Gold Fields Limited

2011 Investor Day

Presentation 1 of 9

Introduction, macro overview and the gold market, strategic response and Group performance

Nick Holland
Chief Executive Officer

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Forward looking statements

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In particular, the forward looking statements in this document include those relating to the global economy and outlook, changes and forecasts of gross domestic products, changes in legal, tax and other regulatory regimes, commodity prices, demand for gold and other metals and minerals, interest rate expectations, exploration and production costs, levels of expected production, Gold Fields’ growth pipeline, levels and expected benefits of current and planned capital expenditure, future reserve, resource and other material events, and the extent of cost efficiencies and savings to be achieved. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa, Ghana, Australia, Peru and elsewhere; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, exploration and development activities; decreases in the market price of gold and/or copper; hazards associated with underground and surface mining; labour disruptions; availability terms and deployment of capital or credit; changes in government regulations, particularly taxation and environmental regulations; and new legislation affecting mining and mineral rights, changes in exchange rates; currency devaluations; the availability and cost of raw and finished materials; the cost of energy and water; inflation and other macro-economic factors; industrial action; temporary stoppages of mines for safety and unscheduled maintenance reasons; and the impact of the AICs and other occupational health risks faced by Gold Fields' employees.

These forward looking statements speak only as of the date of this document. Gold Fields undertakes no obligation to update publicly or revise any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.
Thank you very much Zakira, and good morning everyone.

Welcome to the analyst day 2011.

The last time we had one of these was about two years ago, so obviously a lot has happened over that period. We intend to share with you today our view of the world, our view of the gold sector and Gold Fields’ response over the last couple of years and, more importantly, what Gold Fields is going to be doing from here on out.

Let’s look at the broad industry issues, the broad world issues.

Financial instability. I think it’s pretty clear that the markets are all over the place, no real direction. A lot of volatility in stock markets and currencies. And is it going to continue for some time? Your guess is as good as mine. If you look at the socio-political situation that has been marred by a greater instability than what we’ve seen before, and also various disasters, for example the earthquake in Japan, I don’t think we’ve seen the full impact of what that means for the world yet.

The emerging markets have changed a lot over the last few years with a growing influence and a growing affluence. And that’s helping to drive demand for commodities. I think it’s fair to say, without the emerging market demand we wouldn’t have seen the increase in the prices of the various commodities that we have.

Sustainability has become much more than just a buzzword. I think it is fair to say that five or ten years ago sustainability was something that sounded good to many people, but today it is front and centre in people’s minds. And it is all about making sure that environmental issues are properly dealt with, that we’re not polluting the environment. And of course mining has been in the spotlight
in this particular area. And we think this particular issue is going to increase in magnitude over time. And hence one of the reasons that Gold Fields wants to be the global leader in sustainable gold mining.

Social norms. There are changing demographics around the world. A lot of younger people feel that they’ve got a greater influence in how the world is run. And these days in the mining industry, for example, building mines is no longer an easy game. You need to make sure that you have the social license to operate, the social buy-in to building mines.

Changing attitudes to work. I think you’re all seeing it in your own industries. Flexible working hours. Flexible working arrangements. We have to change to suit the changing requirements of our people.

And technology has advanced at a rapid rate. If you look at communication today we all know that information can be disseminated around the globe almost instantaneously. That means that we have to respond quicker because people get a lot more information much quicker than they used to. So those are some of the key issues that we see.
Two thirds of the world’s economy remains turbulent.

If you look at a breakdown of GDP and the bottom one of those blue blocks that you see there is the USA.

What is going to happen in terms of additional monetary and fiscal stimulus? How is the economy in the USA going to recover? I must say, when I was in the USA back in September, I don’t think I’ve seen a people as concerned in the 25 years that I’ve been travelling backwards and forwards from the States as I saw in September. People are really worried.
The Eurozone. What is going to happen to the Euro? What is going to happen to the Eurozone itself? What is going to happen to those countries defaulting? Where is the money going to come from? Is the Eurozone going to end up doing what the USA is probably going to have to do going forward, which is printing a lot more money?

China of course has kept the world economy going, but they themselves are also struggling with weakening demand. On a visit that I had to China a couple of years ago, speaking to the national minerals commission, they were saying that every 1% change in the growth rate means 30 million jobs. And they’re very keen to make sure that employment is increased. So they will be trying to create demand internally if it’s not driven externally.

And of course we’ve mentioned some of the issues in Japan.

