GOLD FIELDS

Speaker	Narrative
Operator	Good afternoon and welcome to the Gold Fields fourth quarter results. All participants are now in listen-only mode, and there will be an opportunity for you to ask questions at the end of this afternoon's presentation. If you should need any assistance during the conference then please signal an operator by pressing star and then zero. Please also note that this conference is being recorded. I would now like to turn the conference over to Willie Jacobsz. Please go ahead, sir.
Willie Jacobsz	Dylan, thank you very much. Good afternoon ladies and gentlemen and thank you very much for joining us for this conference call on quarter four fiscal 2008 results for Gold Fields Ltd. The format of the call will be that our Chief Executive Officer, Mr Nick Holland, will do an introduction. After that he will hand over to Terence Goodlace, our Chief Operating Officer, who will do a brief operational review. And then Nick will wrap up again, after which we will take some questions. I hand over to Nick Holland.
Nick Holland	Thank you, Willie, and good afternoon everybody. Looking at the last quarter, first of all let me give you some salient features of how the quarter ended 30th June transpired for the company. Our production recovered from 827,000 ounces in quarter three to 865,000 ounces in quarter four. And that was mainly on the back of an improvement at the South African operations given the power crisis we had in the previous quarter, International operations were reasonably flat. The gold price went from \$921 an ounce to \$895 an ounce, and as a consequence of that our operating profit went from \$347 million to \$354 million. Slightly up on the previous quarter. Operating costs continued to be well-controlled, going up from \$468 million in the March quarter to \$484 million in the June quarter. Cash costs at \$502 an ounce were lower than the previous quarter, which was \$513 per ounce. And we are pleased with that result, given the continuing inflationary pressures we're experiencing on our costs. Notional cash expenditure per ounce, which is measured as operating costs plus all capital expenditure, went from \$843 an ounce to \$869 an ounce. And why this measure is important for us is that I've decided that we should be measuring ourselves on all-in costs of production, because that at the end of the day is what drives cash flow. Now, the \$869 an ounce is particularly high because we're in a heavy inward investment mode at the moment. During this last quarter alone we spent \$88 million on the Cerro Corona expansion, and if you take that off that's about \$100 per ounce, and you would reduce that NCE from \$869 an ounce down to about \$769 per ounce. So we have been heavily investing over the past year in our inward projects for growth, in Cerro Corona, in Tarkwa and some new mines in Australia that will be coming into production. And all-in we've spent about \$440 million over the last year on growth projects and a further \$200 million on acquiring further strategic investments, principally Sino Gold.

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	If we look further down the income statement we can see the earnings for the quarter declined from $166 million to $104 million, and the reason for that decrease is that last quarter we got an exceptional gain of $38 million, which was the release of mark to market losses previously accounted for when we fixed the number of shares that would be given to Mvela Gold on their conversion to 50 million shares. We didn't have a repeat of that this quarter, so the earnings were distorted by that. If you look at core earnings, or what we call net earnings excluding gains and losses on foreign exchange etc. then our earnings declined from $138 million to $119 million. And that's more representative of what happened in the quarter. If we look further down on our strategy that we are focussing on, this is my first 90 days that I've been Chief Executive of Gold Fields, and I said previously that there were two main areas that I'd be focussing on in the short term. One is to improve the safety record for our group, and two would be to deliver our projects. I can first of all deal with the project delivery, and then I'll come back to safety very briefly. First of all, Cerro Corona. I'm pleased to say we have rock in the mills at the moment. The mills are turning, and that operation will produce its first concentrate by about 12th August, and we should have the first shipment of concentrate in quarter one of this year, probably early September. So that project is finally coming to fruition, and I expect it to ramp up to full production of 375,000 ounces by the end of the year. The Tarkwa expansion is expected to be complete by around about October, and that should add about 80,000 ounces a year by the end of this calendar year. At St Ives we're in the process of bringing two new underground mines into production. That is Cave Rocks and Belleisle. I expect by the December quarter that that operation should increase its production by about 15% as those new mines come in. In South Africa I think it's pleasing to note that the power supply situation has been stable since that power outage which we had at the end of January. I was fortunate enough to speak to the Chief Executive of the national utility here, which is Eskom, and asked him what his views were two nights ago. And he indicated to me that he felt that the power supply would continue to be stable but tight, and tight because we're in the winter months in South Africa. But he felt they had a much better handle on their maintenance issues, they had caught up some of the backlog, and that their coal supplies were more regular. So I think we're over the worst in terms of power, but energy conservation is now a permanent feature in South Africa. We all have to do our bit. The safety audit has been commenced around the South African operations, and we have an external outfit that will give us feedback in October. Pillar mining has already been reduced substantially across operations because we did classify this as high risk compared to [unclear] rock mining. And we have taken out something like 24% at Driefontein and about 50% at Kloof. South Deep continues to be restructured, and we're pleased to report that by the end of August South Deep will be right sized and will then be a fully mechanised project. And we're getting this mine now geared up for development to

