the name Underground Mining Alliance Limited. The project will be developed in two phases; the first phase will enable a production rate of 2,000tpd and first gold is expected in late 2019, while the second phase will enable production to be increased to 4,000tpd, approximately 12 months later, toward the end of 2020.

CORPORATE UPDATE

CEO Transition
On 23 July 2018, the Company announced the appointment of Kelvin Dushnisky as chief executive officer (CEO) and an executive director of the Board of Directors of AngloGold Ashanti, effective 1 September 2018. Mr. Dushnisky, who will relocate to Johannesburg, where AngloGold Ashanti is based, replaces outgoing CEO Srinivasan Venkatakrishnan (Venkat), who departs at the end of August 2018 for a role at London-based Vedanta Resources. Venkat will cease to be a member of the Company's Board of Directors with effect from 31 August 2018.

Obuasi Arbitration Proceedings Resolved
The Obuasi mine, operated by AngloGold Ashanti (Ghana) Limited, had been the subject of a dispute with the Republic of Ghana since February 2016, when military protection was withdrawn from the mine and the site was being overrun by illegal miners for close to nine months.

The case was registered with the International Centre for Settlement of Investment Disputes on 2 May 2016, with the Company filing an urgent request for provisional measures on 3 June 2016. This request was eventually voluntarily suspended following the gradual restoration of law and order at the mine under the directive of the Minerals Commission from October 2016 onwards.

AngloGold Ashanti (Ghana) Limited proceeded to file a memorial on the merits in April 2017. Shortly thereafter, the parties by mutual agreement suspended the proceedings in order to explore an amicable resolution to the dispute. The dispute has now been resolved to the parties' mutual satisfaction and the Company has submitted a request to the Tribunal on 19 July 2018 that the proceedings be discontinued. Further, the Ghanaian Parliament has ratified a number of regulatory and fiscal agreements with the Company in relation to the redevelopment of the mine into a modern and mechanised operation, marking an important step for the mine's future.

DRC Mining Code and Regulations amendment
In the DRC, the Mining Code and Regulations have been amended with an updated Mining Code which came into effect on 9 March 2018 (2018 Mining Code) and the related amended Mining Regulations which came into effect on 8 June 2018, although the regulations were only actually published in July 2018 so have only recently started being enforced. Kibali Goldmines SA is considering all its options to protect its vested rights under the 2002 Mining Code, as well as the specific state guarantees it previously received, including preparing for international arbitration. In addition, it continues to engage with the government to find alternative solutions which would be mutually acceptable to both parties, including through the application of Article 220 of the 2018 Mining Code, which affords benefits to mining companies in landlocked infrastructurally challenged provinces, such as where Kibali is located.

EXPLORATION
See the Exploration Update document on the Company's website (www.anglogoldashanti.com) for an update on both Brownfields and Greenfields exploration programmes.

EY
102 Rivonia Road
Sandton
Private Bag X14
Sandton
2146

Ernst & Young Incorporated
Co. Reg. No. 2005/002308/21
Tel: +27 (0) 11 772 3000
Fax: +27 (0) 11 772 4000
Docex 123 Randburg
ey.com

Independent auditor's review report on the Condensed Consolidated Financial Statements for the six months ended 30 June 2018 to the Shareholders of AngloGold Ashanti Limited

We have reviewed the condensed consolidated financial statements of AngloGold Ashanti Limited (the Company) contained in the accompanying interim report on pages 9 to 29, which comprise the accompanying condensed consolidated statement of financial position as at 30 June 2018, the condensed consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended, and selected explanatory notes.

