Q4F2010
Results Presentation Transcript
05 August 2010

Ladies and gentlemen, thank you very much for joining us here this morning for the final quarter results for F2010. It's also the year-end results. We will follow the normal procedures with the presentation today. We will start off with Nick, who will give a brief overview, and then Paul will take us through some of the financials. Vishnu will talk about the South African operations, Peter Turner about the West African operations, Richard Weston Australasia, and then Juancho Kruger will talk about the South American operations. After that we will have a time for questions. May I ask before we start to make sure that your cell phones are switched off?

From a safety point of view, in the unlikely event that something goes wrong in this room you can exit through the doors against that wall and through the back and the front doors. And if you could meet on the lawns far to the north of the building, where further instructions will be given. We will also be broadcasting this presentation and we welcome the people who are watching on television or through the webcast on the internet. We'll get started now. I hand over to Nick to get us going. Thank you very much.

Introduction

Programme

Introduction	Nick Holland
Financial review	Paul Schmidt
Region operational summaries • South Africa region • West Africa region • South America region • Australasia region	 Vishnu Pillay Peter Turner Juancho Kruger Richard Weston
Conclusion	Nick Holland

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Thank you, Willie, and good morning everybody. First of all it gives me great pleasure to welcome Richard Weston to the team. Richard has taken over the running of our Australasia region. Richard is Executive Vice President and Head of Australasia, and he's sitting here next to Juancho Kruger. Most of you haven't met Richard before, and I'd like to welcome him to the group. He's now been with us for about three months, and he's slotted into the team very quickly. So we're pleased to have him on board.

Introduction

Q4F2010 Highlights

- Best safety year ever – SA gold industry leader
- Attributable gold production up 13% to 898koz
- Record production quarter at Tarkwa
- Total cash cost and NCE down 2% & 3%, respectively
- NCE margin up from 9% to 18%
- Earnings triple to R900 million

Free Cash Flow of R1.8bn

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Well, it wouldn't be complete to start a presentation like this if we didn't talk about safety because safety is our number one value. We've had the best safety year ever in Gold Fields, and that was on the back of our best safety ever last year. We've shown a 20% improvement in our fatality rate, around a 15% improvement in our serious injury rate, and we are now the SA gold industry leaders in safety. And that's a record that I intend for us to hold on to and to build upon in 2011 fiscal year and beyond.

Also over this last quarter we showed an increase of 13% in our attributable production up to just under 900,000 ounces. And that's similar to the levels that we were producing in the December quarter of last year. And it's nice to be able to show an increase in production at a time when the gold price is also gone up in Rand terms, in US Dollar terms and in Australian Dollar terms. And you can see that that's reflected in free cash flow for the quarter of R1.8 billion. So we have delivered the gold price to the bottom line, and we've delivered it on a safer basis that what we've done before.

There's been a record production quarter at Tarkwa. Tarkwa managed to produce 200,000 ounces this quarter. We've never hit that target before, so that's a tremendous achievement for Peter Turner and his team. And I look forward to them trying to emulate this again into the future.

Despite Eskom increases of around 25%, despite the fact that in South Africa we're into the winter electricity tariffs, which are typically about 50% higher than what they are the rest of the year, we've still managed to reduce our cash costs. We've also managed to contain our overall NCE despite the significant investment that we're making into this company for the future, in particular into South Deep.

And you know that I've talked about notional cash expenditure for some time now as being the real measure of cash flow. And you also know that we're the only gold producer in the world who presents you with the picture on notional cash expenditure. We will continue to do that. And against that metric you can see we've doubled our NCE margin from 9% to 18%. Our earnings have tripled to R900 million for the quarter. So I believe overall it's been a good quarter for Gold Fields and we've demonstrated that we can make money for shareholders.

Introduction

F2010 Scorecard

Sweating our assets	• Attributable production up 2% to 3.5m oz
	  • South Deep up 52% from 175koz to 265koz
	  • Cerro Corona* up 80% from 219koz to 394koz
	  • Tarkwa* up 20% from 612koz to 721koz
	• NCE margin
	  • Up 2% from 13% to 15%
	• Reviewing processes & structures to improve margins

*Managed

Improving the Margin per oz

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I'd like to look briefly at the scorecard for 2010, the year just gone by. Our scorecard is measured against the three key strategic objectives we've set for this group. The first one of those is sweating the assets. That's making sure that we get the best out of our production machine. Over the last year we've shown a 2% increase in our production. We've gone up to 3.5 million ounces.

But against that backdrop South Deep has gone up 52% from 175,000 ounces to 265,000 ounces. And that's a very important milestone because it demonstrates that we are moving towards the 2014 target of 750,000 ounces per annum. And with a 52% increase this last year it shows that this asset has got momentum.

It's been the first full year of operation at Cerro Corona, and we've had a fantastic performance out of that asset, an 80% improvement in ounces from 219,000 ounces to 394,000 ounces. And today I confidently tell you that Cerro Corona is a world-class operation, a world-class mine and we're delighted to have this in our portfolio. And Juancho will demonstrate later some of the other important technical and operational parameters, the costs etc. and how much this asset really is worth to us.

Over the year at Tarkwa with the expansion completed and bedded down we've shown a 20% improvement in production up to 720,000 ounces.

So I believe over the last year those are three very important ticks on our scorecard in terms of our philosophy of showing an increase in margin to shareholders after all capital. And bear in mind this also includes the capital we're spending on South Deep, the benefits of which you're only going to see in years to come. So this includes a big chunk of money spent on that.

And you could argue that you could take that out, but we're not. We're putting everything in here so that you can see the full impact of even funding a growth asset out of our existing cash flows. That margin has gone from 13% to 15%, we're not satisfied with that, and what we want to achieve as a team is to get that margin up to 20% irrespective of the gold price. We believe that we need to generate an NCE margin after all capital expenditure, after all operating costs of at least 20%. And why is it 20%? Well, that enables us to fund dividends. We are one of the largest dividend payers in the industry, and that's another record we intend to hold onto. And secondly, to make sure that we can fund the very important growth projects that we have ahead of us. And I'll talk about that in a moment.

So we're looking at how we can engineer our operations to make sure that we can up our margin overall to 20%, and there are a number of exercises underway right now that we're looking at to improve efficiencies, improve productivities and looking at how we can optimise our footprint across all of our assets.

Introduction

F2010 Scorecard

Growing Gold Fields	**Greenfields** • Chucapaca initial resource 5.6m eq oz • Yanfolila progressing well **Brownfields** • St. Ives & Agnew – resource growth • Cerro Corona – oxide expansion • Damang & Tarkwa - growth

Towards 5moz in production or development by 2015

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The second item on our scorecard is growing Gold Fields. And in particular two of our greenfields projects have come to the fore this last year, Chucapaca in southern Peru and Yanfolila in Mali. And to put this into context, two years ago there was no idea at all that we were going to be saying to you today that these two projects have a very real prospect, a very real possibility of becoming operating mines within Gold Fields in the not too distant future.

Certainly at Chucapaca – and I had the privilege of going down there a couple of months ago, and I was blown away by what I saw down there – the potential here is very significant. And over a short period of time the team has managed to delineate a 5.6 million ounce resource. And we will be focussing this year on expanding that, and Juancho will talk to you a little bit more about that later.

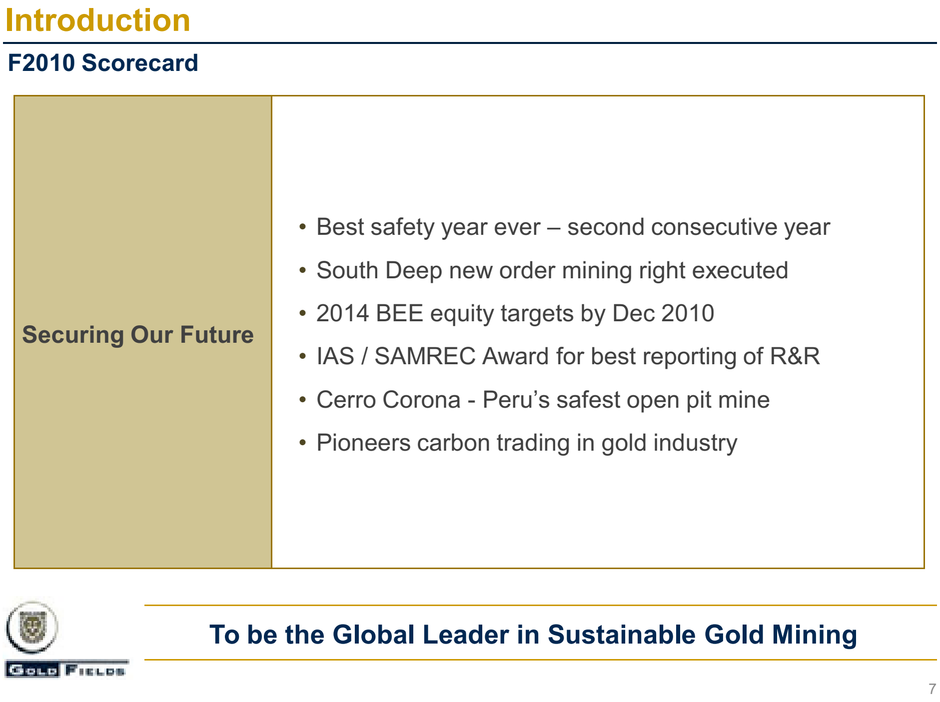
Yanfolila in Mali, a large property position that we have. And we're focussing at the moment on getting a starter project away. We can drill and drill, but we've got to make sure we get focus, we've got to make sure that we can get around 2 million ounces in the bank and use that to develop a starter mine over the next three years. That's going to be the focus.

