ANGLOGOLD ASHANTI LTD
Form 6-K
August 20, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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

This Report on Form 6-K shall be incorporated by reference in our automatic shelf Registration Statement on Form F-3 as amended (File No. 333-210564) and our Registration Statements on Form S-8 (File Nos. 333-10990 and 333-113789) as amended, to the extent not superseded by documents or reports subsequently filed by us under the Securities Act of 1933 or the Securities Exchange Act of 1934, in each case as amended

Commission file number: 1-14846

AngloGold Ashanti Limited
(Name of Registrant)

76 Rahima Moosa Street
Newtown, Johannesburg, 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: ý Form 40-F: q

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: q No: ý

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: q No: ý

Enclosures: Unaudited condensed financial statements as of June 30, 2018 and for each of the six month periods ended June 30, 2018 and 2017, prepared in accordance with IFRS, and related management's discussion.

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
- Total borrowings down 13% year-on-year; Net debt down 17% year-on-year, to $1.786bn; Net debt to Adjusted EBITDA 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 - Subsidiaries *	- $/oz	1,034	1,063	1,050
All-in sustaining costs - Joint Ventures *	- $/oz	930	1,144	1,087
All-in costs - Subsidiaries *	- $/oz	1,131	1,131	1,119
All-in costs - Joint Ventures *	- $/oz	971	1,261	1,186
Total cash costs - Subsidiaries *	- $/oz	832	788	789
Total cash costs - Joint Ventures *	- $/oz	765	877	819
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
Net cash flow from operating activities	- $m	321	321	997
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					442	104
CONTINENTAL AFRICA	695	5	(788)	6					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
			1	41					8	4

Non-controlling interests, exploration and other						
Total	1,629	(7)				
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 D 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

AngloGold Ashanti continued to deliver on its strategy 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. 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.

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 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."

Comparison of cost of sales

Cost of sales for AngloGold Ashanti	Six Months ended Jun	Six Months ended Jun	Year ended Dec
US Dollar million	2018	2017	2017
Cost of sales	1,602	1,790	3,736
Inventory change	(25)	(43)	(15)
Amortisation of tangible assets	(294)	(389)	(817)
Amortisation of intangible assets	(3)	(3)	(6)
Retrenchment costs	(2)	(3)	(6)
Rehabilitation and other non-cash costs	3	(13)	(29)
Total cash	1,281	1,339	2,863

costs *			
Royalties	(68)	(55)	(116)
Other cash costs	(5)	(12)	(19)
Cash operating costs	1,208	1,272	2,728

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

Group Operating Performance

Production from retained operations for the first six months of 2018 (excluding Moab Khotsong, Kopanang and TauTona mines), was 1.578Moz compared to 1.517Moz for the first six months of 2017.

The International Operations achieved a 4% increase in production from 1.313Moz for the first six months of 2017 to 1.372Moz during the first half of 2018.

Total production for the group, including those operations either sold or closed earlier this year, was 1.629Moz for the six months ended 30 June 2018 compared to 1.748Moz in the first six months of 2017.

There was an overall 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

Revenue from product sales decreased by $111m to $2,002m in the six months ended 30 June 2018 from $2,113m in the corresponding period of 2017, representing a 5% decrease year-on-year. The decrease was due to a 139,000oz, or 8% decrease in gold sold from 1,790Moz for the six months ended 30 June 2017 to 1,651Moz for the corresponding period in 2018 and a decrease in production in South Africa, due to the sale of Moab Khotsong and Kopanang and the closure of TauTona, and the Americas. The decrease in revenue was partially offset by an increase of $79/oz, or 6% in the gold price received from $1,231/oz for the six months ended 30 June 2017 to $1,310/oz for the corresponding period in 2018 and an increase in production in Australia and Continental Africa.

Cost of sales decreased by $188m, or 11%, from $1,790m in the six months ended 30 June 2017 to $1,602m in the six months ended 30 June 2018. The decrease was due mainly to a $64m, or 5% decrease in cash operating costs from $1,272m in the six months ended 30 June 2017 to $1,208m in the six months ended 30 June 2018. Included in cost of sales is amortisation of tangible and intangible assets, changes in gold inventory and rehabilitation costs, which all together decreased from $448m in the six months ended 30 June 2017 to $319m in the same period of 2018. Amortisation decreased by $96m, from $392m in the six months ended 30 June 2017 to $297m in the six months ended 30 June 2018, mainly at the South African operations due to the sale of Moab Khotsong and Kopanang and the closure of Tau Tona, at Geita due to decreased deferred stripping due to depletion of open pit ore and at Cerro Vanguardia due to lower production. Rehabilitation costs decreased by $16m, from $13m in the six months ended 30 June 2017 to a $3m credit in the six months ended 30 June 2018. The decrease in rehabilitation costs was mainly a result of changes to cash flows, escalation rates and discount rates at Siguiri ($5m), Tropicana ($4m), AngloGold Ashanti Mineração ($4m) and Sunrise Dam ($3m). There was a $18m inventory change to $25m in the six months ended 30 June 2018 compared to $43m in the corresponding period in 2017. The change in gold inventory was mainly due to more gold produced than sold at Siguiri, the timing of shipments at Australia and the reallocation of amortisation to inventory change at Brazil. The increase was partially reduced by less gold on hand at Iduapriem and Geita due to the timing of gold shipments.

Total cash costs decreased by $58m from $1,339m in the six months ended 30 June 2017 to $1,281m in the corresponding period of 2018, representing a 4% decrease. The decrease was mainly due to a decrease in labour costs, fuel and power costs and consumable stores, mainly at South Africa due to the sale of Moab Khotsong and Kopanang and the closure of TauTona, partially offset by an increase at Australia and Continental Africa due to inflationary pressures. Cash operating costs in all business segments are largely incurred in local currency where the relevant operation is located. US-dollar denominated production costs tend to be adversely impacted by local currency strength and favourably impacted by local currency weakness, assuming there are no other offsetting factors. AngloGold Ashanti's financial results can be influenced significantly by the fluctuations in the South African Rand, Brazilian Real, Australian Dollar, and, to a lesser extent, the Argentina Peso. During the six months ended 30 June 2018, compared to the same period in 2017, the South African Rand strengthened by 7% and the Austalian dollar by 2%. During the same periods, the Argentine Peso depreciated by 38% and the Brazilian Real by 8%.

Special items decreased from $253m in the six months ended 30 June 2017 to $151m in the six months ended 30 June 2018, which represents a $102m decrease. Special items consist mainly of the impairment of the Uranium plant in South Africa ($93m), retrenchment and related costs in South Africa ($33m) and the loss on sale of Moab Khotsong and Kopanang ($25m).

Share of associates and joint ventures' income increased by $49m from a loss of $9m in the six months ended 30 June 2017 to a profit of $40m in the six months ended 30 June 2018. The increase was due to an increase in earnings from Kibali as a result of an increase in production and the gold price received as well as an impairment reversals at Rand Refinery and Sadiola. This was partially offset by losses at Morila and Gramalote.

Taxation expense increased by $31m from an expense of $12m in the six months ended 30 June 2017 to an expense of $43m in the six months ended 30 June 2018. The increase was mainly due to lower deferred tax credits in South Africa mostly attributable to the tax effects of the sale of Moab Khotsong and Kopanang, higher deferred tax in Brazil and Argentina (mainly due to foreign exchange movements) and higher current tax in Australia due to higher earnings in the current year. This was partly negated by lower tax in Guinea due to significantly lower earnings in the current year, lower deferred tax in Geita and in First Uranium, due to the revaluation of the liability of the Franco Nevada contract and impairment of the Uranium Plant.

Net profit attributable to equity shareholders increased by $209m, from a loss of $176m in the six months ended 30 June 2017 to a profit of $33m in the six months ended 30 June 2018. The increase was mainly due to the $188m decrease in cost of sales, the $102m decrease in special items and the $49m increase in share of associates and joint ventures' profit. The increase was partially offset by the $111m decrease in revenue from product sales and the $31m increase in taxation expense.

The Company reported earnings attributable to shareholders of $33m, or 8 US cents per share. 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).
Profit before taxation increased by $239m from a loss of $153m in the six months ended 30 June 2017 to a profit of $86m in the six months ended 30 June 2018. 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.

Total borrowings fell by 13% to $2.051bn at 30 June 2018, from $2.366bn at 30 June 2017. 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, well below the covenant ratio of 3.5 times that applies to the revolving credit facilities, and also below AngloGold Ashanti's own target of 1.5 times, through the cycle.

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.

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
Operating review			
Gold			
Production (kozs)	1,629	1,748	(7)
Financial review			
Gold price received ($/oz)	1,310	1,231	6
Total cash costs ($/oz) - Subsidiaries	832	788	6
Total cash costs ($/oz) - Joint Ventures	765	877	(13)
Cost of sales ($m)	1,602	1,790	(11)
Corporate & marketing costs ($m) *	37	35	6
Exploration & evaluation costs ($m)	46	62	(26)
All-in sustaining costs ($/oz) - Subsidiaries**	1,034	1,063	(3)
All-in sustaining costs ($/oz) - Joint Ventures **	930	1,144	(19)
All-in costs ($/oz) - Subsidiaries **	1,131	1,131	—
All-in costs ($/oz) - Joint Ventures **	971	1,261	(23)
Profit (loss) before taxation ($m)	86	(153)	156
Adjusted EBITDA ($m)	723	610	19
Profit (loss) attributable to equity shareholder ($m)	33	(176)	119
Cash inflow from operating activities ($m)	321	321	—
Capital expenditure ($m)	335	454	(26)

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

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 cost of sales and total cash costs year-on-year. Quarter-on-quarter production rose 21% to 380,000oz at the end of the second quarter, compared to 314,000oz in the first quarter.

In Ghana, Iduapriem produced 126,000oz at a cost of sales of $117m and a total cash cost of $781/oz for the six months ended 30 June 2018, compared to 107,000oz at a cost of sales of $97m and 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 cost decreased by 8% mainly due to the higher gold production, partly offset by higher mining cost 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 15,000 oz 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 cost of sales of $36m and a total cash cost of $980/oz for the six months ended 30 June 2018, compared to 31,000oz at a cost of sales of $32m and 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 cost 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. Cost of sales was at $64m and total cash cost at $802/oz for the six months ended 30 June 2018, a decrease of 12% and 8%, respectively, compared to a cost of sales of $73m and 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 cost of sales of $291m and a total cash cost of $790/oz, compared to 255,000oz at a cost of sales of $250m and a total cash cost of $775/oz in the same period 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 the same period last year. Cost of sales increased by 24% to $149m for the six months ended 30 June 2018 from $120m in the first half of 2017. The total cash cost 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 2018. 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. Cost of sales increased by 10% to $132m for the six months ended 30 June 2018 from $120m in the first half of 2017. 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 cost of sales of $352m and a total cash cost of $1,152/oz for the six months ended 30 June 2018, compared to 435,000oz at a cost of sales of $563m and a total cash cost of $1,092/oz in the same period in 2017. Cost of sales decreased 37% year-on-year. 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 (excluding Moab Khotsong and Kopanang which were sold, and TauTona undergoing orderly closure), was up 1% year-on-year to 206,000oz from 204,000oz. 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 cost of sales of $171m and a total cash cost of $1,147/oz for the six months ended 30 June 2018, compared to 106,000oz at a cost of sales of $138m and 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. Cost of sales increased 24% year-on-year. 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 cost of sales of $104m and a total cash cost of $1,061/oz for the six months ended 30 June 2018, compared to 92,000oz at a cost of sales of $98m and 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 cost of sales of $76m and a total cash cost of $1,307/oz for the six months ended 30 June 2018, compared to 174,000oz at a cost of sales of $217m and 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.

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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 10 to 39, 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.

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	0	(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

	Six months	Six months	Year