And the United Kingdom has its problems too, where we’re seeing inflation rates higher than the growth rate in that particular country. So the world is a very tough place at the moment with no sign of relief.

I’ve talked briefly about the Eurozone. We’re starting to see further bail-out plans, and I don’t think we’ve come to the end of it. To think that all of the problems are going to be solved quickly I think would be naïve. I think it is going to be more and more surprises that we’re likely to see, unpleasant ones, and more and more money that is required to sort it out. That probably means that the Eurozone debt to GDP is starting to approach 100%, and it might have to go over that in time as more bad news comes to the fore.
The world’s growth is not really doing too much.

If you look at the world itself, the blue line over here, you can see our estimate for this year is pretty mediocre, around about 3%.

But if you strip out the BRICS, which are these countries over here, it would look really sick.

The USA and the Eurozone is really not growing enough to sustain the people that it has, particularly with the changing demographics in Europe with a lot of older people now living longer, and the associated liabilities that carries with it.

How do we see it going further out? Well, we don’t see too much change in terms of growth from here.
What’s interesting is that the emerging markets are going to have a much bigger slice of the world’s cake going forward. And the stats that we’ve put together indicate that the developed countries will account for more than 50% of GDP in 20 years from now. And that speaks volumes about how things are going to change in those countries, how development is going to increase and how skills are going to change across the globe in terms of mobility of skills.
Increased fiscal demand is a natural consequence we believe of the state of the various nations across the globe and the problems they are facing as they try to balance their own books.

We just listed four countries here that we operate in.

South Africa. We know that the ANC is looking at different possibilities in terms of how industry can contribute more to the coffers. Carbon tax is being mooted, which I must say the mining industry and certainly the gold industry can ill afford. And we have certainly made submissions to that effect. But who knows, it may well be a reality in time.

Ghana has increased royalties to 5%. Certainly that is what we are paying, but there isn’t a level playing field in Ghana, which is a problem. They have also announced certain proposals to increase taxes further which are a source of deep concern to us.

Australia has talked about a mineral resource rent tax to be introduced, but gold so far is excluded from that. That is to be imposed on coal and iron ore. But they have introduced a carbon tax from the middle of 2012 of about A$23 per ton, and that will have an impact on our business of about A$8 million per year. We will talk about that a little later when we get to Australasia.

As you’ve seen Peru has just legislated a new tax system which will apply from the last quarter of this year, which could have been a lot worse than initially thought. In fact, overall it seems to have worked out reasonably well. If that is sustainable over time then we should be okay.

But is this the end of it? Are we going to see other countries following suit? Impossible to say.
Input cost pressures.

The one thing that people have started to realise more and more now is that the gold price doesn’t move up by itself. And if we see gold moving up it is usually accompanied by oil. And you can see over here oil has moved up a lot. The long-term relationship of about 16 barrels of oil to an ounce of gold probably still holds true today.

Electricity we’ve seen some significant increases in, not just in South Africa but in other countries as well.

As Paul will demonstrate to you later on when he talks through some of the financial implications, the cost increases are not confined to South Africa. Cost increases are seen across the globe and are affecting us in every country we operate in. So thank goodness the gold price has gone up to where it has got to.
Social attitudes are changing dramatically. I talked about that earlier.

Previously we used to have something like the Panama Canal disaster that caused 27,000 people to die, and yet as recently as a year ago in Chile we managed to rescue 33 people, one of the greatest rescues we've seen in the mining industry. I think it shows that right through society life is much more important. Safety and health of people is far more important. And that resonates with our own philosophy and our own strategy.

Community activism can stop mines. As I said earlier, we used to be able to build mines without fear of interruption ten years ago. Today if you don't get buy-in from communities and social acceptance of the mines, they will not be built today.

And we've seen recently we now have 7 billion people on the planet. In 1930 we had 2 billion, so in the space of 80 years we have gone from 2 billion to 7 billion. We don't have enough real estate on this planet to actually support all of those people.

And that is a growing concern. That's going to have a major impact on input costs, on food, water, power going forward. All of those costs I think we're going to see increase significantly over time.

So that's the world we live in. And that's the waters we have to navigate this industry and this company through. So clearly it's not easy.
Market Overview - The Gold Market
Now, let's look at what is happening in the gold market.

Let’s look first of all at demand. I’m a great believer that demand is the biggest driver of the gold price, not so much supply, but demand. And demand has been pretty robust notwithstanding some of the stats that we’ve seen in the last quarter coming out of India and the fact that China has now surpassed India in terms of jewellery demand. That’s quite significant.

