

Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

ASHANTI GOLDFIELDS CO LTD  
Form 6-K  
July 30, 2003

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

For the month of July 2003.

ASHANTI GOLDFIELDS COMPANY LIMITED  
(Translation of Registrant's Name Into English)

Gold House, Patrice Lumumba Road  
Roman Ridge, P.O. Box 2665  
Accra, Ghana  
(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  Form 40-F  
-----

(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   
-----

(If "Yes" is marked, indicate below the file number assigned to the  
registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_.

ASHANTI GOLDFIELDS COMPANY LIMITED

PRESS RELEASE

FOR IMMEDIATE RELEASE

30 JULY 2003

SECOND QUARTER REPORT 2003

ASHANTI SET TO IMPROVE UPON FIRST TWO QUARTERS' OPERATIONAL PERFORMANCE

OVERVIEW

Total gold production in the second quarter was 370,978 ounces, 8% lower than  
the 403,734 ounces recorded in the second quarter of last year but in line with  
the previously announced lower production profile for the first half of 2003.

Having successfully replaced the damaged mill pinion at Obuasi, substantially  
completed the waste stripping in Nyankanga at Geita, and with the progress made  
on the plant expansion at Iduapriem, Ashanti believes it has laid the foundation  
to improve upon its first two quarters' operational performance.

Cash operating costs for the Group rose from US\$192 to US\$222 per ounce mainly

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

as a result of lower gold production, the impact of increased wages and fuel prices, higher costs of other inputs and increased costs associated with the Nyankanga pit cut back at Geita.

During the quarter, Ashanti completed the sale of its rights in the Mampon concession to Golden Star Resources Limited for US\$9.5 million consideration.

Ashanti's earnings (including an exceptional gain of US\$7.0 million after tax of US\$0.8 million arising from the sale of the Mampon property) were US\$14.8 million. Earnings, excluding the exceptional gain and related tax, were US\$7.8 million, down US\$11.0 million on the corresponding period last year, but up US\$1.0 million on the previous quarter. The reduction in earnings compared with last year was mainly in line with the previously announced lower production profile for the first half of 2003 and higher cash operating costs, offset partially by higher spot prices. Earnings per share before exceptional items for the quarter were US\$0.06 (2002: US\$0.17) and after exceptional items were US\$0.12 (2002: loss US\$0.03).

During the quarter, Ashanti repaid US\$10.0 million towards its Revolving Credit Facility reducing the amounts drawn under the facility from US\$149.0 million to US\$139.0 million.

On the safety front, the Group maintained its strong safety standard with the Group's Lost Time Injury Frequency Rate (LTIFR) of 0.24 injuries per 200,000 hours worked as compared to 0.38 for the corresponding period in 2002.

Underground exploration at Obuasi continued to yield encouraging results both above and below 50 level. On 41 level, the three intersections from the 252 cross cut near the BSVS shaft returned 11.5 g/t over 8.2 metres, 11.2 g/t over 27.3 metres and 7.5 g/t over 15.38 metres. On 58 level, two intersections from 155 and 206 cross cuts yielded 41.9 g/t over 3.1 metres and 26.9 g/t over 6.6 metres respectively. At Geita, exploration drilling continued to yield good results at Nyankanga West and Geita Hill.

Ashanti has been advised by the Government of Ghana (the "Government") that it has appointed a consortium led by Societe-Generale to act as advisers to the Government as a shareholder, holder of the golden share in Ashanti and as a regulator of the mining industry in Ghana, and to assist the Government in arriving at a decision on the proposed merger of Ashanti and AngloGold.

- Quarter's earnings of US\$14.8 million including exceptional gain of US\$7.0 million
- Total gold production of 370,978 ounces, 8% lower than last year
- Cash operating cost of US\$222 per ounce, up US\$30 per ounce on last year, but marginally better than first quarter 2003
- Rights to Mampon concession sold for US\$9.5 million consideration
- Amounts drawn under the Revolving Credit Facility reduced by US\$10.0 million
- Continued encouraging results from exploration at Obuasi and Geita
- Group's safety record improved further during the quarter

