Financial Strategy

Analyst Day

3 November 2009

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FINANCIAL STRATEGY Key Principles

- We do not hedge gold.
- Opportunistic hedging of currencies, other commodities, to support high capex phases & secure cash flows.
- Funding strategy:

Internal resources (Cash flows) → Structured debt (Match project profile) → Equity

- Issuance of shares is a last resort:
  – Minimise dilution.
  – Subject to test of adding value on a per share basis.

CONSERVATIVE FINANCIAL STRATEGY

Financial Principles

Thanks Juancho. Good afternoon everybody.

If we look at the key principles on the finance strategy, the overarching principle is that Gold Fields does not hedge gold and we have no intention of hedging gold, even at current record gold prices, thereby giving our shareholders full exposure to the higher gold price.

Our funding strategy is a simple one.

First place is internal resources; then debt; and then, as a last resort, equity.

Equity is the last resort because we are very sensitive to shareholder dilution.

FINANCIAL STRATEGY Balance Sheet

- Comfortable debt levels
- Net Debt/EBITDA 0.58:1
- Internal target of no more than 1xEBITDA
- Covenants 2.5xEBITDA
- Improved maturity profile
- Diversified funding sources
- Reduced funding cost
- Significant flexibility

	Q1 F2010	Q2 F2009
	Rm	**Rm**
Loans – long term	5,010	10,016
Loans – short term	3,962	392
Total loans	**8,972**	**10,408**
Less Cash and deposits	2,278	1,054
Net Debt	**6,694**	**9,354**

CONSERVATIVE BALANCE SHEET

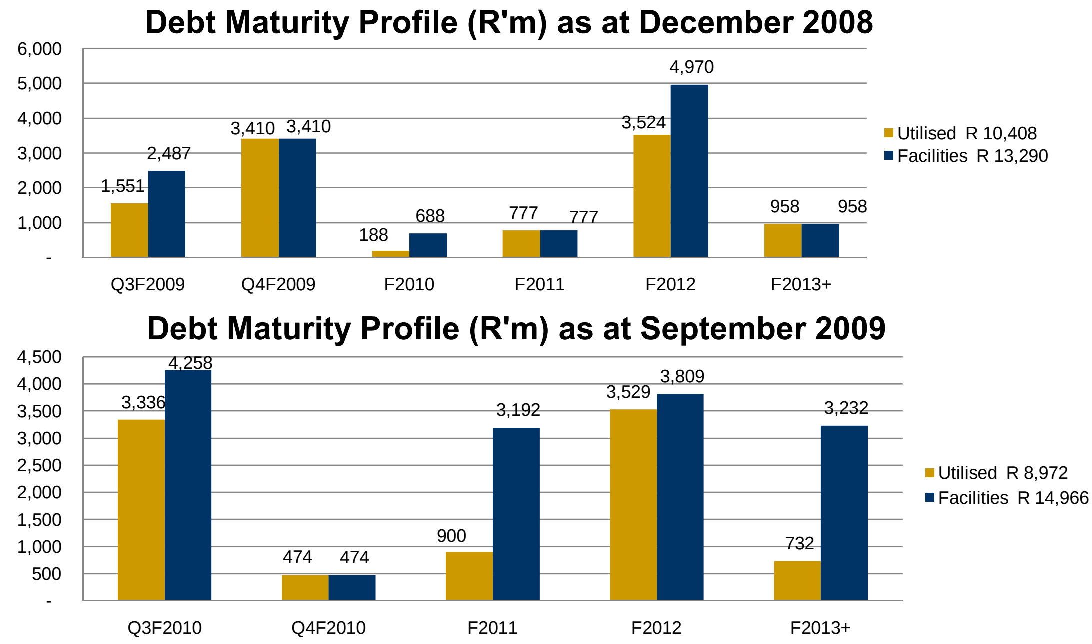
In terms of our Balance Sheet, the net debt position has decreased substantially from R9.4 billion in December last year to about R6.7 billion as at Q1F2010.

The reduction is in line with our commitment to reduce debt.

Net debt to EBITDA is at about 0.6, which is well below our target of not more than 1 time EBITDA and also well below our loan covenants of 2.5 times EBITDA.

We are, therefore, very comfortable with our debt levels.

FINANCIAL STRATEGY Financial Flexibility



*Converted at US$1: R9.64

HEADROOM AVAILABLE - AMPLE LIQUIDITY

Along with reducing net debt we have also significantly improved our debt maturity profile over the last 9 months.

Credit facilities have increased from R13 billion as at December 2008 to almost R15 billion as at Q1F2010.

The improvement of the maturity profile has resulted in the bulk of our debt maturing in F2012.

In terms of the short term, we have approximately R3.3 billion maturing in Q3F2010. The bulk of this debt is Rand denominated and financed by commercial paper issuances.

As reported in our quarterly results, a substantial portion of our South African bank debt was refinanced with commercial paper, which has reduced the cost of funding.

The commercial paper issuances are backed by two large committed facilities.

A R1.5 billion five-year facility and a R1 billion three-year facility.

Although the intention is to reduce debt, we have the option to refinance this debt with commercial paper or with bank debt, should the need arise.

FINANCIAL STRATEGY

Financial Flexibility

	Rand Denominated	US$ Denominated	Rand Equivalent*
	Rm	$m	Rm
Uncommitted Facilities	922	-	850
Committed Facilities	2,500	349	5,072
Total credit	**3,422**	**349**	**5,994**

*Converted at US$1: R7.37

REDUCED DEBT & IMPROVED FLEXIBILITY

Gold Fields has R3.4 billion available in Rand denominated facilities and about $350 million in Dollar denominated facilities, a nice number to have.

This headroom provides significant financial flexibility.

FINANCIAL STRATEGY Capex Profile

R million		F2010	F2011	F2012	F2013	F2014
		R8.95/$	R8.02/$	R9.17/$	R9.17/$	R9.17/$
South Africa Region	Sustaining Capex	1,450	1,776	1,599	1,237	1,151
	ORD	1,653	1,569	1,472	1,337	1,170
	Project Capex	1,824	1,939	2,199	1,419	1,126
	Total	**4,927**	**5,284**	**5,270**	**3,993**	**3,447**
West Africa Region	Sustaining Capex	1,569	1,791	1,720	1,740	1,569
	Exploration	83	72	83	83	83
	Total	**1,652**	**1,863**	**1,803**	**1,823**	**1,652**
South America Region	Sustaining Capex	806	498	174	119	119
	Total	**806**	**498**	**174**	**119**	**119**

DECLINING PROFILE

Capital has been a subject of discussion among market participants over the last couple of months and we have therefore decided to provide full disclosure of actual spend over the next five years.

Capex for the next five years is split into sustaining capital, Ore Reserves Development (ORD), project capital, as well as exploration.

The bulk of project capital in South Africa can be attributed to South Deep. As already reported, we will be spending R8.4 billion to achieve the 2014 target of producing between 750,000 and 800,000 ounces by the end of calendar year 2014.

ORD is a substantial amount at R1.6 billion. This has been increased by R500 million from last year. This is in line with Vishnu's commitment to increase development at the South African Operations, in order to achieve 24 months of developed ore reserves and improve flexibility.

I will talk to the West Africa and South America regions separately, as we have a slide on that.

FINANCIAL STRATEGY Capex Profile

R million		F2010	F2011	F2012	F2013	F2014
		R8.95/$	R8.02/$	R9.17/$	R9.17/$	R9.17/$
Australasia Region	Sustaining Capex	642	564	742	1,049	963
	Exploration	295	294	323	323	291
	Project Capex	91	254	277	-	-
	Total	**1,028**	**1,112**	**1,342**	**1,372**	**1,254**
Group	Sustaining Capex	3,761	4,204	4,107	4,072	3,719
	ORD	1,653	1,569	1,472	1,337	1,170
	Exploration	378	366	406	406	374
	Project Capex	2,621	2,618	2,604	1,492	1,199
	Total	**8,413**	**8,757**	**8,589**	**7,307**	**6,472**

CAN BE FUNDED FROM INTERNAL SOURCES

We will be spending approximately R600 million at St. Ives over the next 3 years, which is the project capital related to Athena, Glenn's growth project.

Total spend for the Group in terms of brownfields exploration is approximately R400 million a year.

This excludes the $80 million a year that Tommy is spending on Greenfields exploration.

In total, we will be spending approximately R8.4 billion for the next three years, decreasing to approximately R7 billion in 2013 and 2014.

FINANCIAL STRATEGY Major Capex

R million		F2010	F2011	F2012	F2013	F2014
		R8.95/$	R8.02/$	R9.17/$	R9.17/$	R9.17/$
West Africa Region	Tarkwa Waste Stripping	850	986	1,368	1,046	987
	Tarkwa fleet replacement	255	271	64	479	307
	Tarkwa additional fleet	-	263	98	69	-
	Other sustaining capital	464	271	190	146	275
	Total sustaining capital	**1,791**	**1,720**	**1,740**	**1,823**	**1,569**
South America Region	Cerro Corona Tailings Dam	706	425	128	73	73
	Other sustaining capital	100	73	46	46	46
	Total sustaining capital	**806**	**498**	**174**	**119**	**119**

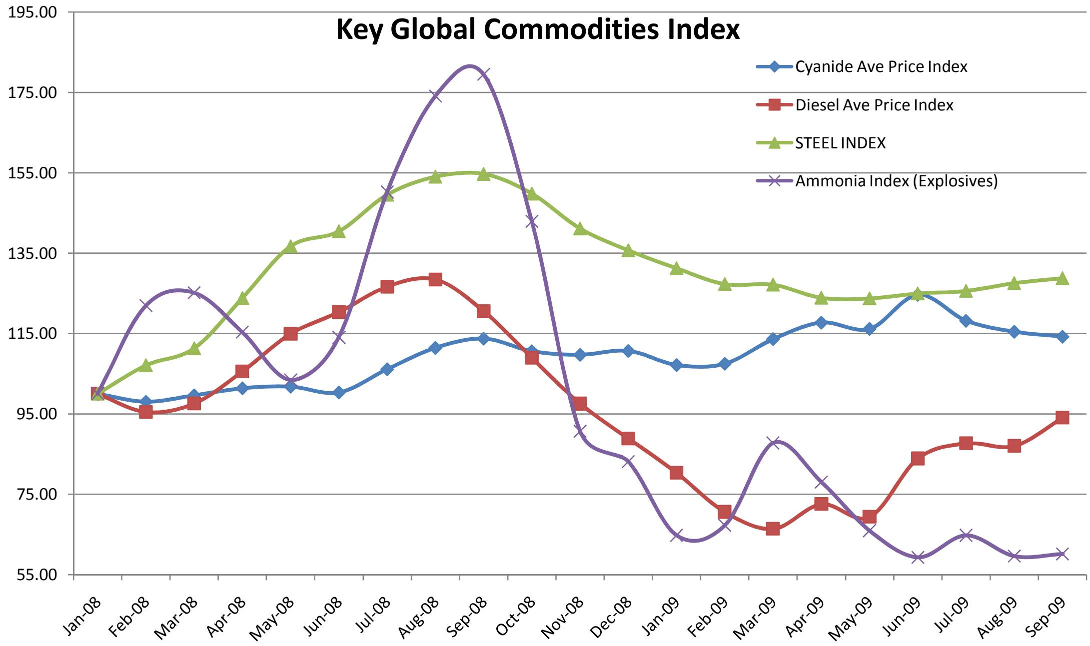
SECURING THE FUTURE

South America and West Africa have major capex over the next five years with regards to sustaining capex.

West Africa in particular will be spending approximately R1.7 billion a year. This spend is allocated to waste stripping, which is the equivalent of the ORD in South Africa, the replacement of an additional fleet at Tarkwa, and the balance being made up by other sustaining capital.

Sustaining capital in the South America region decreases significantly over the next 5 years on the back of the tailings facility being completed. Sustaining capital for Cerro Corona will then amount to approximately $5 million to $6 million per year.

FINANCIAL STRATEGY Cost Management



INPUT COSTS NORMALISING

Commodity prices have had a volatile two years, reaching unprecedented heights at the end of 2008 before retracing significantly early this year.

In the downturn, Gold Fields managed to claw back about $10 million worth of input costs.

However, there is evidence that the downturn has bottomed out and signs of inflationary pressures are re-emerging.

FINANCIAL STRATEGY

Cost Management Strategic Principles

- Total cost of ownership focus = Optimise total cost of material supply over life of asset/equipment
- Aligning vendor incentives through partnerships and collaboration
- Improved standards, quality, specifications and service models
- Optimize usage efficiencies and reduce wastage
- Competitive price benchmarking and fair fact based negotiations
- Risk exposure covering, as required (Commodities and Forex)

Guaranteed Supply ↔ Total Cost ↔ Quality ↔ Efficiency

We have implemented several strategic cost management principles in an effort to control costs.

To this end, we've adopted a policy of total cost of ownership. This focuses on the lifecycle cost of the goods that we are purchasing rather than only focusing on the initial price paid. We have found that in the long run, the cheaper products may result in more cost being incurred more frequently as they need to be replaced sooner and more often.

We are also looking at partnerships and collaboration with key suppliers. This has been very effective in Australia where we have collaborative partnerships with our mining contractors.

We are also looking at improved standards, quality specifications and service models while improving our usage efficiencies as well as reducing waste.

FINANCIAL STRATEGY

Notional Cash Expenditure (NCE)

- Key strategic objective
- Focus on free cash flow
- So what is NCE?
  - NCE = operating costs (including general and administration costs) plus capital expenditure, which includes brownfields exploration.
  - Objective is to provide the all-in cost for the Group, and for each operation
  - NCE determines how much free cash flow is generated to pay taxation, interest, greenfields exploration and dividends.
- Gold Fields is the only gold mining company to report NCE
- NCE F2009 US$763/oz (R221,153/kg)
- NCE Q1F2010 US$826/oz (R207,754/kg)

TARGET US$200 MARGIN ON NCE BASIS

As mentioned by Nick before, Notional Cash Expenditure (NCE) is a key metric for Gold Fields as it drives free cash flow generation.

So what is NCE?

It is the sum of operating costs as well as our capital expenditure which includes Brownfields exploration.

What is the objective of this?

It indicates how much money is available to pay tax, interest, greenfields exploration and dividends.

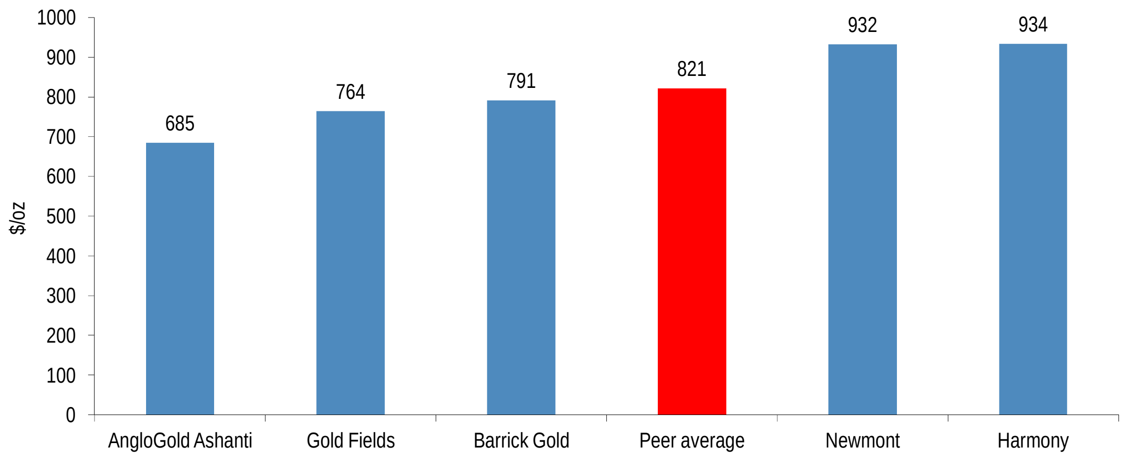
Gold Fields is the only gold mining company to report NCE, although it is beginning to receive attention among our peers.

Our NCE for 2009 was $763 per ounce, increasing to $826/oz in Q1F2010. That may look high but it's basically a factor of the stronger rand / dollar exchange rate. If you convert that number at the exchange rate that we used for F2009, it comes in at $750/oz, showing that we've actually improved on our NCE.

FINANCIAL STRATEGY

Notional Cash Expenditure (NCE)

NCE FOR 12 MONTHS TO JUNE 2009



Source: Company reports, J.P. Morgan.
Note: NCE = Operating costs excluding royalties plus capex expressed per ounce of gold sold.
Newmont does not report royalty costs separately. Royalty costs stated here are J.P. Morgan estimates and actuals could differ.

NCE COMPETITIVE AGAINST OUR PEERS

This slide shows that in terms of NCE Gold Fields ranks well relative to its peers and lies at the bottom end of the NCE curve.

FINANCIAL STRATEGY

Impact of Rand

Impact of Rand on Group operating profit

	US$/ZAR	$/oz	Operating Profit (Rm)	Margin (%)	Capex (Rm)
Q1F2010	7.82	956	2,787	38	1,740
	7.00	956	2,204	33	1,668
	8.00	956	2,915	38	1,757
	9.00	956	3,625	43	1,845
	10.00	956	4,335	46	1,933

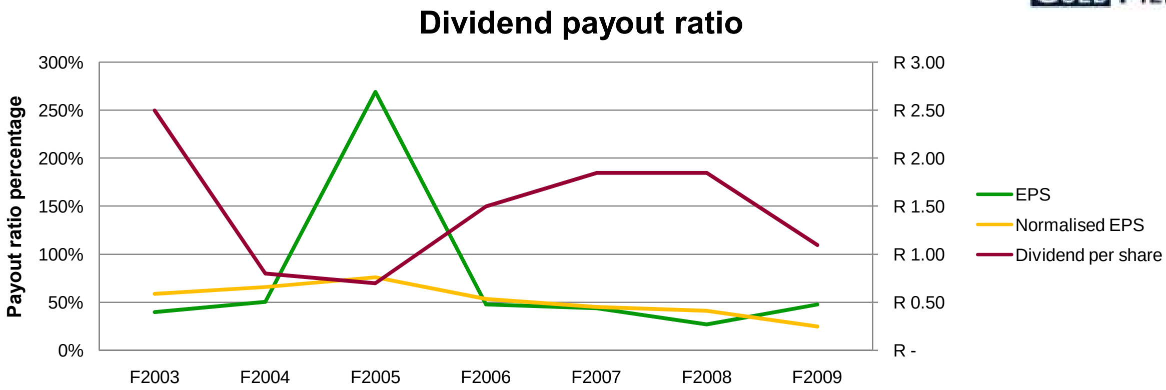
WELL POSITIONED TO SURVIVE STRONG RAND

This is a sensitivity analysis on the impact of the rand, keeping USD gold prices constant.

This shows that Gold Fields is well positioned to survive a strong rand and shows that we are able to cover, even at a R7/$ exchange rate, our capital expenditure.

Worth noting is that for every 20c move in the dollar/rand exchange rate, operating profit moves by approximately R100 million.

FINANCIAL STRATEGY **Dividend Policy**



		F2009	F2008
Dividend payout ratio	EPS	48%	27%
	Norm EPS	25%	41%

- Based on 50% of earnings
- After investment opportunities
- Excluding impairments
- F2009 total dividend 110 SA cents

RELATIVE TO PEERS BEST DIVIDEND PAYER

Our dividend policy is based on net earnings after investment opportunities, excluding impairments.

Growth opportunities include two things, acquisitions as well as growth capital.

It is evident that over the last couple of years we've maintained a 50% payout based on normalised EPS or headline EPS, and that we're still one of the better dividend payers in the gold mining industry.

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FINANCIAL STRATEGY — Conclusions

Well Capitalised
No Toxic Financial Instruments
Financial Flexibility
Focused on cash generation
History of superior dividend payments

STRONG BALANCE SHEET

To conclude, Gold Fields has a strong balance sheet and is well capitalised.

We have no toxic financial instruments with ample financial flexibility.

The focus is on cash generation and we have a history of superior dividend payments.

With that I hand over to Nick to do the conclusion.

END OF TRANSCRIPT