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	make this a world-class operation. We had a strong recovery as well from Beatrix during the last quarter. So I think we are delivering on our projects, and I certainly believe that our quest for a four million ounce profile for Gold Fields is just around the corner, and we should be able to achieve that in early 2009, probably in the first quarter of 2009. In terms of safety, I said that we had to make a step change in safety. And we will be looking across our operations for higher risk and dealing with those. And there are three particular areas we have dealt with. Secondary support at Driefontein has fallen behind, and we decided we had to intervene and do something radical to get that up to date. That means going forward Driefontein will probably use about 400kg in the next quarter. But that is only a one quarter issue, and the worst of the backlog in that particular area of the mine will be caught up by then. At South Deep we had to do rehabilitation of the 95 two west and three west ramps. That work should be completed by the end of August, and again that means that South Deep's production will be about 200kg lower in the September quarter as a consequence. But thereafter we will revert back to historical levels of about 500kg a month. The biggest issue is of course the Kloof main shaft area. Terence will talk more about that, but essentially the steelwork on the shaft is in urgent need of replacement. Given that it is a 40 year old shaft we've got to the point now where we have to significantly curtail production in order for us to repair that. And it's important for us to do that because this shaft is going to be around for the next 15 years, and we need to make sure that we can set this thing up. It has been used for 40 years and you can unfortunately not catch up all the necessary maintenance just on the Sunday shifts. So that's something that we've had to do. I think I will leave you with this particular message before I hand over to Terence. Some time ago when I went on the road after I become Chief Executive I said my short-term delivery for Gold Fields was to get Gold Fields back to four million ounces on an annualised basis. In other words on a run-rate basis by the end of calendar 2008 at an NCE of $725 per ounce. That's an exchange rate of $8. These short-term interventions in South Africa, which are safety-critical and must be done, do not detract us from that goal. The projects that I've mentioned in term of growth of the company are delivering, and I still expect us to achieve this target in quarter three fiscal 2009, in other words the March quarter of calendar 2009. And I think that will go a long way to restoring Gold Field's results, its cash flow, its earnings and its ratings in the market. So none of the issues that we are currently dealing with are going to affect that, and the issues that we will have over the next quarter are urgent safety issues that must be dealt with now. To give people comfort we've done a complete review across the operations to see if there are other areas around our South African operations that need to be dealt with. And I am satisfied that the Kloof shaft issue is the only major issue that needs to be dealt with now, and the secondary support and ramp rehabilitation at South Deep is being adequately dealt with. So at this stage those are the main areas that we need to fix. We'll fix them and we'll still be on target to achieve our goal

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	of four million ounces early in 2009 at $725 an ounce NCE, which at a $925 gold price would still give us about $200 an ounce free cash flow margin before taxes. And certainly that would be very good cash flow for the group. So those objectives remain, and I'll hand you now over to Terence to speak in more detail to you on operations.
Terence Goodlace	Thank you, Nick, and good afternoon and good morning to everybody. If we look at the gold production for the quarter, as Nick said we've increased by 5% to 865,000 ounces, and that again was primarily driven by an increase in production ex South Africa where we had a 6% increase to 553,000 ounces for the quarter. Driefontein had a good quarter in terms of volumes. It restored its volumes, it had reasonable grades and its quality factors meant that it produced 217,000 ounces. Kloof also increased volumes to some 700,000 tonnes for the quarter. Values were in line with plan but marginally down on the previous quarter, and the mine core factor for this mine was consistent with plan. It then produced 179,000 ounces. Beatrix was the star for the quarter with an improvement of some 45% in gold production to 119,000 ounces, and that was off the back of a marked improvement in the mine core factor from 67% to 94%. As far as South Deep is concerned we've pulled back on the volumes at this mine, and that was primarily as a result of the tragic accident which occurred there on 1st May, the stopping of the VCR stoping panels above 95 level and the intentional stopping of the 95 two west and three west ramps for a three month re-support programme, which affected production by some 300kg per month. Underground values at that mine were still good at 7,5g per ton, and we had a very positive mine core factor. However, the volume offset resulted in the mine producing 38,000 ounces. As far as Tarkwa was concerned we had less milling and processing days in the quarter, and that, in conjunction with a release of GIP from the heap leach facility and an increase from the CIL meant overall production of 169,000 for the quarter. Damang had lower production or volumes processed to just over one million tonnes for the quarter. Grades were slightly higher on the back of increased volumes at the Damang pit cutback. But along with the grades came increased rock hardness, and that also affected some of our throughput. The mine produced 50,000 ounces. St Ives decreased marginally to 101,000 ounces off the back of decreased volumes and decreased gold ex the heap leach facilities where rock hardness affected recoveries adversely. Importantly the new underground mines were commissioned, and as they ramp up a higher proportion of higher grade ore will ultimately report to the Lefroy mill. Agnew performed very well in terms of volume, value and quality, and produced 55,000 ounces. And all of this emanating from excellent volumes and values that were realised at the productive Kim Lode. If we move through and look at net operating costs for the quarter in US Dollar terms, South Africa was flat at $282 million. The increase in Rand terms was attributable to increased volumes which lead to an