	3 MONTHS TO	3 months to	6 MONTHS TO	6 months
	30 JUNE 03	30 June 02	30 JUNE 03	30 June
HIGHLIGHTS				
FINANCIAL (US\$m)				

Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

Total turnover	128.3	141.2	257.2	278.1
Earnings before exceptional items	7.8	18.8	14.6	36.3
Earnings after exceptional items	14.8	(3.7)	21.6	12.8
Total operating profit before exceptional items	13.6	27.2	25.3	52.5
Group EBITDA before exceptional items	28.4	44.1	54.7	84.0
Total EBITDA before exceptional items	33.0	53.2	64.3	101.6
Earnings per share before exceptional items (US\$)	0.06	0.17	0.11	0.32
Earnings per share after exceptional items (US\$)	0.12	(0.03)	0.17	0.11
GOLD PRODUCTION (ounces)				
Total	370,978	403,734	751,907	813,118
Attributable	352,795	385,907	716,135	777,743
GOLD PRICE (US\$ per ounce)				
Realised by Ashanti	346	350	342	342
Spot price	349	315	350	304
PRODUCTION COSTS (US\$ per ounce)				
Cash operating costs	222	192	223	191
Royalties	11	9	11	9
Depreciation and amortisation	51	63	51	60
Total	284	264	285	260

OPERATIONS REVIEW

GHANA

OBUASI

Obuasi's gold production for the quarter was 125,447 ounces approximately 10,000 ounces short of its annualized target, but 5,396 ounces above the 120,051 ounces achieved in the second quarter of 2002. The shortfall in production was due to the lower than planned feed grade, 6.92 g/t compared to the target of 7.40 g/t, and low milled tonnage at the Sulphide Treatment Plant (STP). At US\$202 per ounce, the cash operating cost for the quarter was marginally below the US\$205 per ounce achieved in the second quarter last year.

Mining. Underground production of 600,000 tonnes was lower than the 609,000 tonnes reported in the second quarter of 2002 while the head grade at 7.26 g/t is a decrease on the 7.45 g/t reported for the same period last year. The decrease in mined grades reflects the higher proportion of the total mined tonnage now arising from the lower grade ore blocks where bulk mining open stoping methods are being applied.

Underground infrastructure. In June, the development crews working on 50 level at the BSVS were relocated to the 51 level loading box excavation section of the shaft to complete excavation of the chamber ahead of civils work and shaft equipping which is scheduled to commence in the fourth quarter. Surface. A total of 152,000 tonnes grading 2.11 g/t was mined from the Homase, Kunka and T3 open pits during the quarter, compared with 29,000 tonnes at 2.48 g/t for the corresponding period in 2002. Processing. Throughput at STP was 582,000 tonnes,

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

the same as that for the corresponding period of last year whilst the head grade increased to 6.92 g/t from 6.88 g/t. and recovery decreased to 83.2% from 84.6%. Gold production at STP was 107,710 ounces compared to 109,006 ounces in the second quarter of 2002. Production tonnage was affected by a damaged mill pinion on the SAG mill which necessitated operating the mill at a reduced throughput rate. The mill pinion was changed and the girth gear turned at the end of the second quarter. Gold production at the Oxide Treatment Plant (OTP) was 7,050 ounces whilst the Tailings Treatment Plant produced 10,687 ounces in the quarter compared to 11,024 ounces for the corresponding period in 2002.

Exploration. Underground exploration yielded good results both above and below 50 level. On 41 level, three intersections from the 252 crosscut in the vicinity of the BSVS returned 11.5 g/t over 8.2 metres, 11.2 g/t over 27.3 metres and 7.5 g/t over 15.38 metres; on 58 level, intersections of 41.9 g/t over 3.1 metres and 26.9 g/t over 6.6 metres were returned at the 155 and 206 crosscut positions respectively which are located near to the KMS section. Development was completed in the 19 south crosscut on 50 level which is located close to the Adansi shaft and a diamond drill rig will be relocated there in July to commence testing the deeper levels in the north section of the mine.

### IDUAPRIEM/TEBEREBIE

Second quarter gold production at Iduapriem was 57,090 ounces compared with 39,769 ounces produced in the second quarter last year when there was a fire in the elution section of the plant. In June, 19,484 ounces were produced from the expanded CIL plant. At the end of the quarter, most of the outstanding commissioning works on the expanded CIL plant were complete and the new and old circuits within the plant were largely integrated and performing to design specification. The first phase of overland conveyor and primary crushing section of the upgrade was commissioned during the second quarter and work is ongoing to commission the second phase. The cash operating costs were US\$225 per ounce compared to US\$226 per ounce for the corresponding quarter last year. Cash operating costs should decrease once the second phase of the conveyor/crusher component of the project is completed eliminating the high interim ore re-handle costs. Relative to the same quarter last year, gold production from the heap leach operation reduced from 8,559 ounces to 4,929 ounces because of lower recovery associated with harder feed material and lower tonnage throughput.

### BIBIANI

Bibiani produced 52,867 ounces of gold from processing 623,000 tonnes of ore at 3.41 g/t. Metallurgical recovery was 77.4% and the cash operating cost was US\$208 per ounce. Production for the corresponding period in 2002 was 61,219 ounces from 634,000 tonnes at 3.72 g/t and a metallurgical recovery of 80.8%, at US\$183 per ounce. The lower tonnage, grade and metallurgical recovery resulted in the lower gold production.

