

Gold marketing

AngloGold aims to extract value from gold wherever possible throughout its value chain – from mining to retailing. The company is committed to developing the market for gold and its marketing programme aims to increase the desirability of its product, to sustain and grow demand for gold and to deregulate the market in key economies.

During the year:

- AngloGold dedicated R82 million (\$12 million) towards marketing initiatives. Of this, R49 million (\$7 million) went directly to the World Gold Council (WGC) as membership fees.
- AngloGold's marketing department was strengthened by the appointment of staff with consumer market and brand experience, supported by international consultants in key global markets. The company's global gold marketing programme represents the only significant effort by a major gold producer in market development.
- A number of high-profile national and international events were

marketing takes off

exhibitions of gold jewellery collections, showcasing gold in international fashion events such as the New York Fashion Week, exhibitions of gold antiquities from Colombia and southern Africa, and the announcement of the development of the Gold of Africa Museum in Cape Town. Not only do these competitions and exhibitions encourage innovative gold jewellery design, but they also provide design and technical inspiration and

repositioning gold, particularly amongst youth markets, as well as marketing and selling gold and gold products via the Internet. Insights gained as a result will be incorporated into marketing initiatives in the future.

- AngloGold lobbied to achieve a deregulated market for gold, particularly in China, with the aim of ensuring that gold is allowed to compete fairly and freely with other financial assets and consumer goods.

- In collaboration with other producers and through the WGC, dialogue continued with large holders of gold, specifically central banks, in an effort to maintain orderly and mutually beneficial relationships in the gold bullion market.

- New product development also received attention during the year with progress being made in the refining of a new white gold alloy

the only significant marketing by a major gold producer

sponsored, some in collaboration with the WGC, such as an advertising campaign in the United States and a global gold jewellery design competition, as well as competitions in India and South Africa. Other AngloGold-sponsored events included

exposure for goldsmiths around the globe.

- A number of research projects were conducted in important markets, including consumer attitudes towards buying gold and potential strategies for

and the development of further industrial uses for gold, as well as the design and development of new gold jewellery products.

- Technical training at different levels was undertaken in South Africa, including a project aimed at preserving traditional African goldsmithing designs and techniques, and incorporating them into jewellery school curricula.
- Some R55 million (\$8 million) was invested in acquiring a 25 per cent share of OroAfrica, the largest manufacturer of gold jewellery in South Africa, which has a significant export focus on the United States through a 50:50 joint venture with a major Italian gold chain manufacturer. While the investment was made on solid commercial grounds, the shareholding offers important strategic benefits and will be used to encourage the creation of new jewellery products relevant to modern developed markets and to promote the branding of gold jewellery manufacturing in a meaningful way.

- The African Gold Zone, Africa's first internationally competitive gold jewellery manufacturing facility, was launched at Rand Refinery Limited, the world's largest gold refiner. The zone, which is a collaborative effort involving AngloGold, the Rand Refinery and the South African Department of Trade and Industry, will house a number of gold jewellery manufacturing businesses of different sizes, a hive for independent craftsmen and a training facility.

- A major thrust of the year was the investment in the creation

focus on new product development

of an e-commerce business in gold, GoldAvenue. A joint effort between AngloGold, JP Morgan and PAMP (Produits Artistiques de Metaux Precieux), GoldAvenue is an independent venture that will offer a comprehensive range of products and services for businesses, investors and consumers in the gold market, primarily through the Internet.

During the year ahead AngloGold will dedicate R123 million (\$17 million) towards an expanded worldwide marketing campaign, both on its own and through its contribution to the WGC, focusing on marketing projects that will have the most direct, tangible and positive impact on gold demand.