Directors' Responsibility for the Condensed Consolidated Financial Statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with the International Financial Reporting Standard, IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the company for the six months ended 30 June 2018 are not prepared, in all material respects, in accordance with International Financial Reporting Standard, IAS 34 Interim Financial Reporting as issued by the IASB, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.
Director - Ernest Adriaan Lodewyk Botha
Registered Auditor
Chartered Accountant (SA)
102 Rivonia Road, Sandton
Johannesburg, South Africa
16 August 2018

A member firm of Ernst & Young Global Limited.
A full list of Directors is available on the website.
Chief Executive: Ajen Sita

GROUP – INCOME STATEMENT

US Dollar million	Notes	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Restated	Year ended Dec 2017 Restated
Revenue from product sales	2	2,002	2,113	4,510
Cost of sales	3	(1,602)	(1,790)	(3,736)
Gain (loss) on non-hedge derivatives and other commodity contracts		10	2	10
Gross profit		410	325	784
Corporate administration, marketing and other expenses		(37)	(35)	(64)
Exploration and evaluation costs		(46)	(62)	(114)
Other operating expenses	4	(57)	(40)	(88)
Special items	5	(151)	(253)	(438)
Operating profit (loss)		119	(65)	80
Interest income		9	8	15
Other gains and (losses)		3	(4)	(11)
Finance costs and unwinding of obligations	6	(85)	(83)	(169)
Share of associates and joint ventures' profit (loss)	7	40	(9)	22
Profit (loss) before taxation		86	(153)	(63)
Taxation	8	(43)	(12)	(108)
Profit (loss) after taxation		43	(165)	(171)
Allocated as follows:				
Equity shareholders		33	(176)	(191)
Non-controlling interests		10	11	20
		43	(165)	(171)
Basic profit (loss) per ordinary share (cents) (1)		8	(43)	(46)
Diluted profit (loss) per ordinary share (cents) (2)		8	(43)	(46)

(1) Calculated on the basic weighted average number of ordinary shares.
(2) Calculated on the diluted weighted average number of ordinary shares.

The financial statements for the six months ended 30 June 2018 have been prepared by the corporate accounting staff of AngloGold Ashanti Limited headed by Mr Ian Kramer (CA (SA)), the Group's VP: Finance. This process was supervised by Ms Kandimathie Christine Ramon (CA (SA)), the Group's Chief Financial Officer and Mr Srinivasan Venkatakrishnan (BCom; ACA (ICAI)), the Group's Chief Executive Officer. The financial statements for the six months ended 30 June 2018 were reviewed, but not audited, by the Group's statutory auditors, Ernst & Young Inc.

Any forward looking financial information disclosed in this results announcement has not been reviewed or audited or otherwise reported on by Ernst & Young Inc.

Certain information presented in this results announcement constitutes pro forma financial information. This information is the responsibility of the Company’s board of directors and is presented for illustrative purposes only. Because of its nature the pro forma financial information may not fairly present the Company’s financial information, changes in equity and results of operations or cash flows. This information has not been reviewed or audited or otherwise reported on by Ernst & Young Inc.

GROUP – STATEMENT OF COMPREHENSIVE INCOME

US Dollar million	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Reviewed	Year ended Dec 2017 Audited
Profit (loss) for the period	43	(165)	(171)
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(102)	83	123
Net gain (loss) on available-for-sale financial assets	—	3	20
Release on impairment of available-for-sale financial assets	—	1	3
Release on disposal of available-for-sale financial assets	—	—	(6)
Deferred taxation thereon	—	2	8
	—	6	25
Items that will not be reclassified subsequently to profit or loss:			
Net gain (loss) on equity investments	25	—	—
Actuarial gain (loss) recognised	—	—	8
Deferred taxation thereon	—	—	(2)
	25	—	6
Other comprehensive income (loss) for the period, net of tax	(77)	89	154
Total comprehensive income (loss) for the period, net of tax	(34)	(76)	(17)
Allocated as follows:			
Equity shareholders	(44)	(87)	(37)
Non-controlling interests	10	11	20
	(34)	(76)	(17)