The increase in the cash operating cost reflects the lower gold production and the increased depth of the pit. Further progress was made on the underground decline and development to access the old levels below the final pit elevation was on schedule. The third deep exploration hole, drilled to a depth of 1,254 metres intersected mineralisation returning 4.9 g/t over 8.0 metres (including 13.2 g/t over 2.1 metres). A secondary deflection from the same hole intersected the shear zone at the predicted point returning 8.0 g/t over 1.3 metres.

During the quarter, work commenced on removing the flotation plant and regrind mill from Obuasi and installing and re-commissioning this plant at Bibiani in the fourth quarter 2003. This is expected to improve recovery to approximately 85%.

### GUINEA

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

### SIGUIRI (85% OWNED)

Siguiri gold production of 64,130 ounces compared to 79,077 ounces achieved in the second quarter of 2002. Stacked tonnage increased to 2.56 million tonnes from 2.47 million tonnes whilst the feed grade declined to 1.15 g/t from 1.18 g/t. The reduction in production was due to increased gold in process as the higher-grade ore was stacked towards the end of the quarter as well as the lower than planned feed grades and stacked tonnage in the first quarter. The cash operating cost for the quarter was US\$274 per ounce compared to US\$185 per ounce for the same period last year reflecting the lower production, an increased rate of cement consumption to cater for a higher SAP to CAP ore blend and increased fuel prices.

The feasibility of the CIP plant expansion project is under review following recent difficulties with and termination of the construction contract. Discussions are currently underway with potential replacement contractors. Expenditure to date of approximately US\$7.2 million continues to be capitalised pending the outcome of the project review.

### ZIMBABWE

#### FREDA-REBECCA

Freda-Rebecca gold production for the quarter was 9,560 ounces compared with 27,214 ounces in the second quarter of 2002. This was principally due to a shortfall in higher grade underground ore production resulting from low availability of loaders, haul trucks and blasthole drill rigs caused by a shortage of critical component spares. Mill throughput in the second quarter was 304,000 tonnes at 1.46 g/t compared to 287,000 tonnes at 3.48 g/t for the corresponding period in 2002. Metallurgical recovery was impacted by the low grades and frequent mill shut downs due to power interruptions and recovery decreased to 66.9% from the 86.9% achieved in the second quarter of 2002. Management continues to negotiate with the Central Bank and suppliers to secure foreign exchange and an adequate supply of spare parts in order to effect the production recovery plan.

### TANZANIA

#### GEITA (50% OWNED)

Gold production at Geita was 123,767 ounces compared with 152,809 ounces produced in the second quarter of 2002. Plant feed for the quarter was 1.49 million tonnes at 2.82 g/t compared to 1.24 million tonnes at 4.10 g/t for the corresponding period last year. Mining activities were concentrated on the Nyankanga cut 3 waste strip in order to access higher grade ore and at the end of June, the mining face had reached the splays in the higher grade mineralised zone. By the middle of August the main high-grade zone should be exposed and third quarter gold production is therefore forecast to increase significantly. Cash operating costs rose to US\$214 per ounce from US\$156 per ounce in the corresponding second quarter as a result of the lower gold production and the increase in strip ratio, reflecting the cut back required for the enlarged optimised pit.

#### SUMMARY OF PRODUCTION AND CASH OPERATING COSTS PER OUNCE

	Obuasi	Iduapriem/ Teberebie	Bibiani	Siguiri
3 MONTHS TO 30 JUNE 2003 Production (ounces)	125,447	57,090	52,867	64,130

Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

Cost per ounce (US\$)	202	225	208	274
3 MONTHS TO 30 JUNE 2002				
Production (ounces)	120,051	39,769	61,219	79,077
Cost per ounce (US\$)	205	226	183	185
6 MONTHS TO 30 JUNE 2003				
Production (ounces)	257,365	104,336	104,138	134,141
Cost per ounce (US\$)	203	241	221	256
6 MONTHS TO 30 JUNE 2002				
Production (ounces)	260,147	87,613	121,025	148,219
Cost per ounce (US\$)	196	208	184	205

	Freda- Rebecca	Geita	Total/ Average
3 MONTHS TO 30 JUNE 2003			
Production (ounces)	9,560	61,884	370,978
Cost per ounce (US\$)	262	214	222
3 MONTHS TO 30 JUNE 2002			
Production (ounces)	27,214	76,404	403,734
Cost per ounce (US\$)	224	156	192
6 MONTHS TO 30 JUNE 2003			
Production (ounces)	26,505	125,422	751,907
Cost per ounce (US\$)	264	208	223
6 MONTHS TO 30 JUNE 2002			
Production (ounces)	50,300	145,814	813,118
Cost per ounce (US\$)	225	151	191

