

ASHANTI GOLDFIELDS COMPANY LIMITED

CFO'S SCRIPT – CONFERENCE CALL 28 JAN 2002

Thank you Sam & Trevor, good morning ladies and gentlemen. You will recall that during the two previous conference calls, I mentioned that Ashanti, along with its advisors Close Brothers and Houlihan Lockey, was proactively addressing the 2003 debt maturity, one year ahead of time.

We are therefore very pleased to announce that on Friday, we agreed terms in principle, with the Ad Hoc Committee comprising holders of approximately 62% of the value of the existing Notes, to a proposed restructuring of the Notes.

The principal terms of the proposed restructuring are:

- 25% of the Notes (approximately US\$54.7 million) will be converted into equity at US\$3.70. This represents an equitisation at market levels given that Ashanti's shares closed on the New York Stock Exchange at \$3.70, the day prior to the announcement.
- Exchange of the remaining 75% of the Notes (approximately US\$163.9 million) into new 7.95% Exchangeable Guaranteed Notes, due 30 June 2008.
- The New Exchangeable Notes will be exchangeable by the holders into Ashanti Shares at any time at an initial exchange price which is calculated as being the higher of: (a) US\$5.03, representing a premium of 36% on the market price of the shares, a day prior to the announcement, and (b) 125% of the volume-weighted average closing price of Ashanti's shares

over a period of 30 trading days on the New York Stock Exchange, from the announcement. To clarify, it is worth mentioning that the minimum exchange price will therefore be US\$5.03.

- The New Notes will amortise in ten semi-annual installments of US\$12 million each commencing on 31 December 2003. Ashanti has the option of accelerating these repayments by doubling-down on each repayment date.
- Ashanti will pay a fee of 2% of the outstanding Existing Notes (approximately US\$4.37 million) upon the completion of the proposed restructuring.
- The change of control and negative pledge provisions in the existing indenture will be modified on terms mutually beneficial to both Ashanti and the note holders.
- The Proposed Restructuring is intended to be implemented by way of a Scheme of Arrangement to be sanctioned by the Grand Court of the Cayman Islands and is subject to a number of conditions, including the preparation and despatch of formal documentation and the approval of the requisite majorities of the note holders, Ashanti's shareholders, its hedge counter parties and its lending banks.

As Sam outlined in his presentation, we set out to accomplish 5 key objectives with our refinancing plan. In summary, these included:

- Firstly, improving the capital structure by obtaining equity at or around market prices,

- Secondly, extending the maturity profile of Ashanti's debt to align it more closely with its cash flow profile,
- Thirdly, using this opportunity proactively to seek an extension of the Group's current margin free trading arrangements,
- Fourthly, either raising a new Revolving Credit Facility or amending the existing one on terms that are more competitive and less restrictive, and
- Finally, ensuring appropriate flexibility in Ashanti's financing arrangements to enable it to participate in the gold mining industry consolidation.

I will now explain to you how the proposed restructuring will assist us in achieving the above objectives.

The proposed equitisation of 25% of the Notes provides Ashanti with equity of approximately US\$54.7 million at market prices. This together with the potential proceeds from the warrants (estimated at approximately US\$59 million) should in due course, increase Ashanti's equity and potentially reduce net debt by over US\$110 million. This addresses our first objective of further de-leveraging the balance sheet.

Extending the term of the new notes, including an amortisation profile with a double down provision, will help us achieve our second objective of aligning our debt maturity profile with both cash flow from operations and potential proceeds from the warrants, which you may recall, expire in three equal tranches in April 2004, October 2004 and April 2005.

Turning to our third objective, Ashanti currently enjoys, subject to certain conditions and non-occurrence of an event of default, margin free trading during 2002 and higher margin limits for 2003 and 2004. The proposed restructuring has provided us with an opportunity to proactively seek an extension to these arrangements on a bilateral basis. Mark Arnesen would talk to these arrangements in greater detail. However, for your benefit, I set out below a number of reasons why such an extension will also be in the interest of the hedge counter parties:

- The levels of commitments and lease rate exposure are substantially lower than those that existed in 1999
- Ashanti is in a better financial position with a reduced debt level as compared to its position in 1999/2000
- The proposed restructuring (including the 25% equitisation) would significantly reduce Ashanti's credit risk, thereby enabling the counter parties to take a more positive long term view of Ashanti
- As warrant holders, the hedge counter parties will also benefit from this restructuring as it seeks to create a financially stronger Ashanti
- In the absence of the proposed restructuring, the notes need to be redeemed in 2003, ahead of the scheduled maturity of hedge contracts, which have a longer-term profile. The extended term of the notes should therefore offer more comfort to the hedge counter parties.

Turning now to our fourth objective of achieving a more competitive and less restrictive Revolving Credit Facility, the prospect of the Proposed Restructuring has enabled Ashanti to

enter into discussions with a number of financial institutions to provide new longer-term working capital facilities to Ashanti. Ashanti is progressing these discussions with a view to securing longer term financing, effective from the completion of the Proposed Restructuring. Mark Arnesen will provide you with more details in this regard. In the meantime, it is worth noting that on the back of Ashanti's improved performance, our existing bank group has, on a voluntary basis, provided a working capital facility of US\$25.4 million which is available for drawing, on substantially the same terms as its existing facilities, up to 30 December 2002.

Let us now turn to our final objective of ensuring appropriate flexibility in Ashanti's financing arrangements to enable its participation in the gold mining industry consolidation. Under the existing indenture the note holders have a put option ie. a right to immediate redemption in cash, in the event of a change of control of Ashanti. The proposed restructuring seeks to:

- modify this restrictive provision on terms that are mutually beneficial to both Ashanti's shareholders and the note holders
- provide financial flexibility to participate in consolidation opportunities
- make Ashanti an attractive partner

Ashanti is pleased to confirm that it will be filing its refinancing plan tomorrow with its lending banks and hedge counter parties. This will include:

- the proposed restructuring of the notes and request for approval

- the satisfactory extension of the existing margin free arrangements, and
- proposals for longer term working capital facilities

In conclusion, we have made significant progress in addressing the financial concerns raised two years ago. This proposed restructuring is a key milestone in our proactive refinancing efforts. During 2002, Ashanti will be working with all of its stakeholders to implement its refinancing plan.

I now hand you over to Mark Arnesen.

Thank you.