	increase in consumables as well as an increase in safety and production incentives as well as an increase in some contracting services that we used on the mine. Ghana was 4% up, and Australia was 5% up in US dollar terms. The drive in Ghana, the increase in Ghana, was a result of increased prices of commodities such as fuel, reagents and explosives as well as an increase in the maintenance and repair contract. There was also increased mining in the Damang pit cutback area which is mining harder ores. So overall I think costs were pretty well contained in terms of consumption and price. Moving over to capital expenditure, the increase in capital expenditure was some R439 million for the quarter, and that increased our capital expenditure to $327 million. However, an important point to note with regards to capital expenditure is in the coming two quarters we will reduce quite markedly to $307 million and $254 million respectively. And that's off the back of the investments that we've been making into mainly Tarkwa and Cerro Corona. So the expenditure with those projects will taper off and there will be no residual expenditure in two quarters' time. At South Deep we'll continue to require inward investment at some $30 million per quarter. Moving on to the Cerro Corona project, I think it is exciting that we're now ultimately at advanced stages of commissioning. We do have rock in the mill, the process is flowing, the tailings facility is working and we're getting everything through the floatation circuits. Capital expenditure for this project is some $550 million, which is up from the $450 million that we had reported previously. I think what's important is the ramp up at this mine. We're hoping to ramp up to some 100,000 equivalent ounces in the coming December quarter and ultimately over the financial 2009 year we expect an NCE of some $587 per ounce and over the life of mine $356 per ounce. Looking at the South Deep project it's pleasing to say that the restructuring at that mine which we've reported on previously is almost complete, and we're now in a position to really advance this mine on a modern, mechanised basis. We continue with the exploration drilling programme into phase one and phase two. We continue with our resource modelling below 95 level, and we are looking at ramping up the development above and below 95 level to access ore reserves as well as complete infrastructure. We're also in the position where we in this quarter have now completed the 2500 meter extension to the brattice wall in the vent shaft, and we shortly will be in a position to commission one of the surface fans at the ventilation shaft located at the [unclear] area. The ramp-up of the mechanised de-stress mining should also occur within the following six months. Moving on the CIL plant expansion at Tarkwa. Tarkwa will be characterised as a mine which has two halves. If we look at the coming year essentially as we tie in the expansion into the existing plant there will be some delays, but ultimately we're looking at taking this mine from 160,000 ounces per quarter on average to just under 200,000 ounces by the end of this financial year. Logistics have been a

