

Ashanti Goldfields Company Limited

First Quarter 2003 Unaudited Results

Presentation by the Chief Executive Officer

Good morning ladies and gentlemen and welcome to the presentation of Ashanti Goldfields's 2003 first quarter's results.

Present with me are Trevor Schultz, Chief Operating Officer, Daniel Oweirdu, the managing director of our Obuasi mine, Peter Cowley, head of exploration, Venkat, Chief Financial Officer, Mark Arnesen, head of International Treasury, Kweku Awotwi, head of investor relations and new business and other members of our management team.

When we presented our 2002 results we informed you all that 2003 was going to be a particularly challenging year for all our operations – both on the production and costs front. We gave you more details of these challenges in a further update on 26 March 2003. Therefore, neither our first quarter's results nor our outlook for the remainder of this year, which is included in this announcement, should come as any surprise to you.

First quarter production of 380,929 ounces was 7% lower than last year's 409,384 ounces, primarily due to a delay in commissioning of the plant expansion at Iduapriem/ Teberebie, lower mined grades as waste stripping to access higher grade ore continued at Geita and lower grades and recovery at Obuasi and Bibiani.

Total cash operating costs rose from US\$190 per ounce to US\$224 per ounce. This was as a result of lower gold production, the impact of fuel prices and certain one off costs associated with Bibiani, Geita and Iduapriem.

Earnings for the quarter of US\$6.8 million was therefore lower when compared with the US\$16.5 million recorded in 2002. Our debt levels remained broadly unchanged during the quarter.

Following my presentation, Trevor will provide you with more details in respect of our production and cost performance. He will also outline to you the steps we are currently taking to overcome the challenges which we continue to face this year. Venkat and Mark will then give you an update on Ashanti's financial performance and hedge book respectively.

On the exploration front we continue to get encouraging drilling intercepts at both Obuasi and Geita. At Obuasi, below 50 Level, significant drill intercepts of principally quartz, with visible gold, included 11.1 metres at 30.1g/t; 7.4 metres at 29.8g/t and 5.8 metres at 32.4g/t respectively between 54 Level and 59 Level. At Geita exploration drilling yielded two high-grade intersections – 20 metres at 15.3 g/t at Nyankanga and 9 metres at 19.5 g/t at Star and Comet.

On 16 May 2003, we announced that our board and the board of AngloGold were in discussions regarding a proposed merger of the two companies at a ratio of 26 AngloGold shares for every 100 Ashanti ordinary shares or global depositary securities. We also stated that these discussions and the related discussions with certain stakeholders may or may not lead to a proposal being made for the entire issued share capital of Ashanti.

In view of these discussions, we have deferred the proposed rights issue. If the proposed merger is concluded, clearly the rights issue will not take place.

Last week, we were advised by the Government of Ghana that it is to hold consultations and take appropriate professional advice in considering the proposed merger. Ashanti welcomed this development as an important step forward in the discussions with its key stakeholders.

I appreciate that a number of you are keen to ask probing questions to know more on this and related subjects. Let me answer all such questions upfront now, by stating that, we have absolutely nothing further to add, at this stage, on the proposed merger. We would respectfully ask that you recognize that we cannot answer further questions on the subject.

I now hand you over to Trevor Schultz.

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Q1 CONFERENCE CALL

Thanks Sam

Good morning to everybody.

As Sam has said generally Q1, '03 was lower than Q1 last year due to lower grades combined with some unexpected operating problems:

On a mine by mine basis:

OBUASI

Produced 132,000oz, lower than the 140,000oz in first quarter last year due to lower R+r grade at just under 7.00g/t and lower recovery. Cash costs were higher due to the combined effects of lower production and higher input costs – fuel, power, wages, reagents etc..

We are planning for lower grade ore from the underground mine this year.

In the STP we experienced failure of the SAG mill pinion toward the end of the quarter. This was a replacement pinion which had just been installed and has continued to impact throughput in the second quarter.

The new pinion is expected by month end and will be replaced in July. We also have to replace the feed end on the ball mill in July so Obuasi production will be lower for the next two months.

On the exploration front, we had some more good intersections with over 30g/t over significant widths. Details are in the report.

IDUAPRIEM

At 47,000oz produced at the same level as last year but at much higher costs - \$260/oz compared to \$193/oz (\$232 for the full year). Mill throughput was higher but feed grades were lower.

