Q2 F2010
Results Presentation Transcript
04 February 2010

LEVERAGED TO GOLD

Q2 F2010 RESULTS
Johannesburg
4 February 2010

Thank you very much for joining us here for our second quarter financial 2010 results. Also welcome to those people who are following the results on DSTV, Bloomberg, and on the website. We will follow the normal programme today with Nick kicking off, and then Paul and each of the Executive Vice Presidents of the different regions will give an update on their regions, and then we will go over to a Q&A.

We will first take some questions from the floor, and if there are any by email or from the website we will deal with those as well.

INTRODUCTION

Emergency Procedures

1

- In the event of an emergency an alarm will sound.
- Exit premises through doors on the north side of room.
- Congregate on lawns to the north of the building.
- Await further instructions.

SAFETY FIRST

In terms of emergencies, in the unlikely event that something goes wrong today we will all have to move down the stairs, out the front doors and onto the lawns on the far north of the building, where you need to wait for any further instructions.

INTRODUCTION

Forward Looking Statement

1

Certain statements in this document constitute "forward looking statements" within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934.

Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of gold; hazards associated with underground and surface gold mining; labour disruptions; changes in government regulations, particularly environmental regulations; changes in exchange rates; currency devaluations; inflation and other macro-economic factors; and the impact of the AIDS crisis in South Africa. These forward looking statements speak only as of the date of this document.

The company undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

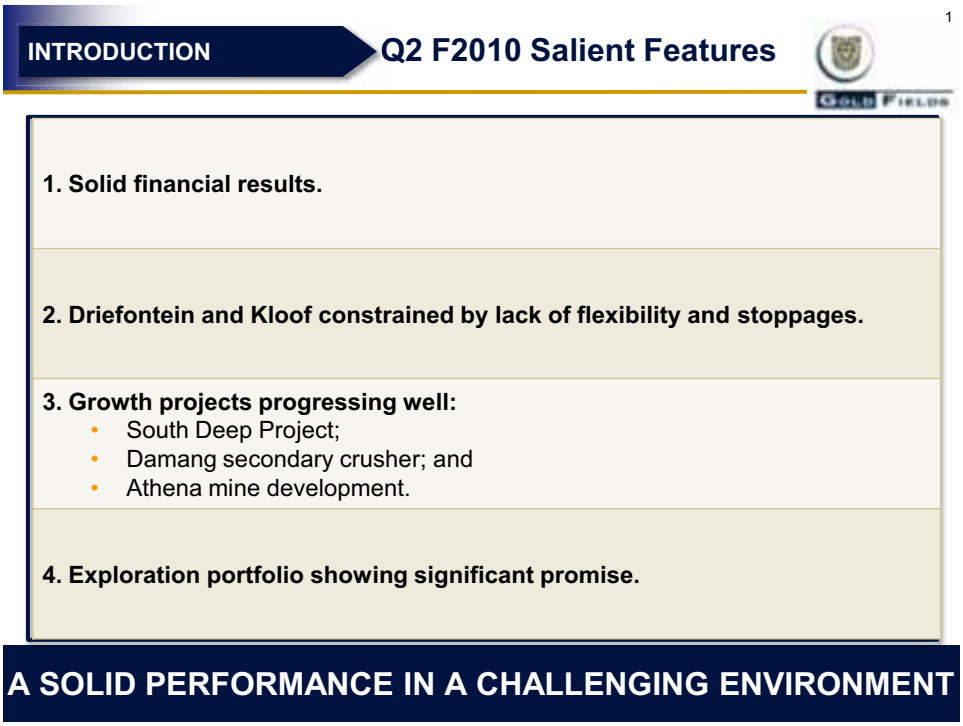
I just have to draw your attention to the forward-looking statements,

Introduction

Nick Holland
Chief Executive Officer

I now hand over to Nick, who will take it away for us.

Thanks, Willie. Thank you very much, and good morning everyone. Good of you all to come, and I wish all of you a prosperous 2010. And after a month away from holiday destinations and back on the job I think it's very quick to forget our holidays and get back into it.



The quarter I believe could be characterised as a good quarter for Gold Fields.

Solid financial results and the fact that we've seen a higher gold price is also reflected in our financial results for the quarter. It's always pleasing to make sure that when you get higher prices that they come through.

Having said that, I must say at the outset that Driefontein and Kloof have not done as well as we would have liked. They were constrained by flexibility and stoppages. I am going to talk to you about some of the challenges at these mines as we go through this presentation. We know we've got some issues, but more importantly, we've got a plan.

If we look at our growth projects, South Deep is performing exceptionally well, and if you look at it on a year on year basis our production is up 50%. Our development, both above and below infrastructure, is also up significantly. And if I look at this operation, around 18 months ago we were driving on the highway but we didn't have headlights at night. Now we have headlights, and we know exactly where we're going. So a 50% increase year on year, a tremendous performance at South Deep. And we've just gone FULCO (Full Calendar Operations), which I'll talk about a bit later. This is going to help us underpin an even better performance from South Deep going forward.

At Damang in Ghana, a mine that I thought was running out of ore body about two years ago, now is probably going to be somewhere between a ten and 20 year mine. It's really going to be one of the mainstays in our portfolio. That's going to be assisted in part by putting in a secondary crusher system that is going to enable us to have much more flexibility in the type of ore feed that we put into the plant. Peter will talk about that project which should be finished in the next few months. There are very exciting prospects ahead for Damang.

Athena in Australia. Remember, this is the new mine we're developing at St Ives, part of that Argo/Athena complex which we believe is the next big camp at St Ives. Probably at least three million ounces there. I

wouldn't be surprised if it's a lot more than that. And that mine development is proceeding well. Mark Zeptner, acting EVP for Australia who is here, he will take us through some of the progress on that.

The exploration portfolio as I've said before is the best portfolio Gold Fields has ever had. To have four projects at the advanced drilling stage, with two of them about to complete initial scoping studies within the next six months, is something Gold Fields has never had before. The results are looking better and better all the time.

INTRODUCTION

Q2 F2010 Salient Features

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Gold production	Steady at 900koz
Gold price	Up 9% to R263,828/kg
Total cash cost	Unchanged at R147,648/kg
NCE	Up 4% to R216,830/kg
Operating profit	Up 25% to R3,478 million
Operating margin	Up 13% to 43%
Net earnings	Up 40% to R1,409 million
Normalised earnings	Up 64% to R1,022 million

LEVERAGED TO THE HIGHER GOLD PRICE

So summarising the financial results, our gold production for the quarter was about the same as last quarter, 900,000 ounces.

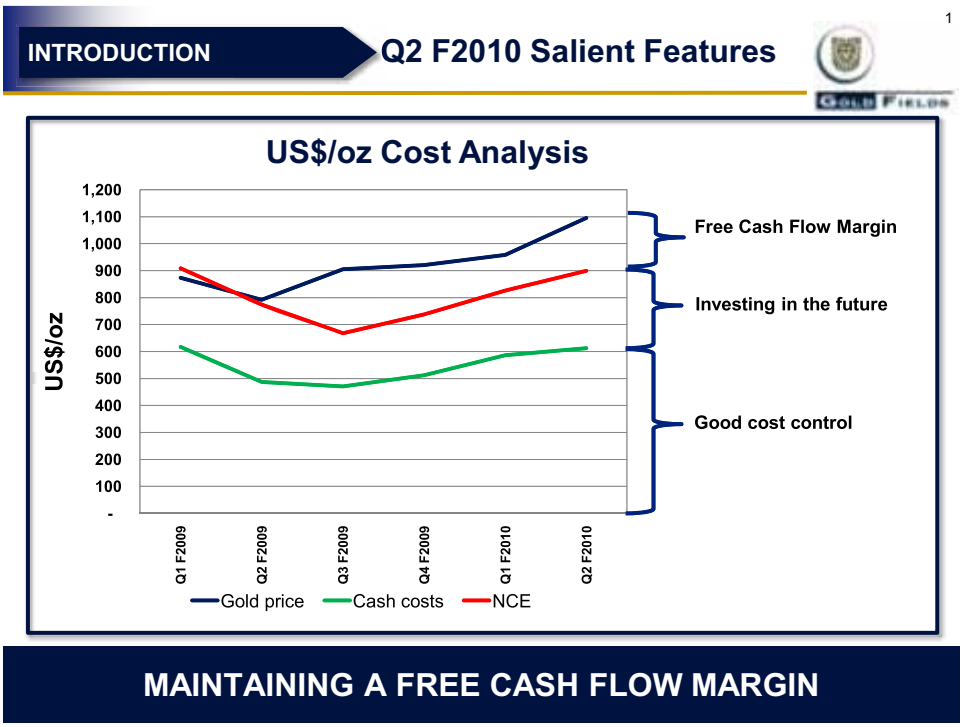
Our gold price of course is up in all currencies, 9% in Rand terms, about 14% in US Dollar terms. And that's reflected in higher revenue.

Our costs are the same as the previous quarter, about R147,000 a kilogram. So we've kept good cost control. And our NCE is very similar to the previous quarter despite the fact that we are in a very significant inward investment programme.

And as you can see, the higher gold price has translated itself into higher operating profit, and of course a higher operating margin for these operations.

Nett earnings were up 40% on the bottom line, and if you strip out all of the so-called once off items, up 64%. The core earnings in the business up 64%.

So I do believe we've demonstrated that Gold Fields does show good leverage to gold price increase.



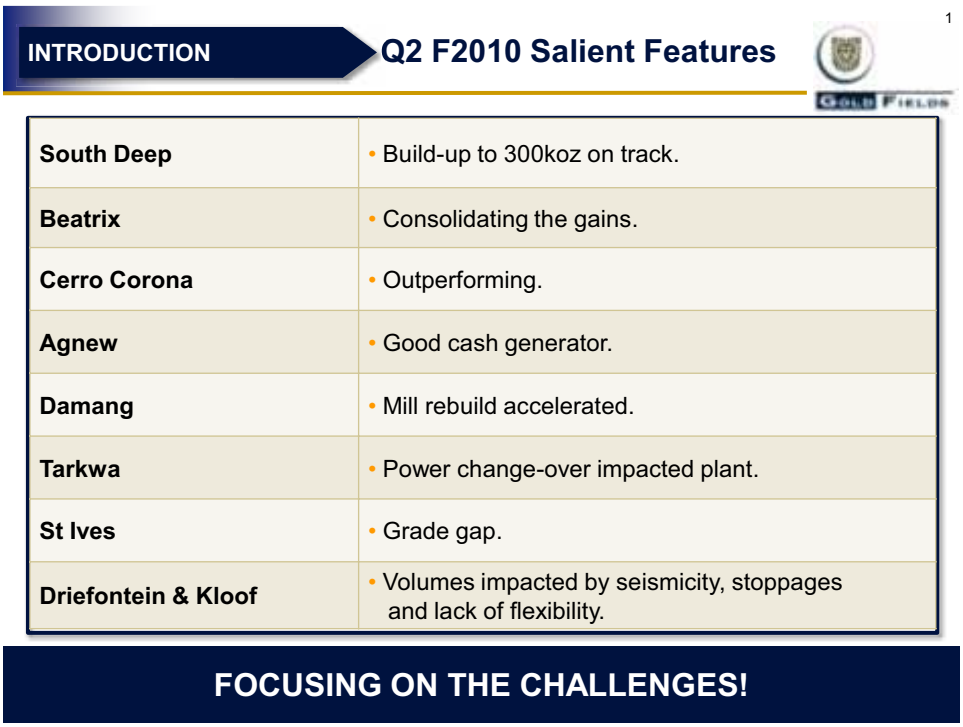
And you can see it here again.

This is a graph you've all seen before, and you will see it again from us because it's one of the key principles that we're going to stick to, creating and maintaining a margin at the notional cash expenditure level.

We're the only producers who report notional cash expenditure, the all-in cost of production. That's what really matters and that's what drives whether you are going to make a margin in your business and whether you're going to be sustainable.

As you can see we're showing a reasonably healthy margin of some $200 an ounce.

And that's something we want to maintain and grow as we go forward.



Looking at some of the assets:

As I've said, South Deep is building up to 300,000 ounces. I'm sure you'll agree looking at the production for the December quarter we're on track to achieve that. And that would be a very significant improvement for the year as a whole, when in fact last year, 2009, we only did 175,000 ounces. I told you at the beginning of the year we're going to do 300,000. I believe we're going to do it.

Beatrix has proved to be a very steady asset. Vishnu and the team have done a great job in recovering that, and we're now starting to see stability coming out of that asset as well, which is good to see.

Cerro Corona. I think outperforming is a bit modest. This is a star performer. This is an operation, as you'll hear from Juancho, that is generating good free cash flow and is setting itself up to be a really good asset in the portfolio.

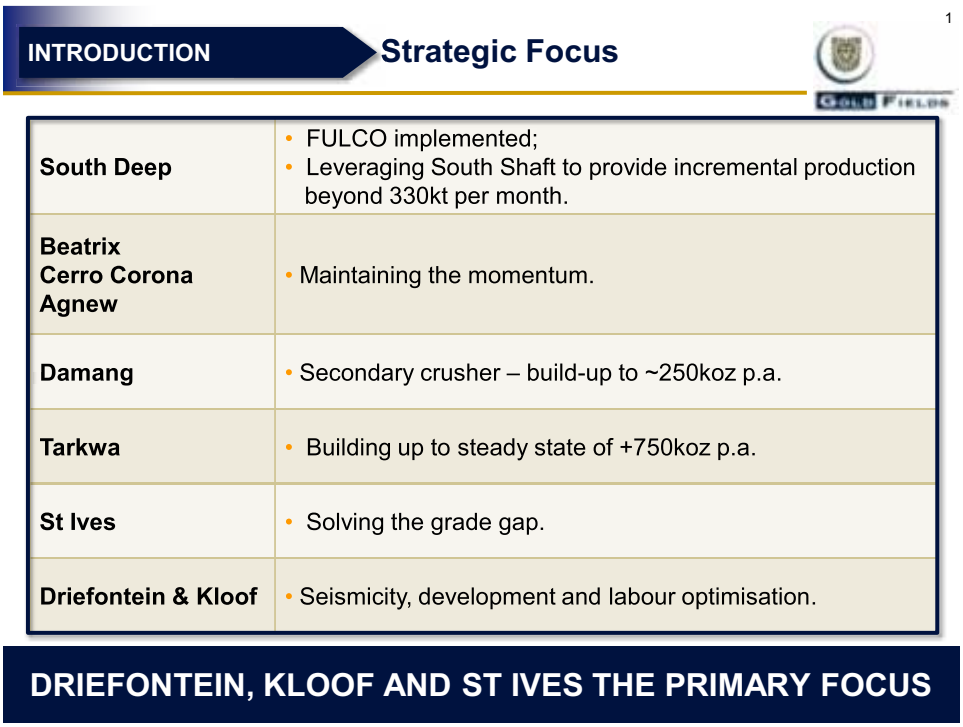
Agnew of course we've always known is a good cash generator. The good grades from Kim, in particular, continue. Around about a 10g underground ore body, which makes this a good asset in the Australia portfolio. Another good performance.

Damang, we did come off in our production. We decided to accelerate a mill rebuild programme. We hit some short-term process issues and decided to undertake a 13 day accelerated maintenance plan. That would have had to have happened anyway down the road, so we've taken this opportunity to do it. It's done, it's behind us, and Damang is now set up for the future.

Tarkwa had a very steady quarter similar to the previous quarter. We could have done a little bit better, but we did have a power changeover to the new VRA (Volta River Authority) substation at the beginning of the quarter. It did cause some process interruptions, but again that's behind us and we're looking good.

St Ives, we do have a challenge on our grade. We know that we can deliver a better grade into the mill, and not having Belleisle – one of the three underground mines – for a large part of the quarter certainly hurt us. But as things stand we should be back into production in the newer part of Belleisle very soon, within the next few weeks. And I'm sure that St Ives will do better this quarter.

So Driefontein and Kloof I believe are a challenge to us to do better. These assets have the ability to do much better. They can do better. And we will talk to you about some of the things we are going to do to improve that.



So looking a little bit further out, where do we want to get to?

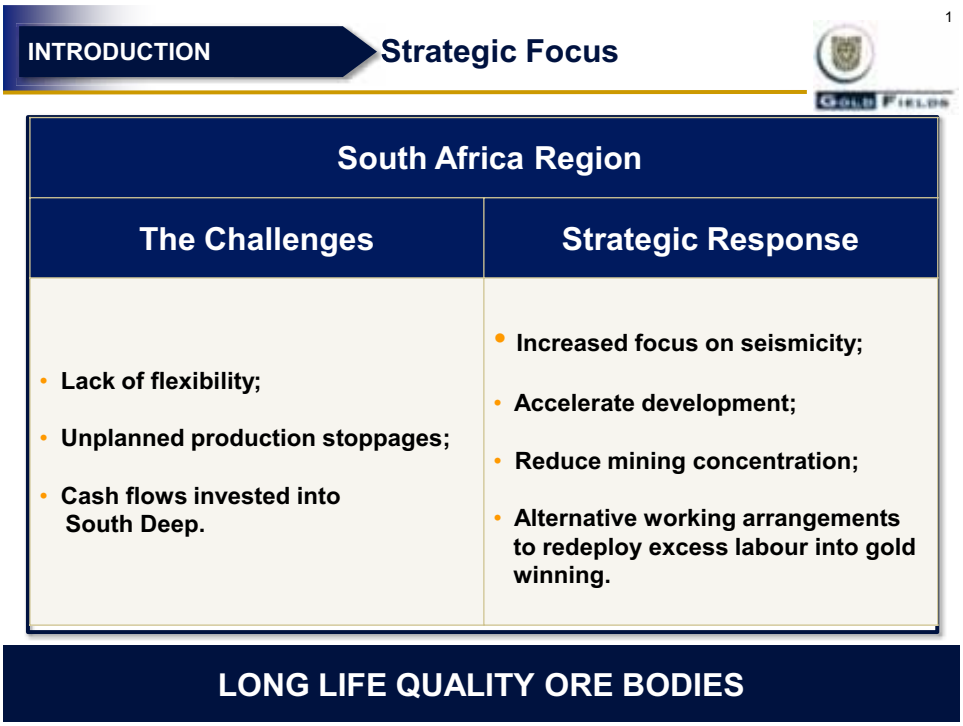
I mentioned FULCO has been implemented at **South Deep** last Sunday evening, the 31st January. And that's going to give us significant extra shifts on this operation. And that is how a mechanised underground operation should be run, and in fact how mechanised operations are run across the globe. Having had Mark Morecombe there as head of the mine for a few months now is starting to make a difference. Mark is an Australian and well-versed in how underground mechanised mines should work - you can see some of his influences starting to come into this asset. I'm very excited about the future of South Deep.