	challenge in terms of the actual construction of the plant, but ultimately as we ramp up this production we should be able to bring the NCE for the mine down to something like $700 per ounce. Moving on to St Ives, as I said a little earlier we've now commissioned the Cave Rocks and Belleisle projects, and we also look to this mine to increase production to something like 150,000 ounces per quarter. This should also go a long way to alleviating some of the cost pressures at that mine, and ultimately bring its NCE down to something like $800 per ounce. And then finally just moving on to Kloof, we are reporting that we are going to have to stop and re-equip the bottom section of the main shaft at this mine. This will require work over a six month period. During that time we will divert logistics flows, people and ore flows away from this shaft system and devote ourselves totally to re-equipping the bottom steelwork at the shaft. We are starting with this as soon as possible and we're hoping to complete this by early January. What this means for us is that over the coming two quarters our gold production will be down 30% off current levels. Post that we hope to resume at or about the same levels that we reported in this current quarter. And with that I'd like to hand you back to Nick.
Nick Holland	Thank, Terence. I think just to sum up and leave some time for questions, the short-term objective then is to continue our drive on safety. Safety is the number one priority. In case people think that's at odds with productivity or profitability, it isn't because often you find that the most productive and efficient parts of our operations are those that also have the best safety records. So getting these mines set up properly, getting the infrastructure sorted out is key. I guess the heightened safety awareness that has certainly emanated through this company since my appointment has allowed us to pick up some of these issues and make sure that safety is really looked at more importantly than it was before. Please, don't get the impression that safety was never important. It always has been. Our safety record has improved. I think what we're doing is we're taking this to a new level. In terms of our production target, just to reiterate again, we want to get Gold Fields back up to four million ounces. Our projects are starting to deliver and I think that by quarter one of calendar 2009 we will be in a good position to have the annualised production rate of four million ounces in place by then. And achieving our notional cash expenditure of around $725 per ounce. I think if we can achieve that we can restore Gold Fields back to where it should be. So I think with that let's hand over to questions that people may have. I've also got in the room here Vishnu Pillay, Executive Vice President and Head of South African Operations, Glen Baldwin, Executive Vice President and Head of International Operations, and Paul Schmidt, who is acting Chief Financial Officer as well. So I'm sure between all of us we'll be able to answer the questions. Thank you.
Operator	Thank you, sir. Ladies and gentlemen, if you would like to ask a

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	question please press star and then one on your touchtone phone. If you then decide to withdraw your question, please press tar and then two. Our first question comes from Victor Flores of the HSBC. Please go ahead, sir.
Victor Flores	Thanks. Good morning. I have a question first of all regarding Beatrix. It's good to see the grade has picked up, the mine core factor has improved, but what have you learned as you got the grades back up about what had lead previously to grades being down and erratic? And can you give us some sense that the issue is corrected and grades will be where they're supposed to be going forward?
Terence Goodlace	Hi, Victor, it's Terence. The situation at the mine is such that we've had a very good cleanup at the mine. We have noticed that there are certainly areas at the mine where we have had accumulations of fines, and those fines have in actual fact been cleaned up in the current quarter. We continue to examine ways to look at our fragmentation. We continue to look at more optimum ways to clean because we have seen that we have a large proportion of free gold in our ore, and ultimately we see that in our gravity circuits. When that drops off we know that we in fact are not sweeping correctly. We continue to minimise the quantum of water, but ultimately it's all about a focus of getting back to where we have accumulations of fines, looking at our gulley's, looking at our boxes, looking at our pump areas and our dams where there are accumulations of fines, and ultimately getting that back out. I would say that I hope that we in fact have sorted this out for good, but gold mining is what it is, and sometimes you do get variability.
Victor Flores	Fair enough, but I think what you're telling me is you've isolated the issue to cleaning, and it's not to do with ore reserve calculation issues, it's not to do with mining practise in terms of dilution. It's just making sure that once you've blasted that rock you're cleaning out really well and getting the gold into the plant.
Terence Goodlace	Yes, we've done extensive work looking at whether in fact we're getting the valuation right or wrong. But I've been in mining for long enough. Generally that's not the issue. It's generally a mining thing.
Victor Flores	Great, thanks. The second question goes to the pillar mining, that it might be lost at both Kloof and Driefontein, and I realise right now the priority is on redoing that steelwork. But what can you tell us about what might happen with those pillar areas that previously you indicated might be lost?
Terence Goodlace	If you look at the assessments that we've made as far as pillar mining is concerned, we've examined all of our pillars. We've set protocols in place which examine the specific risks for each pillar, which look at the energy release rates, look at seismicity, look at extraction rates and look at geological complexity. And we assessed those, and over the last nine months we've progressively moved out of the higher risk pillar areas to the extent that we have reduced pillar mining by some 24% at Driefontein and 51% at Kloof. Those reductions are already in our