But China and India between them make up 46% of the total demand for gold. And as you can see that figure has increased significantly from 28% back in 2006. Interestingly, that also corresponds with the two economies that are growing the most. So if you look at the affinity for gold in both China and India and you look at the growth coming out of those economies, we believe that should be a strong driver for the gold price going forward.
If we look at the GDP split that I mentioned earlier – you remember this graph from earlier – where I said more than half of the GDP is going to come from the emerging countries, you can see the impact that growth is having on demand.

Here is the change in demand year on year, 2010 versus 2009 for India and China in particular.

And you can see the significant increase in demand as more affluence translates itself into greater demand for gold both from a jewellery perspective and from an investment perspective in both of those countries.

And let’s not forget, of those 7 billion people about 2.6 billion actually reside in those two countries, India and China.
Central banks are now buying gold.

Interestingly we find that central banks tend to sell when the price goes down and they tend to buy when the price goes up. And they’re still buying.

And in fact in the first quarter of 2011 we saw more buying from central banks than what we saw in the last three quarters of 2010. And that gives you an indication as to the appetite of central banks to hold gold as opposed to what is referred to loosely as fiat currencies.
And here is the interesting part.

If you look at the split of gold reserves you will find in fact that the developed countries hold 40% of their reserves in gold. They're the economies that are struggling, and yet the economies that are growing are holding a much smaller percentage.

And conventional wisdom would suggest that, as the rest of the world continues to grow, that we should see further investment into gold as part of the countries' total reserves.

It's going to be interesting to see how that plays out. It's certainly an opportunity.
ETFs.

We now know that ETFs are probably around $120 billion. From nothing in 2004, exchange traded funds now represent $120 billion. That’s massive over the last number of years. But yet some people say, well, it is all over now and people are going to start selling ETFs and interest rates are going to rise.

Remember, this still only represents 1% of global funds under management. Tiny.
Here is the split of demand that I talked about earlier.

Interestingly, ETFs here were 9% of total demand back in 2010.

When people say they worry about ETFs being sold off, don’t think that’s the end of the gold price.

Because here is the biggest area of demand for gold. If China and India continue to buy gold it will offset any impact of ETFs declining. And they’re not too worried about what the USA does in terms of their interest rates. They are driven by different requirements.
Now, let’s look at supply.

Now, you would have thought with the gold price having gone up four times over the last seven or eight years that supply should be booming. We should have had new mines being built every other month. What has happened?

If you look at the compound annual growth in gold production over the last five years, here it is. 1% per annum.

So despite a four to five times increase in the gold price we’ve only managed to increase our production by 1%.

I know it has gone up 6% last year in 2010, but if you look at it over the longer term we haven’t seen production going up.
And where is the extra demand being satisfied from?

Recycling. Little old ladies in the UK are now being approached by gold traders who want to buy all their old jewellery for a song and sell it for a lot of money because of the demand for gold. So the primary supply is not increasing to the extent that it should to satisfy demand. Why is that, do we think? Well, part of the answer lies in this.

Here is your discoveries measured in terms of grade of discoveries measured on the right axis, and on the left axis is the size of discoveries. And you can see in particular the 10 million ounce discoveries have declined over the last number of years to close to nothing. In fact, if you find a 5 million ounce discovery today, that’s quite something else.

It speaks volumes about our discovery in South America, Chucapaca, of 7.6 million ounces. You don’t find too many of those today.

Gold is hard to find. Gold is now scarce. And if you look at the cost of discoveries as you can see in the right curve here, it is costing more and more to find less and less.
The gold industry is facing rising costs.

If you look at the all-in costs for the industry these are the top eight companies that make up about 40% of the total industry. You can see where the costs are approaching. They are getting up here in the $1,300 per ounce range. So the industry is not making as much money as you would believe.
Here are the September results for the top eight companies.

And the peer average NCE – remember notional cash expenditure is all-in cost of production, capital expenditure plus operating costs – is $1,371.

And that is where Gold Fields is.

You might argue, what is growth and what is sustaining?

Well, the point is the industry hasn’t really grown over the last ten years. So you probably have to say a lot of this is going into sustaining the gold industry.

So the costs have definitely risen quite a lot over the last couple of years.
So what is the conclusion from all of this?

If you look at the macro situation I outlined for you earlier, if you look at where the gold industry is, if you look at the sentiment and look at the fundamentals, we believe the fundamentals for gold continue to be positive.