At St Ives and Agnew our focus will be to continue to grow the reserves and resources there. We believe that we can lengthen the lives of those operations and add quality to the portfolio. We're doing that.

At Cerro Corona we're going to be focussing on an oxide expansion. If you can recall when we did the initial strip on Cerro Corona we had an oxide cap we had to take off. We've stockpiled that material and the team have a very good project that will enable us to process that material and add to the production at Cerro Corona.

And then at Damang I'm very excited about the potential for not only lengthening the life of that operation but also expanding its production base, and in particular expanding the Damang pit, or the so-called Super Pit as we like to refer to it. And over the next year we'll be looking to get that into some kind of concept study and feasibility exercise.

So we have a number of projects that are advancing Gold Fields towards its long-term target of 5 million ounces.



Securing our future. Very important today that gold companies operate sustainably. And how are we doing at that? I've talked about safety, and we will continue the drive on safety relentlessly across the globe.

In July the South Deep new order mining rights were executed. That now means that all four of our mines in South Africa have new order mining rights. That has now been concluded. In addition, we have agreed with the Department of Mineral Resources on three particular transactions that we put out today in a separate press release. Those three transactions, once they are consummated, will mean that we have completed our equity targets in terms of the charter for 2014. We expect to complete those deals by the end of this calendar year.

Also a couple of other notable achievements. The fact that we've just received yet again the award for the best reporting of reserves and resources in South Africa in terms of the Investment Analyst Society and SAMREC. I think that gives you an idea of the rigour and the effort we go to to make sure that this company is underpinned by sound analysis and a sound reserve and resource base.

And don't forget we also announced our carbon credit deal at Beatrix in the Free State. That's a R200 million deal, and it's only the start of what I believe will become a much large carbon project in the Free State. And we're pioneers in this area, so I believe again a fantastic achievement by the team over the last year.

Introduction

Annual Financial Results - Group Salient Features

- Attributable gold production up 2% to 3.5m oz
- Total cash cost up 5% at R157,360/kg
- NCE flat at R225,000/kg
- NCE margin up 2% from 13% to 15%
- Net earnings up 136% to R3.6 billion

Net Earnings More than Double

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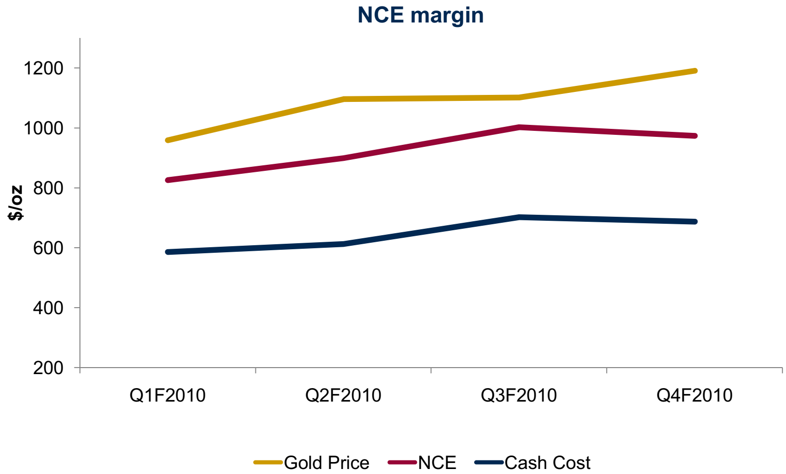
Looking at the year overall, given that we've just finished our fiscal year – and this will be the last time that we have a fiscal year-end of June. We will be moving to a December fiscal year to line up with the rest of the industry – our attributable gold production is up 2% at 3.5 million ounces. Cash costs were well contained, only 5% up to R157, 000 a kilogram. Our NCE is flat despite all of those cost pressures at R225, 000 a kilogram for the year. And our NCE margin has gone up to 15%.

Net earnings are up 136%, more than double against the previous year. And its one thing saying, well, the gold price has gone up. It has, but one has to capitalise on the higher gold price and make sure that one can deliver that to the bottom line. And I believe that Gold Fields has done that this year, so this has been a good year for us.

Introduction

Q4F2010



Focused on Free Cash Flow

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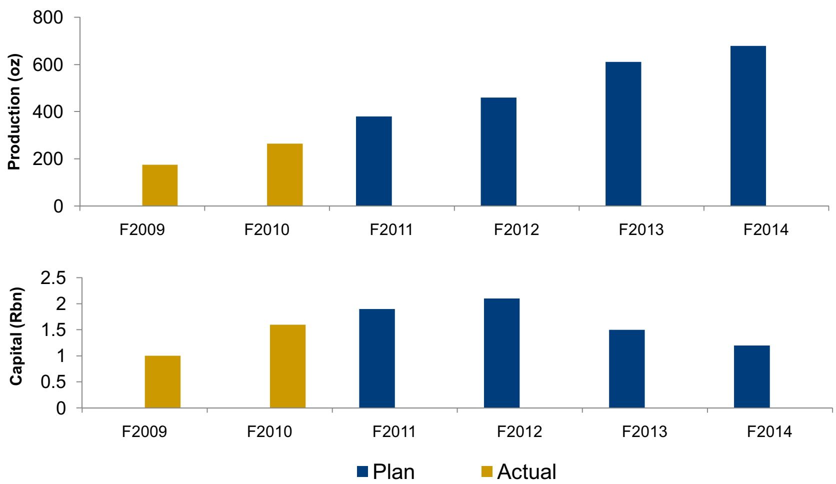
This is a graph you've seen before which demonstrates that we are making money on an NCE margin basis. You can see cash costs are the blue line, the red line is our notional cash expenditure, and the yellow line is the gold price. And as you can see over the last quarter or so we've seen that margin expanding again, which is good. That's a combination of the gold price, of course, but it's also a combination of containing our costs and increasing our production. And that's what it's all about. If we can't make money after all of our expenditure I start getting worried. But we are, and we have done so consistently over the last year, and we intend to do so again into 2011.

Introduction

South Deep Project



Achieving Momentum at South Deep

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Let's look at South Deep. It is the most important growth project for Gold Fields. And let's look at what we've achieved so far. In 2010 at the top there in the yellow you can see our production in ounces significantly up from last year. And as I said earlier it was up 50% compared to the previous year. And we're well-placed to continue to grow South Deep, and I expect us to show good improvement again and for us to track closely the five year growth plan that we have for South Deep.

In terms of our capital we have spent around R1.6 billion this year at South Deep. And as you can see the two big years ahead of us are coming, 2011 and 2012. And they are big years because we're going to be completing the deepening of the ventilation shaft. Now, that is key and integral to us getting South Deep up to 330,000 tonnes a year. And we expect to finish that in two years from now. That's just around the corner, and we're on track to do that. And we've started a lot of the other key projects like the new tails dam. We're in an advanced stage of designing the plant expansion. So all of these key projects which will underpin the 750,000 ounce profile by the end of 2014 are well underway. Once we get over these two years I expect to see rapid improvement from South Deep thereafter.

With that I'm going to hand you over to Paul to take you through the financials.

Financial Review

Group Salient Features

Description		Units	Q4F2010	Q3F2010
Attributable gold produced		koz	**898**	793
Revenue		R/kg	**287,454**	265,641
		$/oz	**1,191**	1,102
		Rm	**8,803**	7,280
Operating cost		Rm	**5,103**	4,758
Operating margin		%	**42**	35
Operating profit		Rm	**3,738**	2,570
Total cash cost		R/kg	**166,215**	169,538
		$/oz	**688**	703
NCE		R/kg	**235,223**	241,860
		$/oz	**974**	1,003
NCE margin		%	**18**	9
Capex		Rm	**2,157**	1,872

Delivering the Gold Price to the Bottom Line

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Thanks Nick. Good morning everybody. If you look at some of the financial salient features, as Nick mentioned earlier, attributable gold production increased from 793,000 to 898,000 ounces. The Rand gold price increased from R266, 000 a kilogram to R287, 000 a kilogram. That's on the back of a $90 increase in the Dollar gold price.

The net effect of the increased production and the increased gold price resulted in revenue increasing from R7.3 billion to R8.8 billion for the quarter. Operating costs increased from R4.8 billion to R5.1 billion, mainly as a result of the electricity increases as well as the winter tariffs at the South African operations. The net effect of the two is the operating profit increased from R2.6 billion to R3.7 billion. Operating margin increased from 35% to 42%.

If we look at some of the key metrics, total cash costs in Rand terms decreased from R170, 000 a kilogram to R166, 000 a kilogram, in Dollar terms from $703 to $688 an ounce. NCE decreased from R240,000 to R235,000, in Dollar terms from $1,003 to $974 an ounce.

If we have a look at capex, capex increased from R1.9 billion to R2.2 billion, and the main reason for this is we had a slow start-up in the March quarter on capital spend as well as this quarter includes capital spent on the acquisition of the fleet for the owner mining at the Agnew mine in Australia.

Financial Review

Group Salient Features

Description	Units	Q4F2010	Q3F2010
Net earnings	Rm	**900**	316
Net earnings per share	SA cps	**128**	44
	US cps	**17**	6
Normalised earnings per share	SA cps	**134**	45
	US cps	**18**	6

Normalised Earnings up 200%

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If we look at net earnings, net earnings increased by three times from R316 million to R900 million. In terms of earnings per share that increased from 44c to 128c per share, while our normalised earnings per share increased from 45c to 134c per share.