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	numbers, but in round numbers what it in actual fact means is we have reduced production from the South African operations as a result of this by some four tonnes or 130,000 ounces on an annualised basis. That is already in our numbers. We are continuing to refine the way we look and examine our pillar areas, but I would say on an 80/20 basis most of the reductions are already in our numbers.
Victor Flores	Okay, great. Thank you. And then the final question goes to South Deep. Recently you gave a pretty good breakdown of the ramp up in production at Cerro Corona, and I was wondering if it would be possible to get a similar breakdown as you see South Deep ramping up from current levels.
Terence Goodlace	Critically as far as South Deep is concerned our ramp-up, now that we have almost finished with the support of the primary ramp which leads to the 95 two west and three west massive mining areas, we will go back to 100,000 tonnes per month, producing something like 530kg of gold a month. So that we will continue for something like at least the next year. We've also provided in our quarterly presentation of today the development ramp-up, because that is probably more important than the stoping or the massive mining ramp-ups. And that we look to increasing development above and below 95 level, the one looking at moving towards ore reserves and the other one examining infrastructure or targeting the building of infrastructure below 95 level. As far as the ramp-up beyond that, we'll be in a position late in August to present to yourselves what ultimately the full ramp-up to full production is going to look like. As we've said all along we've been conscientious or busy with our geological modelling and our mine design, and ultimately we need to go to the board with our [unclear] and that will be happening around about the 20th August. And then we will release that to the market.
Victor Flores	Okay, great. Thanks. Thank you very much. I apologise, I haven't looked at the presentation because for some reason this morning the HSBC police wouldn't let me get onto your website. I'll try and get it later. Thank you.
Terence Goodlace	Okay, Victor.
Operator	Ladies and gentlemen, a reminder that if you'd like to ask a question please press star and then one now. Our next question comes from David Leffel of Deutsche Securities. Please go ahead.
David Leffel	Good afternoon gentlemen. I just wanted to touch base and ask about Cerro Corona. I think there was a presentation on the website some few weeks ago when you had your visit there, and the capex number I think was somewhere near $450 million. And my concern is today's number is $550 million capex. I haven't seen you spend that much in the last quarter. What transpired to raise the capital costs, and how much capital is still to be booked through in the next six months at Cerro Corona?

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Terence Goodlace	The number that we've put into the presentation at the time that we had the visit there was the $450 million. We had picked up in the mean time numerous commitments that had been made in terms of this project and those had not yet been approved for release. We've only just brought those to the board. We have many commitments made prior to June year end, and a lot of that has been driven primarily by the overrun of the project in terms of timing. And there has also been an under-estimation as far as the tailings management facility construction is concerned. And that has resulted in a full $550 million. We haven't spent $100 million over the last quarter. A lot of this was in the pipeline, they were commitments to accelerate the commissioning of the project and they've just been brought to book now.
Nick Holland	David, I think just to add, there is about $500 million that has been brought to account and there is about another $50 million to spend. Since the $450 million there have been other time delays, under-estimation of quantities, further claims from certain sub-contractors that were made. So regrettably this has cost more, but the good news is most of this is now behind us. And I think it is still going to be a great project, particularly at these copper and gold prices. So it's regrettable that the project has ended up costing $550 million instead of the original forecast of $450 million.
David Leffel	Okay. May I just follow up then with your other capital projects, primarily Tarkwa in the short term? Are we expecting similar sorts of increases in costs? How do we actually model this?
Nick Holland	Tarkwa we said that the CIL expansion and the heap leach expansion would be about $165 million. There is about $35 million to $40 million left to spend in the first quarter of fiscal 2009 and the first month of the last quarter. So over the next four months you could model another $40 million over that period and then you're done. That's pretty much on track. We've got a very good handle on that project, and we don't anticipate any major overruns on that particular one. The numbers that we put into the market previously was that the CIL plant expansion capital spend would be something like $160 million, and the extension to the phase five heap leach facility would be some $50 million, and we've come in pretty close to those numbers.
David Leffel	And I guess to circle back on Cerro Corona when one looks at capital projects like this in Gold Fields what sorts of returns would you now like to see from projects that you might start going forward, because clearly this one has shown the returns are not nearly as robust as what they were 12 or 18 months ago?
Nick Holland	I think, David, we have to look at Cerro Corona in this context. When we approved this project we approved it with a gold price of $450 per ounce and a copper price of $1.75. And you know where the prices are today. So yes, it has been an escalation in the capital. Some is because of time delays. The project is probably about six to nine months late. Some of it is straightforward escalation. And some of it frankly is some poor project management. But if you look at this project