EXPLORATION

EAST AFRICA

TANZANIA

GEITA

During the quarter, exploration drilling continued at Nyankanga West and East and at Geita Hill. At Nyankanga West, positive results were reported from preliminary drilling undertaken to follow up on the earlier drilled high grade intersection reported from hole NYDD0097 (15 metres grading 20.16 g/t). Better follow up results included intersections of 5 metres grading 34.39 g/t from 179 metres in hole NYDD136; 23 metres @ 5.21 g/t from 113 metres in hole NYDD0138; and 18 metres @ 2.39 g/t from 136 metres in hole NYDD0139. This drilling confirms the presence of a relatively shallow (<200 metres), moderate to high grade zone of mineralisation immediately west of the currently designed Nyankanga pit margin. Additional follow up holes have been planned for the third quarter to further define the geometry and extent of the mineralisation after which a preliminary resource estimation will be undertaken.

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

Core drilling at Geita Hill continues to produce positive results. Continuity of mineralisation between the Geita Main and North East Extension deposits was proved with better intersections of 9 metres grading 3.4g/t from 216 metres in hole GHDD0114; 22 metres @ 2.1g/t from 273 metres in hole GHDD0115; and 18 metres @ 2.8g/t from 244 metres in hole GHDD0116.

### TANZANIA REGIONAL

Stream sediment sampling results on the Kigosi reconnaissance licence in the south western part of the Lake Victoria Goldfields are currently being followed up.

### D.R. CONGO

Ashanti considers the recent stationing of French troops in Bunia under the auspices of the United Nations as a positive step in the quest for peace and stability in the general area.

### WEST AFRICA

#### GUINEA

At Siguiri, exploration drilling concentrated on the SEK area (the general area surrounding the Bidini, Eureka Hill, Sanu Tinti and Tubani pits) and defined several small resources in both laterite and saprolite.

#### MALI

Auger drilling assay results from the M'pebougoula and Koumantou Exploration Authorisations were disappointing with no anomalous areas for further follow up being defined.

#### SIERRA LEONE

A low entry option agreement was signed with respect to AFCAN's Nimini Hills project in eastern Sierra Leone whereby Ashanti can earn a 80% equity interest. The area of interest is centred on a significant two square kilometre plus 0.5 g/t soil geochemical anomaly outlined by a previous EU sponsored aid survey in an area of complexly folded Archaean banded ironstone formations. Initial fieldwork is being focused on verifying this geochemical anomaly.

#### GHANA

In Ghana, stream and soil sampling and trenching continued on the Sefwi Asafo, Sefwi Sui, Sefwi Boako and Subriso prospecting licences. Shallow reverse circulation drilling commenced on the Subriso concession, 50 kilometres north of Bibiani at the end of the quarter.

#### COTE D'IVOIRE

It is understood that during the second quarter, progress was made towards resolving the political and security situation in Cote d'Ivoire. It is expected that exploration field work will recommence during the second half of the year.