Financial Review

Final dividend calculation

Description	cps	Rm
Net earnings		3,631
Less growth capital – South Deep – Glencar acquisition		 (1,613) (340)
Net earnings after growth capital		**1,678**
Earnings for total dividend (50% of earnings after growth)	120	839
Less interim dividend cps	(50)	
FINAL DIVIDEND cps	**70**	

Consistent Dividend Policy

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If we look at our dividend calculation I am pleased to say that we've stuck to our dividend formula. We've paid exactly in terms of our dividend formula. We've used our net earnings. The only two deductions we've made is the growth capital for South Deep as well as the money we spent on the Glencar acquisition, which is the Yanfolila project in Mali. The resulting effect is the dividend for the year is 120c. Taking off the 50c interim dividend we are declaring a final dividend on 70c for this half year.

Financial Review

Cash Flow

		Q4F2010	Q3F2010
Cash flow from operating activities	Rm	3,650	2,583
Cash flow from investing activities		(1,890)	(1,754)
Cash flow before financing activities		**1,760**	**829**
Dividends to minority shareholders		(175)	(353)
Cash flow from financing activities		(666)	578
Net cash movements for the period		**918**	**1,054**
Net cash balance at end of period		3,791	2,825
Loans (short and long term)		8,487	8,916
Net debt	Rm	**4,696**	**6,091**
Net debt	US$m	**620**	**829**
Net debt/EBITDA ratio		**0.41**	**0.56**

R1.8 billion in Cash Flow Before Financing Activities

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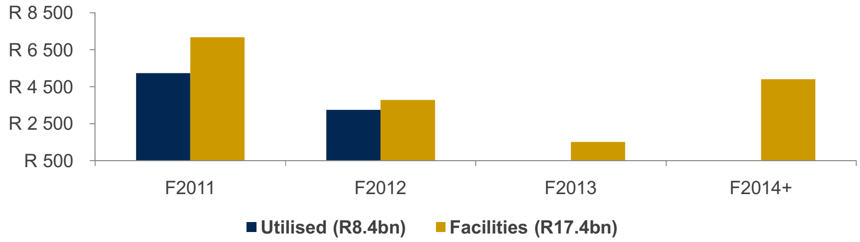
If we go onto the cash flow I think this has been the highlight of the quarter for Gold Fields. As Nick mentioned earlier cash flow before financing activities generated R1.8 billion. I think it's a very good performance. After we take off some debt repayments of about R700 million we had net cash of R900 million for the quarter. The resulting effect of this is we were able to bring out net debt down from R6.1 billion to just on R4.7 billion. In Dollar terms it's about $600 million. In terms of net debt to EBITDA we're at about 0.4, and this equates to about four months of operating cash flow.

Financial Review

Balance Sheet

- Refinanced $311m Revolving Credit Facility (RCF) maturity May 2010
- New $450m 3-year RCF
- Libor + 175bps down from Libor + 275 bps
- Short term Commercial Paper (R3.6bn) covered by committed facilities
- ~$1bn in available facilities

Debt maturity profile 30 June 2010



One of the Best Balance Sheets in the Industry

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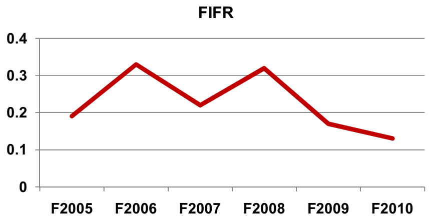
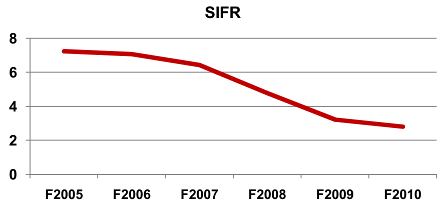
If we go to our balance sheet, I think we've got one of the best balance sheets in the gold mining industry at the moment. During the quarter what did we do? We managed to refinance our R311 million facility with a $450 million facility. This is at 175 basis points, which was 100 basis points cheaper than the previous debt we had. Also of note is that we have $1 billion of available facilities. And this shows that Gold Fields has got the money to fund the projects that my colleagues are going to talk about later, and that there is no need for Gold Fields to have to go to the equity market to fund its capital in the next couple of years.

That's all I've got. I'll now hand over to Vishnu to talk through the SA ops.

South Africa Region

Safety





- Seismic mitigation measures implemented
- No seismic related fatal accident in last 6 months
- All secondary support backlog complete
- Second Du Pont audit undertaken – confirms progress in safety management

The SA Gold Industry Leader

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Thank you, Paul. Good morning ladies and gentlemen. It's always a great pleasure to speak to you and reflect on the performance of the South African region. The last time I spoke to you was six months ago. And I'm reminded of the story of the soldier that returned home after six months at the battle front, tired, drawn and weary. And he greets his young wife, who asks him if the battle has been won, to which he replied, no my dear, but look on the bright side... and before he could complete that sentence, with a twinkle in her eye, a glow in her cheeks and a ripple up her legs she asks, what is the bright side? He says, honey, it's only an expression.

So with that I have to say to you that words may be words and expressions will be expressions, but it's an irrefutable fact of business that performance is the reality. And over the last 12 months this company under Nick's leadership the line management has delivered the best safety performance ever for the South African region. When compared to our peers we're several steps ahead. And significant credit has to be given to our operational heads who have actually driven relentlessly to make sure that we run safe operations in the region.

I'm justifiably proud of the results that we've achieved to date. We haven't arrived yet. There is significant progress that needs to be made in terms of achieving the state of zero harm, which I'm absolutely confident we will deliver to you in a short period of time.

Having said that, when we spoke the last time we had indicated the significant measures that we would put into place to ameliorate seismicity. I'm pleased to report that in the last six months we've had no seismic-related fatal accident. And we've reduced our injuries as a result of seismic-induced falls of ground by 65%. Now, those measures will continue to be in place and will be actively managed going into the future to make sure that we eliminate one of the most significant causes of injuries and fatal accidents within the group.

South Africa Region

Salient Features

	Units	Q4F2010	Q3F2010
Gold production	kg	**15,184**	12,297
Total cash cost	R/kg	**187,770**	214,467
NCE	R/kg	**272,669**	310,490
NCE ex South Deep	R/kg	**253,221**	284,575
NCE margin	%	**6**	(16)
NCE margin ex South Deep	%	**12**	(7)
Capex	Rm	**1,236**	1,085

- Safe production up 23%
- South Deep production up 21%
- Restored NCE margin
- F2011 production outlook 2moz to 2.2moz

South Deep funded by SA Operations

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The South African region as a whole has shown a big up-tick in production over the last quarter. NCE margin at 12% is a significant margin to have to deliver while we are funding a major growth project within the region. I have to say of the capital that we've invested over the last quarter 40% of that was dedicated solely to South Deep. And I'm pleased to say that all of the projects that would contribute towards making sure that the South Deep operation has the capacity to deliver to its full potential of 800,000 ounces by the end of 2014 are on track. We've been able to deliver the expenditure last year at a significant saving to the allocated budget as well.

The vent shaft deepening has made good progress, and I'm pleased to say that the engineers that have been in charge of the project have come up with novel designs for shelf bottom arrangements, and that will save us some time and will significantly de-risk the delivery of that project going forward into the future. The plant expansion, as Nick pointed out earlier, is pretty much on track and we will be delivering that to the Board in the early part of next year.

South Africa Region

South Deep Capital Project

Capital Programme F2010 to F2014							
Item		Year					Q4 F2010
		F2010	F2011	F2012	F2013	F2014	Status
Refrigeration Plant							✓
Twin Vent Shaft							✓
Tailings Storage Facility							✓
Plant Expansion to 450ktpm							✓
New Mine Development							✓
Total Capital	Actual	R1.6bn					
	Base Plan	R1.8bn	R1.9bn	R2.1bn	R1.5bn	R1.2bn	

Note: Capital estimates in July 2009 money

South Deep Project Capital Efficient and on Track

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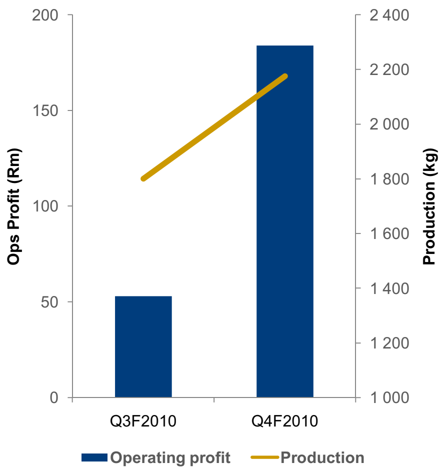
The important thing to note is that we are managing capital efficiency within the group. We are trying to make sure that the projects remain within budget and where possibly show significant savings on the vast amount of expenditure that we actually have.