And we're starting to leverage South Shaft to help us increase production even beyond 330,000 tonnes a month. That's my objective into the future, not to be constrained by 330,000 tonnes a month, to look at that infrastructure and to see how we can accelerate and compress the mining profile at South Deep.

Beatrix, Cerro Corona and Agnew I'm not worried about. They're in good shape. They've just got to keep doing what they're doing.

Damang, we've spoken about the secondary crusher, and that should enable Damang to get back to around 250,000 ounces a year initially. I'm sure we can even improve on that, particularly when you see some of the exploration upside that Peter is going to talk to you about under the West Africa portfolio.
At **Tarkwa** there are a number of very exciting things happening. The HPGR project is starting to gain momentum, and this is now really a world-class mine that I believe is going to deliver good results for Gold Fields.

At **St Ives** we've got a plan to solve the grade gap, and you'll see the impact of that when Mark talks through that.



Moving on to Driefontein and Kloof: I am going to spend a moment or two talking about the challenges at these mines.

Let's first take stock of what we have here.

Gold Fields has the best ore bodies in South Africa - long life, quality ore bodies which have well capitalised infrastructure. We've got the basic ingredients to have a good suite of assets in Driefontein and Kloof.

However, we are not getting the level of performance we would like. The question is why?

Lack of flexibility is one of the main reasons. Catching up 90km's of backlog secondary support that has been allowed to accumulate over a period of five or six years, has definitely hurt our development. We have spent the past two years to eliminate this backlog. This has definitely hurt our development, but we had to do it. We've got no regrets for doing it because it is a fundamental requirement for operating safely in these mines.

But now we have to open up these ore bodies, create the flexibility. So that is impacting in short-term volatility of results.

Unplanned production stoppages are a significant concern. And yes, some of these are self-imposed. We've got to work out a protocol with the DMR (Department of Mineral Resources) that doesn't create significant stoppages. Having said that, safety is our most important value and we're not going to move one millimetre from that. I'd like to find a way that we can avoid significant stoppages while at the same time making sure that we comply with the protocols of the department, and our own. I think there is a solution to be found, so we're engaging and looking for win-win solutions on how we can prevent significant mine stoppages. These operations don't react well to stop-start situations.

And of course as a consequence of where we are the SA region isn't generating cash right now. And with

the demands of South Deep, which are going to be with us from a capital perspective for the next two to three years, there is a bubble of expenditure, particularly as the tailings dam gets done, the deepening and equipping of the ventilation shaft, a new plant will have to be built. Those, by definition are front-ended, so we've got to try and find a way of funding all of that from the region and generating some cash for the group.

We have plans for that:

- Focussing on seismicity and accelerating development, which in turn helps us to reduce the concentration of mining.

- We also need to come up with an alternative working arrangement, and that's really driven by the need to create more face time for our people and also to make sure we can deploy all of our people productively.

First prize for me and for the board is to deploy all of our people productively in gold winning. If you analyse value creation in this industry you will see that you don't get value creation by reducing costs as much as you create value by increasing revenue.

The trade-off between an increase in revenue and the reducing of cost is heavily skewed in favour of making sure that these assets sweat and work for us. If we can find a way of doing that, deploying more of our people into gold winning, I believe it's going to be in the best interests of our company, our employees and the country at large. So that's the challenge for us over this quarter and over the balance of this fiscal year.

So, Paul is going to talk through the financials and then Vishnu will give more colour to what's happening in the South African region.

Mark, who is acting Head of Australasia – and it's good to have Mark here today – is going to talk about Australasia.

Peter will talk about West Africa and Juancho about South America.

I'll wrap up at the end, and then hopefully we'll have some time for questions. With that, over to Paul.

Financial Review

Paul Schmidt
Chief Financial Officer

Thanks Nick. Good morning everybody.

Q2 F2010 FINANCIAL REVIEW Salient Features

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		Q2F2010	Q1F2010
Attributable gold produced	000oz	900	906
Revenue	US$/oz	1,096	959
	US$/ZAR	7.49	7.82
	R/kg	263,828	241,164
	Rm	8,067	7,416
Operating costs, net	Rm	4,589	4,629
Operating costs	R/ton	333	343
	SA ug R/t	1,084	1,059
Operating profit	Rm	3,478	2,787
Operating margin	%	43	38
Total cash costs	R/kg	147,648	147,343
	US$/oz	613	586
Notional cash expenditure[1] (NCE)	R/kg	216,830	207,754
1 NCE = Operating cost + Capex	US$/oz	900	826

25% INCREASE IN OPERATING PROFIT

We start with the salient features.

If you look at gold production, attributable gold production was 900,000 ounces, slightly down from the 960,000 in the previous quarter.

If you look at the revenue matrixes the gold price in Dollar terms increased from $959 to $1096 per ounce.

The Rand strengthened to the Dollar and was at R7.49.

The effect of this is that the Rand gold price increased from R241, 000 to R264, 000 a kilogram. The effect of this is that our revenue line increased from R7.4 billion to just over R8 billion.

Operating costs were flat at R4.6 billion, and this reflects our emphasis on cost control throughout the group.

The effect of the changes in revenue and operating costs resulted in operating profit increasing by 25% from R2.7 billion to R3.5 billion.

In terms of operating margin it increased from 38% to 43%.

As Nick said, cash costs were flat in Rand terms at about R147, 000 a kilogram. If you look at notional cash expenditure, let me just refresh everybody. NCE is taking into account all operating costs plus capital - basically the cost of running our operations. That increased from R208, 000 to R216, 000 a kilogram or $900 per ounce. The increase is largely due to R200 million more invested into our capital expenditure.

Q2 F2010 FINANCIAL REVIEW Income Statement

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		Q2F2010	Q1F2010
Net operating profit	Rm	**2,322**	**1,613**
Loss on financial instruments	Rm	(55)	(132)
Exploration	Rm	(168)	(133)
Interest and other	Rm	(117)	(252)
Profit before tax & exceptional items	Rm	**1,982**	**1,096**
Exceptional items	Rm	432	666
Mining & income tax	Rm	(832)	(638)
Net profit	Rm	**1,582**	**1,124**
Net profit attributable to ordinary shareholders	Rm	1,409	1,007
	SA cps	200	143
Normalised earnings	Rm	1,022	625
	SA cps	145	89

64% INCREASE IN NORMALISED EARNINGS

If we move over to the next page the main item I want to concentrate on is the exceptional item. The main number in the R432 million relates to just on 4.1 million shares we received in Eldorado Gold as a result of Gold Fields exercising its top-up right which was due to Eldorado taking out all the issued share capital in Sino Gold. The effect of everything is that my nett profit increased R400 million to R1.6 billion, while my normalised earnings increased 64% to just over R1 billion.

Q2 F2010 FINANCIAL REVIEW Cash Flow Statement

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		Q2F2010	Q1F2010
Cash flows from operations	Rm	2,105	1,263
Dividend paid	Rm	-	(564)
Capital expenditure net	Rm	(1,965)	(1,743)
Net loans (repaid)/received	Rm	(656)	630
Other activities	Rm	(18)	(25)
Net cash outflow	Rm	(534)	(439)
Currency translation adjustment	Rm	84	(87)
Cash at beginning of period	Rm	2,278	2,804
Cash at end of period	Rm	1,828	2,278

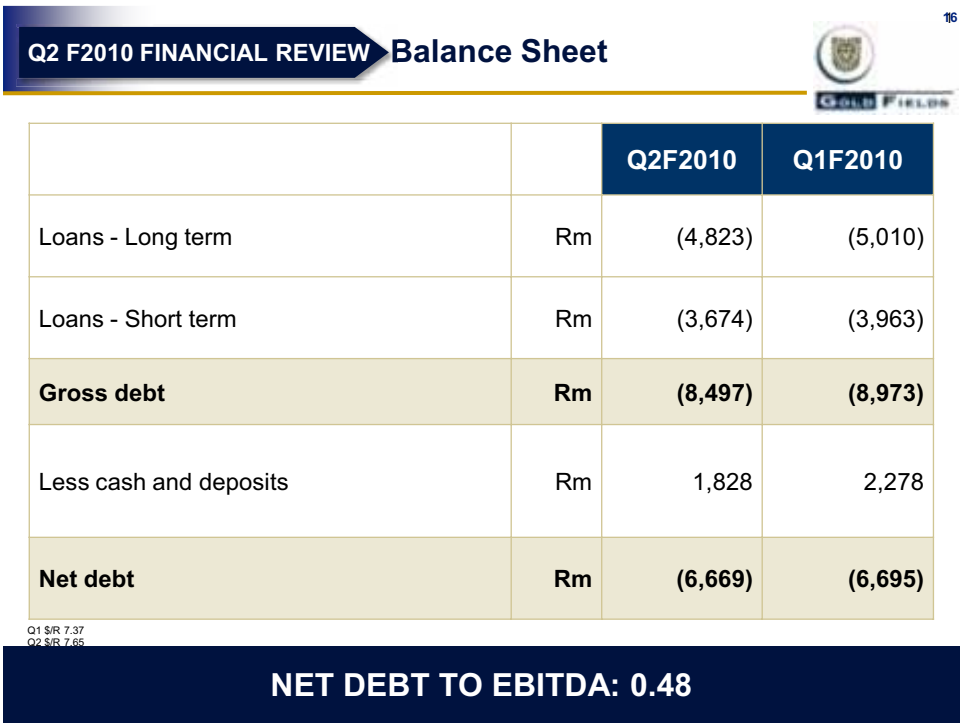
67% INCREASE IN OPERATING CASH FLOW

If we move to the cash flow statement, the main line I want to concentrate on is the cash flow from operations. It's substantially up from R1.3 billion to R2.1 billion, and this is showing that the increased gold price is reflected in our cash flow.

Capital expenditure is up to almost R2 billion, and most of this relates to expenditure on infrastructure at South Deep, at the Athena underground mine in Australia at St Ives, as well as continued focus on ORD (ore reserve development) at the South African operations.

Nett loans. This quarter we had a repayment of just over R600 million compared to loans received of R600 million in the previous quarter. This is a net swing of about R1.2 billion. The net effect is that the cash outflow flow for the quarter was about R500 million.

Taking into account the positive translation adjustment as well as the opening balance, we ended up with about R1.8 billion in cash at the end of the quarter.



If we look at our balance sheet and our debt, our net debt has remained fairly consistent at about R6.7 billion. As you saw, the decrease in cash is basically reflected as well in a decrease in our debt, resulting in the net debt being similar.

A point to highlight here is our net debt to EBITDA ratio which is only 0.48.

I think there are very few majors that can boast a number as low as this. It's a number that I'm very comfortable with at the moment.

Q2 F2010 FINANCIAL REVIEW **Financial Flexibility**

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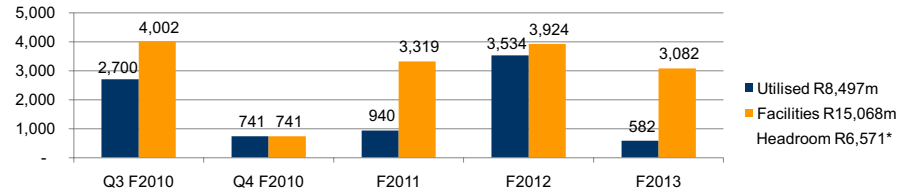
Headroom Available

	Rand Denominated	US$ Denominated	Rand Equivalent*
	Rm	$m	Rm
Uncommitted Facilities	1,302	-	1,302
Committed Facilities	2,500	362	5,269
Total credit	3,802	362	6,571*

Debt Maturity Profile (R'm) as at December 2009

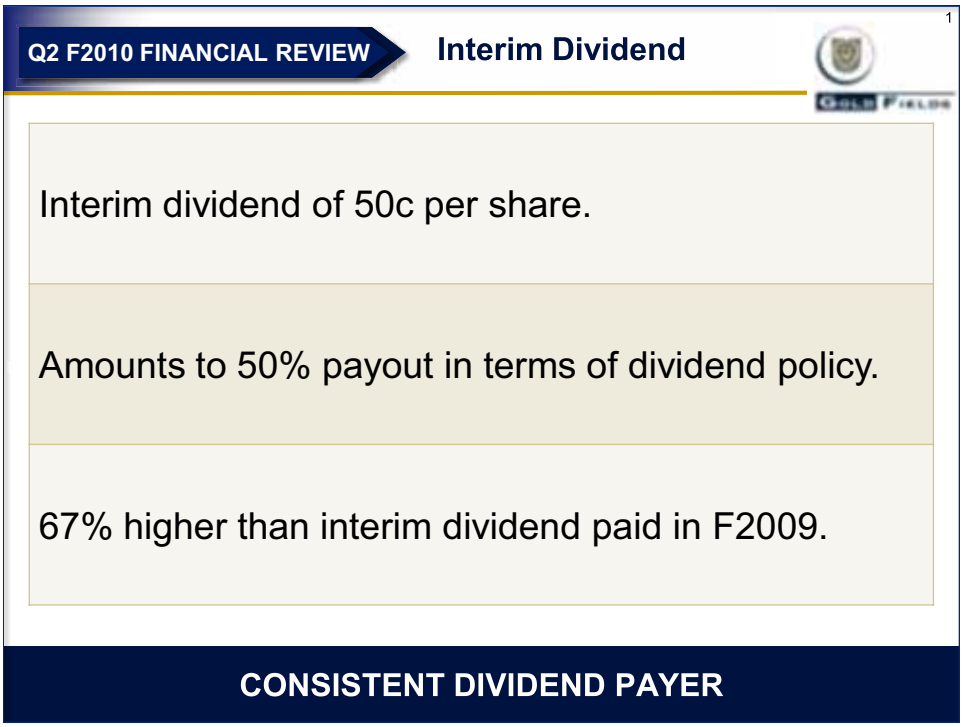


*Converted at US$1 : 7.65

CIRCA $1 BILLION OF HEADROOM

If we look at our headroom availability, we've got almost R6.6 billion or almost $1 billion in available facilities. It's a good position to be in.

if I can just highlight this slide in terms of our maturities. I know those are numbers that would worry a lot of people, but most of the debt sitting there is our commercial paper, which is backed up further on here by long-term three year and five year bank debt. The reason why we are accessing the commercial paper is because it is about 2% cheaper than normal bank debt, and it is reflected in our much lower net interest cost for the quarter.



If we move on to my final slide - we've declared an interim dividend of 50c. It amounts to 50% payout in terms of our dividend policy, 67% higher than the previous period last year. I know a lot of people were expecting more, but I think this is still a sizeable dividend and I'm happy with it.

In conclusion, I think Gold Fields financially is in a good state. We've had a very good quarter and I'm happy with the numbers. With that I hand over to Vishnu.

Addendum:

Dividend calculation as a percentage of earnings in terms of the dividend policy:

	Rm
Net Earnings	2,416
Book gain on the disposal of Sino Gold	-330
Book gain on the disposal of Eldorado	-282
Book gain in respect of the Eldorado top up	-346
Book loss on impairment of investments	60
Net Earnings for dividend	**1,518**
South Deep growth capital	-811
Net Earnings after growth capital	**707**

R353/R707=0.5
R353m = dividend payout (50c a share)

South Africa Region

Vishnu Pillay
Head of the South Africa Region

Thank you, Paul. Ladies and gentlemen, good morning. It's good to see you here this morning, and it's the first time we meet in this year, and I'd like to take the opportunity to wish you great health, much success and indeed much prosperity for 2010. 2010 is going to be a great year for all of us, Gold Fields included.

SOUTH AFRICA REGION Operational Scorecard

Safety	**Major impact on production despite improving trends.**
Secondary Support	**Backlog eliminated (86km completed).**
Development	**52% of main development now mechanised; One pass support system in place. Now positioned to gain traction.**
Seismicity	**Improvement in Fall of Ground incidents, recovery times longer.**

SAFETY REMAINS THE KEY VALUE DRIVER

The one thing that I want to reflect on is that, 21 months ago when Nick and I and the rest of my colleagues on the Executive took office, one of the things that we felt we needed to do was to build an organisation that was stronger for longer. And clearly, what you'll see coming out of what we have to talk you through today is a reinforcement of that principle that we had adopted. Indeed, what we had to do in addition to that, was enhance our operational excellence to cope with volatility. And volatility not just in terms of price, volatility in terms of stoppages, volatility in terms of operational delays that we have to cope with and, of course, the intense degree of seismicity that we had to deal with on our operations.

We had to ensure that in all of this we strengthen our business fundamentals. This industry is at a crossroads, and we have to make sure that in the march forward we put in place long-term sustainable actions that will guarantee future value for our shareholders.

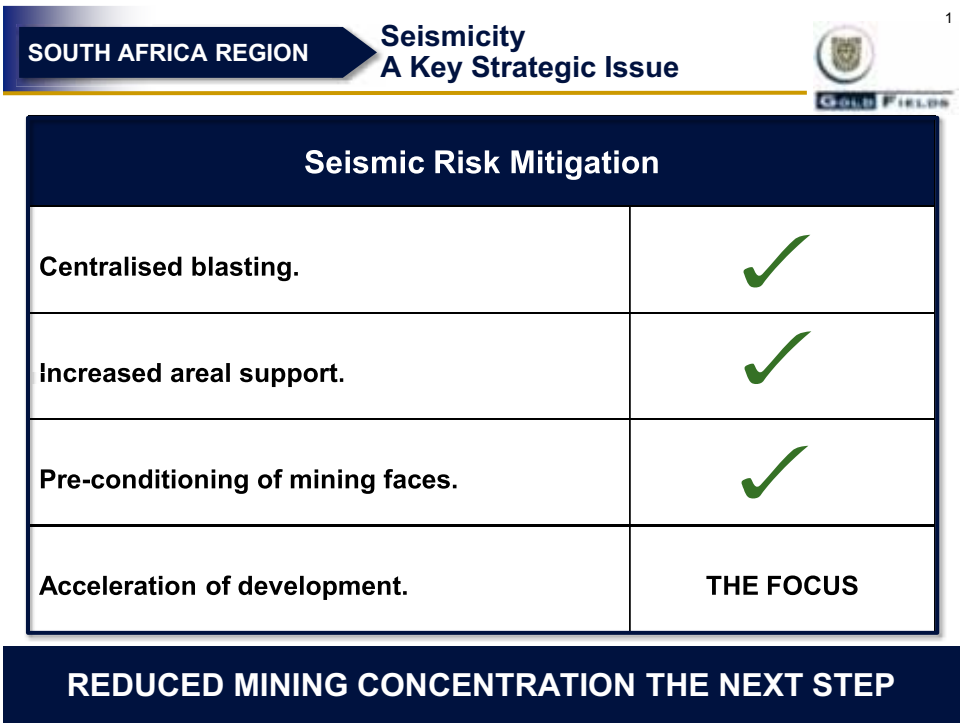
Our scorecard for the operations for the last quarter reflects the actions that we have been taking over a period of time.