### GOLD PRODUCTION SUMMARY

3 MONTHS TO

3 months to

6 MONTHS TO

6 mon

Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

	30 JUNE 2003	30 June 2002	30 JUNE 2003	30 Ju
<b>OBUASI</b>				
<b>UNDERGROUND MINING</b>				
Ore production (000 tonnes)	600	609	1,183	1,
Ore grade (g/t)	7.26	7.45	7.60	7
<b>SURFACE MINING (HOMASE)</b>				
Ore production (000 tonnes)	152	29	324	
Ore grade (g/t)	2.11	2.48	2.39	2
Waste mined (000 tonnes)	430	72	1,303	
Strip ratio	2.8	2.5	4.0	
<b>SULPHIDE TREATMENT PLANT</b>				
Ore processed (000 tonnes)	582	582	1,162	1,
Head grade (g/t)	6.92	6.88	6.95	7
Recovery (%)	83.2	84.6	83.9	8
Gold produced (ounces)	107,710	109,006	217,945	239,
<b>POMPORA TREATMENT PLANT</b>				
Ore processed (000 tonnes)	--	--	--	
Head grade (g/t)	--	--	--	
Recovery (%)	--	--	--	
Gold produced (ounces)	--	21	--	
<b>OXIDE TREATMENT PLANT</b>				
Ore processed (000 tonnes)	162	--	390	
Head grade (g/t)	1.90	--	1.84	
Recovery (%)	71.2	--	78.2	
Gold produced (ounces)	7,050	--	18,047	
<b>TAILINGS TREATMENT PLANT</b>				
Ore processed (000 tonnes)	452	433	952	
Head grade (g/t)	2.30	2.38	2.22	2
Recovery (%)	32.0	33.2	31.5	3
Gold produced (ounces)	10,687	11,024	21,373	20,
<b>OBUASI TOTAL PROCESSED</b>				
Ore processed (000 tonnes)	1,197	1,015	2,505	2,
Head grade (g/t)	4.49	4.96	4.35	5
Recovery (%)	72.6	74.0	73.6	7
Total gold produced (ounces)	125,447	120,051	257,365	260,
<b>OBUASI PRODUCTION DISTRIBUTION</b>				
Obuasi underground (ounces)	107,710	109,027	217,945	239,
Obuasi surface (ounces)	7,050	--	18,047	
Obuasi tailings (ounces)	10,687	11,024	21,373	20,
Obuasi total (ounces)	125,447	120,051	257,365	260,
<b>IDUAPRIEM</b>				
<b>MINING</b>				
Ore production (000 tonnes)	956	1,161	1,843	2,
Ore grade (g/t)	1.87	1.63	1.81	1
Waste mined (000 tonnes)	3,994	4,062	7,469	8,
Strip ratio	4.2	3.5	4.1	
<b>CIL PLANT</b>				
Ore processed (000 tonnes)	911	642	1,755	1,
Head grade (g/t)	1.97	1.85	1.84	1
Recovery (%)	90.4	81.6	89.5	9
Gold produced (ounces)	52,161	31,210	92,948	69,



## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

HEAP LEACH (IDUAPRIEM/TEBEREBIE)				
Ore stacked (000 tonnes)	271	306	578	
Head grade (g/t)	1.55	1.09	1.33	1
Recovery (%)	36.5	79.8	46.1	6
Gold produced	4,929	8,559	11,388	18,
IDUAPRIEM TOTAL (OUNCES)	57,090	39,769	104,336	87,

### GOLD PRODUCTION SUMMARY

	3 MONTHS TO 30 JUNE 2003	3 months to 30 June 2002	6 MONTHS TO 30 JUNE 2003	6 30
BIBIANI				
MINING				
Ore production (000 tonnes)	859	707	1,520	
Ore grade (g/t)	3.13	3.85	3.51	
Waste mined (000 tonnes)	1,288	3,000	3,416	
Strip ratio	1.5	4.2	2.2	
CIL PLANT				
Ore processed (000 tonnes)	623	634	1,234	
Head grade (g/t)	3.41	3.72	3.38	
Recovery (%)	77.4	80.8	77.7	
GOLD PRODUCED (OUNCES)	52,867	61,219	104,138	
SIGUIRI				
MINING				
Ore production (000 tonnes)	2,325	2,483	4,859	
Ore grade (g/t)	1.17	1.21	1.16	
Waste mined (000 tonnes)	1,392	1,788	3,669	
Strip ratio	0.6	0.7	0.8	
HEAP LEACH				
Ore stacked (000 tonnes)	2,554	2,465	5,030	
Head grade (g/t)	1.15	1.18	1.11	
Recovery (%)	68.2	84.8	74.7	
GOLD PRODUCED (OUNCES)	64,130	79,077	134,141	
FREDA-REBECCA				
UNDERGROUND MINING				
Ore production (000 tonnes)	98	285	268	
Ore grade (g/t)	2.55	2.96	2.57	
SURFACE MINING				
Ore production (000 tonnes)	24	66	42	
Ore grade (g/t)	1.91	2.61	1.86	
PROCESSING				
Ore processed (000 tonnes)	304	287	648	
Head grade (g/t)	1.46	3.48	1.17	
Recovery (%)	66.9	86.9	74.4	
GOLD PRODUCED (OUNCES)	9,560	27,214	26,505	
GEITA				
SURFACE MINING				
Ore mined (000 tonnes)	1,316	1,023	2,353	
Grade (g/t)	2.88	3.63	2.94	
Waste mined (000 tonnes)	15,697	9,684	28,160	
Strip ratio	11.0	9.5	12.2	

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

### PROCESSING

#### CIL PLANT

Ore processed (000 tonnes)	1,493	1,240	2,890
Head grade (g/t)	2.82	4.10	2.95
Recovery (%)	91.5	93.3	91.5
GOLD PRODUCED (OUNCES)	123,767	152,809	250,844
ASHANTI'S 50% SHARE (OUNCES)	61,884	76,404	125,422

### GROUP SUMMARY

Managed gold production (ounces)	309,094	327,330	626,485
Geita JV 50%	61,884	76,404	125,422
Sub-total	370,978	403,734	751,907
Less minority interests	18,183	17,827	35,772
GROUP ATTRIBUTABLE TOTAL (OUNCES)	352,795	385,907	716,135

### FINANCIAL REVIEW

#### EARNINGS

Ashanti's earnings for the second quarter were US\$14.8 million. This included an exceptional gain after tax of US\$7.0 million, arising from the sale of the Mampon property. Earnings for the second quarter (excluding the exceptional gain and related tax) were US\$7.8 million, down US\$11.0 million on the corresponding period last year, but up US\$1.0 million on the previous quarter. The reduction in earnings compared to last year is as a result of the previously announced lower production profile for the first half of 2003 and higher cash operating costs, offset partially by higher spot prices.

Earnings per share before exceptional items for the second quarter were US\$0.06 (2002: US\$0.17) and after exceptional items US\$0.12 (2002: loss US\$0.03).

Earnings before exceptional items for the six months to 30 June 2003 were US\$14.6 million compared to US\$36.3 million in 2002. Earnings after exceptional items of US\$7.0 million were US\$21.6 million (2002: US\$12.8 million).

#### REVENUE

Total spot revenue for the quarter was US\$129.4 million, equivalent to US\$349 per ounce (2002: US\$315 per ounce). Total hedging income for the quarter was negative US\$1.1 million, comprising US\$3.2 million of deferred hedging income and US\$4.3 million of net cash payments in respect of maturing hedge contracts for both the Ashanti and Geita hedge books. Total realised price for the quarter was US\$346 per ounce (2002: US\$350 per ounce). Based on year to date total revenue of US\$257.2 million (2002: US\$278.1 million) the realised gold price equates to US\$342 per ounce (2002: US\$342 per ounce).

#### HEDGING

At 30 June 2003 Ashanti had 4.5 million ounces protected at an average price of US\$360 per ounce, with commitments of 6.4 million ounces. The mark-to-market valuation of the Ashanti hedge book at 30 June 2003 was negative US\$108 million based on a spot price of US\$346 per ounce. Ashanti's 50% share of Geita's hedge book was negative US\$39 million.

#### CASH OPERATING COSTS

Total cash operating costs for the second quarter were US\$222 per ounce, up US\$30 per ounce on last year and similar to the previous quarter. Costs, as in the first quarter, were mainly impacted by lower production, increased wages and fuel prices, higher costs of other inputs, increased costs associated with the

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

Nyankanga pit cut-back at Geita and higher ore rehandling at Iduapriem.

### PROFIT

Total operating profit before exceptional items for the quarter was US\$13.6 million (2002: US\$27.2 million). Non-mine site exploration expenditure written off in the second quarter was US\$0.9 million bringing year to date to US\$1.6 million. Corporate administration expenditure for the quarter was US\$6.3 million and year to date US\$12.3 million.

Interest charge for the quarter of US\$4.6 million was US\$1.7 million lower than last year following the refinancing in June 2002 and lower interest rates.

### EXCEPTIONAL ITEM

In June 2003 Ashanti sold its interest in the Mampon property near Obuasi to Bogoso Gold Limited and Golden Star Resources Limited for a cash consideration of US\$9.5 million resulting in a profit on sale before taxes of US\$7.8 million.

### TAX

The tax charge for the quarter was US\$1.8 million and comprised US\$0.8 million tax on the sale of the Mampon property, US\$0.8 million in respect of Geita's profits subject to United Kingdom tax and other tax of US\$0.2 million.

### CASH FLOWS AND BALANCE SHEET

Cash inflow from operating activities for the quarter was US\$15.3million (2002: US\$21.8 million) and US\$32.1 million for the year to date (2002: US\$45.0 million). Net interest payments in the quarter were US\$2.2 million compared to US\$5.1 million last year, which included the final interest payment on the exchangeable notes.

Capital expenditure for the quarter of US\$20.5 million (2002: US\$15.7 million) included US\$8.6 million at Obuasi, US\$4.3 million at Iduapriem and US\$5.9 million at Siguiri.

In May, US\$6.6 million was raised from the exercise of a further 2.18 million warrants. As a result the stated capital increased to 130.8 million shares (31 December 2002: 127.5 million shares) and 2.5 million warrants remain outstanding.

During the quarter, Ashanti paid down US\$10.0 million of its Revolving Credit Facility, reducing the amounts drawn to US\$139.0 million. At the quarter end, the Group's gross debt level (excluding the 50% share of the non-recourse Geita project finance loan) was lower at US\$245.7 million (31 March 2003:US\$255.9 million) analysed as follows:

US\$200 million Revolving Credit Facility ("RCF")  
Iduapriem/Teberebie project finance loans  
Other loans (net of deferred loan fees)

Mandatorily Exchangeable Notes ("MENS")  
Ashanti Group's gross debt as at 30 June 2003

### OTHER MATTERS

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

Ashanti has been advised by the Government of Ghana (the "Government") that it has appointed a consortium led by Societe-Generale, to act as financial advisers to the Government as a shareholder, the holder of the golden share in Ashanti and as a regulator of the mining industry in Ghana, and to assist the Government in arriving at a decision on the proposed merger of Ashanti and AngloGold.