GROUP – STATEMENT OF FINANCIAL POSITION

US Dollar million	Note	As at Jun 2018 Reviewed	As at Jun 2017 Reviewed	As at Dec 2017 Audited
ASSETS				
Non-current assets				
Tangible assets		3,478	4,105	3,742
Intangible assets		131	150	138
Investments in associates and joint ventures		1,504	1,464	1,507
Other investments		150	139	131
Inventories		91	87	100
Trade, other receivables and other assets		73	35	67
Deferred taxation		5	5	4
Cash restricted for use		34	37	37
		5,466	6,022	5,726
Current assets				
Other investments		6	7	7
Inventories		646	681	683
Trade, other receivables and other assets		252	287	222
Cash restricted for use		19	19	28
Cash and cash equivalents		215	164	205
		1,138	1,158	1,145
Non current assets held for sale		—	—	348
		1,138	1,158	1,493
Total assets		6,604	7,180	7,219
EQUITY AND LIABILITIES				
Share capital and premium	10	7,157	7,124	7,134
Accumulated losses and other reserves		(4,552)	(4,522)	(4,471)
Shareholders' equity		2,605	2,602	2,663
Non-controlling interests		36	31	41
Total equity		2,641	2,633	2,704
Non-current liabilities				
Borrowings		2,004	2,312	2,230
Environmental rehabilitation and other provisions		868	944	942
Provision for pension and post-retirement benefits		111	125	122
Trade, other payables and deferred income		2	7	3
Deferred taxation		359	423	363
		3,344	3,811	3,660
Current liabilities				
Borrowings		47	54	38

Trade, other payables, deferred income and provisions	536	628	638
Taxation	36	54	53
	619	736	729
Non current liabilities held for sale	—	—	126
	619	736	855
Total liabilities	3,963	4,547	4,515
Total equity and liabilities	6,604	7,180	7,219

GROUP – STATEMENT OF CASH FLOWS

US Dollar million	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Reviewed	Year ended Dec 2017 Audited
Cash flows from operating activities			
Receipts from customers	1,981	2,101	4,534
Payments to suppliers and employees	(1,613)	(1,684)	(3,383)
Cash generated from operations	368	417	1,151
Dividends received from joint ventures	49	—	6
Taxation refund	—	11	14
Taxation paid	(96)	(107)	(174)
Net cash inflow (outflow) from operating activities	321	321	997
Cash flows from investing activities			
Capital expenditure	(293)	(390)	(829)
Expenditure on intangible assets	—	(1)	(1)
Proceeds from disposal of tangible assets	310	2	7
Other investments acquired	(54)	(54)	(91)
Proceeds from disposal of other investments	76	46	78
Investments in associates and joint ventures	(5)	(20)	(27)
Loans advanced to associates and joint ventures	(3)	(3)	(6)
Cash payment to settle the sale of environmental trust fund	(32)	—	—
Decrease (increase) in cash restricted for use	9	—	(8)
Interest received	7	8	15
Net cash inflow (outflow) from investing activities	15	(412)	(862)
Cash flows from financing activities			
Proceeds from borrowings	283	331	815
Repayment of borrowings	(500)	(167)	(767)
Finance costs paid	(66)	(67)	(138)
Dividends paid	(39)	(58)	(58)
Net cash inflow (outflow) from financing activities	(322)	39	(148)
Net increase (decrease) in cash and cash equivalents	14	(52)	(13)
Translation	(4)	1	3
Cash and cash equivalents at beginning of period	205	215	215
Cash and cash equivalents at end of period	215	164	205

GROUP – STATEMENT OF CHANGES IN EQUITY

	Equity holders of the parent									
US Dollar million	Share capital and premium	Other capital reserves	Accumulated losses	Fair value through OCI	Available-for-sale reserve	Actuarial (losses) gains	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance at 31 December 2016	7,108	116	(3,119)		17	(21)	(1,386)	2,715	39	2,754
Profit (loss) for the period			(176)					(176)	11	(165)
Other comprehensive income (loss)					6		83	89		89
Total comprehensive income (loss)	—	—	(176)		6	—	83	(87)	11	(76)
Shares issued	16							16		16
Share-based payment for share awards net of exercised		(3)						(3)		(3)
Dividends paid			(39)					(39)		(39)
Dividends of subsidiaries								—	(19)	(19)
Translation		4	(4)		1	(1)		—		—
Balance at 30 June 2017	7,124	117	(3,338)		24	(22)	(1,303)	2,602	31	2,633