Gold has definitely regained its status as an asset class in virtually all portfolios. In fact, when we have investor meetings today most of the investors we meet don’t know too much about gold because they’re getting into gold for the first time. They’re learning about gold because they want part of it in their portfolio. And they’re trying to figure out, do I own the ETF, do I own the equity, which equity do I own? Etc.

Here is a slide that I think is very telling. This shows how the US monetary base, money in the system, has increased. It has gone up 209% over the last four years.

I got this slide when I met recently with John Paulson, and we produce this slide courtesy of Paulson & Co.

But I thought this was one of the most telling slides that I’ve seen. And it shows you how so much money has been pumped into the system to keep things going. And what does that tell you? People want to protect their capital. To protect their capital they want to invest more into gold. And continued uncertainty across the world is probably going to mean that gold should have reasonably fortunes going forward.

Now, as you know I never predict the gold price because I have no idea where it is going to go. But what I am going to say to you is there are more positives than there are negatives going forward on the gold price, based on the analysis we’ve just shared with you.
Strategic Framework
Right, let’s look at the Gold Fields strategy in relation to all of this.

And it hasn’t really changed significantly over the last couple of years.

We still want to get a 25% NCE margin from our existing assets. The reason for that is twofold. One, we want to be able to grow this company and finance that internally as much as we can.

And secondly, we want to continue being one of the highest dividend payers in the industry.

We want to keep on replacing our reserves at our existing operations and increasing the life, and we’ve done some great work there.

And we want to keep re-engineering our assets so that we can contain a lot of the cost increases you’ve seen.

One of the great success stories I believe is if you look at the September results that we published recently against the September results of the previous year. In South Africa you will see the total Rand million spend has been contained to only a 2% increase. I think that is a fantastic job the guys have done, and it shows you the work we’ve done and the results we’re getting.

We want to get 5 million ounces, either in production or development, by 2015. Remember, we’re not saying it is all going to be in production. Some of it will be in development.

We want to continue building a global company. And I must say, standing here today compared to two years ago, it really does feel like Gold Fields is looking and behaving like a global gold company.
We’re not averse to M&A, but we’re not going to rely on it as a key part of our strategy. And we’re going to be opportunistic like we have in the past.

We’re very focussed on growing our production per share and also the NCE margin per ounce.

Safety and sustainable development is integral to everything that we do.
There is the target.

I must say, two years ago when I mentioned this target at our last analyst day, this 5 million ounces, we didn’t have the pipeline to fill it because it was a strategic objective.

Today we’ve got the pipeline to fill it.

Those are all the projects. And you’re going to hear a lot more about these from Tommy, so I’m not going to say too much more about that.
There is the team that can help us deliver it, a team that is well balanced and is resourced in all of the right areas.
Group Progress
What have we done since 2008?

I think it is important that we go back and say what did we promise you when we stood up here two years ago and what have we delivered since that time.

We’ve done a lot of work in fixing the infrastructure in South Africa. We stopped one of the major shafts at Kloof for six months.

We caught up over 90 kilometres of secondary support underground to improve safety and to provide access for the life of mine over the next 20 years. That cost us dearly in terms of production and development, but we realised we had to do it to create a safe environment going forward.

The savings from business process reengineering, we’ve saved a lot of money. You will see as we go through the South Africa section and as Paul talks about the numbers, we’ve made significant progress on that.

Owner mining conversion. We’ve gone to owner mining at Damang, at Agnew and at the St Ives underground operations over the last two years. And we’re in the process of going to owner mining on the open pit operations at St Ives. For two reasons. One, mining is our core business. Two, we can do it better and we can do it cheaper if we bring it in-house.

We’ve achieved our NCE margin of 25%.

Yes, allied by the gold price, but importantly we’ve been able to make sure the gold price has filtered to the bottom line.

You will see that we have replaced reserves at our international operations, and we have exceeded
even my own expectations on that.

We’ve got an increasing focus on people because this business is all about people.

And we’ve set up fit for purpose regional structures so that the corporate is more focussed on strategy and allocation of funds.
There is an idea of the significant benefit we’ve derived from the gold price and the cost containment. We’ve gone from no margin back in June 2008 to a 29% margin in the last quarter.
I talked about replacing and growing reserves at the international operations.

Now, this slide goes back ten years and shows you that back in June 1999 we only had 2.1 million ounces at our international operations.

Since then we’ve added 22 million ounces through exploration at a cost of $33 per ounce.

And today we have 16.5 million ounces attributable at our international operations.