South Africa Region

South Deep Project



- Production up 21%
- 46% of capital self-funded up from 13%
- Main development up by 6% (sub-95 Level up by 14%)
- Vent shaft deepening commenced
- F2011 Production Outlook 320koz to 355koz

Production Growth on Track

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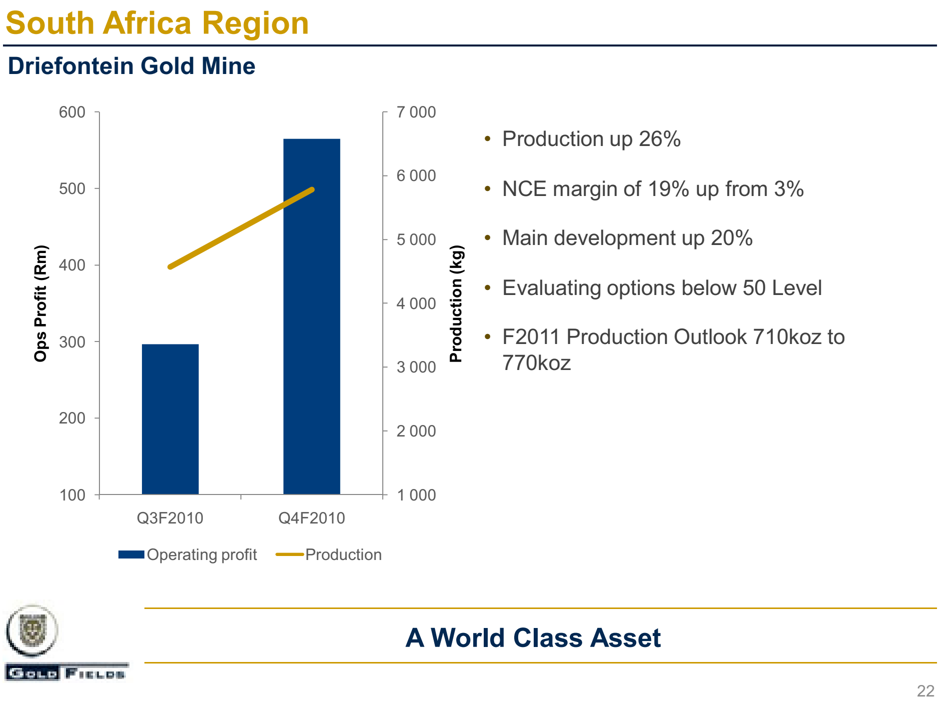
This shows the growth in production at South Deep. And I'm pleased to say that we're on track in terms of our production. And I'm also happy to announce as promised the last time we've commenced development at south shaft on 1st July and we intend mining there within the next six to 12 months. That will contribute significant flexibility to our operation. However, what we do need to do is to get our back-fill infrastructure into place at that shaft that's going to service the bulk mining at the twin shaft complex to the south.

Our focus will turn to de-stress mining because that's a significant aspect of stoping that has to be done to allow us the opportunity to covert to long-haul stoping as we progress with the production build-up. South Deep remains the significant growth project, not just in South Africa but in the group as a whole.

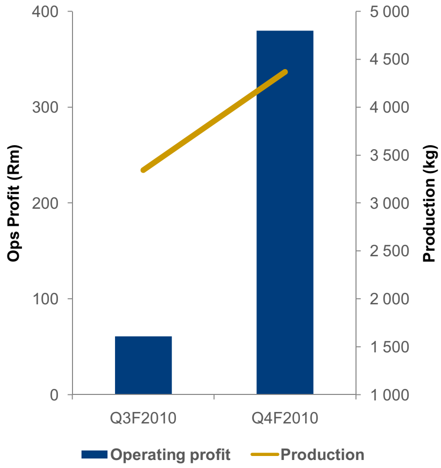


Driefontein remains the flagship operation in the organisation and in South Africa. What you see in this graph and in all the other graphs that I will show to you is the immense amount of opportunity that exists on these operations if they're allowed to operate continuously and not be stopped. They have the opportunity to deliver a significant level of profitability to the group, as Driefontein has done, and very clearly going forward into the future this operation will remain the bedrock of the region.

We have commenced with pilot winze development below 50 Level in order for us to test the rock conditions and grade variability below our current operating level. We've got three winzes going down on three lines, and the intention is that we will be able to develop post this a broad-based plan of how we're going to access the ground below 50 Level at Driefontein.

South Africa Region

Kloof Gold Mine



- Production up 31%
- NCE margin of 5%
- Alternative water handling system completed
- Main development up 26%
- Commenced 46 Level development at 4 Shaft
- F2011 Production Outlook 580koz to 645koz

Large High Grade Ore Body

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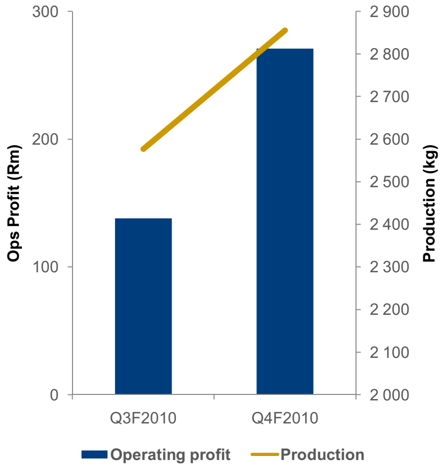
Kloof remains a large high-value ore body. We've managed with great success to divert the water out of the main shaft area into the other significant shafts, and we've laid down in excess of 30 kilometres of piping across that operation to deal with water in excess of 500 litres per second while we repair the Kloof main shaft pump column. I'm pleased to say that we're almost 50% complete with that pump column. We should complete ahead of schedule. However, we have made the decision to make sure that the infrastructure into the principle pump chambers as well is replaced while we're at it. Kloof is showing great progress now in terms of its recovery, and I'm hoping that by the third quarter of this year we'll have the main shaft fully functional again in terms of water reticulation.

South Africa Region

Beatrix Gold Mine



- Production up 11%
- NCE margin of 10%
- Main development up 16%
- Commenced pillar mining at South Section
- F2011 Production Outlook 385koz to 420koz

A Shallow Well Capitalised Mine

24

Beatrix gold mine is probably the operation that is the best capitalised. It has the advantage that it doesn't suffer from the seismicity that we experience on the deeper level mines in the West Wits. This operation is on an even keel. There are certain quality issues that we've got to address on this mine, but clearly as you can see this operation delivers significant value to the group.

What we have done is started our rationalisation process across all our operations. And at Beatrix specifically we've started mining the shaft pillar at the number 1 shaft in the south. That will allow us over the next three years to fully extract that pillar and then be able to shut down that shaft and start rationalising our footprint. That's a programme that we've commenced across the region as well.

South Africa Region

F2011 Focus

- Improve margins by reviewing processes & structures
- Further improve safety
- Increase development at long-life shafts
- Build on South Deep momentum
- Re-engineer mines for energy efficiency

Driving Safe Production and NCE margin

25

Our focus for 2011 can be summarised very simply as a continued focus on safe production, because that's a relentless quest that has been delivered to us by the Board and by Nick himself, who personally takes a keen interest in what happens across all of our operations. We intend to show greater improvement in terms of the results that we have delivered and of course to deliver a greater margin than the 12% that I have spoken about earlier.

The order of flexibility at our long-life shafts needs consistent focus. We have mechanised all of our development at our long-life shafts. 68% of it is complete, and we're beginning to see the production improvements across those shafts as we speak.

The focus is on the management of electricity. Electricity currently forms 12% of our operating costs across our region. On a do-nothing scenario by financial 2013 our electricity costs will be 21% of our working costs. And that clearly would disable a significant number of our shafts. So we've got an intense programme across every mine to cut back on electricity consumption through the effective utilisation of our utilities and services.

There is no doubt that going forward into the future that the South African region will remain a significant contributor of value to Gold Fields. And we'll ensure that through all our efforts that these operations become safe operations into the future. So with that then I'd like to wish you well. Take care, and until we see each other again, look on the bright side.

I'll hand over to my colleague, Peter, who will take you through West Africa.

Thank you, Vishnu. Well, on that note let's see what the warrior from West Africa is going to do, whether that's just going to be an expression or a reality. Ladies and gentlemen, good day. I think I bring good tidings this quarter. Without further ado, let's get into it.

West Africa Region

Salient Features

	Units	Q4F2010	Q3F2010
Gold production	-000'oz	**257**	227
Total cash cost	US$/oz	**623**	589
NCE	US$/oz	**795**	783
NCE margin	%	**34**	30
Capex	US$m	**53**	47

- Production up 13%
- Record production quarter at Tarkwa
- Business process re-engineering to improve margins
- F2011 managed production outlook 940koz to 1moz

Free Cash Flow of $100m

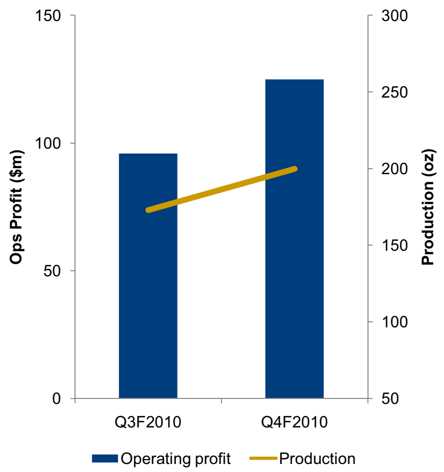
27

I think with regionalisation taking traction in our group it will be a pleasure to share some results with you. I must say this is on the back of where we're going.

Our region has achieved $100 million free cash for the quarter on the back of record gold production from our flagship mine, Tarkwa, in Ghana. Despite an NCE margin of 34% our region will embark on a re-engineering exercise to further improve margin and offset potential commodity price increases.

West Africa Region

Tarkwa Gold Mine



- Production up 16% to 200,200 oz
- NCE margin of 36% up from 30%
- CIL plant at 99.5% of nameplate
- Free cash flow of $85m
- F2011 production outlook 720koz to 760koz

Record Quarterly Production

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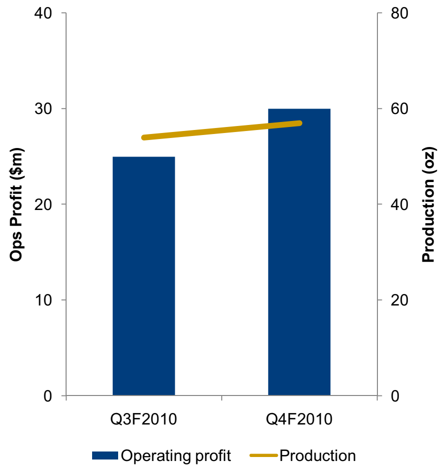
As already mentioned our Tarkwa mine exceeded the 200,000 ounce mark, an all-time record and is our number one gold producer in the group at the moment. To put this in perspective this record came from the processing of 6.2 million tonnes of ore, mining 35 million tonnes of rock at a cash cost of $623 an ounce. And as a consequence of this fine result we generated $85 million of free cash flow for this mine.