	at current prices this is a very compelling project nevertheless. It has cost us more than we would have liked but it's going to make good money. It's going to return all the capital to us and generate a good return nevertheless.
David Leffel	Okay, thank you.
Operator	Our next question comes from Paul Durum of the HSBC. Please go ahead.
Paul Durum	Thank you very much. Good morning gentlemen. I saw your interview on TV earlier on today Nick, and obviously you mentioned several issues and also came up with the decentralisation of the head office. I wondered if you could give us a bit more detail on that in terms of timing, whether there are going to be any cost savings involved by getting rid of the head office? I think it's a great strategy to have people in charge of their own destiny in the geographic areas. You alluded to that, but could you give us some more skin on the bones if you could?
Nick Holland	Sure. I think first of all I want to create or correct a misconception that we're just going to get rid of all the people here. That's not really the issue. The issue is we want to redeploy people close to the operations. And in particular if you look at the South African operations there are about 60 to 70 people here that should really be closer to where the South African operations are. And we're in the process of finding a way to do that and get them out of corporate, because they aren't really corporate. In terms of the rest what we want to do is make sure that we support the new regions which need to be empowered, not only in terms of running the existing mines but also in terms of growing those regions. So that may also entail redeployment to the regions for certain people. And we've already started evaluating which people will go. I think at the end of the day we'll probably end up with around 50 people overall in corporate which would be the executive that remains here, the central consolidation, people to make sure that we comply with common standards. I think the biggest take-away that you should get from this is two tings. One, there is more autonomy to the regions. That's the first thing. And secondly it's empowering those regions to look for growth. To give you one example, if you look at South America it's much easier for people based in South America to look for opportunities to grow the company than it is for people sitting in Johannesburg. So let's structure them accordingly. Let's make sure that they have the resources to do that. And that way I think we can turn Gold Fields into a truly global company where we have three regions outside of South Africa where I'm targeting a million ounces out of each region. That's South America, West Africa and Australasia. And that's a three to four year time frame. So it's really a question of taking the corporate people and putting them in the right place so that we can improve the service to the operations and also the autonomy.
Paul Durum	Okay, great. Thank you very much.
Operator	Our next question comes from Shane Hunter of BJM. Please go ahead.

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Shane Hunter	Good afternoon gentlemen. I've just got a couple of questions on the same topic, and it's to do with opportunities of uranium. It's just really for me to understand a bit what's happening there. What is the difference between the Driefontein tailings dumps and also the west historical tailings dumps? Are they actually sitting in different areas? Are they sand or slimes? Can you explain what is happening there?
Nick Holland	Sure. What it's about, Shane, is that first of all we've got what we call the tailings. That's existing tailings that are on surface. And that's around 400 million tonnes containing about 28 million pounds of uranium. That's the first part of it. And the second is what we call current arisings, in other words stuff that is going to come from underground. We're looking to re-engineer the back end of the plant to deal with that, and that's about 20 million pounds that we'll have there. So there are two real strategies here. First of all it's how do we bring into account the existing tailings? And there are a number of ways of doing that. It's potentially joint venturing them with other partners, it's developing them ourselves. It could be disposing of those interests. But I think the important take-away you should get here is that we've spent about a year doing technical analysis of what we have there, and we expect to have a pre-feasibility study completed within the next six months. But alongside that we're now looking at the commercial options for us to bring that to account. And also I expect to have an answer to the market with a route to go in the next six months, because I do think uranium has got pretty good potential in terms of the market and we can have a fairly low break-even price given the fact that a lot of the stuff we've already mined and it's on surface. I almost look at this as the next mine for Gold Fields. The benefit is that it has already been mined and it's on surface. So watch this space and I'm sure within six months we'll be able to give you a more detailed strategy as to how we're going to commercialise this.
Shane Hunter	Just to confirm the Driefontein numbers, that's all material which is in the ground and has to come out through the normal process of gold. Is that right?
Nick Holland	Shane, if we talk about the 20 million pounds from current arisings we've worked that between Driefontein and South Deep. So it's a combination of those two mines.
Shane Hunter	This material is still to be mined?
Nick Holland	It still has to be mined. If we look at what's in the tailings facility, that is split between Driefontein, Kloof and South Deep. So we've looked at the existing tailings facilities and we've worked out our numbers according to that.
Shane Hunter	So that's the 28 million pounds?
Nick Holland	Correct, and the two million ounces of gold that is actually in there. We've got grades of around 0.3g per ton, and if you assume about a