Of that 22 million ounces of exploration, about 40% has actually been delivered over the last three years as we’ve invested more heavily into exploration to increase the reserves, lengthen the life and grow the production of our existing assets.
Our achievements in growing the company since 2008.

We’ve certainly diversified the portfolio significantly, and you will see in a moment what I mean by that.

We have developed the pipeline in support of the 5 million ounce target which most of you were very cynical of back in 2009. But I think now as you see this presentation you will see that it is real and it’s there.

And although the South African production has declined and offset the increase internationally, we’ve actually replaced higher-cost production with lower-cost production.

So we have improved the overall profitability in the portfolio, and you can see that if you look at this slide over here, how that margin has increased. The margin at the international operations, after capital, is around 40%. And that’s double of what the margin is in South Africa.

We’ve increased and consolidated our ownership of our existing assets in both Ghana and Peru.

We have a very exciting opportunity to take a 60% stake in one of the most exciting gold copper porphyries in the world, Far Southeast in the Philippines.

And the South Deep project has made good progress in terms of the fixed infrastructure, but we are yet to see the momentum we want to see in terms of our production, which we hope will come in the next couple of years.
That shows you what the portfolio has done if you look at the attributable production.

Back in 2008 we were looking at about 1.25 million ounces from our international operations. Today we’re just shy of 2 million ounces a year. So we have grown that by 700,000 ounces over the space of two years. Very significant.

And we have to accept that some of the increase in production internationally has been offset by declines in South Africa.

And that is not a surprise to us because we always expected that this trend would happen. This is a proxy for what has happened in Gold fields – the same has happened in the South African industry.

But as you see, Gold Fields has managed to in fact increase its production from 3.3 million ounces attributable in 2008 to 3.5 million ounces estimated for 2011.
Increasing international diversification

There is the split of production.

Back in 2008 we really were a South African dominated company with 62% of our production coming from South Africa.

Today that is less than 50%.
So that’s the project portfolio we had in 2008. It was pretty lean at that point in time.
That's the portfolio we have today.

Chucapaca in Peru, which has gone from nothing to 7.6 million ounces in three years.

Yanfolila in Mali.

Damang, a very exciting opportunity to double the production and significantly increase the reserve.

South Deep continues its build-up.

The Arctic Platinum, which is a very interesting polymetallic opportunity, and the Far Southeast project targeting a significant amount of inventory into the future, which Tommy will talk about.
Secure Our Future: Achievements & Awards

If we cannot mine safely, we will not mine
Old order mineral rights of all South African mines converted to New Order Mining rights
Implementing an integrated sustainable development framework
Joint 1st in Ernst & Young’s Excellence in Financial Reporting for 2010 IAR
Joint 1st among JSE companies in the Carbon Disclosure Leadership Index
Top BRICS 300 company in terms of CO₂-emission disclosure
Winner – Best Open Pit Operation in Peru (Institute of Mining Safety)
Gold Fields Ghana awarded the Global Business Action on Health Award from the Global Business Coalition

Securing our future.

We’ve had a number of achievements. I’m not going to read all of them in the interests of time.

We’ve significantly improved our safety over the last three years, which is the number one issue for us. Safety we will not compromise. Safety comes before anything else.

We’ve won a number of awards which I’ll leave you to read.

But certainly it does indicate our seriousness about being the global leader in sustainable gold mining.
There is your safety.

Financial 2008 to June we had 43 fatalities. Shocking. Hard to believe, but true.

So far in South Africa we have 18 fatalities. The year is not finished yet, but that is where we stand today.

These are some of the initiatives that we’re doing to improve safety further.

And it really focuses around two things, engineering out the risk and changing the hearts and minds of people.

That is the key focus in improving safety in South Africa.

I’m very excited about these initiatives. I think they are going to take the mining industry and Gold Fields in particular to another level of safety.
Secure Our Future

Energy reduction best proxy for carbon reduction

- Beatrix Methane Project registered by United Nations Framework Convention on Climate Change (UNFCCC) as a carbon credit project
- Numerous energy efficiency projects rolled out in partnership with Eskom Demand Side Management
- World Gold Council conflict-free gold standards piloted in South Africa and Ghana Regions
- Carbon Management plans piloted in South Africa and Australia Regions

And of course the Beatrix methane project, the only carbon offset project of its kind in the gold industry in South Africa. We’re very proud of that as that particular project picks up steam.

With that I’m going to hand over to Tommy McKeith.

Thank you.

END OF TRANSCRIPT