- Our safety trends continually improve. The focus that we had on safety has delivered significant results for the operation, and I'm happy to say that on two of the three key indicators we're even better than our peer groups.
- We've dealt with secondary support. We've installed just on 90km of secondary support across all our operations, and this monkey is finally off our back.
- What we're going to do now is turn our attention to the activities on the face and make sure that we advance our ends. 52% of the ends on our long-lift shaft are now mechanised. We've had some challenges with up-skilling of our mechanised crews, but I'm pleased to say that the training and the maintenance of the equipment is now well entrenched, and we'll see traction on this going forward.

Despite the fact that we had to deal with some tragic fatalities when we had seismic activity I'm pleased to say that the short-term actions that we have put into place us beginning to bear fruit.

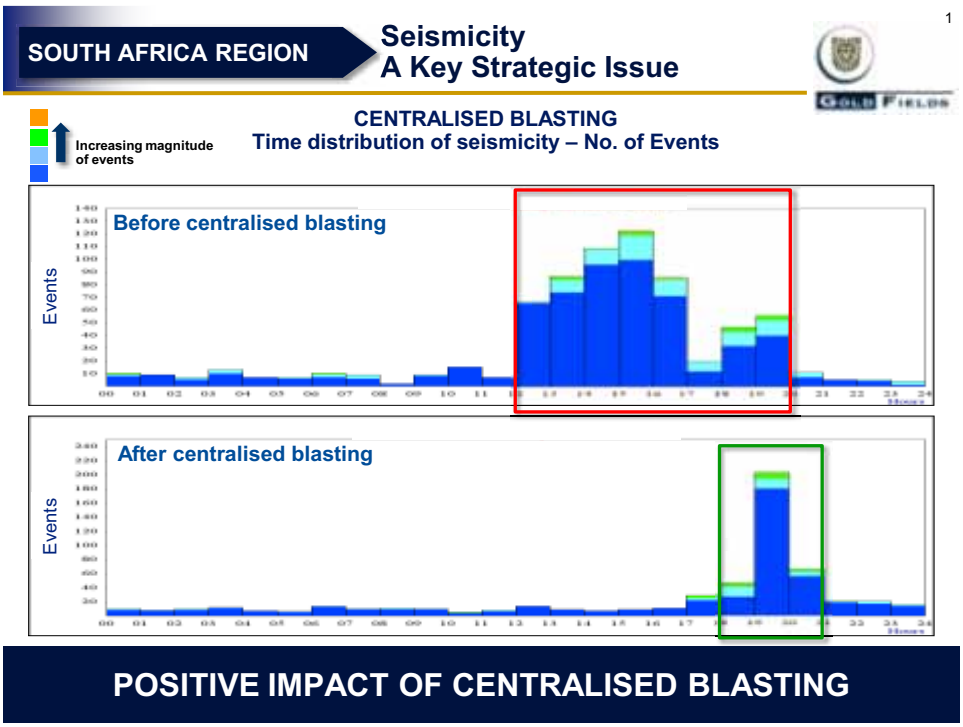
The long-term solution to the management of seismicity on deep-level mining operations rests in making sure that we can spread the concentration of mining across greater areas on our mines. And to be able to do that we need to ensure that we find traction in our development and open up our ore bodies.

We recognise the unplanned production stoppages on our operations over the last two quarters, but we've been working feverishly with the Department (DMR) to put in place a protocol so that we can manage this on an ongoing basis into the future.



There are some key activities that we have implemented on our operations, and I would briefly like to show you some of the results we have achieved through centralised blasting, increased aerial support and preconditioning.

The solution, however, still remains in opening up the ore body so that we can actually mine a certain amount of square meters over a certain area. Although we've calculated that number, what we have to do now is make sure we deliver the face for those areas.



On centralised blasting, we have now restricted the seismic window to three hours, down from eight.

And within a three hours period, which goes from 6pm to 9pm in the evening, we don't have staff underground at the face. And that's a significant achievement.

SOUTH AFRICA REGION

Seismicity
A Key Strategic Issue

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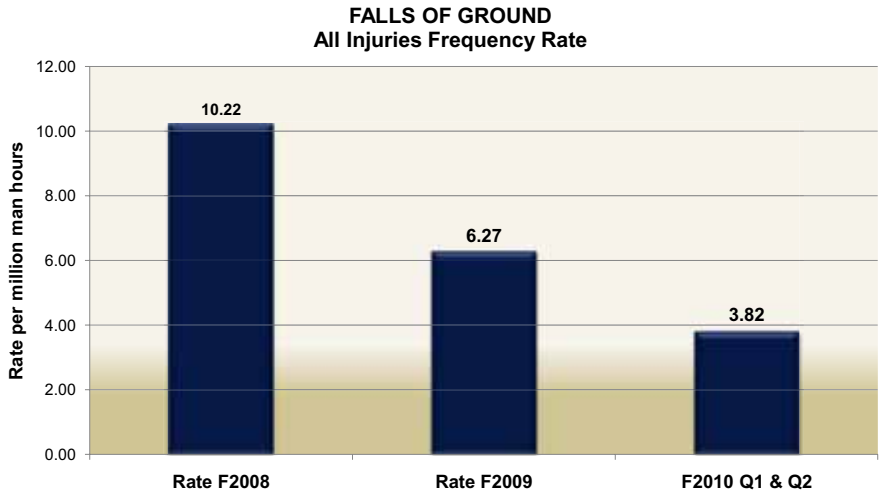

POSITIVE IMPACT OF AREAL SUPPORT

Our falls of ground, both gravity and seismic, are beginning to show the right trends. And that's a 60% improvement in our rates of injuries in falls of ground. And that's no mean feat, given the work that we've been doing on our operation in terms of improving aerial support.

SOUTH AFRICA REGION

Seismicity
A Key Strategic Issue

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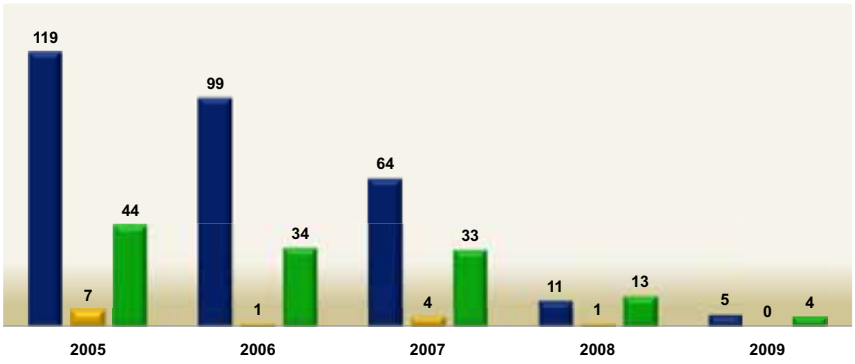
SEISMIC FACE BURSTS
Kloof 2005 to 2009



POSITIVE IMPACT OF PRE-CONDITIONING

Seismic face bursts is an issue that we've had to consistently manage across our operations. We are now preconditioning every working face on all of our deep-level mines. And you can see the benefit of preconditioning on the hanging wall, on the side wall and on the face. In 2009 we've had minimal incidents of face bursts across Kloof and Driefontein.

We recognise the impact of seismicity on production, and our answer – apart from our short-term interventions – is to make sure that we fast track our development. That's already in place now. We've dealt with secondary support; we've dealt with up skilling of our mechanisation crews; we've got our maintenance contracts in place; we've set up our maintenance workshops. And what we're finding is that traction is beginning to be taken on development across our deep level shafts.

In calendar 2009 we lost 76 days from our production calendar through unplanned stoppages, and that's 7% of our production shifts or approximately 2.2 tonnes of gold.

Now, that's a significant amount by any standard. Given the complexities of these operations, stop-start mining is not the best way to run these deep level gold mines.

We've entered into discussions with the union leadership to go into a six day working week.

South Deep has already acknowledged the need to work that asset on a continuous basis. We've signed an agreement with our union leadership. And as Nick has pointed out, we've implemented FULCO on Sunday night. I'm pleased to say that the transition has gone off well. I guess it will take at least four to six weeks to bed down fully the implementation of FULCO, but you will see the results of that coming through in the next quarter.

Across on the other mines a six day working week will give our staff the opportunity to be able to work in a cycle that will give them longer periods off, and I guess this is the one thing that we have to all acknowledge.

The union leaders consistently fight for more money and less work. The six day working week will take our people off the face for significant periods of time and give them extended periods off – of course for the same amount of money.

But nevertheless, what we'll be able to do is deploy our people effectively onto the face to deliver value for the organisation.

Both Kloof and Driefontein are engaged in discussions and hopefully we'll be able to succeed in putting together an agreement on the six day working week pretty soon. And ladies and gentlemen, these are the

fundamentals that we have to put in place to change the way we work, to deliver value in this business going forward.

Addendum:

6-Day "long off" working cycle proposal

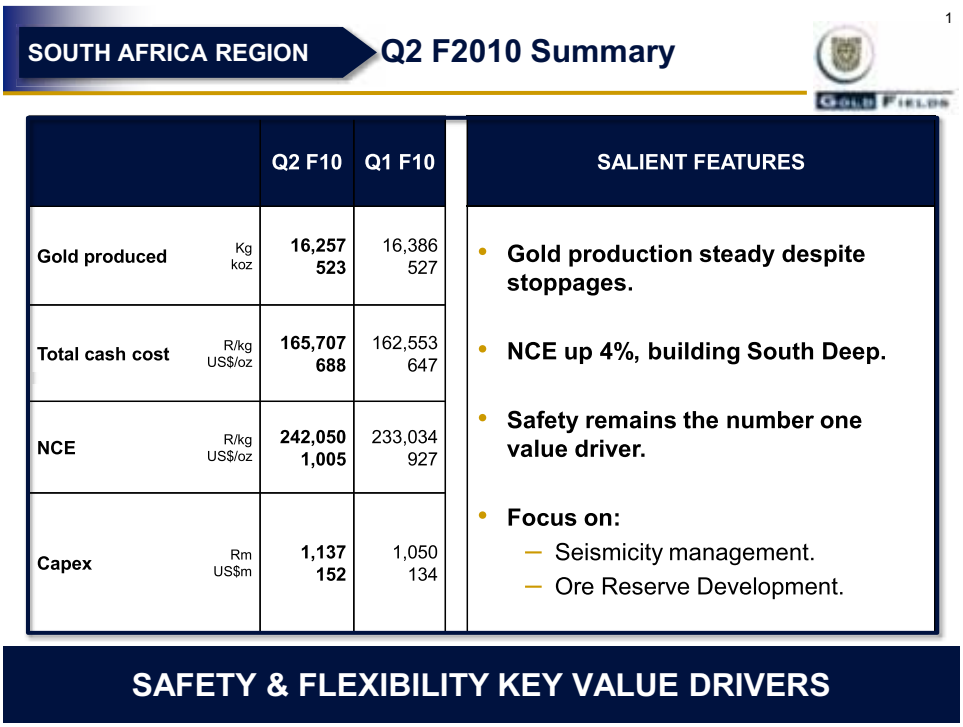
Rationale
In order to offset the impact of business interruptions at Kloof and Driefontein, additional production is required. This can be achieved by spending more time in the work areas. Our analysis has identified that additional time in the work place can be achieved by implementing a 6-day "long off" working cycle without increasing the number of shifts worked by each employee.

Currently, employees working within stoping, development and tramming activities, work an eleven shift fortnight cycle ("ESF"), which effectively means that they have a Saturday off every second weekend and work 77 shifts over a 14 week period. Voluntary shifts and Christmas working-in arrangements have resulted in these employees working on most of these off Saturdays, resulting in low morale while negatively impacting fatigue and health, all of which have resulted in reduced labour availability. In addition to this, these working arrangements have prevented employees FROM spending quality time with their families and/or to deal with personal matters.

The salient features of the 6-day "long off" working cycle are outlined below:

- Employees will only be required to work 72 shifts in a 14 week period compared to the 77 shifts as per the ESF;
- Crews are aligned with shift patterns that facilitate an additional crew ("roving" crew) for every 6 crews currently in place, in order to allow each crew a four-day break every fourth week;
- The roving crew will be utilized to cover those crews who are enjoying their long off breaks, on a rotation basis to ensure production continuity;
- The 6-day "long off" cycle increases the time spent in the work place with an additional 7 shifts, whereas the shifts of the individuals are reduced;
- Sundays and public holidays will remain non-working shifts;
- The cycle complies with the 45 hour normal hours Basic Conditions of Employment Act requirements;
- It is expected to have a positive impact on employee morale, fatigue and health, as employees will benefit from working less shifts compared to the current ESF cycle, while having more time for family and personal matters;
- The new cycle can be achieved by redeploying excess and displaced labour;
- Employees will receive the same remuneration;
- Shaft and equipment maintenance will be performed on Saturday afternoons and Sundays.

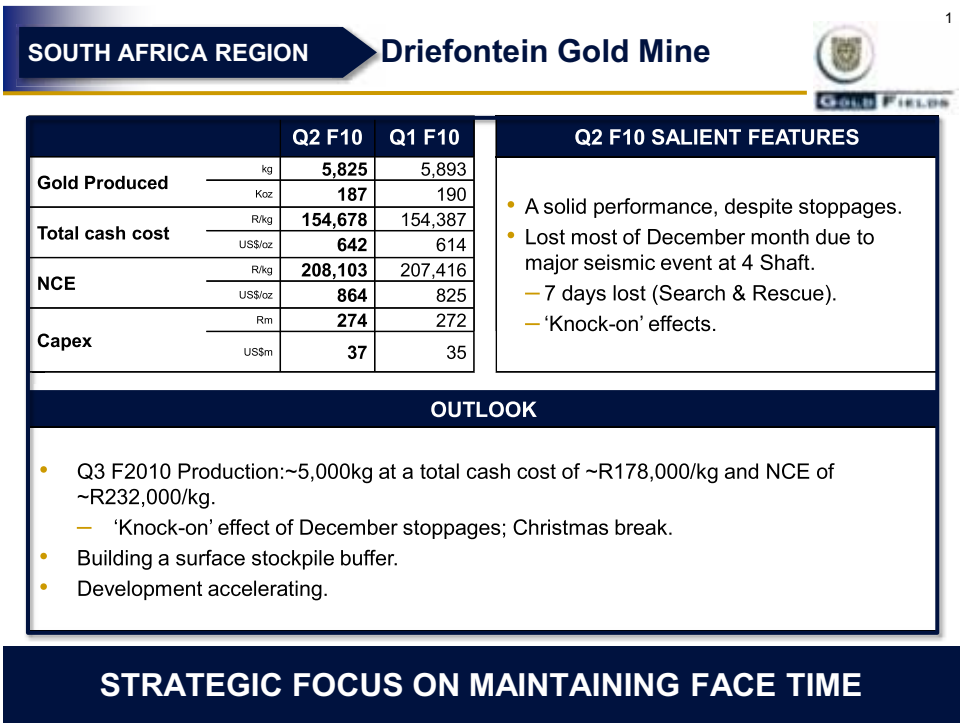
South Deep
South Deep commenced Full Calendar Operations on 1 February 2010 and the transition was seamless. Maintenance is incorporated in the FULCO cycle.



In summary, the region had a steady quarter. It was marginally down on gold production, despite all of the challenges that we had faced.

However, I should remind you that these stoppages don't actually affect only the quarter that they happen in. it has a knock-on effect on the following quarter.

We've had a very slow start to January, and we expect that quarter three will be a challenge going forward. But nevertheless we are fully focussed on making sure that we deliver our plans this quarter.



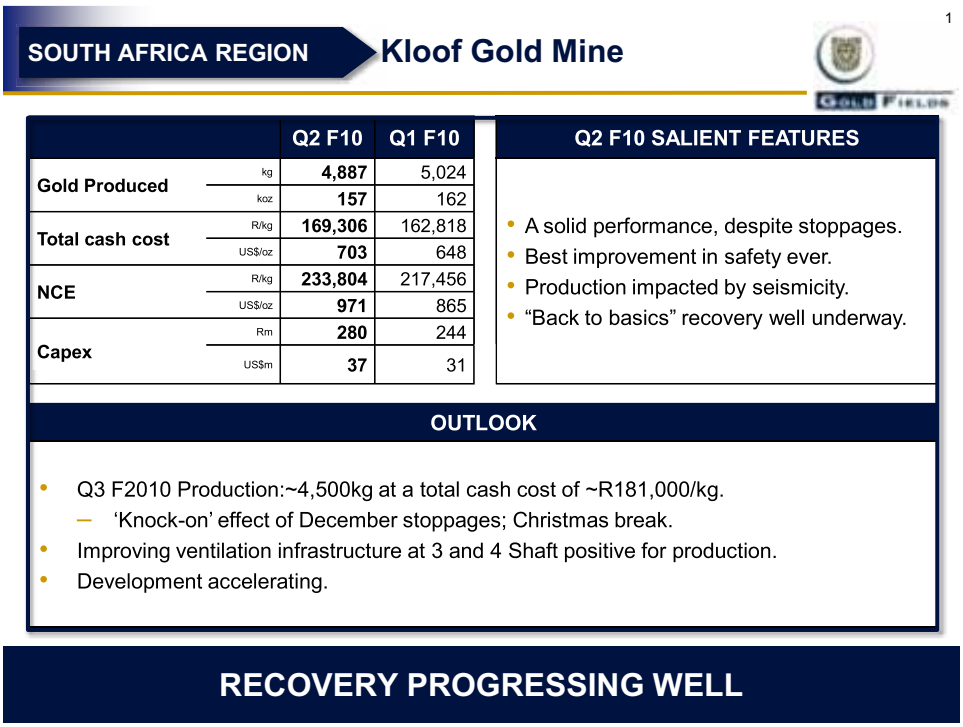
To talk to each of the mines in detail:

Driefontein was largely affected by the stoppage that we had as a result of the seismic event on the 6th December. We had a full week stoppage, and the reason for that stoppage was largely the extent of the damage caused by the event and the long time it took our teams to actually get to the face.

Given the conditions we had to work in, we had to hand-lash a significant tonnage of broken rock before we could get access to our colleagues who were trapped. Unfortunately we lost both of our colleagues who were on the face.

There were significant knock-on effects of that event throughout December, and we only picked up when we returned from leave on the 4th January.