We experienced lower recoveries at Iduapriem due to unexpected tie-in and commissioning problems between the old and the new plant. These are being worked through systematically and steady state should be achieved by the end of the third quarter.

BIBIANI

Produced 51,000oz at \$234/oz compared to 60,000oz at \$186/oz last year. Grades and recoveries were lower than last year and clearing the failed material from the west wall added about \$30/oz to costs.

The decline to access the underground was started as well as a deep drilling program to intersect deeper ore. Steps are being taken to improve recovery by installing redundant flotation cells from Obuasi. This should be completed in the 4th quarter.

SIGUIRI

At 70,000oz produced at same level as last year, 69,000oz, however stacking was at lower grades (1.07g/t vs 1.16 g/t) and costs were higher at \$239/oz compared to \$228.

The higher costs were due to higher cement consumption and higher fuel and reagent costs.

Although work progressed on the CIP plant in the quarter, we recently terminated the lump sum contract. We are re-evaluating the project as capital costs are expected to increase. A decision will be made by the end of the third quarter.

FREDA REBECCA

Freda continues to experience considerable difficulties in its operating environment and only produced 17,000oz compared to 23,000 last year. Operating costs were \$266/oz compared to \$226/oz.

Shortage of foreign exchange to procure critical supplies was the main constraint.

GEITA

Produced 127,000oz compared to 139,000 with costs at \$203/oz compared to \$146/oz.

This was mainly due to lower grades offset by to some extent by higher throughput. The higher grade ore zone in Nyankanga will be reached in the third quarter.

OUTLOOK

We expect the second quarter to be about the same as the first. We should see an improvement in the second half as Geita gets into better grade, the Obuasi mills are repaired and plant debugging is completed at Iduapriem. However, we do plan for lower production at Siguiri in the 3rd quarter due to the impact of the rains on the heaps.

EXPLORATION

We continue to get good intersections at Geita and we have discovered a new saprolite orebody at Siguiri.

Peter Cowley is available to answer questions in this area.
I now hand you over to Venkat for the financials.

Ashanti Goldfields Company Limited

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Presentation by the Chief Financial Officer

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Thank you Trevor and good morning ladies and gentlemen.

Earnings:

Earnings for the first quarter were US\$6.8 million, as compared to the US\$16.5 million recorded in the first quarter of 2002. Earnings per share were 5 cents (2002: 15 cents). The US\$9.7 million reduction in the first quarter's earnings can be reconciled as follows:

	US\$m	
Reduction in turnover due to lower production and lower deferred hedging income, partially mitigated by higher spot prices	8.0	
Increase in cash operating costs	7.5	
Lower depreciation and amortisation charges	(3.5)	
Reduction in the interest charge following refinancing	(1.3)	
Other items	(1.0)	
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Revenue:

Spot revenue from the 380,929 ounces produced amounted to US\$133.6 million, equivalent to US\$351 per ounce. Total hedging income for the quarter was negative US\$4.7 million, comprising:

- deferred hedging income of US\$3.2 million, less
- net cash payments on maturing hedging contracts, due to the high spot prices during the quarter, of US\$7.9 million.

Total revenue for the quarter was US\$128.9 million (2002: US\$136.9 million), equivalent to US\$338 per ounce (2002: US\$334 per ounce).

The realised gold price of US\$338 per ounce, can be analysed as follows:

- Average spot price realised from bullion sales of US\$351 per ounce, plus
- Profits from previously closed out hedge contracts now released to the profit and loss account of US\$8 per ounce, less
- Net cash paid on maturing hedge contracts of US\$15 per ounce in respect of the Ashanti hedge book and US\$47 per ounce in respect of the Geita hedge book, which on a weighted average basis equates to US\$21 per ounce for the Group.

Cash Operating Costs:

Total cash operating costs rose from US\$190 to US\$224 per ounce. The increase of US\$34 per ounce is made up of:

- US\$20 per ounce as a result of increased fuel prices, one off costs associated with the clean up of the Bibiani pit wall slip, the Geita Nyankanga pit cut-back and interim crushing and mill feed arrangements at Iduapriem which necessitated a higher than normal amount of ore re-handling, and

- the balance of US\$14 per ounce which is attributable to lower production

These increases are in line with the comments made in our announcement of 26 March 2003.