	51% recovery you'd be in a position to make money on this.
Shane Hunter	Okay. And there is no mention in those numbers of the material in the Free State from the [unclear] reef.
Nick Holland	No.
Shane Hunter	Is anything happening with that?
Nick Holland	No. What we've done is some resource modelling, but at this stage we haven't looked at the critical mass that that provides to us. It is always an opportunity, but it is relatively low grade. But it's always going to be an opportunity.
Shan Hunter	Great. Thank you.
Operator	Our next question comes from Barry Cooper of CIBC. Please go ahead, sir.
Barry Cooper	Good day everyone. Just one thing on Cerro Corona. In your presentation you're looking at the first year basically spending one third of the sustaining capital for the entire life of the mine, and I'm wondering what's in that first year. It's not just start-up capex that is flown into the first year of operations.
Terence Goodlace	Hi Barry, it's Terence. You're precisely right there. We have about a $50 million flow-over in the first year. The other primary expenditure that we have in the first year is the construction of one of the other tailings management facilities called Las Agulas [?]. So there are two there, and we are actually going to spend around $40 million in this coming year at that facility. It requires total expenditure of $70 million, which will obviously be carried over into financial 2010. But primarily if you look at that $113 million, $50 million is part of the carry-over.
Barry Cooper	So because it's identified here as sustaining capex is that $50 million carry-over included in the $550 million that you advised for the new capex as kind of a start-up capex.
Terence Goodlace	I think it's just an allocation. We didn't have too many lines left, and it probably should have reflected as growth.
Barry Cooper	Fair enough. That clarifies that. Then I sort of got the view from your reporting of NCE here… on the one hand I'd say it's a noble way to show things. However, at the same time it does leave things very much open to manipulation in a sense. All you have to do in order to meet a number is stop doing capex, and that's not necessarily a good thing. And I'm just wondering, hopefully there is not an intent to totally not give us the underlying cash component as well as the capital component going forward. As long as you give us those two I'm happy, but if you were to stop giving us the cash component I'd think that would be perhaps too noble of you.

Speaker	Narrative
Nick Holland	Barry, I think you've completely misunderstood, with respect, what we're trying to achieve here. We've got no intention at all of removing cash costs. And you can in fact see in the report the cash costs are there. So they haven't been removed and they won't be removed. Our concern is that the industry over the last number of years – and I'm sure you've seen this yourself – has actually shown very good cash costs in many cases but they haven't actually generated any cash. You often find that the capital expenditure by the time you've looked at everything that has been put into capital in fact there is no cash flow. And the accounting rules have been changed so many times to allow for so much to be capitalised that a lot of the ongoing development ends up in capital. And we've seen that when we've done our own comparisons. What we're trying to do is get more transparency, not less, into the reporting so that people can actually see what the true all-in cost of production is. And also people have tried to say some of it should be sustaining, but all of your capital at the end of the day is being spent to maintain your operations in the medium to longer term. So what we're striving for is greater transparency, not less. And I would challenge the other producers to give the same information in a way that is understandable. And that's why you'll see in the presentation I've in fact asked one of the analysts at JP Morgan to assist us in doing comparable NCE per ounce for the industry. And you'll see it is in the presentation. At the end of the day all-in costs determine whether you make any cash flow or not, not cash costs. So I believe we are giving more information, not less. You can cut capital short to make it look great, but I think we all know you're just going to cut your own throat. I think it comes down to greater efficiency in terms of your total spend, whether that's an operating cost, a cash cost or capital spend. That's the game that needs to be played here because that will determine whether you make money in the long term.
Barry Cooper	I agree with most of that. I just think it's going to be a difficult thing to separate. Even when I go about trying to generate a [unclear] for free cash flow when someone buys a truck that improves his efficiency but doesn't improve production necessarily, is that sustaining or is that a growth capital figure? And it can be down to splitting hairs on some of it. If we look at your fiscal 2009 target of NCE of $725, what is the capital component in that number?
Nick Holland	Well, again if you look at our presentation we show you in our presentation on page 14. There is a capital slide. And what we also do is on page 15 of our presentation we also show you an all-in NCD per ounce. If you look on page 13 of our presentation you can see the cash costs. So, Barry, it's all there. Have a look at the presentation. It's on the website. And if you have any issues feel free to call me. But we have given a lot of information here and it's all available. What I suggest you do is look at that and then come back to us. Again, coming back to an earlier point about people trying to split maintenance capital with growth capital that split to my mind is also flawed. I can argue that something is growth and somebody else can argue it is maintenance. It is all capital expenditure at the end of the day to maintain your operations. So I think you should lump it all together and that will

