GOLD FIELDS

Speaker	Narrative
Operator	Good afternoon and welcome to the Gold Fields quarter two of the fiscal 2009 results. All participants are now in listen only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. If you should need 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	Thank you very much, Dylan. Good afternoon ladies and gentlemen, and thank you very much for joining us for this results teleconference call. We have in the room Mr Nick Holland, the Chief Executive Officer of Gold Fields. He will do a brief introduction after which he will hand to Paul Schmidt, our new Chief Financial Officer who will take us through some of the financial numbers. After that Vishnu Pillay will take us through the South African operations and Glen Baldwin through the international operations after which we will go back to Nick for a wrap-up. We will then take questions from the audience. Nick, I hand over to you.
Nick Holland	Thank you, Willie, and good afternoon or good morning to everybody, wherever you may be. Firstly I would like to introduce Paul Schmidt who was recently appointed as CFO. With Paul's appointment the senior leadership team of Gold Fields is now complete. If I look at the highlights of the first half of financial 2009, back in May of last year I characterised 2009 as the year of two halves, with the first half focused on setting Gold Fields up to again produce at a rate of approximately 4 million ounces per annum and the second half of fiscal 2009, a period during which we will start to see the benefits and improve cash flows. To achieve this we had to effectively deal with the power interruptions early last year. We have to do extensive safety remediation work at our South African operations. We needed a step change in safety performance in particular at our South African mines and we have to complete our international growth projects. Having largely achieved all of these objectives we are now at the point where we can look forward to the second half of fiscal 2009, during which we should see the benefits of our efforts result in much-improved cash flow generation. We have achieved our quarter one and quarter two production targets and we were on track to achieving the guidance provided for quarter three, adjusted for the decline in the copper price. In terms of remediation projects in South Africa, the main shaft steel replacements at Kloof were completed on schedule as was the critical secondary backlog at Driefontein. South Deep, 95 two west and three west ramps was completed and the vent raise hole where the tragic accident happened in May 2008 was repaired and is about to be commissioned. With all of the rehabilitation projects complete the SA ops are now well-placed to increase production from around 15.5 tonnes a quarter to around 18 tonnes a goal per quarter. In terms of the growth projects, I am pleased to report that we have achieved all of our targets. The CIL plant expansion of the Tarkwa mine was completed and reached its design capacity of 1 million tonnes per month on 23 December of last year. Cerro Corona improved, reached name plate capacity of 500,000 tonnes per month by late December 2008 and production at Belleisle and Cave

Rocks at St Ives have ramped up in December.

During the past two quarters we have achieved the step change in safety that we planned for. Our ongoing efforts in the area have resulted in significant improvements in all safety metrics. While we have not achieved our target of zero harm as yet, we have seen a significant improvement with only eight fatalities for the year to date. That is over six months against a total of 47 for financial 2008.

Looking briefly at the results for the second quarter of 2009, gold production was up 5% to 839 000 attributable ounces. That is in line with the guidance. Cash costs were flat in Rand terms but the newest Dollar terms were down 21% to $487 an ounce, driven by the weaker Rand. NCE, national cash expenditure, that is the all-in cost of production including capital, was down to $774 an ounce and then includes, of course, all of the remaining capital of the expansion projects that I spoke about earlier.

Operating profits were $268 million. Net earnings, $54 million. An interim dividend of 30c per share was also declared. Gold Fields remains the highest dividend payer in the gold industry. Talking briefly about uranium, we have identified around 600 million tonnes of resource of which about two thirds is on surface and 200 million tonnes underground and about 4.2 million ounces of gold on surface. Where originally said we would review those options on how best to optimise the uranium objective. After a careful review of all of the options available we have decided to complete the full feasibility study on a stand-alone basis. Drilling has been accelerated for the [unclear] resource expected in June, and a reserve by November of this year. There is extensive metallurgical test work and pilot work underway and an investment decision is expected in December 2009.

Now that our strategy of plans for South Deep is battened down we have done some work to see if we can accelerate the build-up of this mine. There is an opportunity to increase production from current levels of approximately 200,000 ounces per annum to around 320,000 ounces per annum. Potentially by the first quarter of fiscal year 2010. In other words, the September quarter of this year. We will do it by refurbishing the South shaft and accelerating the depletion of the current mine reserve of 3.3 million ounces. We have started on this work and we should see the build-up starting to come through from June of this year. The long term target for South Deep remains 800,000 ounces per annum. By the end of calendar 2014 with around 750,000 ounces coming from the mechanised bulk mining and around 50,000 ounces from low profile mechanised mining of the VCR.

In terms of our outlook for quarter three, we expect to produce around 960,000 ounces for the quarter, an increase of 14% against the current quarter and that is despite the 12 day Christmas break in South Africa. We have previously said that we aim to achieve a production run rate of approximately 1 million ounces during quarter three. All our mines remain on track for us to achieve this milestone, except for the lower copper price which impacts the conversion of our copper at Cerro Corona into gold equivalent ounces. By converting the copper at the current copper price we lose about 25,000 ounces per quarter despite the fact that the physical amount of gold and copper produced is

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	expected to be spot on the target. To allow for this negative impact to the copper price on equivalent ounces, we have revised our own target of 1 million ounces during quarter three to be achieved by the March month down to a run rate of around 975,000 ounces. Despite this we remain committed to achieve a 1 million ounce run rate as soon as possible. As I said, total goal produced for quarter three as a whole is expected to be about 960,000 ounces. That is slightly lower than the 975,000 ounces steady state because of the Christmas break. Cash costs going forward, we are well-placed to benefit from cost reductions due to a pull-back in mining consumable practice, our power conservation programmes and lower oil prices. Cash costs for quarter three, we expect it to be around $440 per ounce if the Rand holds at R10 to the Dollar as a result of the high production and lower costs. In terms of NCE, with the growth projects now complete capex will decrease significantly in the second half of 2009 which will contribute positively to NCE which is expected to be approximately $630 per ounce. This will put Gold Fields in a very good position to start generating more cash flow and return to a cash positive position. With that introduction I now hand over to Paul who will briefly take us through the financial highlights.
Paul Schmidt	Thanks, Nick. Good morning, everybody. Let me start with the income statement. As Nick mentioned earlier gold produced increased from 798,000 ounces to just over 839,000 ounces. This 839,000 is in line with the guidance at the September quarterly. If we look at the Dollar gold price, the realised Dollar gold price decreased from $874 per ounce to $792 per ounce. The net effect of the increased production and the lower Dollar gold price resulted in revenue decreasing from $740 million to $718 million. If we look at net operating cost, net operating cost decreased from $536 million to $450 million. If you look on the nature of two things: First of all, we see the inclusion of a full quarter's cost from Cerro Corona as opposed to one month in the previous quarter. The offset to this was the conversion of the South African operations cost into Dollars at a much weaker Rand exchange rate. In the previous quarter we converted the Rands to Dollars at R7.74. In this quarter it was at R9.82. The effect of the above is that operating cost increased from $203 million to $268 million. What is pleasing is that the operating margin increased from 27% to 36%. If we look further down at the income statement of exploration, exploration increased from $9 million to $15 million. The main reason for this increase is the inclusion of cost at our Talas project in Kurdistan as well as some of our joint ventures with Sino Gold in China. If we look at net profit attributable to ordinary shareholders, this increased from $5 million to $54 million or from US1 cent to 8 cents per share. If we look at normalised earnings, net profit attributable to ordinary shareholders but excluding losses from the relatives, losses from foreign exchange, losses from associates and exceptional items, this increased from $15.6 million to almost $60 million and from 2 cents to 10 cents per share. If we move across to the cash flow, if we look at cash flows from operating activities, this basically increased from almost zero in the previous quarter to

	$186 million in the current quarter. The main reason for this is the increase in operating profit and also lower tax payment in the December quarter. If you remember, in the September quarter our tax payments were high due to the year-end tax payments made for the South African operations. If we move further down, if we look at capital expenditure, capital expenditure increased with $234 million to $239 million. In Rand terms, however, this increased from R1.8 million to R2.3 million. The main reason for the increase was due to the final cost coming through for the Cerro Corona project as well as the CLI upgrade at Tarkwa. If you look at cash flows from financing activities, in this quarter we saw a net outflow of $39 million compared to an inflow of $335 million in the previous quarter. The reason for the net outflow this quarter was to create a 50% redemption of our cash shares in South Africa which is about R620 million. In the previous quarter we saw extensive borrowing by our South African operations to fund working capital movements. The net cash outflow for the quarter increased from $13 million to $92 million. If we add to this translation adjustments as well as cash at the beginning of the period, cash decreased from $229 million at the end of September to $109 million at the end of December. With that I hand over to Vishnu.
Vishnu Pillay	Thank you, Paul, and good morning, ladies and gentlemen. On the back of the introduction that has been given by Nick, I will get straight into the matters for the South African operations and start with safety. Over the last quarter and over the last six months there has been a significant improvement in the key safety statistics for the South African operations. The trends headed in the right direction and we are pleased to say that our fatal injury frequency rate, our serious injury frequency rate and our lost time frequency rate have all improved significantly over the last six months. The DuPont review on safety for the South African operations has been completed and the key findings relate to culture, training and the application of standards. You will recognise these learning points from the assessment and we currently have a team in place to comprehend the recommendations and derive an action plan for implementation on our operations. This action plan will only serve to supplement our current initiatives that have delivered good results for us today. In summary, the South African operations, the Kloof gold mine has completed its main shaft rehabilitation programme and I am pleased to say over the five month period we have replaced 225 tonnes of steel. That shaft is now back to normal operating mode. Secondary support across Driefontein, Kloof and South Deep has been completed as per schedule and we have installed 18,800 metres of secondary support across those operations for the six months. The vent raise hole at South Deep, the site of the tragic accident on 1 May has been completed and is awaiting commissioning, which is likely to happen in the next week or two. In particular if I discuss the operational performance, Driefontein had a difficult quarter and that is only because of a multiple fatal accident at its principal shaft 5. That resulted in a stoppage of the total mine for a period of five days. That affected production and grade. The reason why grade was involved is that we have to make moves with respect to crews from areas that were deemed to be of a similar nature where the

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	accident had happened. The reason why grade was involved was that we had to make moves with respect to crews from areas that were deemed to be of a similar nature to where the accident had happened. We decided to move back into two of the shafts on the west side of the mine - that's number six and number seven – to undertake reclamation and very limited mining. We'll see the results of that at the end of quarter three. Kloof, the remediation work has been touched on, but it's also important to note that this mine over the last two quarters has actually exceeded its guidance in terms of production despite the fact that the main shaft was out of commission. The expectation is that this shaft will get back to its normal production capacity of 6.1 tonnes per quarter. South Deep, the secondary support on the ramps has been completed and there has been a clear improvement in gold production and development over the last quarter. The project continues to remain on schedule for the full build-up by 2014. The investment in the refurbishment of south shaft which Nick touched on earlier is only to afford hoisting flexibility, and we expect to be using that shaft for the hoisting of waste by the end of quarter three of F2009. In addition that shaft provides some opportunity for the mining of the Elsberg massive. Our resource team is looking at how soon that can be accessed. Beatrix has shown an improvement in production quarter on quarter however it is nowhere near its maximum capacity. That operation has the opportunity to improve production by an additional 300kg, and hopefully over the next few quarters we will see it coming to the fore. In summary, the South African operations now have a very simple strategy in pursuit of operational excellence, and the intention is to focus strongly on safety as a principle value and top priority in the organisation. And in addition we are focussing on the delivery against our operational plan. The senior management team on the operations and on the ground has been made aware of the requirements in terms of production for quarter three and quarter four, and hopefully we look forward to discussing our results going forward into the future, given that all the safety remediation measures are now behind us. Thank you very much.
Willie Jacobsz	Glen Baldwin.
Glen Baldwin	Good day everyone. Glen here. Since the last quarterly presentation the international operations have added a full quarter of Cerro Corona production, and I am pleased to say as well that our safety performance improved quarter on quarter with a reduction in lost-time injuries. Managed gold production was substantially up, reflecting the addition of Peru to the international operations' statistics and solid performances in Australia and at Damang. The overall cash costs were down by 18% quarter on quarter to just over $500 an ounce, which was also a good improvement on the guidance of $550 an ounce. The reduction is due to the grade kick from the underground at St Ives, the inclusion of the lower-cost producer, Cerro Corona, and the weaker Australian Dollar. Of note is that the capital was also managed at levels better than guidance,

and the NCE was lower by $100 an ounce. In the quarter the Cerro Corona project was completed. The Tarkwa CIL expansion project was mechanically completed, and at the same time the Belleisle and Cave Rocks underground projects achieved full production. Going forward we are planning higher production as a result of the CIL plant expansion at Tarkwa, stoping from Cave Rocks at St Ives and mining efficiencies at Agnew. This will result in lowering the cost per ounce across the portfolio. The next main growth project is our Athena project at St Ives. We have intersected some high grade mineralisation and we aim to complete a conceptual study on the underground prospect in the March quarter, and plan to share positive news with you all about this project in April.

At Tarkwa, where production was lower than guidance due to the lockup of gold in process in the heap leach pads, we certainly planned for production to be lower quarter on quarter as a result of the plant completion of the CIL expansion and the destructive impact of the tie-ins between the existing plant and the new circuit. The lockup of gold in the heap leach was due to the placement of higher grade material on the north heaps at the end of the quarter and the inability to leach the gold before the end of this period. We plan to release a substantial portion of this lockup over the next three and six months. You may recall a steady state production at Tarkwa of around 750,000 ounces per year when we justified the CIL expansion. We are targeting 800,000 ounces per year in the next year or so with a view to the CIL plant outperforming and release of GIP from the south heap leach pads where placement has now stopped. The south heap leach material is now either being put into the CIL plant or the lower grade is placed on the north heaps. The future of Tarkwa in the short term is to optimise all processing circuits and maximise the NCE margin – that is to deliver cash.

To Damang, and looking at the results of quarter one versus the price. The margin was clearly on the wrong side of the ledger, so the mining and plant performances were critically analysed and we were able to improve the operation in the quarter. One of the differences or one of the additions to the quarter was the Rex pit, and that was started earlier by six months because we were able to amicably remove the illegal miners from the pit, and this improved the blend to the mill. The cash costs and NCE improved quarter on quarter, and we plan for more improved costs into the March quarter mainly as a function of volume. We plan to rebuild the primary crusher in this coming quarter, but this will depend on the arrival of critical spares. We have been building up the stocks of the crushed ore stockpile so there will be little impact on our ounce profile planned. The long-term production of Damang is still targeted at around 200,000 ounces per year.

The St Ives performance improved, showing the benefit of high grade sources from underground on both the mill performance and ultimately ounce production. Cave Rocks reached full production in the quarter, and Belleisle's contribution was on plan. In the next quarter we are planning to increase production again, mainly due to a full quarter of stoping at Cave Rocks, and reach our target of 115,000 to 120,000 ounces by the last quarter of the financial year end. The shortfall of the planned 113,000 ounces versus getting to the 115,000 ounce mark in the March quarter is because of a mill shutdown which will take about three days. And that's therefore an opportunity loss of a couple of thousand ounces.

The key to the future of stable underground production, and therefore the backbone of St Ives, we believe to be the Athena project and associated deposits. In the December quarter we continued to delineate this project, which is located about 2km from the Argo ore body. It appears that Athena has three distinct and parallel lodes, which are generally steeply dipping and well defined. In inventory Athena currently has about 1.5 million ounces and it is open at depth. Athena also appears to be steeper, higher grade and wider than Argo. We plan to complete the conceptual study on Athena in the March quarter, and if positive, move to a feasibility study immediately. If you add up the inventory of the deposits around Athena there are over three million ounces, including Athena, which has been newly defined within the last year.

At Agnew production was pretty much in line with the guidance at 45,000 ounces. The Songvang low grade stockpiles were totally depleted, and we have decided to mill other low grade stockpiles to clean up environmental liability. In the March quarter we aim to increase production from the Waroonga complex from about 55,000 tonnes per month to 70,000 tonnes per month. The lower grade Main Lode ore blended with the higher grade Kim Lode ore is planned to produce about 200,000 ounces per year going forward. We have proved the continuity of Kim and Main lodes at depth, and so we have already put in place plans to ensure a life of in excess of five years at Agnew going forward, and we'd like to see some of that reflected in the declaration in the middle of this year.

At Cerro Corona the project capital of $545 million was completed in the December quarter. The mine outperformed guidance substantially with respect to physical production of gold and copper. In fact the ramp up of the mine to full production given the complexity of the mineralogy is exceptional. The mine did perform well, and the plant finished the quarter strongly. The issues within the mine's control are copper recoveries, construction of the tailings dam and general tailings dam management. However, out of our control – as you're all aware – is the copper price, and this impacts on equivalent ounces. In the December quarter we were actually up 20% on guidance in terms of equivalent ounces at the estimated copper and gold prices at the start of the quarter, but only slightly better than guidance at the end of the quarter because the copper price was lower.

In the March quarter and we are planning much higher production levels of physicals as one would expect, but not going to realise the equivalent ounce benefit due to the low copper price. I see the copper price is up today, so if you're buying stock please keep doing so, and hopefully we can push the copper price higher. During this quarter we will again review all aspects of the Cerro Corona mine with the objective of generating an NCE with margins at $800 per equivalent ounce.

In closing the major projects are complete, and the next project in the international operations may be the brownfields development of Athena at St Ives. We plan to increase gold production with improvements at all operations compared to the December quarter, with the result being substantially lower NCE. The March quarter will be one of consolidation at each mine, changed

	management from projects to operations and delivery on the plan. The international operations have positioned themselves well to take advantage of the current higher gold price, and generate a pre-tax NCE margin of in excess of $200 per ounce. Thank you.
Nick Holland	Thank you, Glen. In conclusion let's talk briefly about the gold price – I'm sure it's going to be one of your questions – and how we see the gold market at the moment. I think it's worth saying that investments in ETFs are up to around 1,200 tonnes of gold, which again has increased substantially from before. The central banks are not selling their full allocation in terms of the Washington agreement, and over the last quarter of last year coins and small bars basically could not be found. And this has resulted in a premium in particular on Kruger Rands. Mine supply also year on year was only up 2%, and that certainly is well below a lot of the forecasts that various research companies were talking about. Add to that the positive sentiment for gold, the fact that a lot of people believe it really is a store of value and it's actually got its position back as that, the situation around the world with the financial crisis that will continue, we believe that gold has the potential to go higher. How much higher is very difficult to say. I'll leave that up to you to consider, but $1000 an ounce, we think that's not an unreasonable target for the balance of this year. Against that background Gold Fields is moving into a higher production scenario. We expect to increase our production by around 14% going into the March quarter, and if prices hold up, and in particular if the exchange rates in both South Africa and Australia stay where they are, we'll be well placed to benefit from the gold price improvement, production improvement and the continued weaker currencies in those countries. Also with the base metal pullback we are seeing reductions in various input costs. Oil in particular translates into lower diesel costs, which particularly impacts our international operations. And we're also seeing other lower input costs like steel and ammonia etc. So those cost reductions take time to flow through, but I think we'll start seeing them coming through over the balance of this fiscal year. Also the lower capex now that we've completed our major projects, as Glen has indicated, puts us in a good position to harvest our projects and also to benefit from the higher gold price, and therefore achieve our strategy of improving our cash flow. We're not looking for any particular heroics in terms of M&A activity at this stage. The most important focus for us is to steady the ship to deliver the guidance, and then we'll see where we stand after that. With that we'll hand over for any questions that people may have.
Operator	Thank you very much. Ladies and gentlemen, at this time if you would like to ask a question please press star and then one on your touchtone phone. If you then decide to withdraw your question please press star and then two. We'll just pause a moment to see if there are any questions. Our first question comes from Paul Durum of the HSBC. Please go ahead.
Paul Durum	Hi gentlemen, good morning. Could you just flesh out the exploration a bit more? You've got a slide there and I see quarter on quarter you did spend a good deal on a few projects. I think you said there is one in China and

	somewhere else. If you could give us a flesh out on the exploration that would be great.
Nick Holland	Sure. I think the one that's worth mentioning that's a major increase quarter on quarter is the Talas project. That's in Kurdistan. That's a joint venture with Orsu, a London listed company. It's a copper-gold porphyry, a very large prospective anomaly. And the drilling results are getting better and better so this is a project that we can earn into over a period of time, and we've stepped up expenditure on that. We've been looking at this one for quite a while now, and that's one in particular that looks particularly interesting. The other sort of notable exploration expenditure to talk about is the brownfields exploration, particularly in Australia. A lot of people may not know, but we're spending about $30 million to $35 million a year in Australia on exploration. A lot of that is accounted for in capital expenditure by the way. And as Glen has mentioned, a lot of targets in Australia are providing the opportunity to more than double the current reserve base. And I'm not talking about something in three to five years. I'm talking about something in the next 18 months that could come through. And also at Agnew we believe there is a possibility to convert a two and a half year mine life implicit in the reserve statement to a mine life of five years and possibly more. So those were the three main items that we are spending on. In China we obviously have a joint venture with Sino and we are stepping up exploration activity at two sites that are identified there. That's also looking promising into the future. But I think this gives you a sense of the [unclear] financial position is spending approximately $100 million a year in growing the company for the future.
Paul Durum	Good, thank you. Just one final question if I may. You've got a slide on capex going forward the next couple of quarters. Long-term what do you expect the trend of that capex to be?
Nick Holland	Well it really depends if we continue doing as we are. If we continue running along as four million ounces I don't think you're going to see any material increase that because it's really sustaining capital. If the uranium project gets the nod then clearly that's going to be extra capital. Again I don't want to give you estimated numbers at this point in time because let's rather wait for the board to see whether they approve it. Obviously Athena would come through, but that's by and large sustaining capital because as St Ives has a series of mines that continually get depleted and replaced, a large part of this would go into sustaining capital anyway. So that really means that absent any more significant findings, absent any other acquisitions that require capital and absent any decisions on the uranium project we're probably not going to see any figures moving substantially at this stage. Obviously we still have the potential for further extensions at Driefontein and Kloof into the future, and at some stage they'll come back on the table, but I don't think we're looking at that over the next year. Probably thereafter.
Paul Durum	Great, thanks very much, Nick.
Nick Holland	Thank you, Paul.
Operator	Our next question comes from [unclear] of Citadel Investment Group. Please go ahead.

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Citadel Invest.	Hi, guys. Thanks for doing the call. My first question on capex Nick has just answered beyond '09. The second question I had was South Deep's ramp 32,000 ounces from first quarter F2010. Could you give us more colour on what the next two to three years might look like before you obviously get closer to 750,000 and mechanised mining? That's the first question. Secondly, one of the overhangs on Gold Fields is the 6.7% share that is expected to come onto the market from Mvelaphanda Resources. Can you give us any colour on how you think that plays out over the next six months? I think you're going to issue them the shares in a couple of months from now.
Nick Holland	Let me deal with the second question first, then I'll ask Vishnu to give you a shorter term view. We can give you guidance on how we see 2010, and these are order of magnitude figures for South Deep. Beyond that it's probably a gradual build-up. But he will give more colour to that. Coming back to the 50 million shares of Mvela, first of all they've got to get the shares. You know they only get the shares on the 17th March, so they haven't got the shares yet. And obviously they need to decide what they want to do with the shares. We have a pre-emptive right in the event that they wish to dispose of those shares. So I think the first tip is they've got to get the shares. They then need to decide whether they want to keep them, sell them or whatever. And to the extent that they want to sell them we have a pre-emptive right. And we can't actually tell you today what we're going to do on shares that might potentially be put out in two months' time. I think we have to deal with that at the time because I can't talk for Mvela and there is no guarantee that all of the shares will be sold. I think a lot of people are thinking the whole block comes loose. I don't know whether you can conclude that. And also whether we're actually going to take up our rights on a smaller block versus the entire block, it's an entirely different decision. So we have to wait and see what Mvela wants to do, what their strategy is. And then once we know that we can mould our own strategy. On the first part of your question, let me ask Vishnu.
Vishnu Pillay	Good afternoon, it's Vishnu. On an annualised basis South Deep is currently doing 7.2 tonnes of gold a year. And for F2010 we expect that to increase to 10 tonnes a year. I just don't recall right now the exact figure for F2011. I'm quite happy to send that to you via Willie's office. Having said that, the build-up for 2010 is pretty much in place, and we expect to achieve the tonnes per annum target. A lot of that will depend on us bringing south shaft into operation, purely to give us flexibility to hoist waste. And we're currently refurbishing that shaft going forward. We expect to start hoisting between 30,000 and 40,000 of waste from the end of this quarter. I'll make sure that you have access to the remaining year's production through Willie's office.
Citadel Invest.	Okay, thank you.
Operator	Our next question comes from David Haughton of BMO. Please go ahead.
David Haughton	Hi Nick, and thank you for hosting the call. I've got two questions, one probably to be picked up by Paul and the other one by Glen. The first one relates to the South African royalty coming in on the 1st May. And I'm wondering how you intend to express that royalty, whether it's included in your cash costs or whether you'd have a separate royalty line to identify it. And if it is in the cash

	costs whether the guidance going forward will include that.
Paul Schmidt	Generally the royalties are included in the cash costs. We're expecting it to be in the region of 2% or just above 2% for our operations. I don't think it will have a material impact on the South African cash costs going forward in terms of the guidance that we've given. That's about all I can say at the moment.
Nick Holland	[inaudible segment] capital at two of the mines, which will probably mean that the royalty will probably kick in on two of those mines at the minimum level of 0.5%. Beatrix and South Deep have utilised losses which can utilise the royalty. So the impact on us is going to be diluted by that consequence. We don't have the precise figure today, but Paul's estimates are about right. I don't think it's going to have a significant impact.
David Haughton	Okay, and the second question relates to the ramp-up of the CIL at Tarkwa. It seems a little bit slow. I'm just wondering whether you'd be able to provide some guidance as to what your expectation is for throughput and production for FY09 and FY10.
Glen Baldwin	Thank you. I've been waiting for that question actually. Slow, not necessarily actually. What happened was we put first rock into the mill in the middle of December. We reached the name plate capacity in terms of a day's drilling on the 23rd December, and since then we've consistently achieved over 25,000 tonnes per day. And obviously there have been a couple of days when we've taken the mill down to do what we call normal maintenance checks of the mills and other part of the circuit, which you always do with a plant of this magnitude. Certainly in the March quarter we plan on getting up to the constant run rate of a million tonnes per annum. And if you normalise that it's somewhere around 34,000 tonnes per day. We do plan to possibly go and tweak the circuits somewhat and see what we can do in terms of exceeding that going forward. You can see in the book it basically says that we are going to look to a number of around 190,000 ounces from Tarkwa. That's obviously the full complex, which is the CIL plant plus the north heaps plus the GIP release from the south heaps. And we would expect production from Tarkwa to be... well, we're planning to get up to around about 200,000 ounces per quarter from quarter four for at least the next four quarters after that. For modelling purposes that number of 190,000 to 200,000 ounces is definitely in the right range, and we think there is an opportunity to get the 200,000 ounces per quarter for at least the next year. So that really would take you through to the end of F2010.
David Haughton	All right. Well, thank you very much.
Operator	Our next question comes from David Leffel of Deutsche Bank. Please go ahead.
David Leffel	Thanks, gentlemen. A couple of questions. Nick, the first one I guess is dividend cover. Historically Gold Fields aims at a two times dividend cover, and even maintained that cover during F2008, which was clearly with extremely high capex. Now the capex is falling off and the gold price is better and the cash flow generation far higher, I just wondered by now the board has chosen to [unclear] the balance sheet to be of even greater strength than it was. Why

Speaker	Narrative
	the reduction in dividend cover at this point in time?
Nick Holland	The dividend policy is very clear that it's a 50% payout, as you correctly say, subject to investment opportunities. And that's documented in the annual report. As you've heard, we spent a lot of capital over the last six months to get the Corona and Tarkwa projects finished. In fact the capital has increased R500 million this last quarter as the last of that capital came through. And we feel that we've got to adjust this at a point in time, and that we should take a prudent approach. It's a 38% payout relative to a 50% payout, so we've paired it back slightly because of that higher capital. Yes, you're right. The gold price is going up and the production is going up. Once we have delivered the results in the second half then clearly we can re-evaluate the final dividend for the year once we've actually delivered on what hopefully will be a much better second half. I have to look at the numbers, and Paul and I have looked at the numbers for the first half, and we believe it's prudent to pair it back slightly to take account of the high capital. But we hope to reward shareholders in the second half of the year on the projects that will deliver for us.
David Leffel	Okay. So there's not an identified investment opportunity by way of acquisitions or something that you're building up some powder?
Nick Holland	No, no. It's purely because of the last of the capital on the projects that has impacted the cash flow up to the end of December. And we're looking at that period to assess what dividend we can pay, not the looking forward period. The looking forward period will be dealt with on the final dividend.
David Leffel	Okay. And just a follow-up question. On Cerro Corona I see in the notes something about capital being spent on Aguilas dam. Is that a freshwater dam or is that a second tailings dam facility?
Glen Baldwin	Glen here. Essentially the main tailings facility at Cerro Corona has two dams to start with. If you can picture you've got two valleys which are side by side and a little hill between the two of them. We started the Las Gordas starter dam, which you will probably remember that dam starting some time ago. That gets basically build up to the top of the hill which separated the two valleys. The Las Aguilas dam is in the other valley, and that gets built up to the top of the hill sometime around the end of this calendar year. And then basically the Las Aguilas and the Las Gordas dams then join together, and you build one very wide dam up to the final elevation.
David Leffel	Okay. Thanks. One last question. I see in the notes South Deep, previously you were guiding to 750,000 ounces production after closing the VCR section, and now there are some notes around low profile mechanised VCR. Maybe take us through why you've axed the VCR and why six months later you can re-enter that. I guess it's been 18 months since you closed the VCR.
Vishnu Pillay	Good morning, it's Vishnu here. Let me answer that question. When we exited the VCR it was for the simple reason that the mining horizon has intersected a major geological feature and mining could not continue. So there was a very clear reason for that. At that point we had taken the decision that we would have to review the operating mode of that mine and leave behind conventional mining and mechanise that operation going forward into the future. We realise

Speaker	Narrative
	that there's a significant VCR potential available to that operation in the order of about a million ounces. And what we are doing is looking at how best we can extract that through mechanised means. Even at Kloof, which is a neighbouring mine to South Deep, we are mining VCR and we are currently trialling mechanised equipment for the extraction of the VCR.
David Leffel	So would you say it's highly likely or 50/50 or one in three? It sounds like it's still pretty early days.
Vishnu Pillay	It's still early days, but I can assure you that as much as I sit here and tell you that South Deep still remains the best asset in the group, we're going to go for this hell for leather, both at the twin shafts and at the south shaft complex.
David Leffel	One last question, then we can go off line if it's too complicated. Originally the VCR issue was a rock mechanics issue. And now when you've stepped away you've decided to do the cut with rock mechanics within the massive. Doesn't this change the plan again around rock mechanics, considering where the VCR lies versus the bulk material?
Willie Jacobsz	David, can we give you a call and we can take you through it offline so we can give other people an opportunity, please?
David Leffel	Okay.
Willie Jacobsz	I'll give you a call afterwards and we can set it up. It's Willie here.
David Leffel	Thanks.
Willie Jacobsz	Next question.
Operator	Ladies and gentlemen, a reminder that if you would like to ask a question please press star and then one. We'll just pause a moment to see if there are any further questions. Gentlemen, we have no further questions. Would you like to make some closing comments?
Nick Holland	Thank you very much for attending the call, and certainly we're filled with optimism for 2009 and we believe that safety is definitely a priority for the company and will continue to be. We're still targeting four million ounces on an annualised basis, and we want to give more consistency and delivery of our assets. As I said earlier, the first and most important priority for this company is to get our assets to deliver their potential, and after that we'll see what we can do. Thank you very much everybody. We look forward to talking to you soon. Bye.
Operator	On behalf of Gold Fields that concludes this afternoon's conference. Thank you for joining us. You may now disconnect your lines.

END OF TRANSCRIPT