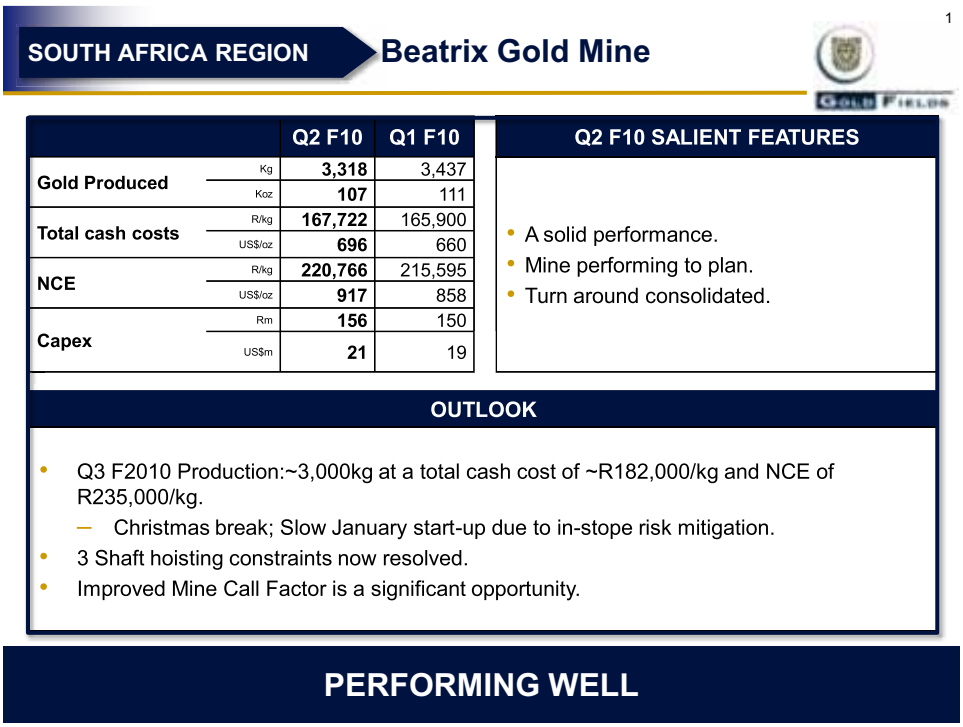
The philosophy going forward is that Driefontein would have to build a buffer, and the buffer that we're going to build is a stockpile on surface. And we are reorganising the operation currently so that it delivers a large percentage of its low-grade west side ore onto the pad that we've built for the stockpile.



Kloof has delivered the best safety performance that we've seen in a long time.

Like we did at Beatrix we've pulled Kloof into an intensive care situation, and we are addressing all the endemic issues on this operation and we're beginning to see the benefits of that going forward.

And it's reflected currently in the safety performance of that mine. In addition, the one thing that we had invested significantly in is ventilation infrastructure at both 3 and 4 Shafts. It's not always possible to work consistently in temperatures that are not ideal. And the infrastructure that we're put into place will make sure that we can run these deep-level shafts at an ambient 28.5 degrees.



Beatrix – I think there's not much to be said.

At a time when we looked to performance on these operations in South Africa, Beatrix has delivered. It has delivered consistently, and the turnaround that we put into place has been consolidated.

There is one remaining issue that the team is working on, and that is to address the mine call factor at 3 Shaft which is on hydropower. A significant improvement in the mine call factor will see gold production change on this mine. And I'm expecting that in the next quarter we'll see the benefits of that.

We had a hoisting constraint on number 3 Shaft. Our engineers worked across the Christmas break, and that has been resolved now, so that shaft is back up to 160,000 tonnes a month hoisting capacity. We were actually doing 140,000 for some time.

SOUTH AFRICA REGION

South Deep Gold Mine

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		Q2 F10	Q1 F10
Gold Produced	Kg	**2,227**	2,032
	Koz	**72**	65
Total cash costs	R/kg	**183,655**	179,921
	US$/oz	**763**	716
NCE	R/kg	**380,647**	375,344
	US$/oz	**1,581**	1,493
Capex	Rm	**427**	384
	US$m	**57**	49

Q2 F10 SALIENT FEATURES

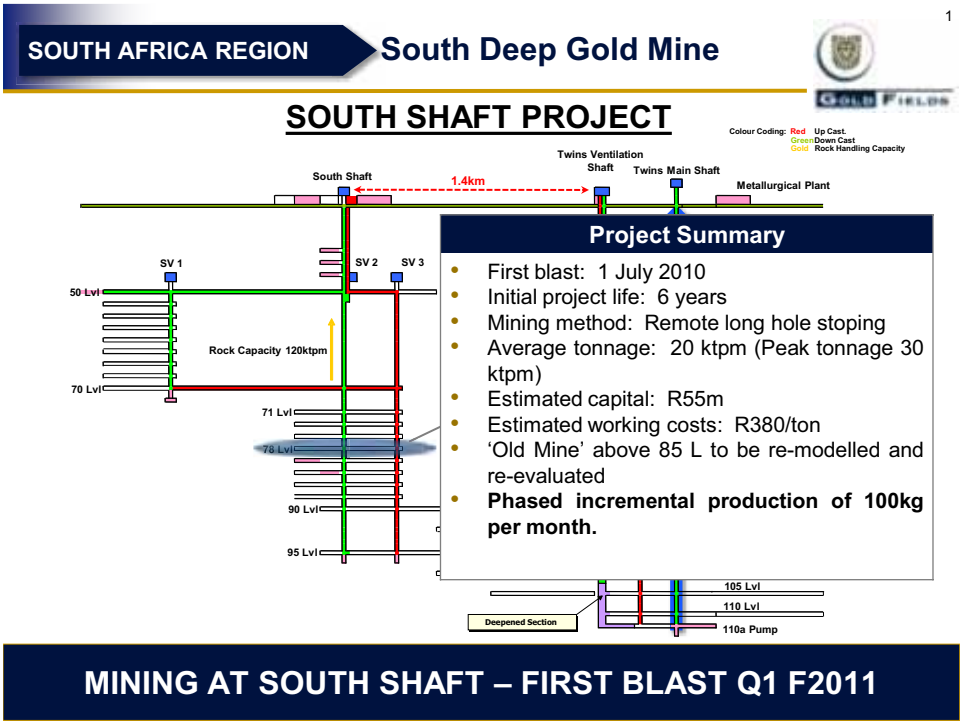
- Build-up on schedule:
  - up 10% quarter on quarter;
  - up 50% year on year.
- Capital programme on track.

OUTLOOK

- Q3 F2010 Production:~2,200kg at a total cash cost of ~R192,000/kg and an NCE of R394,000/kg.
  - Christmas break.
- Mining of South Shaft project area to commence on 01 July 2010.
  - Incremental production.
- Full Calendar Operations (FULCO) commenced.

DELIVERING ON ITS PROMISE

South Deep must remain the star performer in the South African portfolio. This mine is a good mine, but it's a tough mine. And as Nick pointed out, for some time we were wandering in the dark. But as I repeatedly said, Gold Fields owns the prize asset in the South African mining industry. Gold Fields owns the prize asset in the world gold mining industry. And we've put every effort into making sure that this mine delivers the value that's expected by our shareholders.



What's most impressive is that we are bringing South Shaft into production on the 1st July. Stencil that date into your diary. Nick and I will be going underground for the first blast, and anyone that desires to come along and share in this occasion is welcome.

That will give us an additional 20,000 tonnes of ore, anything between 4.5g to 6g per ton, and we expect to deliver an additional incremental 100kg a month. And the beauty of this is it's going to give us the flexibility that we desire on that mine.

I have no doubt that given a few more months we'll be bringing the bulk of that shaft back into production. And it's been our desire as an executive to make sure that we reap the benefits of that operation and that shaft, and I'm pleased to say we've just about arrived.

SOUTH AFRICA REGION **South Deep Project**

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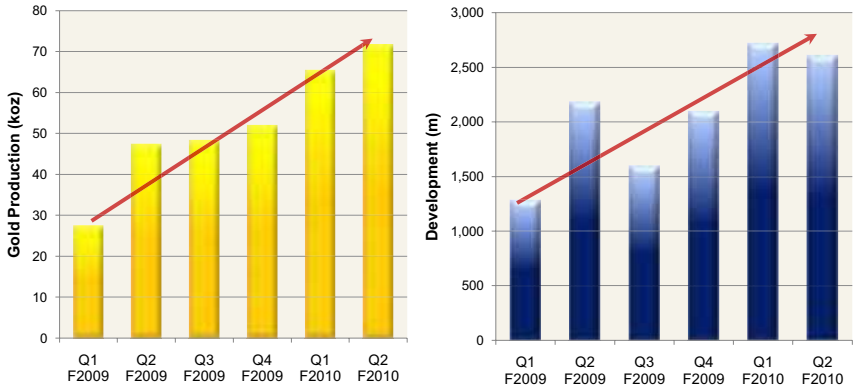
Progress To F2010 Target



SOUTH DEEP ON TRACK

That's a picture that tells its own story. Gold production up. Development meters up. And no one can dispute that performance.

Despite the fact that we've had our challenges I'm pleased to say that this mine is finding the traction that we've always desired for it. There is a lot of hard work that has gone in behind the scenes by the team, and we have the greatest concentration of engineers in this industry on that operation right now to make sure that we deliver the desired performance.

SOUTH AFRICA REGION

South Deep Project

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Capital Programme: F2010 to F2014

Item	Year					Q2 F2010
	F2010	F2011	F2012	F2013	F2014	Status
94 Level Refrigeration Plant No 2	→					
Twin Vent Shaft (Completion for rock hoisting)	→	→	→			
Tailings Storage Facility	→	→				
Plant Expansion to 330ktpm or above	→	→	→			
New Mine Development Phase 1	→	→	→	→	→	
Total Capital (All projects)	**R1,770m**	**R1,875m**	**R2,079m**	**R1,484m**	**R1,198m**	

Note: Capital estimates in July 2009 money

ALL CAPITAL PROJECTS ON TRACK

And you can see this reflected in the capital programme that's being run for that mine. All of our sub projects are on track. They're delivering as per the schedule, and we're pleased to say that it's being tightly managed and will support our delivery for 2014.

I'd just like to re-emphasise that safe production culture that we've always talked about we're beginning to see the benefits of that, and very clearly when compared to our peer groups we're making great progress and it's a credit to our operational teams. We've delivered on South Deep to date. We don't expect to falter on that, and I have no doubt that going forward into the future you'll see progressive improvements. I'm also pleased to say that we spend a significant amount of our time in addressing the issues around our people. The one example that I always give is for the first time in over a decade we've been able to source and man our engineering portfolio. We've had an influx of applications to the organisation, and I'm pleased to say that we now have the best mining and engineering team in the industry.

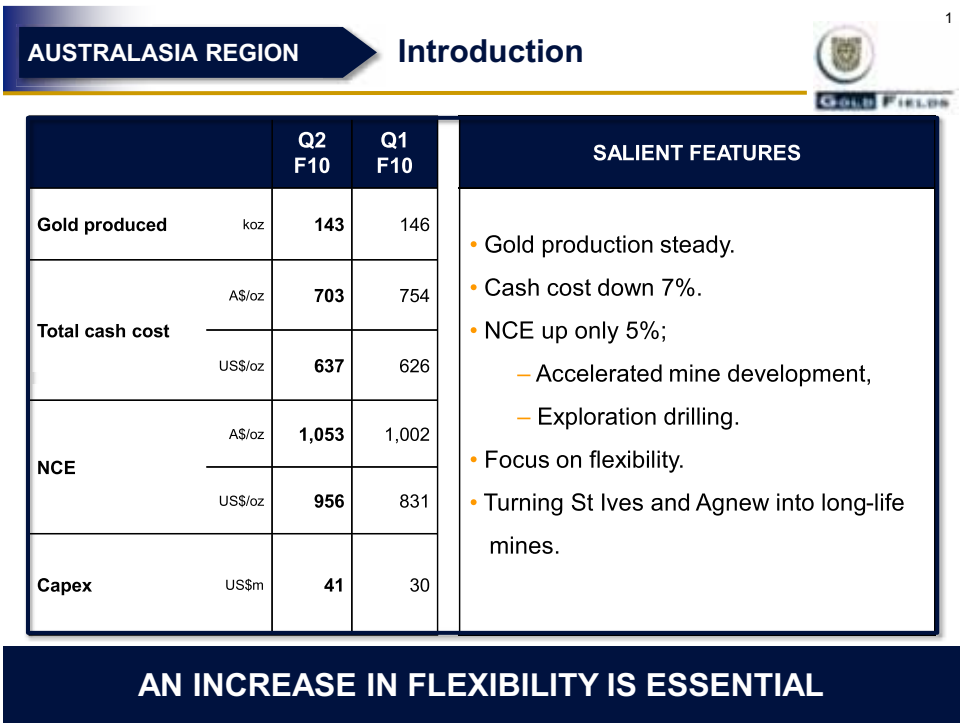
The one failure which I have to recognise and which we're working on is to make sure that our development finds traction. The reasons that we haven't been able to do it to date Nick has pointed out, getting secondary support in place, addressing the up-skilling of our mechanised crews. But I think all of that is largely behind us now, and you will see progress on that going forward into the future.

With that I'd like to hand over to my colleague, Mark Zeptner, who will take you through a tour of Australia.

Australasia Region

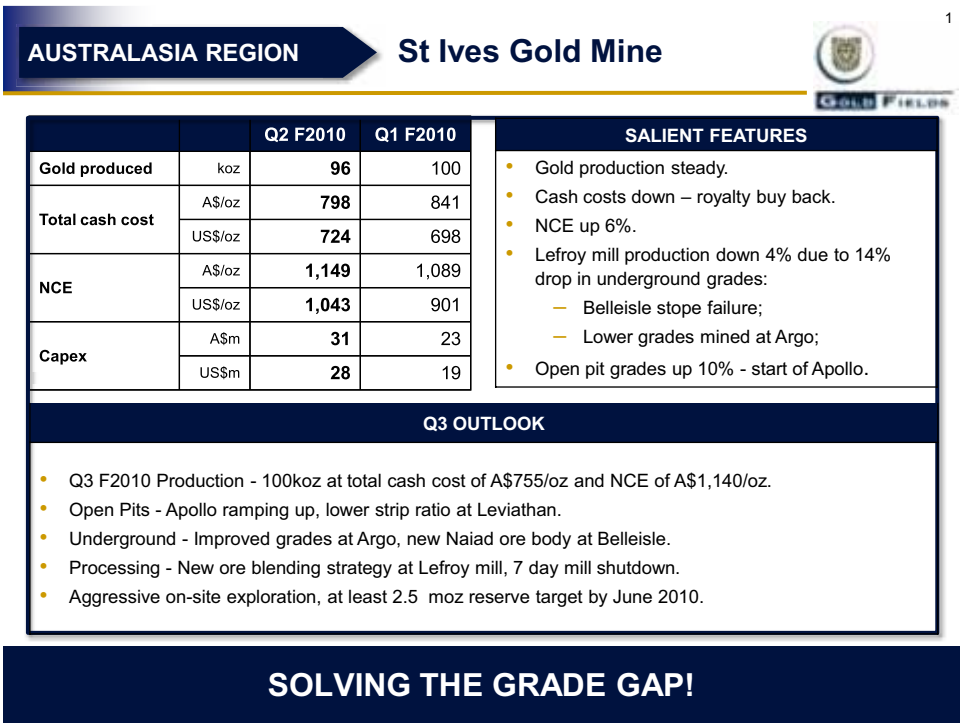
Mark Zeptner
Acting Head of the Australasia Region

Thanks, Vishnu. Good morning everyone.



In Australia we are currently investing in capital by way of accelerated mine development and exploration drilling. We're doing this in order to build production flexibility that we simply haven't had in the past. We must do this. I'll talk a little more on the rationale behind this, and you will get a feel for the specific capex increases as I go through.

I would also like to say that we're expecting to build production up in the Australasian region to 150,000 ounces by the end of the third quarter and position the operations such that we can go beyond this in quarter four.

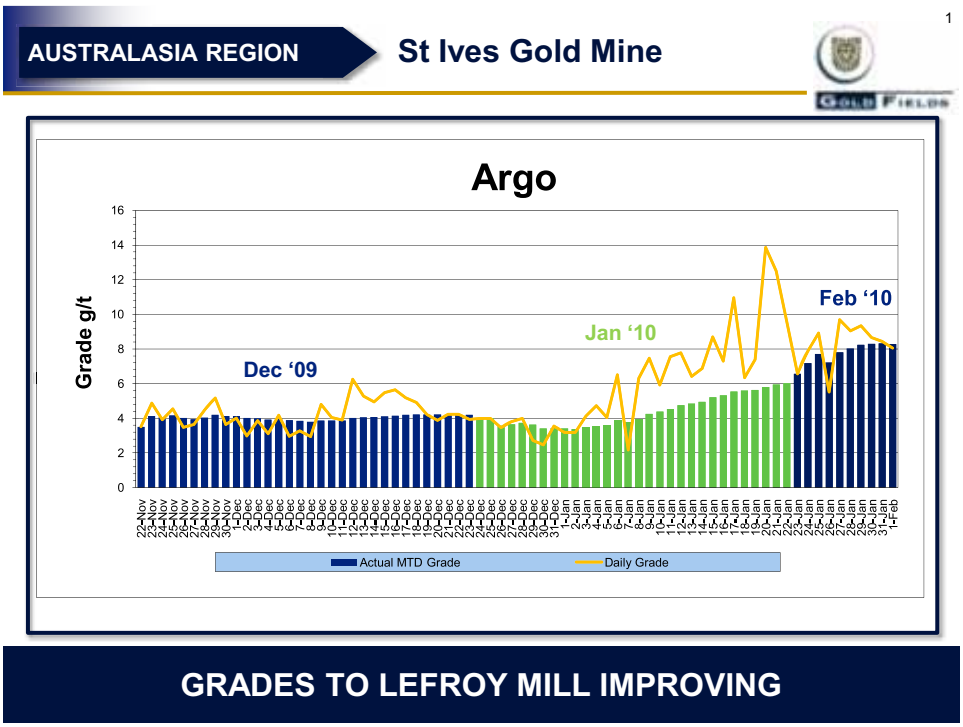


At St Ives production was adversely affected by lower underground grades, due mainly to a stope failure at Belleisle and mining of lower grade areas in the Argo mine.

It was counterbalanced somewhat by higher grades out of the open pits, mainly due to the higher grade Apollo pit coming online earlier than scheduled. At St Ives the outlook is to get back up to the 100,000 ounces per quarter mark in quarter three, but importantly we're hoping to do this at almost $100 an ounce lower cash cost than in Q1.

I also ask you to consider the 100,000 ounces in the context of a seven day shutdown that we've just recently completed at St Ives at the Lefroy mill, in addition to a new ore blending strategy which will effectively tie up 3,000 ounces of high grade ore but will allow us to feed a more steady grade into the mill rather than the grade fluctuations you have with an underground open pit mix.