	determine whether you make cash flow. I'm happy to have a further debate with you offline.
Barry Cooper	Okay. How would you treat acquisition costs then?
Nick Holland	Acquisition of what?
Barry Cooper	Acquisition of new assets.
Nick Holland	That's not capital expenditure. That's an investment.
Barry Cooper	Okay. Well, maybe we'll have an offline discussion then.
Nick Holland	What we're talking about here is capital expenditure. That's capital we spend on projects or existing operations plus operating costs. That's what we're classifying as NCE. It's actually quite simple and all of the information is there.
Barry Cooper	Thanks.
Operator	Our next question comes from Tetan Zindal. Please go ahead.
Tetan Zindal	Thanks for taking the question. I was wondering if you could give us your thoughts on how the production profile might grow behind 2009, 2010, 2011, so maybe over the next three to five years as your new projects kick in.
Nick Holland	Certainly we've just had the first run of the reserves and resources which we will present to the market around the end of August. I think you can work on the assumption that South Africa will be 2.3 million ounces a year going forward. That will be a fairly sustainable long-term profile. Tarkwa in Ghana will be about 750,000 ounces a year. Damang will be about 200,000 ounces a year. St Ives in Australia you can work on about 460,000 ounces a year. Agnew in Australia about 200,000 ounces a year and Cerro Corona in Peru about 375,000 ounces a year of gold equivalent. And that's how we see the portfolio for the next five years or so. You can aggregate all of those numbers I'm sure.
Operator	Our next question is a follow-up from David Leffel of Deutsche Securities. Please go ahead.
David Leffel	Sorry guys, I just wanted to follow up. You talked very specifically, Nick, about the four regions. I was just wondering if the Denver operations people will be repositioned. Will that office be closed, or has that been closed already?
Nick Holland	No, Denver is an exploration office. The regions I'm talking about are the operational regions, and those are where the mines are. But I'm also going to be charging those executives for growth. But the exploration side of the business is distinct from those regions and often targets exploration in other parts of the world. So I don't envisage changing the exploration structure. There are offices in Perth and

Speaker	Narrative
	Denver. We will keep those. There is an office in Accra and an office in Santiago for example. They will continue because they are small structures anyway. They're a few people, the overheads are reasonably low and they can be in those particular areas to assist them to get into the deal flow. But I'm talking about the core operational regions where the executives are that manage and control those regions. So it's distinct from the exploration.
David Leffel	Okay, thanks.
Operator	Our next question comes from Murray Pollitt of Pollitt & Co. Please go ahead.
Murray Pollitt	Hi guys. On a completely different note, could you be kind enough to tell us how preparations are getting on for the World Cup on 2010?
Nick Holland	The stadiums are being built. I fly over them occasionally. And we know that the main train line from the airport is being constructed at an enormous rate. The airport is a bit of a mess at the moment while they're doing all the construction work. And we have enough power at this stage. It's run by the international football federation, not by South Africa, so I think that they are pretty tough and they will make absolutely sure that they're 100% happy with everything. But we're optimistic that this will happen, and the South African government will cooperate to make sure it happens.
Murray Pollitt	Your country gets a lot of bad press at the moment and the football is a very positive step for South Africa and your company in the abstract.
Nick Holland	Absolutely. And I'm sure it's going to be a great success.
Murray Pollitt	Thank you.
Willie Jacobsz	We've got time for one more question, ladies and gentlemen.
Operator	Thank you, sir. Our final question is also a follow-up. It comes from Tetan Zindal again.
Tetan Zindal	Thanks for taking the follow-up. I just wanted to dig a little deeper on the previous question. Could you help us quantify what peak production might be given the existing set of assets that you're putting into place? I know it's hard really to put a number on it, but how do we think about it?
Nick Holland	Let me go through it again with you as we see steady-state production. There are two to 2.3 million ounces for South Africa. That's the range going forward. 750.000 ounces for Tarkwa in Ghana. 200,000 ounces for Damang in Ghana. 650,000 ounces for Australia, made up of 460,000 ounces for St Ives and about 180,000 ounces for Agnew. That's probably the best number to work on. And Corona, as I said, about 375,000 ounces. And I stress that's the existing portfolio only and doesn't presuppose any further brown fields development, any acquisition etc. And obviously we're working hard to try and add to the

Speaker	Narrative
	portfolio. So if you could aggregate all of those up I'm sure you could get to a steady-state number for the group.
Willie Jacobsz	If you want to contact me, it's Willie Jacobsz here. I can spend a bit of time with you on getting the modelling right and so forth.
Tetan Zindal	I'll do that. Thank you very much.
Operator	Gentlemen, we have no further questions. Would you like to make some closing comments?
Nick Holland	Thank you. First of all just to reiterate that the safety interventions that are put in place over the last 90 days will mean that we'll take a short-term hit on some of the South African operations. But I stress it's only one quarter for Driefontein and South Deep and two quarters for Kloof. After that we should be in good shape on the SA ops to get back to where we were. Secondly, the international projects are starting to deliver and we expect them to come into production on schedule and to deliver what they're slated to deliver. I think if we put all those together Gold Fields is going to be in much better shape by the first quarter of 2009, and that's our short-term target for the company. So thanks once again ladies and gentlemen for joining us, and we look forward to talking to you again in the future.
Operator	Thank you very much. On behalf of Gold Fields that concludes today's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT