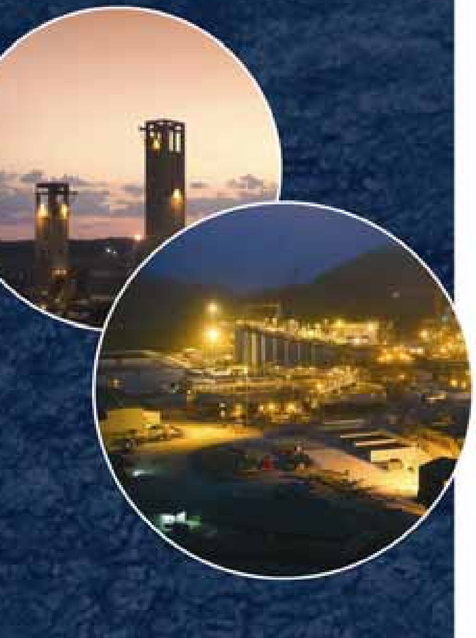
Q3 F2009

GOLD FIELDS



RESULTS FOR THE QUARTER ENDED 31 MARCH 2009

– Unaudited –

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Speaker	Narrative
Operator	Good afternoon and welcome to the Gold Fields third quarter results conference call. I would now like to hand the conference over to Mr Willie Jacobsz. Please go ahead, sir.
Willie Jacobsz	Thank you very much, Leroy. Good afternoon and good morning, ladies and gentlemen. Thank you for joining us for this conference call on the March results for Gold Fields. The format that we're going to follow is that our Chief Executive Office, Nick Holland, will give a brief introduction to the results. After that we will hand over to Paul Schmidt, the Chief Financial Officer. Following that Vishnu Pillay, our Head of South African operations, will give an overview of the South African performance. And then Glen Baldwin will follow that with an overview of the international performance. We will then take questions and answers. I now hand over to Mr Nick Holland to give us the introduction.
Nick Holland	Thank you, Willie, and good morning or good afternoon, ladies and gentlemen, depending on where you are. Thank you for joining us for this review of the Gold Fields results for the March quarter. In a nutshell quarter three can be summarised as a quarter in which Gold Fields started to demonstrate its ability to generate real free cash flow on the back of improved safety, higher production and lower costs as well as lower notional cash expenditure. This is exactly what we've been working towards since I took over as CEO exactly one year and one week ago today. In reviewing this quarter's results it is appropriate to reflect briefly on our strategic focus for 2009, and also to comment on our performance against the objectives we set for ourselves a year ago. The first three quarters of F2009 were focussed on setting Gold Fields up for the future, particularly in terms of the South African operations and restoring production closer to historical levels and our immediate term target of approximately one million ounces per quarter. In doing so, Gold Fields will be well placed to generate strong cash flows. To achieve this we had to first of all make a step change in the safety performance of the group. Secondly, complete the safety-related rehabilitation and maintenance of infrastructure at our South African operations, in particular the replacement of the steel infrastructure at the Kloof main shaft. Thirdly, complete the secondary support backlog at all of our South African mines, and lastly complete our capital projects, in particularly the Cerro Corona mine in Peru and the carbon in leach plant expansion at Tarkwa in Ghana. In each of these areas we have delivered on our commitments, and the build-up of production is firmly underway, albeit at a slightly slower pace than initially planned. First of all I'd like to talk about safety. In terms of our first objective the overriding theme for Gold Fields during the past three quarters was undoubtedly safety. Exactly one year ago today, on the 7th May 2008, I said we will not mine if we cannot mine safely. We have relentlessly adhered to this principle and at times during the past nine months we've had to curtail production severely in order to improve safety. I am therefore pleased to report that this approach has paid off and has indeed resulted in a step change in our safety performance for the year to date. During the previous financial year, that's F2008, Gold Fields experienced a shocking 47 fatalities. With only two months to go before the end of F2009 the number of fatalities has come down to only 13. And whilst we relentlessly strive for zero fatalities, this performance is

particular pleasing.

The safety drive over the past year has undoubtedly proven that safety and superior productivity go hand in hand. However, it is important to note that we're not declaring victory in our quest to improve safety. This remains work in progress, and we still have a long way to go. Our objective remains to eliminate all serious and fatal accidents in the group. This is our highest priority, not only from a moral point of view but also from a production and earnings perspective. In our view 13 fatalities, while much improved over the 47 of the previous year, is still unacceptable, and we will continue in our pursuit of a safe working environment free of serious and fatal accidents.

If I look at production, particularly pleasing is that during the March quarter eight of our nine mines reported production increases. Attributable gold production increased by 3% to 871,000 ounces from 839,000 ounces in the December quarter, which brings the accumulative annual production increase to 10% from the 798,000 ounces reported in quarter one. Production at the South African operations increased by 3% from 501,000 ounces to 517,000 ounces, with production at the flagship operations, Driefontein and Kloof, increasing by 10% and 15% respectively. Attributable gold production at the international operations increased by 5% from 338,000 ounces to 354,000 ounces.

Looking at costs during the quarter, our cost control remained very good with cash costs improving by 2% to $471 per ounce. Particularly pleasing is that our notional cash expenditure or NCE, which is operating cost plus capital expenditure, improved by 13% to $668 per ounce. What this means is that during the quarter Gold Fields generated $238 per ounce of free cash flow before interest, taxes, dividends and exploration for every ounce of gold produced. This demonstrates our ability to capture the higher gold price, which was 14% higher at $906 per ounce, for the benefit for our shareholders. On the back of increased production and a higher gold price for the quarter our operating profit increased by 55% to $416 million, and our net earnings by 160% to $140 million, or from 8c US per share to 21c US per share.

With the completion of the safety rehabilitation projects in South Africa as well as our major capital projects at the international operations at the end of December the March quarter was in essence a build-up quarter. We did, however, experience unexpected challenges at Tarkwa and Beatrix during the quarter. I just want to mention very briefly about these two operations. Tarkwa managed to increase production by 9% during the quarter despite several commissioning problems with the new CIL plant expansion in January and February. This included the failure of a conveyer system which reduced the quantity of feed from the crusher to the sag mill, as well as process flow problems which choked the thickness of the new plant. Glen will provide more details of these commissioning issues in his section. It's worth noting though that the mining at Tarkwa has been going extremely well, with both planned volumes and grades being achieved, and these commissioning challenges that we've suffered over the last quarter have largely been resolved. And we expect to have a much better quarter in the June quarter. Glen will give you more details in a moment. Beatrix had a tough quarter, and this was the only one of our mines where we've seen a decline in production. The main drivers of the lower than planned

	production at Beatrix relate to lower mining volumes associated with lower flexibility and lower yields impacted by mine quality factors. Vishnu Pillay will give you more details on this in his section. I want to spend a minute or two on South Deep before I hand over to Paul Schmidt to go over the financials. Production for the quarter did increase by 2%, and much greater confidence has been gained on the outlook for South Deep going forward. In August last year I ordered a comprehensive and detailed strategic review of the South Deep plan refereed by external consultants. This review was completed early in the March quarter. The review confirmed that South Deep should achieve its full production run rate of approximately 800,000 ounces. Expectations are that this should be achieved by the end of calendar year 2014. It further confirmed that the capital expenditure required to get there will be approximately $800 million to $850 million in current money terms. However, an added positive outcome of the review was the implementation of a plan to accelerate the build-up of South Deep significantly. To this end the old south shaft system is in the process of being refurbished, and will be brought back into production by the end of June. Starting in July of this year this will give us an additional 50,000 tonnes a month of hoisting capacity. This additional short-term hoisting capacity will enable us to increase production in the near term while we complete the second of the twin shaft system, which is planned for early in 2012. Hoisting capacity at the incomplete twin shafts is currently at about 175,000 tonnes per month and will increase to 330,000 tonnes per month when fully completed. As a result of the short-term increase in hoisting capacity through the recommissioning of the south shaft system production should increase from approximately 200,000 ounces during F2009 to approximately 300,000 ounces during the course of F2010. A further increase is likely in F2011. And with that brief introduction I now hand over to Paul Schmidt, our Chief Financial Officer, who will take us through the financials.
Paul Schmidt	Thanks Nick and good day, ladies and gentlemen. As mentioned earlier, gold production increased 4% from 839,000 ounces to 871,000 ounces this quarter. The realised Dollar gold price increased from $792 per ounce to $906 per ounce. The net effect of the increased production and the higher gold price achieved resulted in revenue increasing 21% from $718 million in December to $869 million this quarter. On the cost side net operating costs were flat quarter on quarter at about $453 million despite the 4% increase in production. I'm pleased to report that we have successfully managed to realise savings on commodities such as copper, steel, diesel and explosives. During the March quarter at the South African operations approximately $2 million in savings were realised in fuel and copper price reductions. In terms of the international operations continued cost savings from contracted rise and fall mechanisms on mainly diesel, steel balls [?] and ammonia were achieved, resulting in a saving of around $10 million for the quarter. Total cash costs decreased by 3% from $487 per ounce in December to $471 this quarter. NCE or notional cash expenditure, which is operating cost plus capital expenditure. The NCE for the group decreased by 14% from $774 per ounce in the December quarter to $668 per ounce in the March quarter. This is on the back of the lower cash costs mentioned earlier as well as lower capital expenditures as a result of

Speaker	Narrative
	the completion of the Cerro Corona and Tarkwa projects in the December quarter. If we move over to operating profit, increased revenue and unchanged operating costs have resulted in operating profit increasing by 55% from $268 million to $460 million in the current quarter. Operating margin increased from 36% to 47%. Earnings. Net profit attributable to ordinary shareholders increased from $54 million to $140 million or from 8c US per share to 21c US per share. Normalised earnings where we exclude all the funnies such as gains on foreign exchange, profit and loss from associates and loss on financial instruments increased from $60 million to $146 million or from 10c US to 21c US per share. Cash flows from operations. Cash generated from operating activities increased by $142 million from $186 million in the December quarter to $328 million in the current quarter. The quarter on quarter increase was due to the increase of operating profit, reflecting the higher gold price and the increased production. Cash flows from investment activities decreased from $239 million in the December to $140 million in the current quarter. This was largely due to the capital expenditure decreasing from $239 million in the December quarter to $166 million in the current quarter. This decrease was mainly due to the finalisation of the Cerro Corona project and the completion of the CIL expansion project in Tarkwa in the December quarter. Cash flows from financing activities. In the March quarter there was an inflow of $5 million compared to a net outflow in the December quarter of $39 million. The net effect of this is that the net cash inflow for the quarter was $180 million compared to a net cash outflow of $90 million in the December quarter. The effect of all of this plus the exchange adjustment is that the cash balance at the end of March was $265 million compared to $109 million at the end of December, an increase of $156 million for the quarter. If we look at the balance sheet net debt decreased from $970 million in the December quarter to $810 million in this quarter, mainly as a result of the increase in cash deposits as discussed earlier. Credit rating and refinancing strategy. In March Standard & Poor's assigned Gold Fields an investment grade rating. On the back of this Gold Fields utilised this to access the local commercial paper market in May and successfully raised R568 million. The reason we did this is that the rates charged on the commercial paper were very favourable compared to bank funding, and we took advantage of this lower rate in the short term. Over and above the commercial paper issues Gold Fields has secured two additional bank facilities in the form of a R1.5 billion five year revolving credit facility and a $311 million syndicated two year revolving credit facility. The US denominated facility bears interest at a margin of 285 basis points over liable, while the Rand denominated facility bears interest at a margin of 295 basis points over total. Compared to similar deals done recently, both facilities were secured at a competitive pricing giving the current environment. This refinancing strategy improves the debt maturity profile and provides flexibility in terms of access to funding. Our intention, however, remains to reduce debt over the next 18 months. With that I hand over to Vishnu, who will take us through the SA ops.
Vishnu Pillay	Thanks, Paul, and thank you, Nick. Good morning, ladies and gentlemen, or good afternoon, depending on where you are. On the back of the introduction that has been provided by Nick I'll get straight into the matters for the South African

operations and start with safety. We regret to report that there were five fatal accidents for the quarter at the South African operations. The fatal injury frequency rate improved from 0.15 to 0.11 during the quarter, with the year to date at 0.09. An improvement in the lost day injury frequency rate of 4.92 to 4.78 was achieved, and the year to date number stands at 4.12. And the serious injury frequency rate reduced from 2.69 to 2.65, with the year to date number at 2.5.

The year to date compared with the last year fatal injury frequency rate has improved from 0.23 to 0.09. The lost day injury frequency rate improved from 8.06 to 4.12 and the serious injury frequency rate improved from 4.32 to 2.50. We are extremely pleased with the results that we have achieved, and all the safety metrics are pointing in the right direction. To maintain the recent gains achieved in the safety performance of the South African operations a safe production management initiative will commence in the new quarter. That will address safety systems, leadership behaviour and communication. The Gold Fields group remains committed to zero fatalities, zero serious injuries and no disabling incidents.

In terms of the overall performance here are a few key indicators. In summary, South African operations increased production by 3% despite the Christmas break. The increase in production was directly attributable to the increase in tonnage at Driefontein and South Deep and an improved grade at Kloof. The Rand gold price strengthened by 16% from R250,000 per kilogram to R289,000 per kilogram as a result of a higher Dollar gold price and a marginally weaker Rand Dollar exchange rate. Operating costs were flat at R2.4 billion. Total cash costs at the South African operations decreased by 4% from R149,000 to R143,000 per kilogram. NCE decreased from R214,000 per kilogram in December to R206,000 per kilogram in the March quarter. The margin at the South African operations increased from 39% to 48%.

In terms of operational performance, if I just go through the individual South African operations. Driefontein had a good quarter due to increased underground tonnage and the milling of low-grade Christmas stockpile. The estimate production for quarter four is 6.8 tonnes or 218,000 ounces of gold, mainly due to improved volumes from underground and surface at consistent values.

Kloof had a difficult quarter due to unusually high safety-related stoppages experienced during the quarter. Nonetheless, production at this operation was up 15% from the previous quarter as a result of major cleanups done during the quarter which improved the mine core factor from 73% to 97%. Work stoppages due to safety and the slow start-up after the Christmas break resulted in lower underground tonnage. The decrease in underground tonnage was offset by an increase in yield from 7.5g per ton to 9.8g per ton. Gold production for the June quarter is estimated to be similar to the March quarter at 5.4 tonnes or 173,000 ounces due to further curtailments of pillar mining in the main shaft area post the fatal accidents in January and February. In line with the Gold Fields focus on safety mine management is working closely with the safety inspectorate of the Department of Minerals and Energy to ensure that all work areas are safe. Earlier indications are that some safety interventions may necessitate a pull-back in volume at Kloof. The following key areas will provide growth in production going forward. The main shaft pillar extraction, which will come into production during Q1 of F2010, and the increased mining at number four shaft.

As Nick mentioned, Beatrix has unfortunately underperformed. Gold production at Beatrix decreased by 25% from 3.3 tonnes or 106,000 ounces in December to 80,000 ounces in the March quarter as a result of lower volumes achieved across the three main operating shafts due to limited flexibility, hoisting constraints and a slow start-up after the Christmas break. Yield decreased from 4.2g per ton in the December quarter to 4g per ton in the March quarter, mainly as a result of an [unclear] and lower values mined. Gold production is expected to improve in the June quarter as a result of improved volumes due to stope panels being fully equipped. Unpaved panels have been stopped, and the grades are expected to improve as a result. Production for the next quarter is expected to be 2.0 tonnes or 93,000 ounces.

Production at South Deep increased by 2% despite the Christmas break, and a further increase is expected in the June quarter. South Deep is now a fully mechanised mine. Production is expected to increase by a further 7% to 1.6 tonnes or 51,000 ounces during quarter four. F2010 is being planned with quarterly step changes in production output which sees the F2009 forecast of 178,000 ounces building to approxaimtely 300,000 ounces at year end F2010. Recommissioning of the south shaft for hoisting will be completed in May, and single shift hoisting is planned for F2010 for reef and waste tonnage build-up. That will be in excess of the current twin shaft hoisting capacity. Shaft refurbishment and the installation of pump and backfill columns are required to continue during the remaining shifts at south shaft. The second rock winder for the ventilation shaft at the twin shaft complex has been ordered and will be commissioned by December 2011, ahead of the base plan schedule.

In conclusion, the focus for the South African operations going forward is to accelerate back-end mechanised development at all the operations and to ensure that the plans to restore Beatrix to full capacity gain traction and momentum, the short-term drivers to increase production at Kloof are achieved safely, and that Driefontein sustains its performance and South Deep delivers against its base plan. We will continue to drive safety as a principle value and top priority. Thank you very much, and I'd like to hand over to my colleague, Glen Baldwin, who will talk you through the international operations.

Glen Baldwin

Good afternoon, everyone. The quarter was a good one for the operations in Peru, Ghana and Australia, with attributable production up by 5% on the previous quarter. Safety again showed another consolidated improvement, and was most noted at Tarkwa, where despite production ramp-up issues employee safety was not compromised. Total attributable production increased by 5% to 357,000 ounces, and the cash costs reduced by 2% to $497 per ounce. It was encouraging to see the reduction in NCE, down 22% to $694 per ounce. And this really highlights the positive impact of the completion of the Cerro Corona project capital and impact of Cerro's production into the international portfolio.

Total production at Tarkwa increased by 9% quarter on quarter as a result of the CIL expansion project ramp-up. There were more delays than planned, but I am heartened by the performance of the plant in the latter part of the quarter at near name plate capacity and exceeding daily name plate capacity at times into the June

Speaker	Narrative
	quarter. The ramp-up challenges have largely been overcome, and we expect that June's quarter production will add another 12% of ounces sold to around 170,000 ounces. The Cerro Corona production achieved in the March quarter was significantly better than the December quarter, with more gold ounces and copper tonnes produced. But due to the lower prices received the equivalent ounces remained flat. The mining is progressing to plan, the concentrator is focussing on increasing circuit recoveries, and the tailings dam construction rate has been hugely increased and this risk has essentially fallen away. The June quarter should see a slight increase in production, but a significant drop in cash costs and NCE, mainly as a result of the impact of copper price on equivalents. St Ives production continues to test the 110,000 ounce level, and is committed to only increasing production by adding profitable ounces. The cash costs remained flat, the NCE reduced quarter on quarter, and St Ives made a good cash contribution to the group. The development to the extension of the Belleisle ore body, known as the Niad [?], was started and grades are expected to be around a gram per ton higher, and also with higher recoveries in the order of 5% compared to Belleisle. The Athena conceptual study continued during the quarter, and initial indications are that the operation may look to an investment decision in the second half of F2010 upon completion of the full feasibility study. The conceptual study should be finished by the end of the June quarter, and it appears that the project could increase the delivered grades of the Lefroy mill to around 3.2g per ton from mid-2011. At Agnew production from the Kim stopes was affected by a once-off fill programme to safeguard infrastructure. All the metrics are heading in the right direction, and a lower forecast production for the June quarter is mainly due to a one in ten year event of major maintenance on the mill girth gear, where they actually take the girth gear off, machine everything and then put it back on again. Production will be back at the 50,000 ounce per quarter level in the first quarter of F2010. Importantly, the mine appears to have increased its reserve base year on year, and is fairly confident conversion resource to reserve in F2010 will extend the life of Agnew beyond five years from the Waroonga complex. Internationally the March quarter showed increased gold prices being translated into stronger cash flows, especially from the Australian operations. The operating profit was up 70% to $177 million, and the NCE was below the company target at about $694 per ounce. We are well positioned to see lower production and lower costs in the last quarter of F2009, and position the operations for F2010 to achieve the company NCE target of less than $725 per ounce. Thank you.
Nick Holland	Thank you, Glen. Ladies and gentlemen, from the overview that we've just given you it is clear that our main focus is ensuring that our current operations deliver to their full potential. This is work in progress and we will not be distracted from that objective, I can assure you. While our focus is clearly on improving our existing assets, work is continuing apace on a number of growth projects in our portfolio. We have three advanced exploration projects, the [unclear] project in southern Peru, the Talas

	project in Kyrgyzstan and the Sakarani project in southern Mali in West Africa. The [unclear] and Talas projects have the potential to be at a scoping or pre-feasibility stage by earlier in the new year, with the Sakarani project achieving this milestone late in calendar 2010. We are hopeful that at least one of these could advance to a project phase soon thereafter. We also continue to progress our uranium project in South Africa. Drilling of the historical tailings storage facilities on Westfords [?] operations has been completed. Following an internal and external review the work will be consolidated into a SAMREC confined resource to be completed by June 2009. And just to remind you, we have around 13 dumps around the Westfords operations – that's about 45 minutes drive from Johannesburg – containing around 400 million tonnes of uranium, gold and sulphur. The feasibility study of Driefontein run of mine tailings operations, that's in other words treating the uranium from current arisings, and the pre-feasibility study on the treatment of the historical tails storage facilities – that's existing dumps – is in the final stages of completion and will be followed by an external and internal review scheduled for later this month. Both studies will be completed by the end of June. All project activities are scheduled to ensure that we are able to make a final decision to progress towards a combined feasibility study by the end of next month. And thereafter I would hope that we can take this to the board in the first quarter of the 2010 calendar year for at least an in principle investment decision. At St Ives in Western Australia drilling at the Athena and Hamlet deposits continues to deliver attractive gold grades as Glen indicated to you, and initial resources for both of these projects will be included in the next resource statement due in June, with an initial reserve expected to be included for Athena. In conclusion, despite a very challenging March quarter, which includes the traditional Christmas break in South Africa, eight of our nine mines show an increase in production, resulting in positive cash generation. Gold Fields remains on a positive production projectory, and the aim is to steadily increase production safely. Production for the June quarter is expected to increase by approximately 3.5% to around 900,000 ounces, bringing us closer to our medium-term production run rate of one million ounces per quarter. The macroeconomic environment remains in favour of the gold price, and our basket of consumables has also responded positively. Against this backdrop our strategy remains to sweat [?] the assets, increase production and improve margins while avoiding any M&A heroics. We believe that this is the best strategy to unlock value for our shareholders. With that, let's now take some questions.
Operator	Thank you, sir. Ladies and gentlemen, at this point in time, if you would like to ask a question, please press star then one. If you decide to withdraw the question, please press star then two to remove yourself from the list. Our first question comes from Victor Flores from HSBC. Please go ahead.
Victor Flores	Thank you, good morning. I have three questions this morning related to the South African operations. First, with respect to Kloof, the quarter was significantly aided by the much higher grade that you've got as a result of the

Speaker	Narrative
	cleanup. Yet I see that you are looking at the same production level for the June quarter. Am I to assume that you're going to get better tonnage at a more normalised rate, or is there something else happening there?
Vishnu Pillay	Victor good afternoon, its Vishnu.
Victor Flores	Hi Vishnu.
Vishnu Pillay	The outlook for Kloof is pretty similar to what we have achieved in the previous quarter. And the reason behind that is the potential pullback in production from the main shaft area as a result of safety initiatives that we've put in place. That exercise is not entirely complete. We are reviewing a substantial number of our work areas to take a final decision on that, but we've built into it a potential pullback in production. Having said that, the focus on cleaning up in old mined out areas and getting the current horizons cleaned out will remain our focus going forward. So the expectation that we should normalise back to the average grades that we've seen in Kloof going forward.
Victor Flores	Vishnu that wasn’t clear to me. Are you saying that you're going to get back to normalised grades, not in the June quarter, but thereafter?
Vishnu Pillay	The June quarter will see normalised grades, but will see higher tonnages coming out from certain areas of seven and four shaft.
Victor Flores	Great, thank you. Just turning to South Deep, could you walk us through what the economic improvements are as a result of the decision to refurbish the south shaft? I understand the production improvement, and it gives you more hoisting capacity, but could you just briefly walk us through what the economic improvement is? Whether in terms of the overall rate of return of the project, or what it might do to costs over the next couple of years.
Nick Holland	What it does at this stage Victor... Nick here again. This enables us to accelerate the production profile. As you know, we have around 3.4 million ounces in current mine and we were scheduled to mine that over around 15 to 20 years. By utilising the south shaft system, we are able to bring some of that production forward, which otherwise would not be able to be, because we’re only expecting to get the second of the twin shaft systems fully in place and ready for utilisation in 2012. What this does is enables us to bring production forward. And the real trick here is we don’t have the economic analysis, but the marginal costs of an extra ounce of gold at South Deep is quite low because there are, as you know, incurring quite substantial costs to keep that whole infrastructure going. So every additional ounce that we can run through this infrastructure at a very low additional cost, and of course you’ve seen the Rand gold price. Even today it’s still around R250,000 a kilogram. And that is really why we’re bringing the south back and the 50,000 tons that it will give us. And next year we can generate higher ounces, and in turn, that will enable South Deep to be in the position to fund a greater part of its capital quota. And in the longer term, there is still potential for resources around the south shaft area that could also be brought to account as a separate project. We need to do more work on that, but it’s clear to

Speaker	Narrative
	us that having the south shaft system available gives you flexibility to be used if it's connected at 95 level to the twins, and also to access the additional resource that does exist around that area. So that's the main reason we're doing this.
Victor Flores	Great thank you. Then if I could just finish up with a question on Beatrix. We've talked many times before about the issues that seem to plague this mine, and it seems now it's an issue of hoisting capacity and flexibility. We've talked in the past about labour issues and fragmentation and sweeping. And I see the production in the [unclear] area is expected to go up somewhat, but not to the levels that we've become accustomed to from Beatrix. Could you give us some sense of what the holistic solution is if you will for Beatrix, if there is one?
Vishnu Pillay	Victor, in one quarter you could never fully define a holistic solution. What I have to say is that, as we come across the issues that we have to address and have been addressed on the operation, I acknowledge that previously we had issues with fragmentation. That's been resolved in changes in explosives that we've made on the operation. I also acknowledge that we've had labour issues, but I'm pleased to say we've made considerable progress with establishing a good working relationship with the union leadership on the mines. The subject of hoisting constraints essentially relates to one shaft only, and that is the principle number three shaft at Beatrix. Believe it or not, the issue here is that with the uptake in production both from the stoping horizons and development, the shaft can't actually cope with hoisting tonnages in excess of 150,000 tons a month and do maintenance at the same time. So it's not a constraint that we can't manage, and our engineers are looking at how best we can speed up the round trip time and whether we need to change the skips on the shaft so that we can go to a full 16 ton capacity. So that's work in progress, but I don't see that as a permanent restriction going forward. I have to say that the face level or the face flexibility issue is not a new one. It's been with us some time, and I think you're familiar with the fact that several years ago Beatrix had in excess of 36 months of ore reserve. That's been considerable reduced now. The challenge with respect to flexibility is really at the number one and number two shaft complexes where we have to mine pillars, and we've not been able to open up and equip a substantial number of those pillars in time to give us the flexibility that we desire to manage our mining mix, because a Beatrix mining mix is important. So that's constrained us in terms of our volume, and what were currently doing at the moment is making sure that we've got dedicated crews opening up and equipping faces at these shafts to give us the flexibility that we desire. I'm quietly confident that we are slowly getting on top of all the issues that we've been able to pick up. We've seen an uptick in production over the last two months, and we're quite confident that we will return back to anything between 3 and 3.4 tons per quarter very soon.
Victor Flores	Great, thank you very much for your answer. Thanks so much.
Vishnu Pillay	Thanks, Victor.
Operator	Just to remind you ladies and gentlemen, that if you'd like to ask a question,

	please press star then one to join the queue. Our next question comes from [unclear] from Silver Arrow Capital Management. Please go ahead.
Male speaker	Good morning. I have a couple of questions. One is, where do you see the net debt going to by the end of the year? What I understood from you in the past was that you had 47 fatalities which accounted for roughly 200 men in revenue, and where do you see the 13 fatalities that we see now? Where do you see that figure going to say by year end, again calendar year end? And then another question is could you please give us some guidance on labour costs and electricity costs for Gold Fields?
Nick Holland	Paul, do you want to answer the first question?
Paul Schmidt	I see net debt by the calendar year end going down to about $500 million. That's what we are working towards, and as you can see we have brought it down by about $170 million this quarter, and if the gold princes maintain where they are and we have the production up and the capital remains quite stable, we believe that by December we should be around $500 million or half a billion Dollars of debt.
Nick Holland	The other issues, I will attempt to answer those. Look, in terms of fatalities this year, I don't have a specific figure as to what the impact of that's likely to be. There has been some impact, because there have been stoppages during the year, but it's been nothing like what we've had in previous years. But I think the important thing that you should take away from this is the internally imposed stoppages that we've put in place, which is part of the stop, fix and continue philosophy. And what that's done is to make sure we fix things before they become a problem. And that's one of the reasons you've seen our production come down, because we've gone back and we've fixed infrastructure. We've even closed a whole shaft system over this period of six months prior to December. You've heard about the secondary support backlog that we've addressed by redeploying crews. It's more a question of internally imposed restrictions on production to fix these. Now that we've fixed those, we're going to see a rising trend in our production, and as you will see in our forecast for the South African operations, if you add up all of the forecasts for the next quarter, you'll see that we're expecting to go up to about 16.7 tons of gold in the forecast from 16.1 tons. And you're starting to see the impact that Vishnu and our team are making, given that we've stopped and we've fixed a lot of the issues. Now we are into the continue phase, and we will move forward on that basis. In terms of power an labour, power as we've said before, our power tariffs in South Africa have been rather low, in comparison to both international standards and in comparison to the funding obligations of Eskom in providing new capacity to meet the ever-increasing demand for electricity. We've worked on the assumption of around about a 25% increase in power going forward. We don't know what that's going to be next year, but that's more or less what it was this year starting April. So I think a good working assumption is to use that going forward. Power represents about 11% or 12% of our total costs in South Africa. So let's assume the worst case scenario that you continue with a 25% increase.

Speaker	Narrative
	Now, that would mean a doubling in power in about four years, which would add about $50 an ounce over four years, that's what it would mean if you doubled the power cost. In terms of wages, we've been served with the ways of demands recently, and that was publicised in the local press here in South Africa. I don't want to comment further, except to say that the industry is obviously collaborating on our response to the wage demands. I'm sure again that this year there will be an industry negotiating forum through the South African Chamber of Mines, and I don't believe we will get to the negotiations in earnest until the end of May. We will approach the negotiations in good faith, and obviously endeavour to find solutions of suitable parties. Other than that, I think it's too early to comment on where these wage negotiations might settle.
Male speaker	One more question. How do you see the production profile increase for South Deep from say this year, for the next three to four years?
Vishnu Pillay	Our production profile for the end of 2009 is currently at about 5.5 tons. I will just give you that in ounces, 178,000 ounces. And that's expected to build up to 300,000 ounces going forward in F2010. However, I should emphasise the fact that the production in F2010 is been planned with quarterly step changes in production in output, as against having to see 300,000 ounces divided equally between four quarters. The mine plans have been completed and will be reviewed shortly, but we are quite confident that that's an achievable number, given the fact that we've placed significant order on equipment, and we have averted some of our equipment into the production process.
Male speaker	Thank you very much, and good luck.
Operator	This is just a final reminder, ladies and gentlemen. If you'd like to ask a question, please press star then one. We have a question from David Leffel from the Deutsche Bank. Please go ahead.
David Leffel	I thought that once the new mill was in place it's supposed to run somewhere between 190,000 and 200,000 ounces. Just glancing though your guidance I see something between 170,000 from the coming quarter. I was just wondering if there was some residual operational issues that we should be aware of, and I guess what your longer term plans are at Tarkwa
Nick Holland	David, our longer term, in fact our short to medium term plans are that Tarkwa will produce between 180,000 and 190,000 ounces. I haven't changed that, and we've had a whole team of metallurgical experts go and look at this plant, and they have come back and confirmed that as far as they are concerned, the integrity of that plan is intact. I guess it's just the build-up, David. The build-up has taken longer, and we've had these commissioning issues. We haven't quite hit what I would see as steady state, and that's why we're taking a more cautious forecast for this quarter. And 170,000 is what we're putting in for the June quarter, but that is by no means a reflection of what this place can do for production. So I'm taking a more cautious approach, given the commissioning issues, and based on the experience that we've had here and at Corona. Build-ups often take longer, so I want to give you a more realistic expectation to what

Speaker	Narrative
	you can get, but absolutely by the September quarter I want this operation between 180,000 and 190,000 ounces. And there are a number of optimisation ideas that we've got in mind that will take this operation higher and that thereafter. But I think let's bank 170,000 first, and then we will move to the next target, bank that and then move to the next target.
David Leffel	Okay, thanks. Nick, maybe we can follow on the previous Beatrix question. Historically when you've had operations and mines that don't make the grade for several quarters you've sold them and moved on and clearly Beatrix sits a long way from your centre of gravity in South Africa. Are there operations like Beatrix that are considered non-core, and if Beatrix is core, why doesn't it remain at core operation?
Nick Holland	First of all, if you look at Beatrix, it's a 6 Million ounce ore reserve. It's an operation that's fully capitalised. We've spent all of the hard money on the three shaft project, which is the future of Beatrix. Its low grade, sure, but it's pretty shallow. Even if you just get up to the figures that Vishnu has indicated, around 3.3 and 3.4 tons of gold, at these sort of prices this asset can make very attractive cash flows for Gold Fields. And the other thing is if you look around the globe, try and find assets where you've got 6 million ounces of reserve, fully developed mine. For us to sell this, someone's going to have to give us a mighty big cheque. And I think this is an asset that provides a pretty good cash flow for Gold Fields, and if we get these issues right, and we are on the verge of getting them right, I'm pretty convinced that this will make good returns and cash flows for shareholders over the next 15 years or so. So some people have asked us the same question you have, but I believe we can make this asset work, and remember, our overriding philosophy, David, is sweat our assets, make our assets work, that's what it's all about.
David Leffel	Is this a new strategy from the years before when you sold assets like Evander which was also at these sorts of margins?
Nick Holland	I think the difference though, David, is Evander was losing money. Evander was actually losing cash on a regular basis, and at that particular time there was a question of do we keep assets that are haemorrhaging on our hands, or do we actually sell them and move on and develop other things? And the other thing is the upside on Evander didn't look particularly attractive. I think Harmony has done well on the asset, but I think the future is now more challenging. So that was a different scenario in a different time frame. At R240,000 or R250,000 a kilogram, Beatrix has the potential to make R60,000 or R70,000 a kilogram quite easily, and that's very attractive to us if we can produce something like 14 tonnes or 15 tonnes a year.
David Leffel	Thanks.
Operator	Ladies and gentlemen, a final reminder that if you'd like to ask a question please press star then one. We will pause for a moment to see if there are any questions. We have a question from Shane Hunter of BJM. Please go ahead.

Speaker	Narrative
Shane Hunter	Good afternoon. First of all well done on the safety stats. I think you guys have achieved a lot there. I just have a couple of questions. One first of all on South Deep. You said there was going to be step change over the next few quarters to get to your target. It's going to be 75,000 a quarter. What would be your actual target for quarter four of F2010?
Nick Holland	By Q4 F2010 we want to be producing consistently at an annualised rate of 300,000.
Shane Hunter	That's going to be 75,000 ounces in that quarter?
Nick Holland	Ja.
Shane Hunter	And so you will be building up over the four quarters. What will that target be?
Nick Holland	You want to know what the build-up is per quarter.
Shane Hunter	No, no. It's just that obviously you will be building up consistently over five quarters to meet that target. There are no really big step changes there.
Nick Holland	No, there are step changes, but I suppose the best way to answer your question is that overall production for the year is expected to be 300,000 ounces. You might find in the first quarter it's slightly below that on an annualised basis, and by the end of quarter four it will be slightly above that on an annualised basis. But I think for your purposes just assume we're probably going to be around 20% under in the first quarter and maybe 20% over by quarter four of 2010. If you want to use that as a rule of thumb for the build-up, that's probably okay.
Shane Hunter	Thanks for that. Then just a question dealing with Beatrix, and I know Paul is trying to help us by putting in [inaudible segment] has been rolled over. I thought that had to be repaid back in F2010, so I expected to see a bigger number there compared to what you've got on the table. I suppose I might be missing something perhaps.
Paul Schmidt	The $250 million, Shane, which expires this month, has been rolled over for two years with a $311 million facility, so that will be a 2011 expiry. That's how it has been rolled.
Shane Hunter	Okay. I thought it was one year.
Paul Schmidt	It's a one year with a one year turn-up [?] so it's two years.
Shane Hunter	Thanks for that.
Willie Jacobsz	We'll take one more question.
Operator	Certainly, sir. Our last question comes from Alan Cook of JP Morgan. Please go ahead.

Speaker	Narrative
Alan Cook	Good afternoon, guys. Just two quick ones. Firstly on the BEE and the charter requirements looking to 2014 and the 26% equity empowerment level. Could you just talk to that now that you've finalised the first leg with Mvela Resources of your commitments to the charter? So that's just on the BEE strategy. Where are you in terms of the charter requirements and what are you going to do to get to the 2014 level? And then just to the mechanisation of flat-end development. You want to be 100% mechanised by F2010, and the big cost there is obviously buying all the equipment. Do you have an estimate of the capex or the cost that will be required to reach that 100% mechanisation target by 30th June 2010 under that project 2M? What's the cost of 2M?
Nick Holland	Right. I'll deal with the empowerment issue first and then I'll ask Vishnu to deal with the mechanisation issue on the flat-end development. In terms of the obligations we've been looking for some time at doing an Esop scheme for a significant part of the difference that we need to get to. And we also have some other historic deals that we've done which we believe should be considered for potential credits on certain parts of the 26%. I don't really have too many details as to how much we're likely to get for those deals because we've got to have a debate and a discussion. But the biggest single contributor to filling up the 26% from the 15% is likely to be an employee ownership scheme. We've been in discussions with the unions for some time on this. We're in discussions with the Department of Minerals and Energy. And as soon as we've got more clarity on what we want to do we'll obviously give more information to the market. But if we did that, that would break the back of the balance of it, Alan, and I don't think there would be too much residual ownership to be secured for that. The second question I'll hand over to Vishnu.
Vishnu Pillay	Alan, I don't have a number for you right here but what I can do is just tally up the capital allocations per operation and send that through to you tomorrow morning, if that's okay.
Alan Cook	That's fantastic. Thank you, guys.
Nick Holland	Just bear in mind, Alan, when we talk about the sustaining capital going forward to give you an idea of what we're looking at, we're looking at somewhere between R1.7 billion and R1.9 billion next year. That would include all of the South Deep ramp-up capital, and it would include things like the mechanisation capital. You don't need to add more capital over and above that. The targets we're talking about would cater for these kinds of things.
Alan Cook	Okay, thanks very much. Thank you.
Nick Holland	Good. Well, thanks very much for your participation this afternoon. We appreciate your questions and your interest, and we look forward once again to talking to you in three months' time. Thank you and goodbye.

END OF TRANSCRIPT