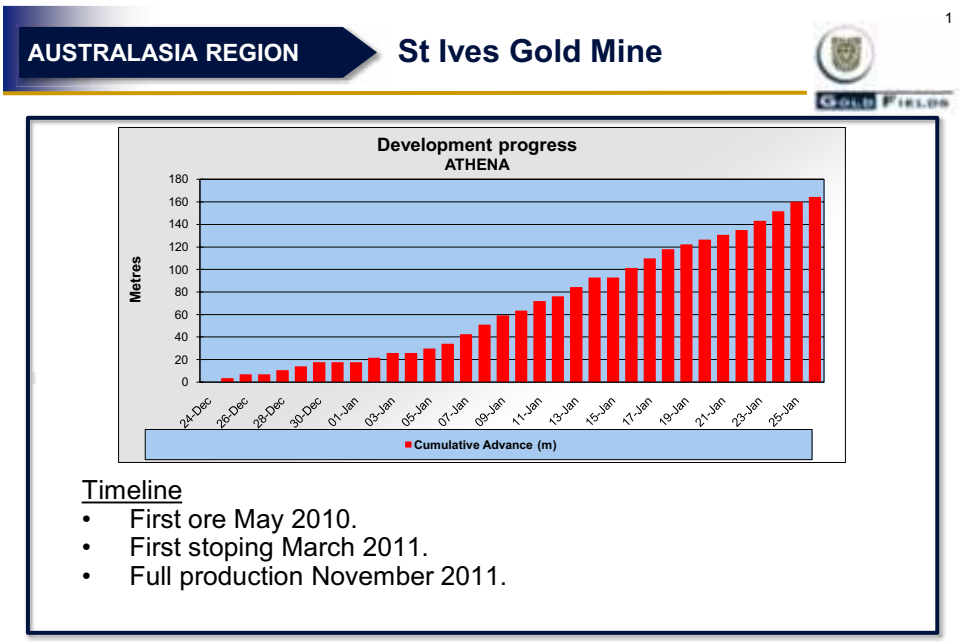
We also expect our aggressive exploration strategy to deliver minimum 2.5 million ounces come the middle of the year as reserves at St Ives.



How are we going to get back to 100,000 ounces?

On the underground it is through an intense grade focus. This is the Argo mine. We have re-evaluated the mining mix at this operation. The graph clearly shows what impact that has had. We're mining in the areas of high grade and high margin. We're effectively taking a mine that has produced in a range between 4g and 5g per ton for some time up to 6g and beyond. The yellow line is the daily grades and the bars are the moving averages.

Also, I'd like to take the opportunity to mention the Belleisle mine. Nick mentioned that we had some issues with stope failure. We're moving into a new ore body called the Naiad. I'm happy to say that the geotechnical and groundwater conditions are much more favourable there. We're currently developing that ore body and we hope to be in full production before the end of this quarter.

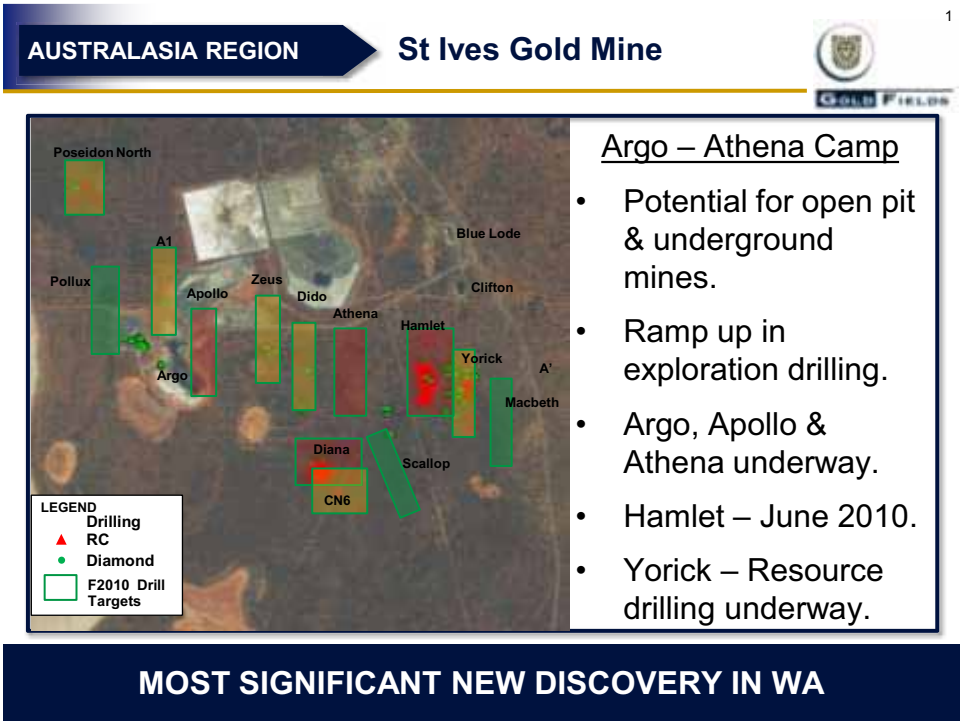


ACCELERATION IN DEVELOPMENT

On the Athena project we have fast-tracked development. In quarter two we completed the box cut, the portal surface infrastructure and even some initial development.

But also in addition to this in early January, on the 4th in fact, we installed a high speed development team to accelerate the project even further. You can see the impact of the change that it's had in January alone on the cumulative meters. The schedules that the high speed team are aiming for in the next six months are up to 400m per month.

We're still evaluating the impact that this will have on the project timelines, but we have early indications that this will accelerate the full mine production up to six months to the start of F2012.

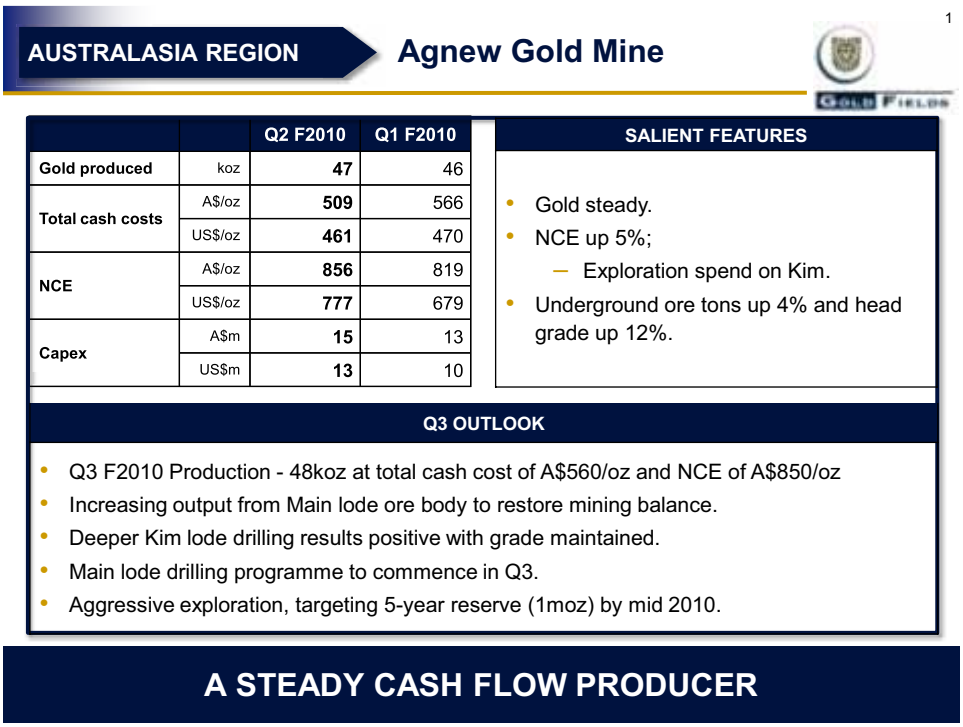


Just a moment to discuss the Argo – Athena Camp, which is an exciting part of St Ives.

It's got the potential for both open pit and underground mines. And the number of project areas here simply goes up the more drilling you do. In fact there are other project areas that we haven't got on this slide, both to the north and south of these areas.

Argo, Apollo and Athena are already mines. We're looking to bring on Hamlet by the end of the year. Then you've got Diana, etc. It's just a function of how many drills we can get in there and how quickly we can bring these things to bear.

I believe this area actually can host up to four million ounces, and I think that we can actually add incremental ounces to St Ives to the extent that we can go from around 420,000 ounces per annum all the way up to 500,000 ounces by virtue of the impact of this area alone.



Agnew for a long time has been a steady cash producer as you know. it continued in that vein in quarter two.

I would like to point out the successful deep drilling completed in the Kim zone – which is a plus 10g ore body – we see no reason why we can't follow that up at the Main Lode ore body.

We're looking to achieve a million ounces of reserves by the middle of the year. Cash flow plus a million ounces of reserves, we'd like to think that this asset can be valued as much outside of Gold Fields as it is inside.

AUSTRALASIA REGION

Agnew Gold Mine

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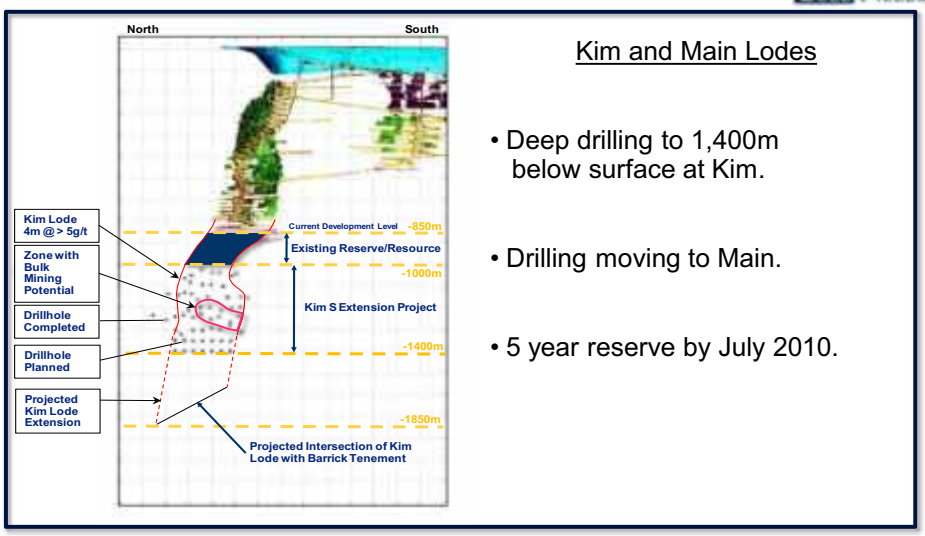


CREATING A LONG-LIFE ASSET

Having a look at where we've done the drilling, this is a long section of the Waroonga mine.

Kim ore body here (Point to ore body on left), Main ore body here (point to ore body on the right).

North is to the left of screen. Current workings are at about 800m below surface. We've completed lines of drilling at 1,400m. We've done the drilling from surface with directional drilling technology. It's been successful even to the extent we've got a widened zone highlighted in red here, which we may be able to bulk mine and increase production rates.

So the future is rosy at Kim, and we've also got that open at depth.

As we speak we're moving the drilling across into the zone below the Main Lode. It's pretty obvious to see that the opportunity for extensions is pretty obvious.

Again, a five year reserve is well within reach at this mine.

Finally, to the focus areas, and there are three for me.

- We have to get St Ives back above 100,000 ounces by closing the grade gap, continuing the good work we're doing at Argo and making that sustainable, ramping up Apollo – it's a 2.5g pit, which is much better than what we had going into the mill from the open pits – and fine-tuning our blending strategy.
- Improving flexibility. We've got an aim of 12 months of developed reserves on our underground mines. By that I mean the decline is 12 months ahead of the stoping front. On some mines that might mean that we need to accelerate our declines. We'll have to manage our costs and NCE in line with that.
- And finally turning St Ives and Agnew into long-life mines. By the middle of the year we're looking at plus five year of reserves. In that part of the world ore bodies are typically a lot less than this.

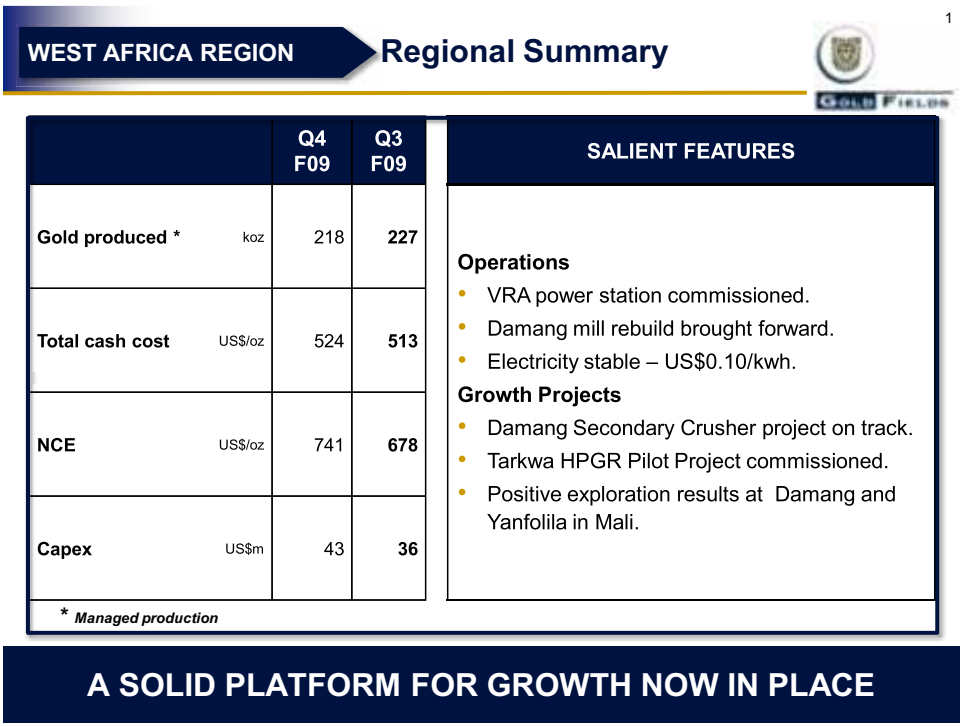
The outlook remains bright for Gold Fields in the Australasia region, give those life of mines.

Thank you. I'd like to hand over to Peter.

West Africa Region

Peter Turner
Head of the West Africa Region

Good morning ladies and gentlemen. I'd like to share with you our performance for the West African region.



Starting off with our regional summary:

West Africa had a steady quarter. A better result, however, was marred by a slow start-up to the quarter with the VRA substation plumbing into our CIL plant at Tarkwa.

We also had to bring forward a planned rebuild of our Damang mill which took us out for a period of time.

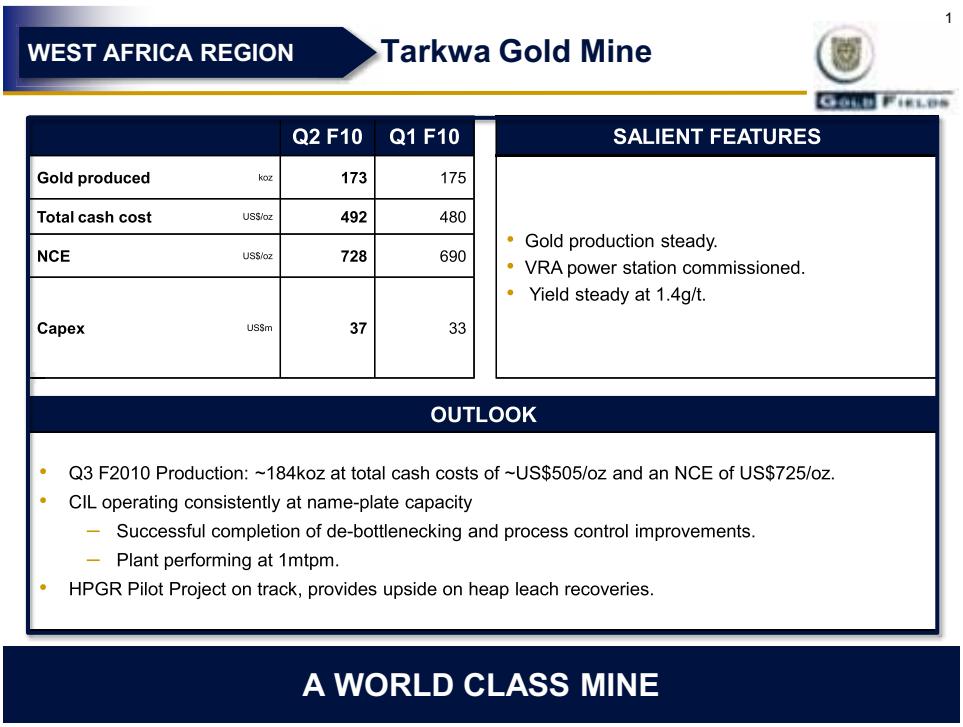
However, I'd like to report that these are all issues behind us. The CIL is performing steadily, and for the first month we did a million tonnes quite steadily. Also Damang is well on track and ahead of schedule with respect to gold production.

Also, I'd like to report on the progress of our growth projects:

The secondary crusher is well on schedule and progressing well.

At Tarkwa the HPGR project has shown some really encouraging results, producing flawlessly at 10,000 tonnes a day and recoveries improving as we would have expected.

I'll also share with you during the course of this presentation some very interesting brownfields and greenfields exploration results.



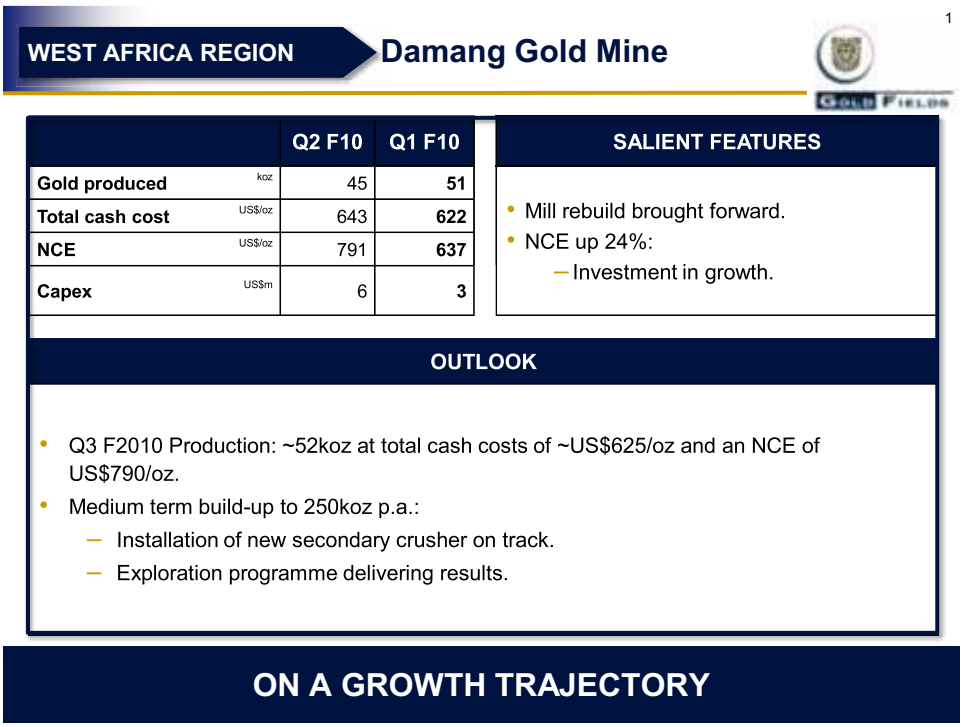
Moving on to Tarkwa then.

