

ASHANTI GOLDFIELDS CO. LTD.

Item: Interview with Sam Jonah, CEO Ashanti Goldfields

Conducted by Charles Hodson for CNN News 31 July, 2001 19:30pm

Transcript

Presenter (CNN News Report):

All that glitters is not gold, but precious metals have more lustre than most investments in a downturn. Ghana based, Ashanti Goldfields doubled its Second Quarter profits to nearly 16 million dollars. Two years ago Ashanti was on its knees after disastrous losses on derivatives. With me to explain its return to success is its Chief Executive, Sam Jonah. You've done well in the first half, how did you achieve that?

Sam Jonah (CEO Ashanti Goldfields):

Well, there's been a continuing trend of improvement since the crisis. In fact even during the crisis we built our third mine in Tanzania, a country which we were not very familiar with. Since then of course, last year as you'll recall, we posted a record production and this is on the back of that trend. This has been an excellent quarter. Production...

Presenter:

Helped by the gold price of course?

Sam Jonah:

Well, helped slightly. We have had a 10 percent increase in production, a 7 percent reduction in cost and, of course, we've benefited from the upside in the gold price

Presenter:

Let's have a look at your shareholder register. Lonmin has 32 percent, the Ghana government has 20 percent and a golden share. Is that going to change?

Sam Jonah:

Yes, we are working with the two key shareholders, the Ghana government and Lonmin who between them have more than 50 percent of the company. All of them are in a selling mood at the moment, but all of them appreciate that this is not the time to sell. And therefore, we are working very closely with them on strategies which would unlock value which we believe, is inherently locked up in this particular stock.

Presenter:

So you think, that essentially your stock price is undervalued at the moment, and a lot of investors say that they would buy the stock if they felt there was the possibility of somebody stepping in and buying it at a premium, right?

Sam Jonah:

Yes, we have been as I said in discussions with key shareholders. We believe that, and in fact the market does accept that our share price is currently undervalued, largely on account of the crisis that we had last year and the former government's role in that crisis. There of course is a coincidence of interest between Lonmin and the Ghana government and, as I said, we are working very, very, very closely with them, and looking at all sorts of strategies, and options with a view to ensuring that this inherent value is unlocked.

Presenter:

We are looking at you as an African company. People are wary of most African companies, but is this a good area to get into?

Sam Jonah:

Ashanti Goldfields has been around for the last hundred years, and there's no doubt at all that it's going to be around for a long time to come. We have been at the forefront of the consolidation process which has been ongoing in the industry. We in fact, over the last four years, have taken over four listed companies and we want to be very much a part of the consolidation going forward. We believe that we have on-line very strong assets indeed which underpin the performance that we have been talking about. We believe that if you must invest in a gold stock, then there is no better company to invest in than Ashanti.

Presenter:

You would say that wouldn't you, but thank you very much.

Sam Jonah:

Thank you.

Presenter:

Sam Jonah, Chief Executive of Ashanti whose stock is up round about 4 percent in New York.

Ends