Profit:

Operating profit for the quarter, including Geita, was US\$11.7 million (2002: US\$24.3 million).

Exploration expenditure written off was US\$0.3 million lower than last year at US\$0.7 million. Corporate administration costs were up US\$1.4 million on last year at US\$6.0 million due to a one-off project to improve our operational reporting systems at certain of our mines.

Depreciation at US\$19.6 million was lower than the US\$23.1 million recorded last year, primarily due to lower production and certain one-off depreciation charges which were included in 2002.

Net interest payable for the quarter was US\$4.7 million, down US\$1.3 million on last year due to lower debt levels and interest rates.

Cash Flows and Balance Sheet:

Cash inflow from operating activities was US\$16.8 million (2002: US\$23.2 million). Net interest payments were US\$2.4 million, US\$5.6 million lower than last year. Capital expenditure was higher at US\$17.1 million as compared to US\$14.9 million last year and includes expenditure of US\$7.7 million at Obuasi, US\$4.8 million in respect of the CIP project at Siguiri and US\$2.5 million on the plant expansion at Iduapriem/Teberebie.

Gross and net debt levels at quarter end were broadly unchanged from previous year-end at US\$255.9 million and US\$215.0 million respectively.

Stated Capital and Warrants:

Of the total 19.8 million warrants which were issued in January 2000, 17.3 million warrants have been exercised to date, as follows:

- Warrants exercised in 2002 as part of the refinancing - 13.9 million
- Warrants exercised in first quarter of 2003 – 1.2 million
- Warrants exercised on 30 May 2003 – 2.2 million

A total of approximately 2.5 million warrants therefore remain outstanding as of today's date.

Stated capital now stands at 130.8 million shares (31 December 2002: 127.5 million shares) as a result of the warrants exercise. This includes approximately half-a-million shares held in treasury.

I now hand you over to Mark Arnesen to update you on our hedge book.

Thank you Venkat and good morning everyone,

Looking at the Ashanti hedge book, at quarter end, Ashanti had commitments of 6.6 million ounces at an average price of 357 dollars per ounce and protection of 4.8 million ounces at an average price of 359 dollars per ounce. Maximum lease rate exposure was unchanged at 2.6 million ounces at an average receiving rate of approximately 1.80%.

As at quarter end, off a gold price of US\$ 336 per ounce, the mark-to-market of the Ashanti hedge book stood at negative 93.2 million US dollars, with a delta of 5.5 million ounces, and our half of the Geita hedge book stood at negative 36.25 million US dollars. As at yesterday, off a gold price of US\$ 358.30, the Ashanti mark to market was negative 157 million US\$ and our half share of the Geita mark-to-market was negative 48 million US\$.

It would be noted that Ashanti did not reduce total committed ounces during the quarter. This was due to the following restructurings, which given the current gold price environment, have been beneficial to Ashanti:

- 660,000 ounces of bought call options with strike prices greater than US\$430 per ounce were re-struck lower to approximately 230,000 ounces of bought call options with strike prices of US\$320 per ounce and US\$330 per ounce;
- 401,000 ounces of sold call options were re-struck lower to match approximately 680,000 ounces of bought put options, thereby converting the put and call options into forward sales. Value generated through this trade was used to purchase a further 230,000 ounces of call options with a strike price of US\$330 per ounce;
- Protected ounces were increased by approximately 50,000 ounces at strikes of US\$ 354 per ounce and US\$ 375 per ounce

Although the total number of bought call ounces reduced, which increases committed ounces, these restructures give rise to the following benefits:

- Lower strike prices on the new bought call structure has a beneficial cashflow effect to Ashanti up to gold prices of approximately US\$ 500 per ounce,
- The average committed price over the life of the book has improved by US\$11 per ounce from US\$346 per ounce to US\$357 per ounce,
- Bought call options are more evenly spread by maturity and have strike prices and value dates that match individual sold call options or forward sales,
- Converting bought put and sold call options into forward sales simplifies the management and subsequent modeling of the hedge book.

This quarter has ended with a small increase in commitments, however, the average rate of commitments has increased by US\$11 per ounce and protection has been increased by an average of US\$ 368 per ounce.

Going forward, Ashanti will continue to:

- Reduce commitments
- Maintain a prudent level of protection
- Reduce lease rate exposure.

This concludes my part of the presentation and I now hand to back to Sam.