A steady quarter for Tarkwa with the CIL and heap leaches performing well and grades holding.

The new HPGR is performing flawlessly at 10,000 tonnes per day as I mentioned, and what we're seeing here is the ability to recondition the recovery profile of our ore that's going through to the heap leaches.

This holds good opportunity for the future with respect to our north heap leaches, and also future prospective projects with respect to reprocessing of old heap leach dumps.

So very exciting technology that is showing good results.



Moving on then to Damang, our new reborn mine.

As I mentioned earlier we had the mill rebuild at Damang which we brought forward. This essentially secures the future for this mine and puts us in good shape.

The secondary crusher project for this mine is well advanced, and on schedule and showing good promise.

I will share with you later some exploration results as well. There is some really exciting stuff on the exploration front at Damang.

The pictures here just show the progress on our secondary crusher plant.

Screen civils on the left; at the bottom our crusher civils going in.

And the final product is to be expected later next quarter in its complete form.

Moving on then to our exploration programme:

Our exploration programme has yielded good results and the key focus for our exploration is in the Greater Damang and Greater Amoanda areas. On the left hand side of the slide you will see the Greater Damang pit spanning some 2.8km, and mineralisation continuous along that trend all the way to the south, including Tamang, Tomento north, Tomento east and ultimately coalescing into Greater Amoanda. A region spanning some 8km.

We're targeting a reserve here of some two million ounces for this year, which we certainly will have brought to book by the end of the year.

WEST AFRICA REGION

Damang Gold Mine

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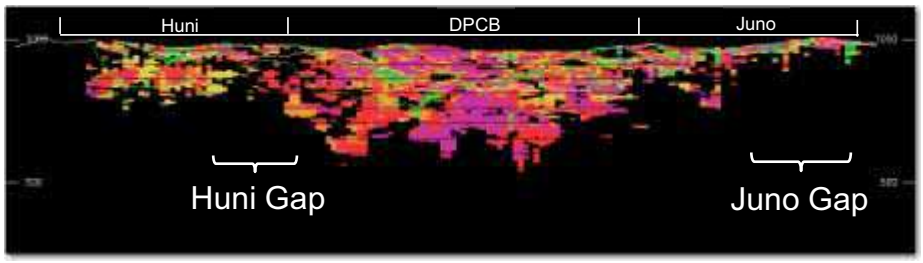
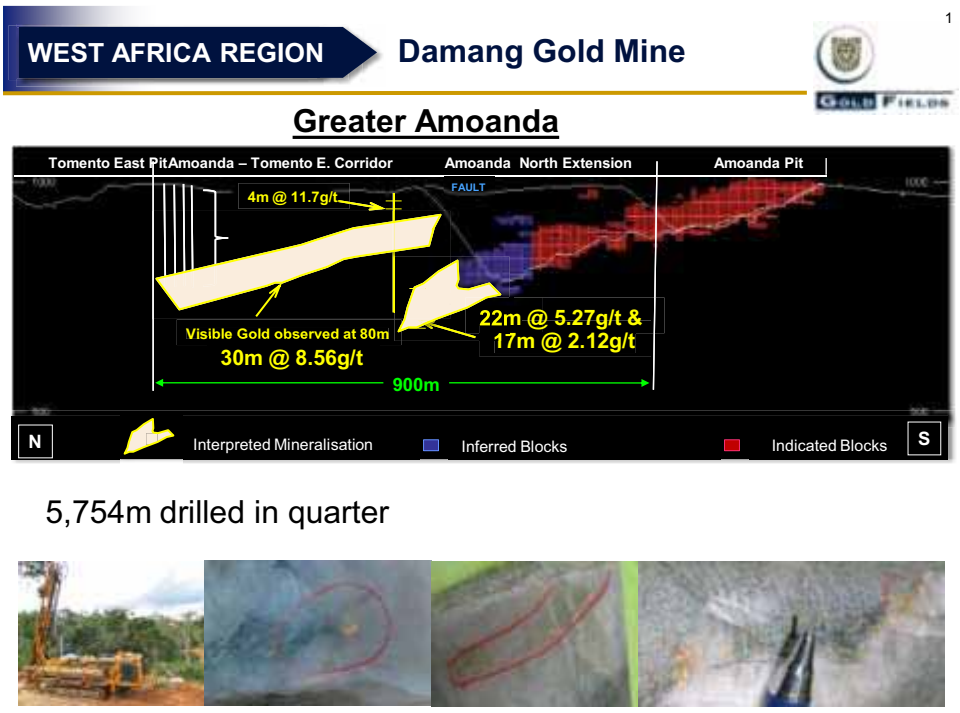


CREATING A "SUPER PIT" AT GREATER DAMANG

Moving on then to our super pit. This is our new baby which we're drilling out at this point. This slide shows a section through the ore bodies of the Damang pit, the Huni pit and the Juno pit. Drilling is underway to coalesce these three ore bodies into one super pit environment. If you can see on the slide you see the Huni gap and the Juno gap. These are areas that we are focussing on with respect to drilling out, and we're expecting in the order of 350,000 ounces to come from this project this year. A very exciting prospect for us.

Closing in on that drilling, we see the red stars are our infill drilling which is taking place, with the Huni pit in the foreground and Damang pit cutback in the background, the process plant off to the right, and just showing some of the intersections.

I highlight the one there, which is DDD003, on the left hand top corner, yielding 4.96g/t over 3.6m. DRC, which is the one on the far right, 29m at 1.5g/t, 1m at 15g/t. These are typical of grades here. But if you compare this to the average mining grade of this area at 1.4g/t these are certainly some improved results.

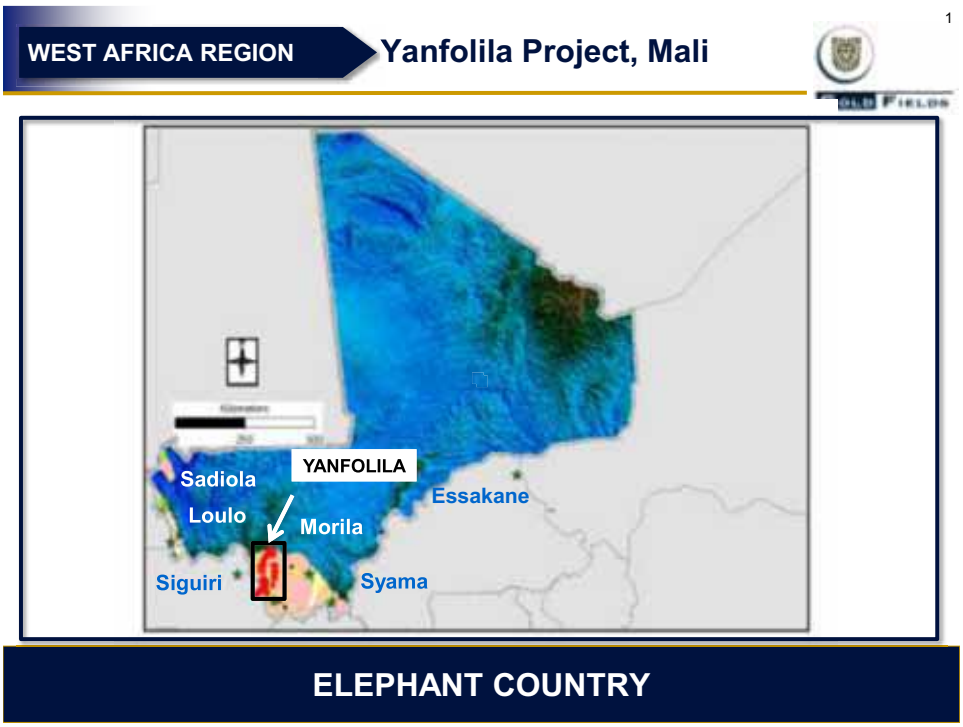


5,754m drilled in quarter

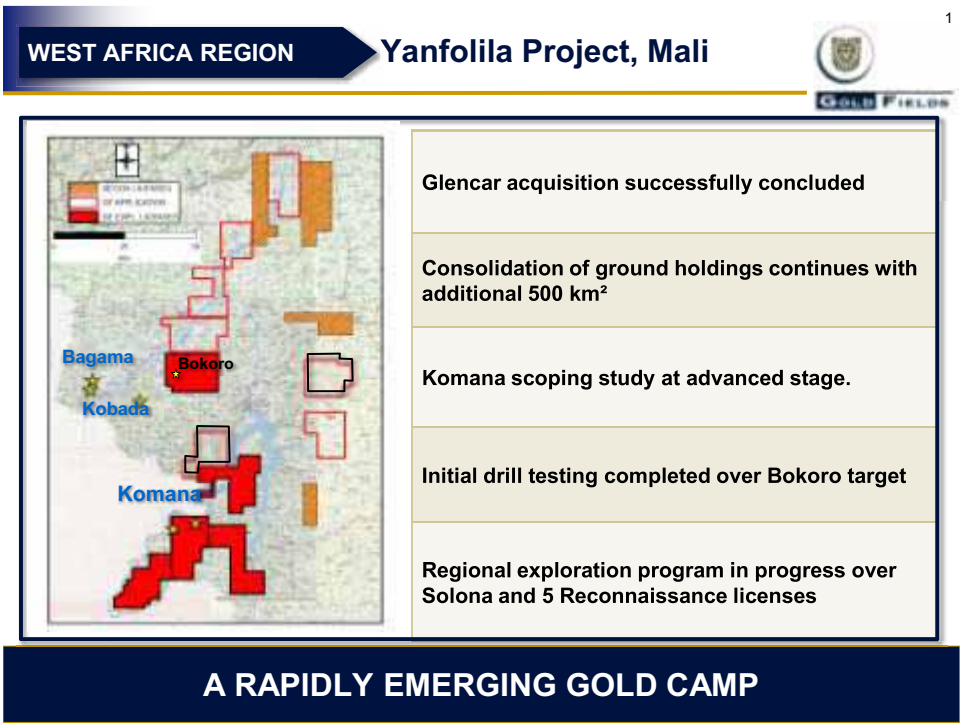
Moving on to Greater Amoanda, this is our new discovery.

If you look at that slide you'll notice that there's a significant ore body plunging off to the left. There is a reverse part that has thrown that up. We're picking up widths of 30m at 8g/t and we're seeing 4m at 11g/t close to surface.

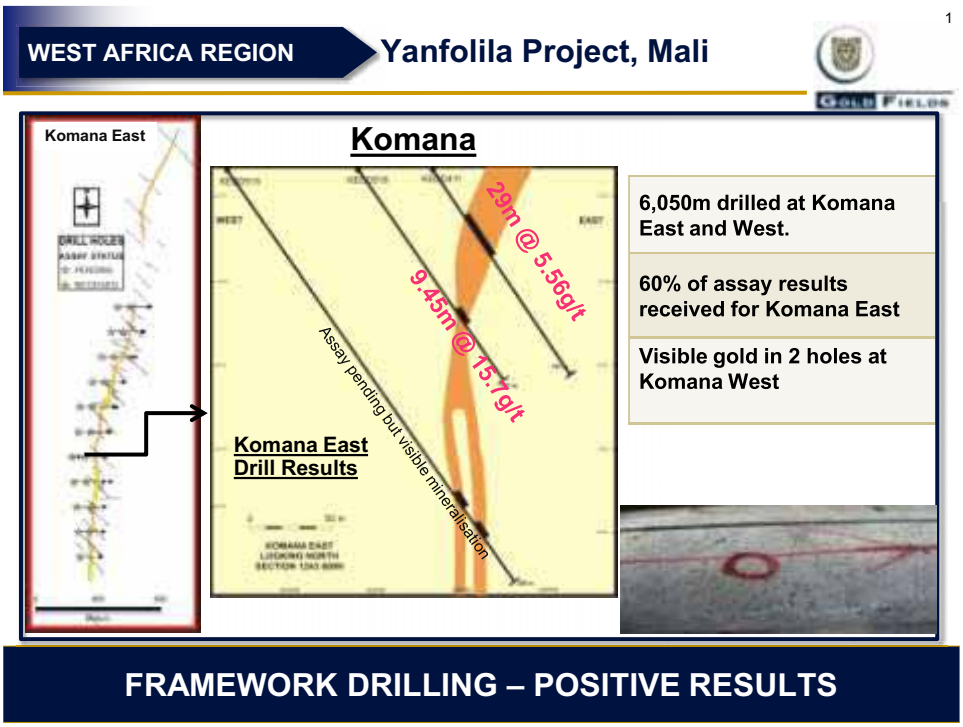
So one can just apply your mind to what a pit shell would look like in this environment. A 900m long pit with significant grades. We're really excited to see what's going to come out of this one.



Moving away from Ghana to our new frontier, Mali. The Yanfolila belt is our focus area. This belt is in an under-explored gold-rich part of south west Mali and holds great prospectivity for us.



And I'll show you what we mean by that. We've just concluded the Glencar acquisition and work is taking place at a furious pace on our new assets. The flagship of our emerging gold camp in southern Mali is Komana where drilling during the season has commenced. We continue to consolidate real estate in the area, and a conceptual scoping study is underway for the Komana project expected by the end of the financial year.



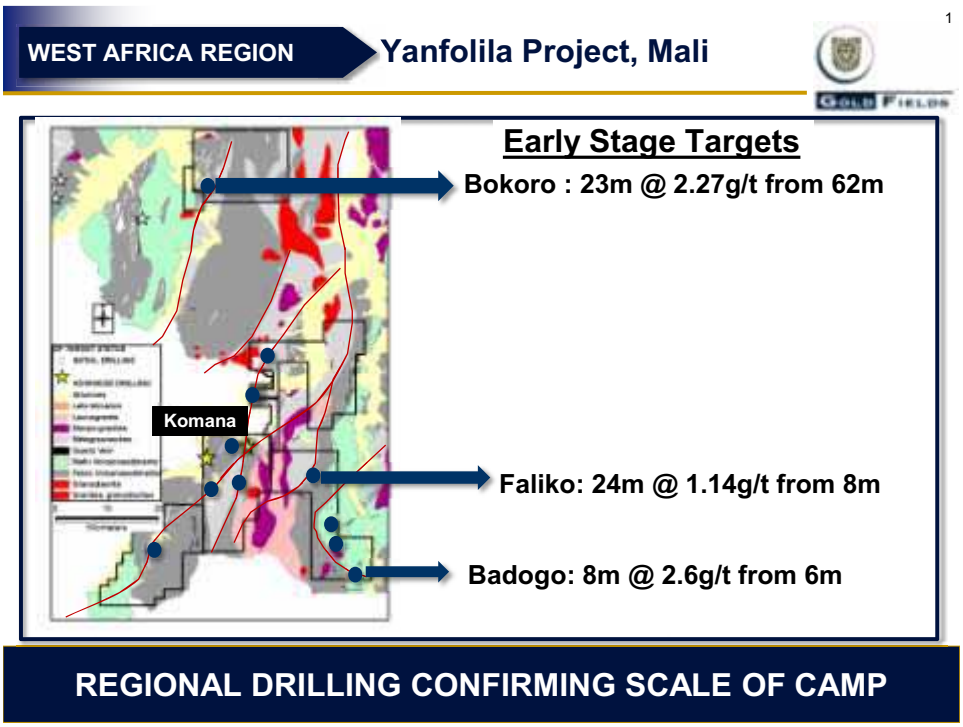
I'll show you some results here.

And we see Komana east continues to yield some very positive results with intercepts of 5.56 over 29m, 15,7g/t over 9.45m.

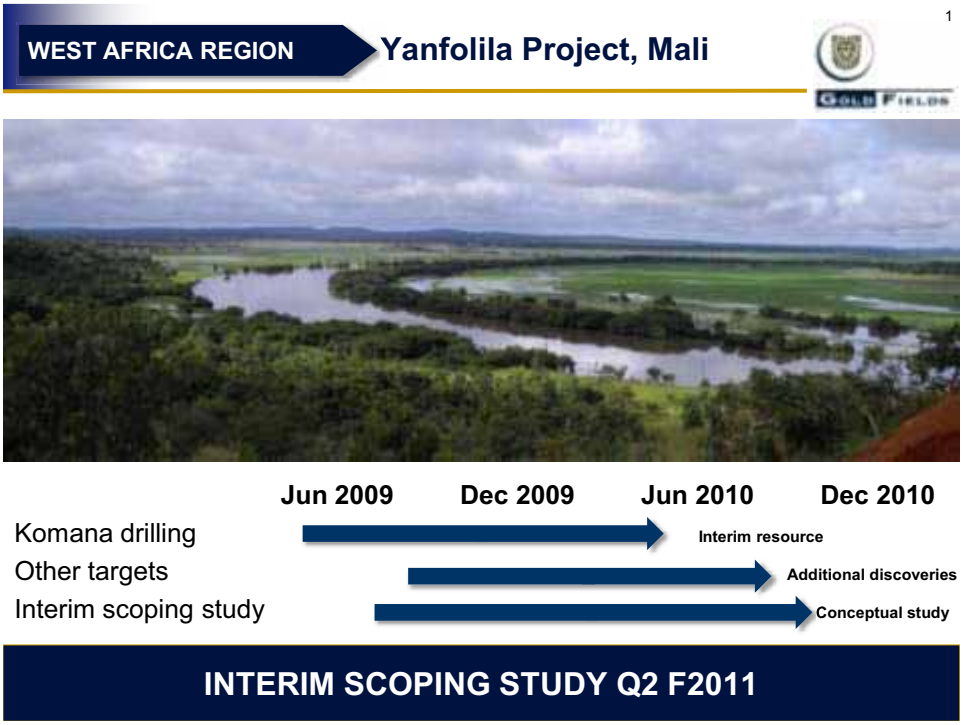
And if you notice, that's fairly close to surface. That's within 50m.

Visible gold has also been detected in some of our drill core as indicated on that little image on the right hand side.

These deposits lend themselves to free dig. Those of you who know Sadiola in Mali know that the first 100m is free dig. This is no different to that part of the world, so we could expect some cheap mining in the upper oxides of these deposits.



We also have early stage exploration projects underway within a 60km radius of Komana, and these are Bokoro, Faliko and Badogo. These are early results, but indicative of the kind of stuff we're going to find and all proximal to Komana where we could lever synergies off a central gold district to bring these to account.



In terms of our programme, our Komana drilling is continuing until June 2010 and our conceptual study will be complete by December 2010.

And we hold a lot of hope for this new emerging gold district and look forward to an exciting future here.

Thank you, ladies and gentlemen. I will now hand over to Juancho who will tell us a bit about South America.

South America Region

Juan Luis Kruger
Head of the South America Region

Thank you, Peter. Buenos dias, amigos.

Q2 F2010: SOUTH AMERICA — Cerro Corona Mine

1

		Q2 F10	Q1 F10
Gold	koz	**35**	33
Copper	tons	**10,600**	9,100
Production	Eq oz	**98**	89
Total cash cost	US$/oz	**378**	349
NCE	US$/oz	**617**	599
Capex	US$m	**24**	23

Salient Points

- Au equivalent ounces +11%
- Au +3%; Cu +16%;
  - higher Cu grade and recoveries
- Cash flow before loans of $29 million;
  - prepaid $30 million of project financing loan
- TMF construction on track.

Outlook Q3 F2010

- Q3 F2010 Production: Au 36.6k oz and Cu 10,200 tons:
  - Equivalent ounces: 100k eq oz (Au @ US$ 1,085/oz and Cu @ US$ 6,700 per ton).
- Total cash costs of US$355/eq oz and NCE of US$575/eq oz.
- Final construction phase to complete the 3,740m level raise at Las Aguilas / Las Gordas TMF by April.
- Operational improvement projects – sustained recoveries.

STEADY, CONSISTENT CASH GENERATOR

I'm very glad to report today that on the back of continued improvements in safety Cerro Corona outperformed the plan in the December quarter, consistently improving its performance over the previous quarter which resulted in strong sustained cash generation.

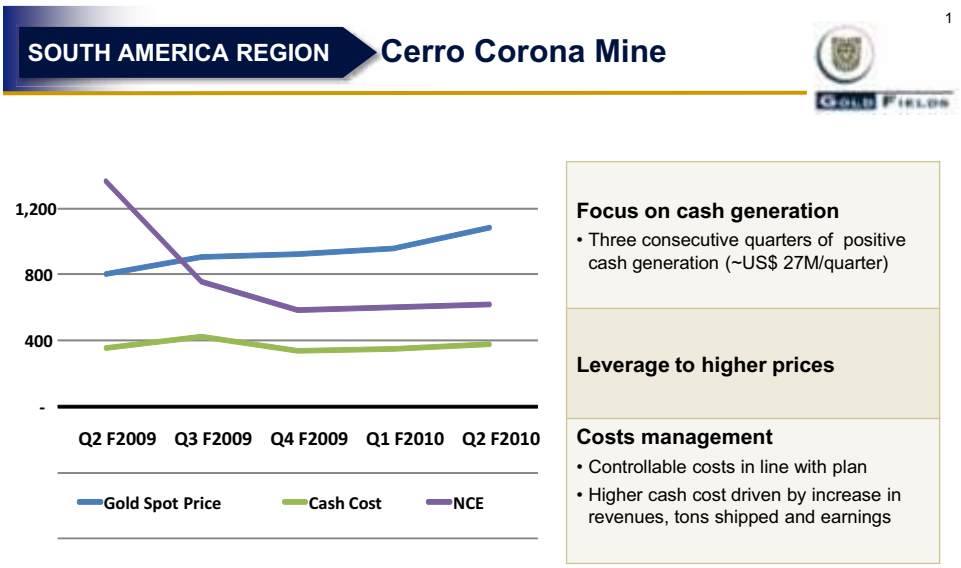
Gold equivalent ounces produced increased 11% in the September quarter, driven by a 16% increase in copper and 3% increase in gold production. The increase in production and the impact of higher prices allowed Cerro Corona to increase its operating profit by 30% over the previous quarter, offsetting the impact of a slightly higher cash cost.

The strong performance allowed Cerro Corona to generate a cash flow of $29 million for the quarter, which in turn enabled us to prepay $30 million of the project financing facility during the December quarter.

Looking into the current quarter Cerro Corona showed continued improvement in its operational performance in order to deliver 100,000 gold equivalent ounces at a cash cost of $355 and at an NCE of $575 per gold equivalent ounce.

Equally important in this quarter will be to complete the final phase of the construction of the tailings dam up to level 3,740, which is on track to be finished by April.

Cerro Corona has proven its capacity to consistently deliver and create value quarter over quarter. This is what drives our team, who is focused on maximising the generation of cash flow and sweating this asset.

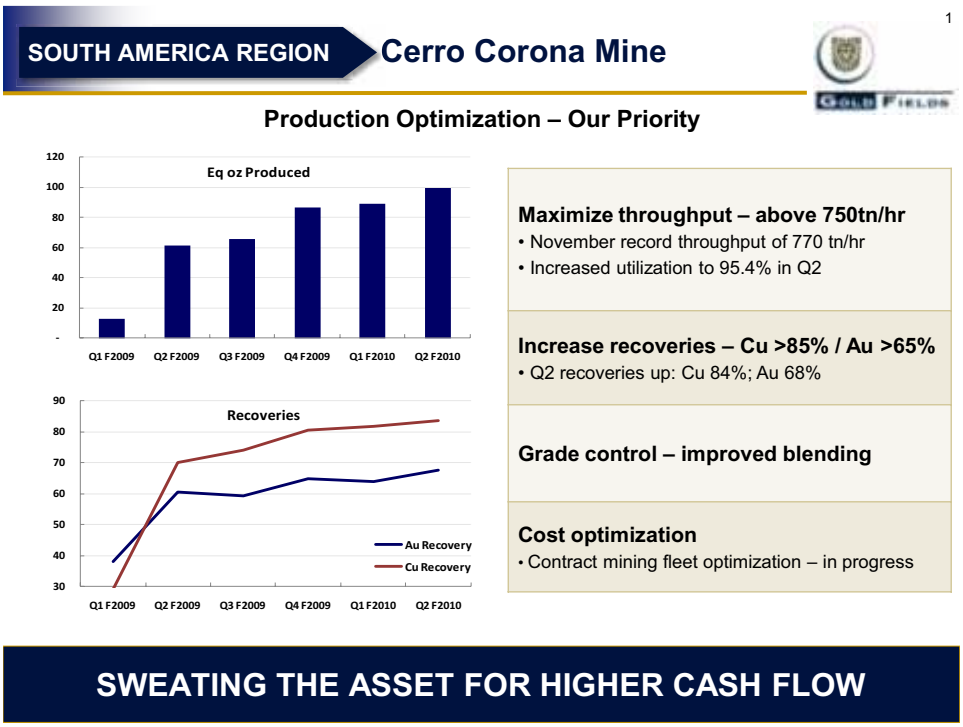


LEVERAGE TO PRICES - INCREASED NCE MARGIN

As illustrated on this chart the strong operational performance achieved during the December quarter, together with a steady NCE allowed Cerro Corona to leverage on the higher prices and increase its NCE margin from 38% in the first quarter to 43% in the December quarter.

Management continues to focus on costs as a key driver of value. Controllable costs were in line with the plan for the quarter, while the increasing cash cost was attributable to costs driven by the higher revenues, earnings and volume shift.

Bottom line, we continued increasing our margins and cash generated per ounce, which in turn has allowed us to consolidate three consecutive quarters of positive cash flow generation for the group.



SWEATING THE ASSET FOR HIGHER CASH FLOW

To continuously improve our operational performance we have been focussed on four key drivers for which we set challenging targets at the beginning of the fiscal year.

Maximise throughput above the name plate capacity, increase our recoveries, improve our grade control through better ore blending to the plant and optimise our costs.

As evidenced by the results obtained in the first two quarters and particularly in the December quarter Cerro Corona has achieved most of the targets and is on the right track to continue delivering on its goals as we move into the second half of the fiscal year.

Costs in production are not the only drivers of value at Cerro Corona. Given the magnitude of the construction of our tailings dam it is critical to ensure that the project is completed on time and within budget. I am glad to report progress that was made during the December quarter with the 78% completion of the raise to 3,740 level, within budget.

This picture illustrates the magnitude of the work done and highlights that the Las Aguas dam, which is here on the left hand side of the chart, has been completed.

I'm talking about the starter dam up to level 3,720 here., reaching almost the same height as the Las Gordas starter dam.

We have to bear in mind that 14 months ago we had here a big creek with nothing in it, so significant progress has been made, on track with the budget and the schedule.

Cerro Corona has proven its capacity to deliver and focuses now on continuous improvement.

SOUTH AMERICA REGION

Chucapaca Project

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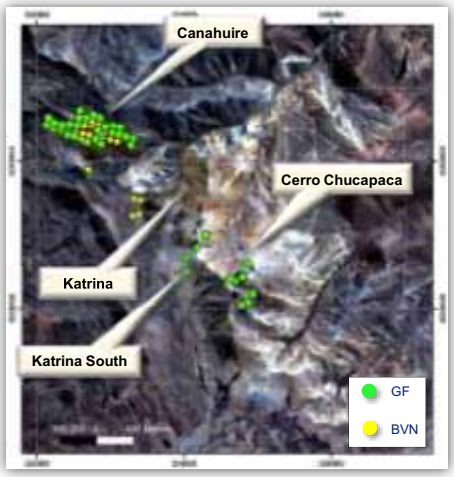


- **Canahuire target:**
  Initial resource – Q4 F10;
  Robust mineralization;
  Open to the west.

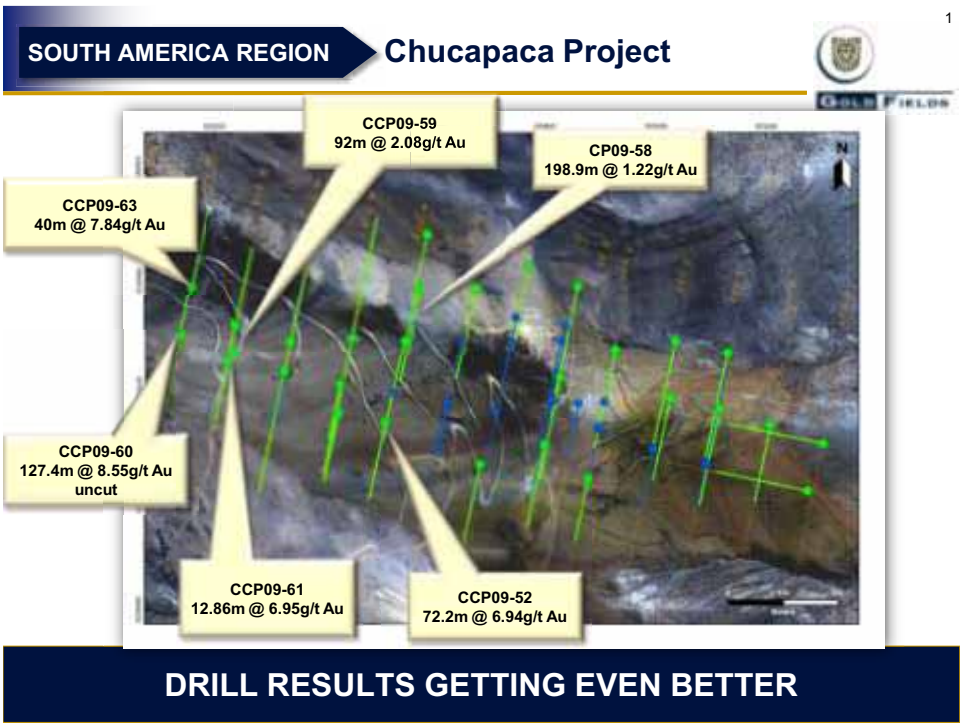
- **Katrina satellite targets:**
  Initial drilling commenced.

- **Interim scoping study:**
  To be delivered - Q4 F10;
  Resource still open.

GOLD FIELDS' NEXT MINE IN SOUTH AMERICA

Equally important to us is to continue focussing on delivering on our growth strategy for the region and in this sense our Chucapaca project in Southern Peru continues to be our flagship project in the region and one of the most encouraging projects for Gold Fields in the world.

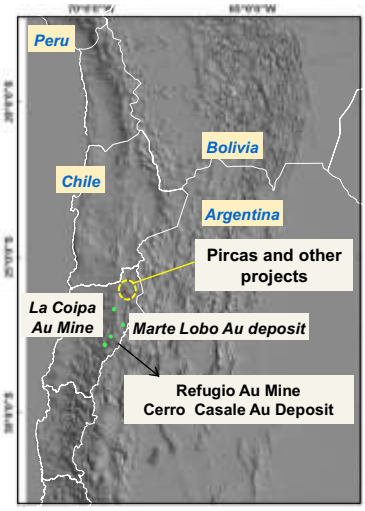
Work on Chucapaca continued as planned during the quarter with the interim scoping study on track to be delivered by the end of the fiscal year.



In line with the work program 64 drill holes were completed for a total of 16,000m drilled on our targets. The results of the drilling program confirmed a robust mineralisation still open to the west with very high grades reaching between 8 to 9 grams per ton, especially on the latest drill holes we performed on the western section, 700 west section of the deposit; this is the Canahuire target deposit.

So the drill results are basically getting better and we're very encouraged and excited with the prospect of Chucapaca becoming Gold Fields' next mine in South America.

SOUTH AMERICA REGION — Other Exploration Projects



Maricunga Belt – Central Chile

- Highly endowed belt with + 100 M oz Au
- Emerging region with significant development projects: Cerro Casale, Caspiche, Marte Lobo

Pircas Project:

- Second drill campaign completed
- Encouraging results
- Option to acquire 100% of the property
- Other projects being advanced

EARLY DAYS BUT PROMISING

Further on our growth programme in the region we continued our exploration activities during the quarter in the Maricunga belt in central Chile.

A highly prospective area of that country with important projects currently under development and in operation.

The second drilling campaign of 2700m was completed in our Pircas project where we have an option to acquire 100% of the property. Initial results of this drilling campaign look very encouraging.

During the quarter we also continued actively working on other projects in this area. It's still at an early stage but increasing our pipeline with potential for growth in Chile as well. Early days but very promising.

Finally and to summarise the update on the South American region I believe that the December quarter was challenging for Cerro Corona but very rewarding given the results obtained, the continuous improvement in the operational performance and its steady and consistent cash flow generation.

The future looks equally challenging but more importantly very promising. Management is committed to deliver on our goals and continue improving on Cerro Corona but equally important it is also focussed on two relevant growth initiatives.

The first one being the analyses of alternatives to treat and monetize the Oxides that we have in stock at Cerro Corona and, secondly, the evaluation of the potential of resource conversion into reserves at Cerro Corona.

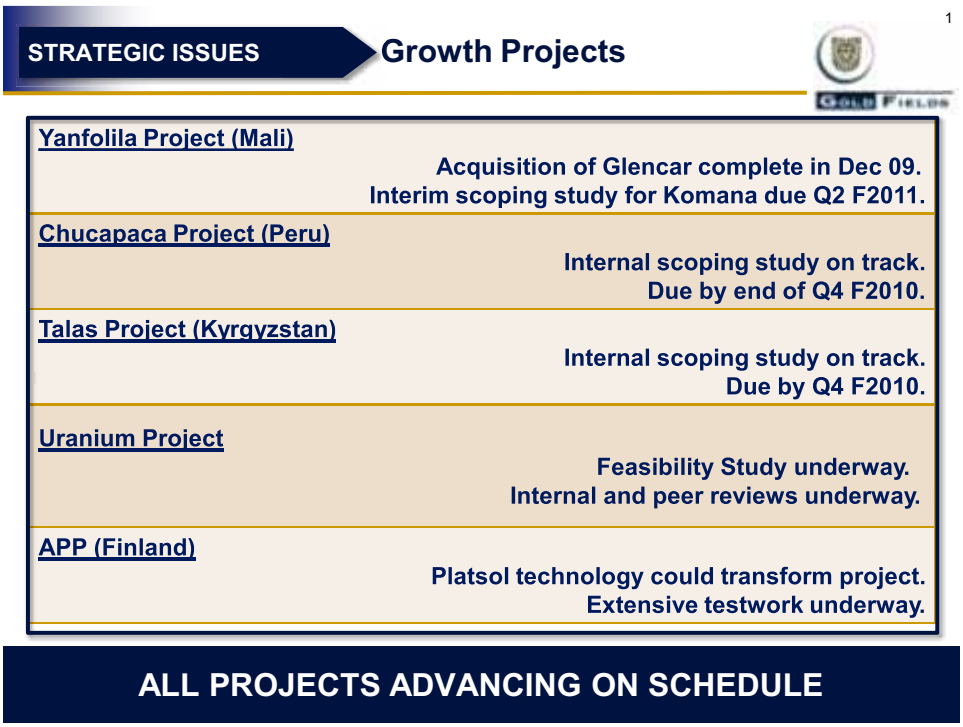
Last but not least, the Chucapaca project is only looking better quarter over quarter and remains as our most promising project in the region. All required resources and efforts are in place to complete the interim scoping study by the end of the fiscal year.

Muchas gracias to all of you and with that I will turn back to Nick for his final comments.

STRATEGIC ISSUES

Nick Holland
Chief Executive Officer

Thank you Juan. I'm just going to wrap up quickly and then we'll leave some time to answer any questions you might have.



As you've heard the growth portfolio of Gold Fields has never been better. A number of Greenfield's projects as you can see are starting to advance up the curve.

The **Uranium Project** feasibility study should be completed at the end of this quarter and I know a lot of you have questions on that and once we've finished we'll give you an update.

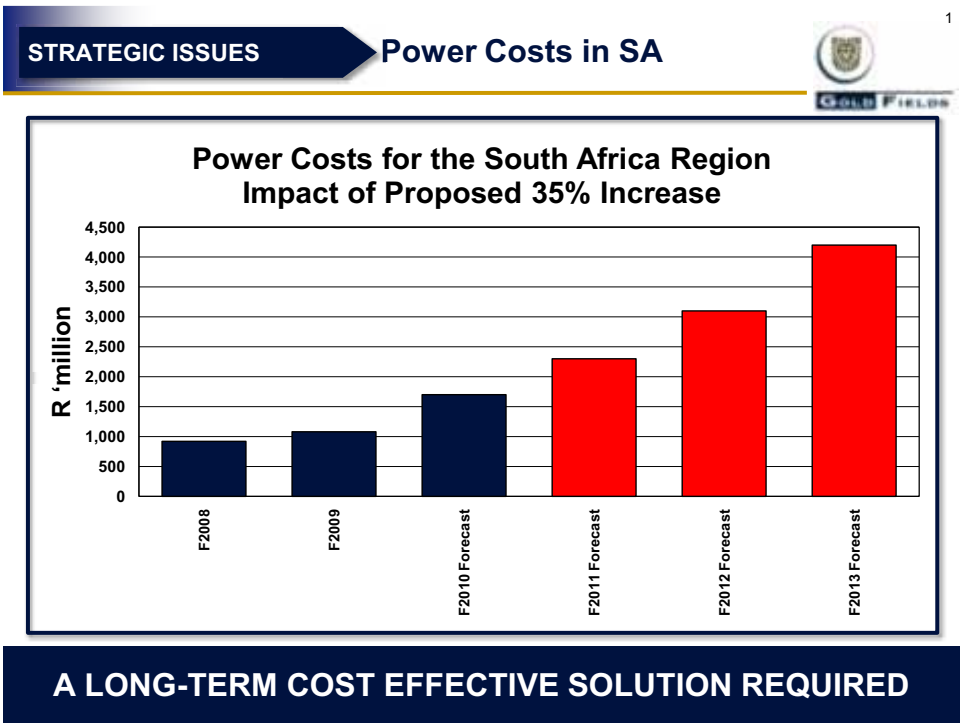
What's also particularly interesting, **APP (Arctic Platinum Project)** and for those people who have been around looking at Gold Fields for some years you'll maybe be asking why is this up again, I thought Gold Fields was a gold company, not a platinum company? Well we are a gold company but this is in the portfolio, we've had it now for round about 7 or 8 years, it does represent 11 million ounces of 2PGE plus gold, 3 to 1 palladium platinum ratio. The project is in central Europe so it's in a unique position and we've not been able to make this work so far. What's particularly interesting is that we're now looking at a new approach. Instead of trying to produce concentrate on site we're looking to try and produce metal on site effectively copper cathode, platinum and gold palladium precipitate, and that creates a whole new opportunity and it creates an opportunity to increase the recoveries. We're doing some test work on this. In fact we're extracting a new sample of base material, we're going to test it through the process, that's going to be the scope of 2010. Let me not even conclude where we're going to end up, but what's important for us is to take assets in Gold Fields that right now have no value and to create value out of those assets.

That's why we're looking at the uranium project, that's why we're looking at Arctic Platinum so let's see where it goes but it does look encouraging into the future.

Underpinned behind all of this is a strong brown field's growth portfolio across all of the assets. You've heard about growth opportunities at **South Deep**, you've heard about growth opportunities at **St Ives**, at **Agnew**, at **Damang** and let's not forget Tarkwa's growth opportunities on reprocessing those south heaps and that's a project that Peter and his team are going to be looking at in 2010 and seeing if we can roll out

the HPGR process and increase our recoveries on the heap leach which is particularly important given that we're getting deeper into the pits where some of the material is getting harder.

So all of those assets have got opportunities to do better as well.



I've got to talk about power because it is something that has been deeply concerning to me, the executive and the board of directors of Gold Fields.

Eskom's been asking for increases in the electricity tariffs in South Africa, the so called MYPD2. They have asked for 35% increases per year over three years and, as you can see, even if you look at the blue bars which is where we are today, our power has already doubled in two years. Just based on the increases we've already had to absorb, doubling over two years.

What we're being asked to do now is to absorb another 146% increase over a further three years, which would add cumulatively from 2008 to 2013, R3 billion a year. That's before considering the knock on effects of this on all of the other input costs - what does it do to pay limits, etc.

Now, I've personally presented to NERSA (the National Electricity Regulator of South Africa) on the 23rd of January. Gold Fields has made its own presentation and I really do hope sanity will prevail.

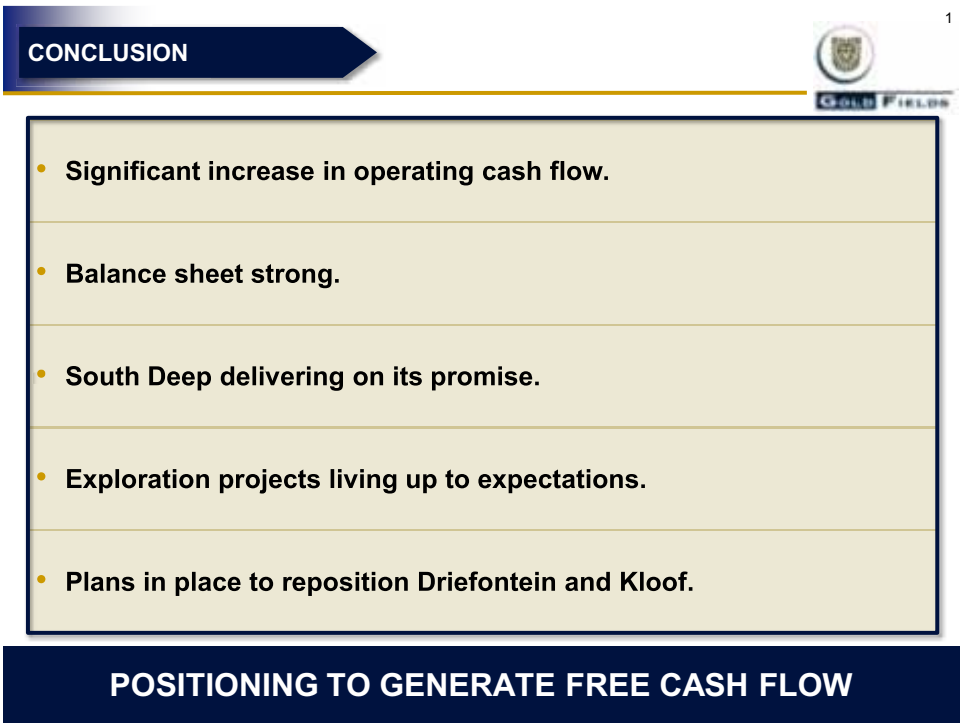
First of all, let me say that I'm the first to say that affordable power to all in South Africa has got to be a critical objective for us to achieve as a country, and as a company we've got to make sure that we do what we can to assist that national imperative. The question is how do we do it? How do we do it in a manner that does not cripple the very income earning assets that provide jobs, that provide the multiplier effect through support industries, that provide benefits for the many dependants of our workers?

We are not going to find a solution in three years for a problem that's been developed over 15 to 20 years. A long term problem requires a long term solution that's sustainable for industry. So let's look at solutions that aren't going to hurt the income earning structure of our business, of our company. Let's rather look at solutions that may share the fruits of that business - maybe of some kind of taxation, whether it be direct or indirect, and preferably broad based.

I do also hope that we are going to get some movement on the only lever we really have in the short run and that's demand management. That's the only lever we have to pull right now. Other countries have shown that it can be done. As key industrial users we have been hit in times of crises and there may well be further times of crises on power supply coming down the road. Let's not wait for it to happen, let's aggressively reduce our demand as consumers individually and as companies. I think that's what we've got to do to help the government.

No point in just pointing fingers at the government, we've got to work with government to find a sustainable solution for this issue and that's the only way I think we're going to get out of this problem.

There is a solution, we mustn't panic, and we've just got to be focused on how we deal with it. I don't believe that what we're seeing here is the solution.



So, in conclusion:

With the increased gold price we have shown a significant increase in our operating cash flow. That's very pleasing to us as it shows that we are doing some things right.

Our balance sheet is probably the strongest in the industry and, as you've heard Paul say, to have only 6 months of operating cash flow as net debt, I don't think anyone should be concerned about that.

South Deep is delivering on its promise, I'm looking forward to 2010 being another great year for this mine.

For those of you who have not been down the operation, I welcome you at the appropriate time to do so and Willie would love to set you up. When we talk about a mechanised mine, people don't believe us. It is a fully mechanised mine right now and come and see for yourself. It is going to be, I believe, the greatest mine in the world.

Our exploration portfolio is starting to deliver promise and we're going to see good things coming down the road.

We recognise that Driefontein and Kloof are not where we want them to be. They're great ore bodies, they've got good, well capitalised infrastructure. How do we translate that latent value into delivery for the benefit of shareholders? I think we can do it.

Thank you.

With that Willie's going to coordinate any questions that you might have.

Question and Answer Session

Question:
Thank you Mr Jacobsz. I'd like some clarification please, if I could get it from Mr Schmidt on the reporting. On the income statement we are shown an exceptional item of R432 million which is taken upstairs into the main body of the report but I do not see the R57.3 million taxation featured separately. Am I to conclude that it's included in the R403.6 million taxation or is it an additional item?

Answer:
(Paul Schmidt) Ruby it's included in the R831 million. It's sitting in the deferred tax line. That's where the tax is sitting for that transaction, so it's in the number, it's already accounted for.

Question:
All right. Next please I want to go to the balance sheet. Under liabilities the current portion of long term loans is shown as 3.674 [million] current, suggesting to me that its payable within the next 12 months. I then go down to the table headed the debt maturity ladder, which I read as debts that is payable within the years shown, but immediately beneath that it states that these are available loan facilities. Now what I want to know is, what's the amount that is payable in 2010. Is it 3.674[million] or is it 4.742 million?

Answer:
(Paul Schmidt) Ruby, it's the bottom part. Below it there's a thing called utilisation, what I have to pay in the next two quarters is R3.4 billion and then I've got R940,000 in fiscal 2011. The 3.6 [million] that you see in the balance sheet is split between those two numbers because, as you rightly say, it's in the next 12 months so it transcends fiscal 2010 and 2011.

Question:
Now given the fact that in the December quarter your cash flow statement was negative R534 million mainly because of loans repaid obviously, are we going to see the same type of results in the next half period? Are you still going to be negative because of loans repaid?

Answer:
(Paul Schmidt) No we're going to be positive. There's two things that will change in the next half year, Ruby, is that we had a big working capital build up which will release in the next quarter and the next six months and also some of the loan repayments are half yearly ones so you'll see a massive swing in the cash flow over the next six months going positive.

Thank you for that.

Question:
Hi, thanks Willie, Allan Cooke from JP Morgan. Could you perhaps flesh out what you want to do at Driefontein and Kloof in terms of alternative working arrangements that you've mentioned, how the 6 hour working week - and in the back of my mind I'm thinking about the impact on the economics there? Could you talk to what you're expecting? In the past we've seen other companies roll these out, there's a history here, and they've not worked, FULCO and other companies and then also the impact if you don't mind on shaft maintenance. What will that do to your shaft maintenance programs on these shafts when you move those working arrangements? That's the one question and then two quick ones on top of that if I may. Agnew, the resource and the depth extension there will require a shaft, is that correct and what would that entail as a project and then finally you've not mentioned the one project. You've mentioned all the others,

very good results I might add, but Talas in Kyrgyzstan where you've also completing the scoping study, this quarter or by the end of the year, what progress there?

(WJ) Should we start with Vishnu on the South Africans, then Mark if you can address the Australian bit and then Nick if you'll speak to Talas?

Answer:
(Vishnu Pillay) Thanks Willie, thanks Allan for those questions. Firstly it's not a six hour working week; it's a six day working week! I just don't want anyone to go away with the impression here that we're now going to work one day in the week so it's a six day working week and its not FULCO. I should stress, a six day working week still gives you Sundays and public holidays off and what it actually does for us and I'm happy to talk through the roster when time permits, in fact anyone's welcome to give me a call and talk to it. In an 11 shift fortnight, an average individual works 77 shifts in an 11 shift fortnight. In a 6 day working week an average individual will actually only work 72 shifts and will be given a period off as well so our employees will work less time. But what we will do is that we will always have people on the face through the way we roster the operations and we can only work these mines, given all the imposts that are being placed upon us and Nick's talked extensively to the 35% increase in electricity.

Let me be harsh, a 35% increase in electricity over three years is going to be tough for us to accommodate if we don't change the fundamentals in the way we operate our business and that's the harsh reality that we all have to face so to accept that we're going to run these operations like we did yesterday is not going to work for us. So I guess Allan, what we're really saying is that we've worked this out to make sure that we've got our faces fully manned and productive, to give our employees sufficient time off so this debate about fatigue is addressed.

But more importantly it is to make sure that we have the maintenance built into this roster. With a six day working week we will stop operations midday on Saturday and then from midday Saturday through to Sunday 21:00 it's over to maintenance so that's been built into it. I'm quite confident, and our engineers are quite confident, that we'd be able to do our routine maintenance.

The Christmas and Easter break are also worked into this schedule so we have long off periods to do major infrastructure maintenance and I'm quite happy that that's been taken into account as well.

But in essence I think we've got the right kind of solution that addresses the kind of issues that we want to see fixed. It addresses the concerns of our union leadership, more importantly it gives our operations some degree of sustainability going forward given that its not just electricity, it's the stoppages that are costing us. It's the added input costs that are going to come with the electricity increase that we're going to have to carry and Kloof and Driefontein are the two juggernauts in the South African region. We've got to make it work

(WJ) Thank you Vishnu. Mark, will you speak to Agnew?

Answer:
(Mark Zeptner) In respect to a shaft, Allan, you may well be right. At Agnew we're in a unique position whereby we're at 800m and we already know the ore body extends to 1,400. What you typically have in Australia is you mine the deep line all the way down to 1,500 and then you're buggered, you're too deep. We've got the advantage now that we know ahead of time and we've already started work on those projects to enable us to mine below 1,500 and the ore body could extend to 2kms and we'll be the only underground mine in NWA mining at that depth and we've got an opportunity to do that.

Thanks Mark. Nick.

Answer:
(Nick Holland) What we did say on Talas, Allan, is that the scoping study should be complete by the middle of the year. The indications are that this is a very large tonnage ore body and what we're seeing today is definitely over 200 millions tons. The grades are a little bit lower than I would have liked, around about 0.75 grams a ton at 0.25 % copper and there's also some molly in it and we're doing some more work on that to firm up these numbers and do some value engineering around this and see where we go. It's a significant opportunity. It's not something that we're going to abandon and it does present similar characteristics to what initially was seen in Kadia and we've got to stick around here and maybe do some more drill work. So I think worst case scenario we might find the initial scoping study results a bit iffy for us but there's enough here for us to continue doing some more exploration work in and around and focussing on the high grade shoots that we believe can exist and maybe see if we can get a starter project away. That kind of approach. But I'm not discouraged by what I've seen so far and it does represent a very significant opportunity. We'll give you more detail on this once we've got the initial scoping study around about the middle of the year.

(WJ)Good. Ladies and gentlemen, any more questions? I think we've got time for one more? Johan?

Question:
Thank you Willie, Johan Steyn from Deutsche Bank. Just quickly in terms of the 3Q outlook, you're guiding to 850,000 ounces which basically means you'll have to get 1.1 million to 1.2 million ounces in your final quarter. Is the 3.7 million to 3.8 million full year target still on?

Answer:
(Nick Holland) Well we're going to give it our best shot, that's the target we've set. We've said 925,000 to 950,000 ounces a quarter is what we're targeting and I think we would have made it this last quarter had it not been for the significant stoppage at Driefontein. Certainly we were well positioned to do it. The Christmas break is worse this year than what we've had before because some of the safety issues have prevented us from going into the Christmas break with stockpiles. We've gone into the Christmas break bare this time around because of these stoppages, so the effects of the Christmas break and the start up thereafter are worse than what we expected because of these stoppages. So I would hope to see that we certainly get into that range of the 925,000 to 950,000 in the June quarter. Are we going to do a million in the June quarter? I think that's a tough call.

(WJ) Ladies and gentlemen thank you very much. Mark, did you have a last question?

Question:
Yes. Nick, there's a certain chap who is talking about that we should nationalise mines and I don't think its ever going to happen but Gold Fields has got so many good assets overseas, now what would the possibility be of splitting those off should this stupid thing ever happen and putting them on some other exchange, the other assets and leaving them in the South African assets here? Do you think you should look into it as a possibility? What could happen?

Answer:
(Nick Holland) Well one of the things that struck me coming into this job 21 months ago, when I went to my first investment conference as CEO and picked up the book of all the other companies that were presenting with me in the gold sector. What I couldn't understand is how Gold Fields could be valued at the same valuation as another company that produces 400,000 ounces a year and only has 13 million ounces of gold in the ground. We are producing 3.5 million ounces a year, 3.6 million ounces a year, 80 million ounces of

reserve and we have the same valuation as them. That didn't make any sense to me and it still doesn't, by the way. Even if you overlay on top of that some of the challenges we've had to face, so I think one has to work out, how do you eliminate that gap? The starting point of this debate has got to be what have you got to do to eliminate that gap and let me take you back a few years ago.

I remember in about 2003, in fact the South African gold companies were trading at the same multiple and at the same rating as the international gold companies, and since then we've lost it. It started with the mining charter and since then we've just opened up the gap again.

If you look at some of the companies around the world that we're comparing ourselves to, they've got significant challenges themselves. Don't think that they haven't got challenges and, as the gold analysts in the room will know, some of the majors are having a lot of difficulties finding the same quality of mines to replace those that have been completed and their cash cost curve is starting to move up rapidly.

There's a misconception that costs in South Africa are rising and the rest of the world is standing still. If you track the South African's against the world producers over the last few years you'll find that we're slap bang in the middle in terms of costs and we can make that data available to you if you want it.

But having said that, our first objective before we even consider any kind of restructuring is to make these assets work. Number one, how do you fix these assets and how do you make them work? That comes back to the strategy that I've put up quarter after quarter in the last seven quarters. Sweating the assets. Before we even come to that conclusion we've got to work out, how do we sweat the assets? Then we can get the rating up there.

Coming back to nationalisation, this week it's on, next week it's off, and then it's on. I've spoken to the President directly on this. I don't believe it's an issue. I have spoken to the mining minister. They assure me it's not going to happen. I've spoken to the department so is it going to happen, is it likely to generate value for the country? It won't. We've seen what nationalisation has done in other parts of Africa. It destroyed the copper belt. The copper belt has never been the same even after you privatised it again. I think it's a lot of hot air, I don't think we should get too worked up about it and what we need to do is rather focus on delivering the value in our business. If we deliver the value in our business then we can get these assets to perform in the current structure that they're in and we can get the release in the share price and that's what I'm focussing on. I'm not going to spend a lot of time worrying about these debates. Let the debates go on, we'll carry on running our business.

(WJ) Thank you very much. We will now break to have some lunch, please join us for that and the press people, if we could meet in the boardroom just below us here in 10 minutes from now for the round table. Thank you very much.

END OF TRANSCRIPT