In Zimbabwe, Temple Assets (Private) Limited has been appointed as the Depository, in replacement of Deloitte & Touche Executor & Trust Company (Pvt) Limited, to hold the Ashanti ordinary shares on behalf of holders of the Zimbabwe Depository Receipts. This change took effect from 1 June 2003.

### INDEPENDENT REVIEW REPORT TO ASHANTI GOLDFIELDS COMPANY LIMITED

#### INTRODUCTION

We have been instructed by the company to review the financial information for the six months ended 30 June 2003 which comprises the profit and loss account, the balance sheets, the cash flow statement and related notes 1 to 3 and we have read the other information contained in the second quarter report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company, for our review work, for this report, or for the conclusions we have formed.

#### DIRECTORS' RESPONSIBILITIES

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the United Kingdom Financial Services Authority which requires that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

#### REVIEW WORK PERFORMED

We conducted our review in accordance with guidance contained in United Kingdom Bulletin 1999/4 issued by the United Kingdom Auditing Practices Board. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

#### REVIEW CONCLUSION

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2003.

Deloitte & Touche - Accra

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

Chartered Accountants  
29 July 2003

### GROUP PROFIT AND LOSS ACCOUNT Unaudited

			3 MONTHS TO 30 JUNE 2003
	Note	GROUP US\$M	INTEREST IN JOINT VENTURE US\$M
	----	----	----
TURNOVER	2	109.0	19.3
Cash operating costs	2	(69.2)	(13.2)
Other costs		(8.1)	(0.9)
Exceptional costs		--	--
Royalties		(3.3)	(0.6)
Depreciation and amortisation		(17.2)	(2.2)
TOTAL COSTS		(97.8)	(16.9)
OPERATING PROFIT/(LOSS)	2	11.2	2.4
Share of operating profit of joint venture		2.4	
TOTAL OPERATING PROFIT		13.6	
Exceptional profit on sale of investment		7.8	
PROFIT BEFORE INTEREST AND TAXATION		21.4	
Net interest payable:group		(3.4)	
joint venture		(1.2)	
PROFIT/(LOSS) BEFORE TAXATION		16.8	
Tax: group		(1.0)	
joint venture		(0.8)	
PROFIT/(LOSS)AFTER TAXATION		15.0	
Minority interests		(0.2)	
PROFIT/(LOSS)ATTRIBUTABLE TO SHAREHOLDERS		14.8	
DIVIDENDS		--	
RETAINED PROFIT/(LOSS) FOR THE PERIOD		14.8	
EARNINGS PER SHARE (US\$):			
BEFORE EXCEPTIONALS		0.06	
AFTER EXCEPTIONALS		0.12	



Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

	GROUP US\$M ----	JUNE 2003 INTEREST IN JOINT VENTURE US\$M ----	TOTAL US\$M ----
FIXED ASSETS			
Intangible assets	16.0	53.3	69.3
Tangible assets	607.0	109.0	716.0
Investments			
- Geita joint venture	93.2	(93.2)	--
- Loans to joint venture and other investments	31.1	--	31.1
	747.3		816.4
CURRENT ASSETS			
Stocks	72.9	10.2	83.1
Debtors due within one year	9.3	17.1	26.4
Debtors due after more than one year	12.5	--	12.5
Cash	39.2	8.6	47.8
	133.9	35.9	169.8
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	(116.5)	(15.8)	(132.3)
Borrowings	(7.8)	(10.8)	(18.6)
	(124.3)	(26.6)	(150.9)
NET CURRENT ASSETS	9.6	9.3	18.9
TOTAL ASSETS LESS CURRENT LIABILITIES	756.9		835.3
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Creditors	(15.0)	(39.9)	(54.9)
Borrowings	(237.9)	(35.2)	(273.1)
PROVISIONS FOR LIABILITIES AND CHARGES	(24.3)	(3.3)	(27.6)
	479.7		479.7
CAPITAL AND RESERVES			
Stated capital	598.4		
Reserves	(120.3)		
EQUITY SHAREHOLDERS' FUNDS	478.1		
Equity minority interests	1.6		
	479.7		

The financial information for the second quarter and six months ended 30 June 2003 were approved by the Board of directors on 29 July 2003 and signed on its behalf by:

## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

S E Jonah  
Director

S Venkatakrisnan  
Director

GROUP CASH FLOW STATEMENT  
Unaudited

	3 MONTHS TO 30 JUNE 2003 US\$m	3 months to 30 June 2002 US\$m
CASH INFLOW FROM OPERATING ACTIVITIES	15.3	21.8
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	0.2	0.2
Interest paid	(2.4)	(5.3)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICE OF FINANCE	(2.2)	(5.1)
TAXATION		
Corporate tax paid	--	(1.1)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS		
Purchase of tangible fixed assets	(20.5)	(15.7)
Sale of investment	9.5	--
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(11.0)	(15.7)
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING	2.1	(0.1)
Management of liquid resources	2.5	4.9
CASH INFLOW BEFORE FINANCING	4.6	4.8
FINANCING		
Loans drawn down	--	265.0
Loan repayments	(11.4)	(270.8)
Issue of shares	6.6	41.8
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	(4.8)	36.0
(DECREASE)/INCREASE IN CASH	(0.2)	40.8
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		
(Decrease)/increase in cash	(0.2)	40.8
Decrease in liquid resources	(2.5)	(4.9)



## Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

	(2.7)	35.9
Cash outflow from decrease in debt	11.4	5.8
Other	(0.2)	4.1
<b>MOVEMENT IN NET DEBT</b>	<b>8.5</b>	<b>45.8</b>
Net debt at beginning of period	(215.0)	(271.2)
<b>NET DEBT AT END OF PERIOD</b>	<b>(206.5)</b>	<b>(225.4)</b>

### NOTES TO THE FINANCIAL INFORMATION

#### 1. BASIS OF PREPARATION

The unaudited results for the six months ended 30 June 2003 have been prepared in accordance with the accounting policies set out in the Annual Report and Accounts for the year ended 31 December 2002.

#### 2. OPERATING PROFIT ANALYSIS BY BUSINESS AREA

##### 6 MONTHS TO 30 JUNE 2003

	OBUASI	IDUA- PRIEM	BIBIANI	SIGUI
Production ounces	257,365	104,336	104,138	134,
US\$ million				
Revenue - spot	90.0	36.4	36.6	4
Revenue - hedging	--	--	--	--
	90.0	36.4	36.6	4
Operating costs	(52.3)	(25.1)	(23.0)	(3
Other costs	--	(0.6)	(0.2)	(
Royalties	(3.0)	(1.1)	(1.1)	(
EBITDA	34.7	9.6	12.3	1
Depreciation and amortisation	(15.4)	(2.9)	(4.7)	(
OPERATING PROFIT/(LOSS) 30.6.2003	19.3	6.7	7.6	--
Operating profit/(loss) 30.6.2002	7.5	5.3	5.8	--

##### 6 MONTHS TO 30 JUNE 2003

	FREDA- REBECCA	HEDGING INCOME	EXPLORA- TION	CORP. ADMIN
Production ounces	26,505	--	--	--
US\$ million				
Revenue - spot	9.2	--	--	--
Revenue - hedging	--	(0.6)	--	--
	9.2	(0.6)	--	--
Operating costs	(7.0)	--	--	--
Other costs	--	--	(1.6)	(12.3)
Royalties	--	--	--	--
EBITDA	2.2	(0.6)	(1.6)	(12.3)
Depreciation and amortisation	(3.1)	--	--	(0.6)
OPERATING PROFIT/(LOSS) 30.6.2003	(0.9)	(0.6)	(1.6)	(12.9)
Operating profit/(loss) 30.6.2002	3.6	27.1	(2.3)	(33.1)

\*Includes refinancing and restructuring costs of US\$23.5 million.

Edgar Filing: ASHANTI GOLDFIELDS CO LTD - Form 6-K

6 MONTHS TO 30 JUNE 2003

	GROUP	GEITA	TOTAL
Production ounces	626,485	125,422	751,907
US\$ million			
Revenue - spot	219.2	43.8	263.0
Revenue - hedging	(0.6)	(5.2)	(5.8)
	218.6	38.6	257.2
Operating costs	(141.7)	(26.1)	(167.8)
Other costs	(15.5)	(1.7)	(17.2)
Royalties	(6.7)	(1.2)	(7.9)
EBITDA	54.7	9.6	64.3
Depreciation and amortisation	(34.5)	(4.5)	(39.0)
OPERATING PROFIT/(LOSS) 30.6.2003	20.2	5.1	25.3
Operating profit/(loss) 30.6.2002	17.7	11.3	29.0

3 MONTHS TO 30 JUNE 2003

	OBUASI	IDUA- PRIEM	BIBIANI	SIGUIRI
--	--------	----------------	---------	---------