Balance at 31 December 2017	7,134	124	(3,359)	—	43	(16)	(1,263)	2,663	41	2,704
Impact of adopting IFRS 9			10	33	(43)			—		—
Restated opening balance under IFRS 9	7,134	124	(3,349)	33	—	(16)	(1,263)	2,663	41	2,704
Profit (loss) for the period			33					33	10	43
Other comprehensive income (loss)				25			(102)	(77)		(77)
Total comprehensive income (loss)	—	—	33	25	—	—	(102)	(44)	10	(34)
Shares issued	23							23		23
Share-based payment for share awards net of exercised		(13)						(13)		(13)
Dividends paid			(24)					(24)		(24)
Dividends of subsidiaries								—	(15)	(15)
Transfer of gain on disposal of equity			13	(13)				—		—

investments										
Translation		(7)	6	1				—		—
Balance at 30 June 2018	7,157	104	(3,321)	46	—	(16)	(1,365)	2,605	36	2,641

Segmental reporting

AngloGold Ashanti's operating segments are being reported based on the financial information provided to the Chief Executive Officer and the Executive Committee, collectively identified as the Chief Operating Decision Maker (CODM). Individual members of the Executive Committee are responsible for geographic regions of the business.

Gold income

	Six months ended Jun 2018	Six months ended Jun 2017	Year ended Dec 2017
US Dollar million	Reviewed	Reviewed	Audited

South Africa	332	525	1,101
Continental Africa	972	884	1,895
Australasia	390	315	709
Americas	514	524	1,104
	2,208	2,248	4,809
Equity-accounted investments included above	(286)	(216)	(453)
	1,922	2,032	4,356

By-product revenue

US Dollar million	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Reviewed	Year ended Dec 2017 Audited
South Africa	6	8	15
Continental Africa	2	2	3
Australasia	1	1	2
Americas	72	70	135
	81	81	155
Equity-accounted investments included above	(1)	—	(1)
	80	81	154

Gross profit (loss)

US Dollar million	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Reviewed	Year ended Dec 2017 Audited
South Africa	(10)	(28)	(3)

Continental Africa	185	143	386
Australasia	100	66	159
Americas	157	130	253
Corporate and other	15	2	2
	447	313	797
Equity-accounted investments included above	(37)	12	(13)
	410	325	784

Segmental reporting (continued)

Cost of sales

US Dollar million	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Restated	Year ended Dec 2017 Restated
South Africa	352	563	1,129
Continental Africa	788	742	1,513
Australasia	290	250	551
Americas	430	465	987
Corporate and other	(8)	(2)	(3)
	1,852	2,018	4,177
Equity-accounted investments included above	(250)	(228)	(441)
	1,602	1,790	3,736

Amortisation

US Dollar million	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Reviewed	Year ended Dec 2017 Audited
South Africa	42	80	133
Continental Africa	183	218	421
Australasia	63	53	130
Americas	89	110	273
Corporate and other	2	2	2
	379	463	959

Equity-accounted investments included above	(82)	(71)	(136)
	297	392	823

Capital expenditure

US Dollar million	Six months ended Jun 2018 Reviewed	Six months ended Jun 2017 Reviewed	Year ended Dec 2017 Audited
South Africa	41	81	150
Continental Africa	139	191	409
Australasia	79	66	153
Americas	75	114	234
Corporate and other	1	2	7
	335	454	953
Equity-accounted investments included above	(42)	(63)	(123)
	293	391	830