West Africa Region

Damang Gold Mine



- Production up 6%
- NCE margin of 27%
- Secondary crusher successfully commissioned
- Damang Super Pit concept study underway
- F2011 Production Outlook 220Koz to 240Koz

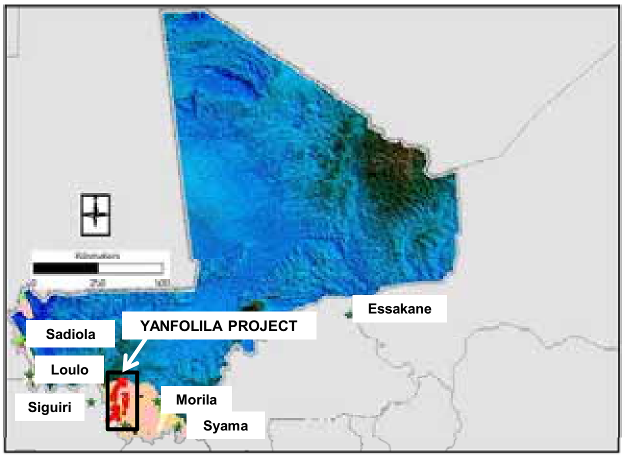
Increased Production and Longer Life

29

Moving on to Damang, our production was up 6%, generating a margin of 27%. During this quarter the mine successfully commissioned our secondary crusher plant, and this plant will enable us to process harder, fresh rock at a higher grade, ultimately achieving a higher grade for this operation. Higher grade, same throughput, ultimately is going to give us more production ounces.

West Africa Region

Yanfolila Project - Mali



An Emerging Camp in Elephant Country

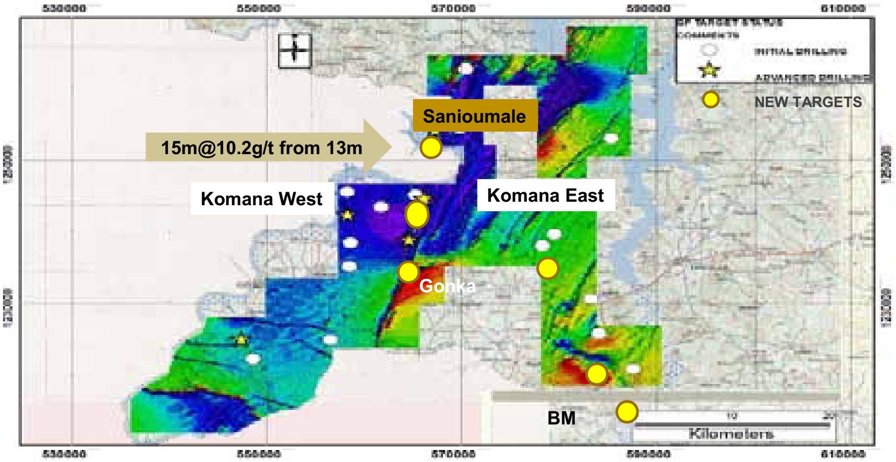
30

Moving on then to Yanfolila, our regional growth project, Yanfolila remains our core focus. This is a well-endowed region in southern Mali covering a land holding of approximately 1,600 km². This is located proximal to good power, good infrastructure and good roads. And it is also a depopulated area, which lends itself to easy mining.

We've seen some encouraging results from this area, and we've had an extensive drilling programme at Yanfolila project. Drilling at our Yanfolila project in Mali has concluded this season. We've broken now for the rainy season. We've drilled some 48 kilometres of air core, 11.7 kilometres of reverse circulation drilling and some 12 kilometres of diamond core over Komana East, Komana West plus we've done six initial drilling targets at Kongoroni, Gonka, Badogo-Malikila, Guirin etc.

West Africa Region

Yanfolila Project - Mali



Targeting 2Moz Reserve within 30km radius of Komana within 3yrs

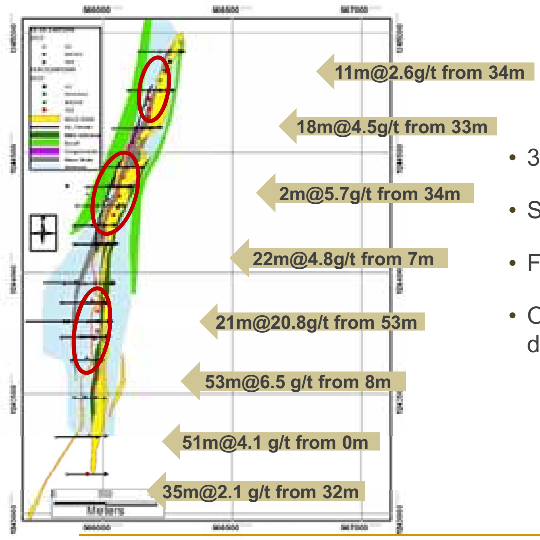
Near Surface Mining Opportunities

31

If we look at this slide we also see that we have a new discovery called Sanioumale. On your slide you will see Komana West on the left-hand side of your slide, Komana East on the right-hand side of your slide, and roughly 7 kilometres north is the new discovery. And if we have a look at that drill intersection we see a hit there at 15 metres at 10g a ton from 13 metres. And the yellow dots on that slide indicate the prospectivity in that region. If you look at those yellow dots proximal to the rest of the slide all those dots have been mineralised to some extent. So it's an area which we believe is extremely well-endowed. Here we will be targeting a 2 million ounce reserve within a 30 kilometre radius of Komana within the next three years, as Nick did touch on earlier on.

West Africa Region

Yanfolila Project - Mali



- 3 high grade zones
- Shallow oxide opportunities
- Free dig mining potential
- Open to North, South & at depth

Komana East

32

Moving on then to the Yanfolila project specifically and the Komana East project, we have three high-grade zones on that slide. Those are the areas marked in red. The strike length across this deposit is approximately 1.6 kilometres. And if we look at the results that are forthcoming from those numbers we can see 11 metres at 2.6g from 34 metres. Some more encouraging ones here would be the 21 metres at 20.8g from 53 metres. 51 metres at 4.1g from 0 metres.

But in essence what's encouraging about this deposit is the shallowness of a lot of these intercepts. If we just gaze across them you will see 8 metres, 0 metres and 7 metre ranges in these strikes. So typically a deposit which is going to lend itself to easy, shallow mining, being able to get into these deposits without drilling and blasting mining oxides, and also getting projects up in a very short space of time. This deposit of 1.6 kilometres is open to the north, it's open to the south, and at this stage open at depth for sulphide opportunities possibly later.

So, ladies and gentlemen, I'm sharing with you a significant growth opportunity in our group. Nick has mentioned Chucapaca coming on-stream later, but watch this space. Yanfolila is going to be short on its heels, Juancho. This certainly will be one of the projects that will take us in our region to well above the 1 million ounce mark.

Ladies and gents, on that note I'd like to welcome Richard Weston, the head of Australasian region, to tell us a little bit about what his warriors have done across the ocean. Thank you.

Good morning, ladies and gentlemen. When I was given the opportunity a couple of months ago to join one of the world's premier gold mines I had to take it. I've been in my position now for about three months, and I remain very optimistic for the future potential for the Australasia Region and also for Gold Fields as a whole.

Australasia Region

Salient Features

	Units	Q4F2010	Q3F2010
Gold production	koz	**149**	148
Total cash cost	US$/oz	**703**	681
NCE	US$/oz	**1,080**	931
NCE margin	%	**10**	15
Capex	A$m	**61**	36

- Quarterly production stable
- Investment in cost improvement and growth capex at Agnew & St. Ives
- Gold mining industry excluded from Mineral Resources Rent Tax
- F2011 production outlook 600koz to 635koz

Commenced Improvements to NCE and production

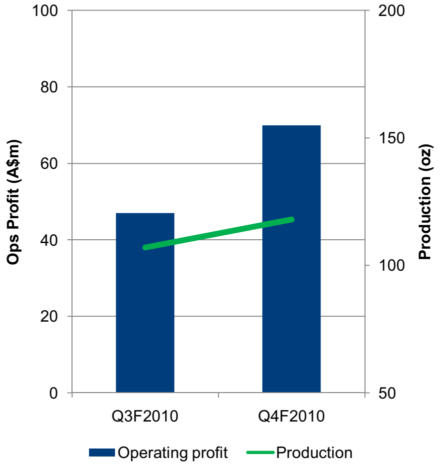
34

The Australian region has two mines, St Ives and Agnew. And the combined gold production for both in Q4 was 149,000 ounces, and that was stable over Q3. You'll notice that there was a fair increase in the capex and the NCE margin was impacted by that increased capex for two reasons. One, investment into growth improvement at St Ives with the acceleration of the Athena development, and at Agnew with cost improvement opportunity with the purchase of our new mining fleet.

A positive development also occurred in Australia during the quarter with the announcement by the Australian Federal Government to modify the Resource Super Profits Tax, renaming that as the Mineral Resource Rent Tax. And the positive thing for the gold industry was that it was excluded from the new tax. The F2011 production outlook for the region is in the range of 600,000 to 635,000 ounces.

Australasia Region

St Ives Gold Mine



- Production up 10%
- NCE margin up from 9% to 19%
- Developing pipeline of "projects to go"
  - Athena development on schedule
  - Hamlet feasibility due Q4F2011
  - Yorick exploration commenced
- Business process re-engineering commenced
- F2011 Production Outlook 440Koz to 460Koz

Significant Improvement in Underground Mine Performance

35

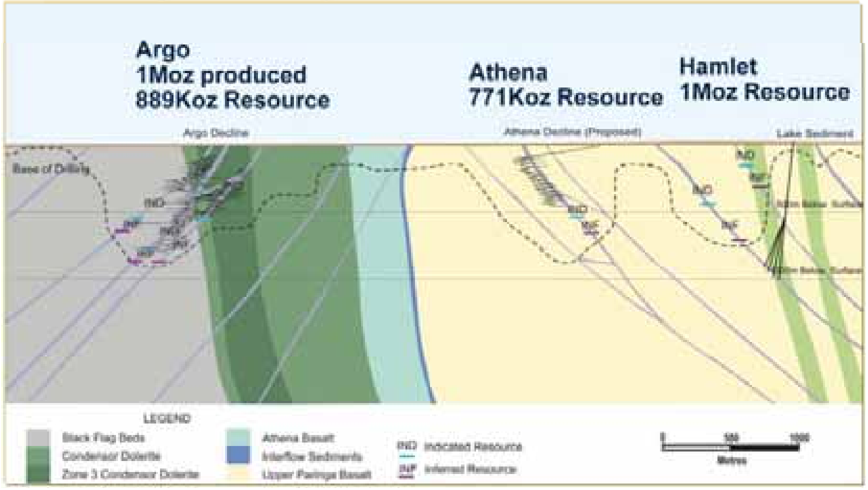
In terms of St Ives for those of you that are not aware it's a multi-faceted site with four active underground mines, two open pits and two processing streams, one conventional milling and the other heap leach.

Q4 production improved 10%, partly due to improved contractor management and an increase in tonnes through the Lefroy mill. The NCE margin was up to 19%. And importantly at St Ives we're developing a pipeline of projects to ensure sustainable production. The new Athena underground mine is on schedule for mining to commence later this year, and with full production in 2011.

Feasibility studies have commenced on the 1 million ounce resource at Hamlet with the aim of having studies completed in time for a development decision by the end of 2010. Drilling has also commenced on the nearby Yorick area with the expectation that this will be the next underground development after Hamlet. These three deposits lie in a very prospective area with the potential to grow to a 5 million ounce camp.

Australasia Region

St. Ives: Argo-Athena Hamlet



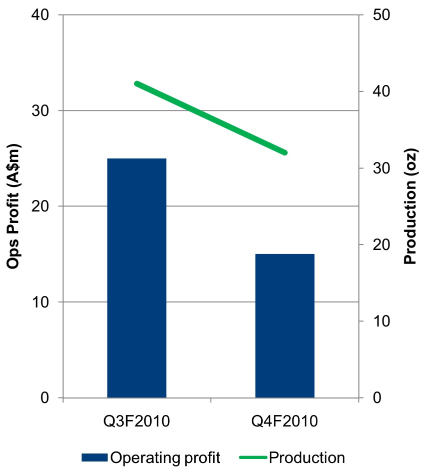
Defined Endowment +3.5Mozs – With Significant Potential

36

This is the mine, underground mine at St Ives, Argo. And that will remain one of the main underground areas. The newly developed Athena project, we will start mining in that later this year. And the 1 million ounce resource at Hamlet where we're currently doing feasibility studies. And not shown on this slide is the Yorick deposit, which is about 500 metres to the east of Hamlet. So we're very keen and very excited about this area.

Australasia Region

Agnew Gold Mine



- Production of 32koz
- NCE margin -22% - OM investment
- Production to increase Q1 & Q2 F2011
  - Increase tons from Main and Rajah
  - Complete OM transition
  - Return to in-sequence mining
- Encouraging exploration results at Main & Kim lodes
- Business re-engineering process to start Q2
- F2011 Production Outlook 160Koz to 175Koz

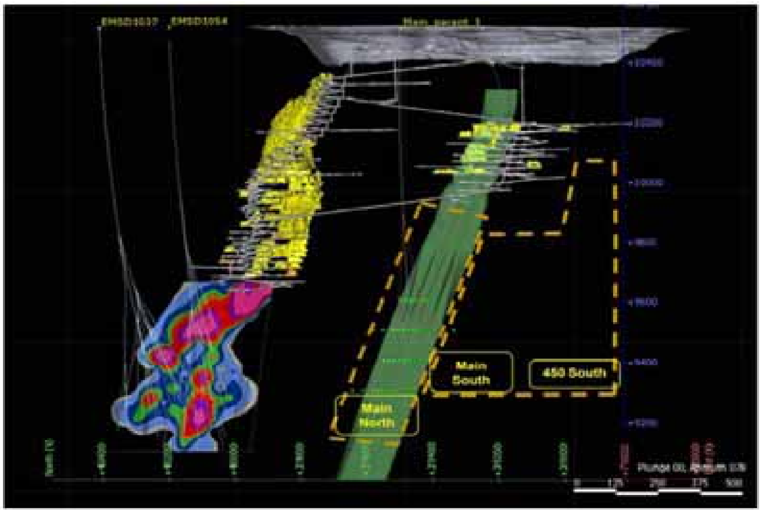
Short-term Transition

37

At Agnew on a positive note Agnew had an excellent safety record during F2009 with zero lost-time injuries being achieved during the year. Production in Q4 was down, and that was as a result of ground and paste fill failures which necessitated out of sequence mining into lower-grade stopes. And also some impact was caused by the transition to owner mining. A number of initiatives are underway to return Agnew underground to more expected production rates, and these include more balanced production from Main and Rajah ore bodies, a return to in-sequence mining in Kim and complete the transition to owner mining. We've also commenced a re-engineering programme which will commence in Q2. And the production outlook for Agnew is 160,000 to 175,000 ounces.

Australasia Region

Agnew Mine - Waroonga deposit



Encouraging Kim Deep – Main North drilling started

38

This is the Waroonga open pit. This is the main Kim ore body, and this area here is where we had the production issues in Q4. This is the main ore body, and not shown is the Rajah ore body in the middle. We've had some very encouraging intersections of mineralisation below the Kim ore body extending mineralisation down 500 metres to a depth of 1,200 metres. And we've recently done a couple of holes in this area and had some very encouraging mineralisation there as well.

Agnew has had a history as a reliable producer and the intention is to return Agnew to stable production levels within the next two quarters. So thank you, and on that note I'd like to pass over to Juancho Kruger who will talk about the South American region.

Thank you very much, Richard. Buenos dias Amigos. I'm very happy to share with you the June quarter results for South America, the last region to report today but in my view the most exciting one for two main reasons. Firstly, Cerro Corona, our operating asset in the region, had a very strong quarter and continues to consistently deliver above guidance. And secondly, South America as a region has further confirmed its growth potential with significant progress made during the quarter at Chucapaca, our flagship exploration project.

South America Region

Cerro Corona Mine

	Units	Q4F2010	Q3F2010
Gold production	koz	**34**	38
Copper production	tons	**10,500**	11,100
Total Gold production	Eq koz	**97**	110
Yield	- Gold g/t	**0.7**	0.8
	- Copper %	**0.74**	0.75
Total cash cost	US$/eq oz	**369**	303
NCE	US$/eq oz	**502**	532
NCE margin	%	**54**	50
Capex	US$m	**14**	24

- 54% NCE margin
- Free cash flow of $77M ($853/eq oz free cash flow)
- Gold eq production up from 219koz to 394koz year on year
- Completed TSF 3740 raise on budget and on time
- F2011 production outlook 320koz to 340koz

Delivering – Record Free Cash Flow Generation

40

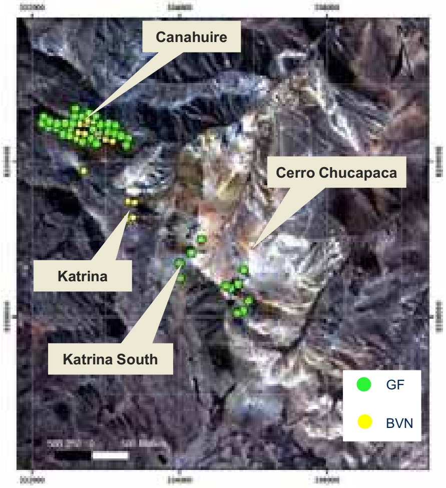
Going back to Cerro Corona, Q4 was marked by a record cash flow generation of $77 million or $853 per equivalent ounce on the back of strong production results exceeding our quarter guidance and a very solid and improved 54% NCE margin, together with the impact of a sound working capital management strategy. Another very important achievement for the quarter was the completion of the 3740 level raise of the tailings dam which was achieved on budget and on time.

The strong June quarter performance allowed us to close our first fiscal year of full production at Cerro Corona on a very positive track, delivering above guidance every quarter resulting in an 80% production increase compared to the previous fiscal year for a total production of 394,000 equivalent ounces.

Our production outlook for 2011 for Cerro Corona is in the range of 320,000 to 340,000 equivalent ounces. And what I'd like to remark is that Cerro Corona has proven to deliver throughout fiscal 2010 with a very strong focus on cash flow generation exceeding the targets set of the period, which is a credit to the team. Building on this base we're certain that fiscal 2011 will be marked by continued delivery of improved results.

South America Region

Chucapaca Project



- **Canahuire Deposit**
  - Positive conceptual study completed in Q4
  - Initial resource 5.6m eq oz
  - Robust mineralisation – open to the west
  - Advance to pre-feasibility – Q3 2011
  - Further scoping and in-fill drilling commenced
- **Katrina satellite targets**
  - Initial drilling commenced
- **Multiple targets with exciting prospects**

Chucapaca – our next mine in South America

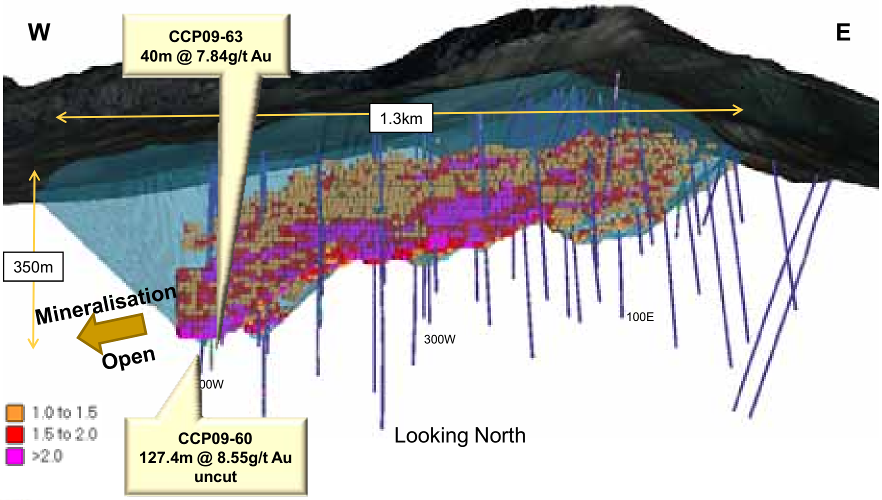
41

Moving on to our growth projects in the region. I would like to report that significant progress was made at Chucapaca in southern Peru. As you know most of the work so far has been focussed on the Canahuire deposit, which is where the initial discovery hole was hit and where important achievements have been made after a successful completion of more than 22,000 metres of drilling during the fiscal year.

A positive conceptual study was completed in June for a total initial resource of 5.6 million ounces. Based on this resource and the initial confirmation of the economic viability of the project a decision was made to move forward to pre-feasibility and commence a very ambitious in-field drilling programme. Importantly as well, the resource model at Canahuire shows a very robust mineralisation which still remains open to the west, indicating further growth potential as I will elaborate on the next slide.

Gold Fields International Exploration

Robust Grades Open to West



Canahuire Resource Model and Pit Shell

42

In addition to the work done at the Canahuire deposit this project presents multiple other exploration targets with exciting prospects such as Katrina, both at Katrina south and Katrina east targets, and Cerro Chucapaca. It's important to report that during the June quarter we started initial drilling activities at the Katrina target where we remain hopeful of achieving positive results.

In a nutshell, in two years Chucapaca has gone from scratch to certainly becoming our next future mine in the region. Peter, competition with Yanfolila is encouraging and certainly healthy for our shareholders I believe, so we will live up to the challenge.

As I mentioned before the growth potential and the robustness of our resource model at Canahuire looks very promising. In this graph showing all blocks in the resource model above, the blue is a pit shell and as you can see the majority of the mineralisation optimises. There is a high-grade chute plunging to the west where we have hit the highest intercept with 40 metres at 7g and 127 metres at close to 9g per ton. This shows that there is a very good potential and high probability to expand this resource further.

South America Region

F2011 Focus

Cerro Corona

- Increase throughput to 800tph (vs. 750tph @ design)
- Complete detailed engineering of oxide plant & start construction early 2011
- Complete sulphide plant optimisation
- Growth
  - Alternatives to TSF capacity constraints
  - Drilling program

Chucapaca

- Complete Chucapaca pre-feasibility study

Focus on Growth and Optimisation

43

Looking into the future the focus for 2011 will be on growth and optimisation. At Cerro Corona optimisation will be focussed on increasing throughput from 750 tonnes per hour, which was the name plate design capacity, to 800 tonnes per hour, and completing a study aimed at improving recoveries. Growth at Cerro Corona will be driven by the completion of the detailed engineering of the oxide plant which aims to turn into account 7.5 million tonnes of oxide ore at an average grade of 1.37g per ton. We expect to start construction early 2011 upon finishing all the technical feasibility and permitting.

Conversion of the resources into reserves at Cerro Corona is another area of management focus, and I would say a strategic key objective. During the present fiscal year we will continue to analyse alternatives to solve the current tailing storage capacity constraints and also develop and in-fill drilling programme. Both initiatives are instrumental to achieve this important objective.

At Chucapaca the main objective will be to continue the pre-feasibility study and continue with the initial exploration work at the satellite targets to the Canahuire deposit.

South America as a region has proven to have a steady and consistent track record of delivery. We believe we have built the skills base and capabilities required not only to continue delivering improved results, but more importantly to drive our growth strategy. We look into the future with strong optimism and with a very serious commitment to continue creating shareholder value.

Muchas gracias, and with that I would like to pass to Nick for conclusions.

South Deep License - BEE Transactions

South Deep

- New order mining right for South Deep executed
- All South African mines now have new order mining rights

BEE Transactions

- Terms of 3 BEE transactions approved
  - 10% ESOP for 15 years - 13.5m Gold Fields shares
  - Vendor financed deal on10% of South Deep to BEE Consortium (BEECO)
  - 1% of GFIMSA, excluding South Deep, to BEECO – 0.6m Gold Fields shares

These transaction will achieve 2014 BEE Ownership Target

45

Right. Let's wrap up. I want to come back to what I said up front about one of the key initiatives that we've managed to complete this last quarter, and that's to get the new order rights for South Deep executed. That took place during July, and just to repeat again all four mines in South Africa now have new order mining rights. Now the agreement we have with the Department of Minerals is that there are three transactions that we will complete and put in place, and that will mean that we've achieved our 2014 equity ownership targets once they are complete. We expect to be able to complete these in the balance of this calendar year.

Now, let me describe briefly the three deals. There is a press release out this morning as well which gives you a lot more colour. But briefly there are three elements to these deals that we're doing. First of all there's a board-based employee ownership plan which will effectively be for 10% of the South African assets. That translates into approximately 13.5 million Gold Fields shares. That's what that effectively means, which is a dilution of around 2%. 2% dilution and that relates to a 10% deal on an ESOP.

Now, that is going to be an ESOP that will reach out to about 47,000 employees in South Africa. And that will be a 15 year ESOP. And it will immediately vest to employees in terms of voting rights which they can exercise through a trust that we're going to set up, and also in terms of their rights to dividends. So they will be aligned with all other shareholders as soon as they get this. And what this will mean is that the large bulk of employees within Gold Fields do have participation in equity upside in the company. The vast majority of our employees after this will actually be in that position. So that's the first one.

The second one is a vendor finance deal in South Deep itself whereby a broad-based BEE consortium will take a 10% interest in South Deep and will continue to hold that interest for the minimum of the term of the license, which is 30 years. And bear in mind that license also includes the Uncle Harry's ground which we acquired some time ago which contains a 14 million ounce resource. So that's also part of the license that has been converted to a new order license.

So this consortium will have 10% in South Deep, and that will manifest itself through economic interest in underlying cash flows as they are distributed by South Deep on the basis that for the first ten years there will be a preferred dividend stream of R20 million per year. Thereafter that stream will pro rata reduce as we convert proportionately that interest into a full participating interest over the intervening ten years on the basis whereby that preference dividend will reduce but the consortium itself will then participate in underlying cash flows, as do the other shareholders in South Deep, being Gold Fields. Such that over 20 years the interest that the consortium has will at that time be fully participating, as will the rest of the shareholders, us.

So that's the deal. The consortium is made up of three elements. First of all there's going to be a broad-based education trust which will participate in 54% of the benefit coming out of this particular transaction. And that's going to be earmarked to broad-based education in the country. I think we all know that education in the country is a key need.

There will also be funds going into youth development in the country. And then lastly skills development in the mining industry. You've heard me talk previously about the concern in particular that I've got that we only have 500 qualified mining engineers in practise in this country. I'm sure that's a figure a lot of you aren't aware of. There are only 500. And the universities themselves are only getting about 50 a year off the pipeline. And also the average age of those mining engineers is north of 45. So that tells you we're heading for a problem. So it's critically important that we put money back into the industry to develop new mining engineers that can take their place in the industry into the future. That's one of the reasons why Gold Fields has been in the forefront recently in sponsoring the University of the Witwatersrand and also the University of Johannesburg in helping to develop the skills the industry needs. So that's a key part of the trust.

Then there will be around 36% earmarked for prominent community and business leaders. And then there will be 10% for a broad-based community trust. So that's the deal on South Deep.

And then the last one is a 1% top-up in respect of all of the other three mines excluding South Deep, which will translate into the issue of 600,000 Gold Fields shares, a nominal amount of shares.

Now, these transactions are obviously complex in terms of you trying to understand them. We have put out a press release on it this morning. But today we have on hand Paul Schmidt, our CFO, and also our Head of Corporate Finance at the back there, Paul Curtis. And they are going to be available afterwards to talk to certain of the analysts and other interested parties to give you more detail on questions you may have. How does it work? What's the overall impact? We have quantified the financial effects of a lot of this in our press release, but they can also help to give you more details on what these transactions mean.

All I will say is I'm very satisfied first of all that these transactions will actually enable us to achieve the broad objectives of the new charter. That is that we will have clear objective fungible value created, and secondly it is done in a cost-effective way for the company and the country. So they're going to be on hand afterwards and will help to take you through some of the questions that those of you who are interested may have. And as I said, these transactions will essentially mean that we've finished our issues around the targets for 2014 and we want to finish it before Christmas.

Conclusion

F2011 focus

- Further significant improvement in safety
- Drive annual group NCE margin from 15% to 20%
- Maintain momentum at South Deep
- Continue with growth through exploration
- Strong focus on advancing the growth pipeline
- F2011 Production Outlook 3.5moz – 3.8moz

Safe Profitable Ounces

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Right, so looking to 2011, what lies ahead? Again, safety is by far and away the most important objective for us going forward. We want to show a further step change in safety. How are we going to do that? I think behavioural based changes throughout the Group will continue to be important. Winning the hearts and minds. But in addition we are going to be looking to see how we can engineer out risks, try and find ways of automating things that can reduce the impact of men and machines in particular and there are a number of initiatives underway to do that across the world.

As I said earlier we want to get our margin up after all capital. This year we generated 15%, that's including of course, South Deep, which consumed around about 20% to 25% or our total capital that we spent in the Group, and we want to get that up to at least 20%. We want to maintain our momentum on South Deep and make sure we take it to another level, and we've certainly shown that we can achieve that this year and I'm sure that we'll have another good year.

Exploration is key to us. We spend about $160 million a year in exploration and in fact what you don't realise possibly from these results is that whilst you see the green fields exploration that's reported on our income statement, what you don't see is the brown fields exploration. That's about $60 million a year and that's reported as part of our capital expenditure that sits in the likes of St. Ives, Agnew and also of course Damang, Cerro Corona, and that exploration is designed to continue to increase the longevity and the size of those reserves and we are driving aggressively reserve growth at St. Ives, at Damang and at Agnew, and I think you'll see, when we show our reserves that we'll be able to indicate what we've achieved on that. So that's money that's spent, not just to replace what we've mined, it's spent to grow the reserve base so that we can start looking at these assets differently making long term strategic planning decisions about how we can mine them more [unclear]. That's going to be a big focus.

Next is making sure that we advance Chucapaca in Peru to pre-feasibility study, complete that work, complete the infill and step our drilling that we're going to be doing on Chucapaca, making sure that we get more momentum on Yanfolila as well. And I think those two projects, by the time we talk to you in a years' time, about a review back of 2011, I'm confident that we'll be able to show you further progress on those two opportunities.

Lastly in the book we've given you our guidance for production for 2011 and we've given you a range of 3.5 to 3.8 million ounces. Obviously we're going to be targeting the top end of that range but this gives you an idea for planning purposes and modelling purposes of the kind of numbers you should be looking at going forward.

And with that I think we'll be available now to take questions and I'll ask Willie to coordinate that.

Question and answer session

Thank you very much Nick. Right, shall we start off, Alan, in the front here?

Good morning gentlemen. It's Alan Cooke from JP Morgan Cazenove. Just a couple of questions if I may? You've referred through the presentation to a number of exercises underway in South Africa and also business process reviews around the world at the various mines. Could you give us a little more colour please, Nick, on what you're looking at and what you hope to achieve, and what kind of exercises are underway in South Africa and around the world at your mines. That's the one question. And then [unclear] if you can, you gave us the grades and the tonnes for the oxide cat that you're looking at Cerro Corona. Any indication of timing, sort of rough guide on capex and what sort of tonnes and recoveries you'll be able to do or you're hoping to do with that oxide cap that stockpiled material. And then just one for Paul, if I may, that the royalty in South Africa that came through for the full quarter, what are paying in the region. I haven't looked at the detail just yet and are there any changes to the royalty regime coming through with the taxation laws amendments bill?

Well, let me deal with first question then Juancho will deal with Corona on the oxides and then Paul will talk to you about the royalty.

Over the last six months we've recognised the need for us not just to drive production growth, which we obviously love to do, but profitable production growth and it's not just ounces of production that count, it's profitable ounces and it's ounces that generate cash that count. And I think if we look around the world, and I've spoken to a lot of fund managers and looked at what they look at, and it's clear they're looking at margin per hours, is a key thing, and in order for us to ensure that we can improve the margin per ounce we've decided to embark upon a group-wide process to review all of the reporting structures that we have, the organisational and reporting structures in each region, and work out whether it's optimal. For example, do we have too many reporting levels? Can we compress and flatten the organisation to make it more efficient, to make It more effective?

The second thing is what is our mine to mill processes looking like everywhere that we operate? Do we believe it's optimal? Are we getting our men and material to the face as quickly as we could? Are we getting the rock out of the mine as quickly as we could? And it's not just a South African issue. It doesn't matter where you operate. It's a mine to mill reconciliation. Now are we getting tight reconciliation for example on our grade controls between our geological models and what we put into the plant? Where are the gaps and how can we improve it? And so we're going through an entire process and there have been pockets of this done in the past, throughout the Group, but what we've now decided to do is pull this together in one complete exercise across the operations and we've started that process already around three months ago. And I'm not going to indicate today what the outcomes of that are going to be, but incrementally over time once we get more definition on the diagnostic processes we're going through at the moment to determine the value proposition we're going to get out of this, we'll be able to share with you some of the benefits we'll see.

But coming back to what I said, we want to get the margin up to 20%, and in order to do that we have to look at some of these operations differently in terms of how they're designed, how they're operated and how they're structured within the Group. And so, we're taking a fresh piece of paper everywhere and looking at that. And that's not to say that we haven't still, that we still don't have as a key objective to drive production growth, but we want to drive production growth that's going to be sustainable in terms of the margin and it's going to generate value to the bottom line. I don't want to generate ounces just for the sake of ounces and neither does the team.

So, it's a global view I'm giving at this point and I'm sure over time, Alan, as we talk to you and the various other analysts, and the investment community, we will give you more colour, and what we're doing and what we hope to achieve. And with that I'm going to ask Juancho to talk to the oxide project.

Thank you Nick. In terms of timing, as I alluded to when I did the presentation, basically we're working right now on a detailed engineering and final feasibility and permitting of the project. That should be completed by Q3 of fiscal 2011 and move right on into construction, after completion of that phase. The total investment right now is estimated at around $65 million and in terms of the recoverable production we are estimated to recover around 300,000 ounces of incremental production, which I think will be doing five years upon start of the operation of the new plant. With that I'll pass it onto Paul.

Alan, there was about R50 million for the quarter, R60 million for the year and no, we don't expect any changes to the royalty in terms of the new tax legislation. None that's been brought to our attention.

I just thought that I'd mention that there'd been some changes to the royalty regime, but I don't know what they will be.

None that we're aware of at the moment.

Good. Next question. Benjamin?

Shane Hunter from RenCap BJM. Just to follow on I think with what you're doing in the South African operations, is there any option or anything that you could do to maybe cut out this break that you have over Christmas, and also say for Easter. And you know yourself that your mines in Australia, and I think Ghana, probably operate over those time periods. Is that something that you will be say, that you can aim to change or is it something that you just accepted and that will be, I suppose, going forward, it will be the same as it's always been?

There's two parts to this answer. The first is that the six day work week that we had spoken about at the last presentation is not off the table yet. We're still in detailed discussions with the unions regarding arrangements. The second part of the answer is that the Christmas break and the Easter break will always be topical. I can tell you that the leadership of our unions have fought hard for the Christmas break; they're not likely to give that up quite easily. However, we're looking at alternative working arrangements for the calendar year and hopefully we are thinking we will resolve that matter if we address the six day work week issue. Unfortunately we don't have finality on that, but the door on that has not been closed. We're still in discussions and we're hoping for a favourable outcome that we can implement on some of our major shafts.

Thanks.

Good morning, Johan Steyn from Citibank. Just a quick question with regards to production and costs. Production obviously increased quite steeply from a low base in the previous quarter. However, your cash costs remain fairly high at $688 an ounce. How much of your winter tariff is in that, and when exactly do winter tariffs take effect? Will it spill over into the next quarter? And also in terms of labour inflation, when will we see this coming through?

Johan, the winter tariffs are split over both quarters. There's one month, the June month in the June quarter, and in the September quarter we will have July and August. So the next quarter is going to be similar, probably a little bit more because it's going to have two winter months for the September quarter.

And labour inflation?

We're in the second year in South Africa in terms of the negotiation. Correct me if I'm wrong. I think it's 1% above CPI. 7.5%, that's the number we've got.

Effective in you first quarter.

Correct.

So next quarter in terms of cash costs...

7.5% will be reflected for the SA ops.

Thank you very much.

Thank you, Johan. Any other questions?

Hi, morning. Bruce Williamson, Imara Asset Management. Nick, given all the attention on acid mine drainage can you give us an idea of the volumes of water that you guys pump at South Deep, Kloof and Driefontein, maybe a guess of what it costs you per annum? And how are you guys handling your long-term liabilities.

We don't have a acid mine drainage problem at this particular point in time, and we're not part of the catchments area that was referred to in the press recently. We're in a different catchments area. And we're also de-watering, which tends to contain and mitigate any drainage. In terms of the long-term prognosis for all of this we've got to decide what we're going to do to mitigate any particular issue that may arise in the future. We're in the fortunate position in that we don't have the problem today and we can start planning what we're going to do in the future.

And there's no doubt that some kind of water treatment strategy down the road is likely to be the best solution all round. And what it could do for us is actually achieve two objectives. One, we can help to mitigate the impact of any further problems that may arise – and I stress there's no problem today – and secondly we can harness the very significant amount of both fissure and process water that we generate and actually turn that into potable water for the benefit of the country.

And the one thing you can be sure of in South Africa going forward, we've talked about energy being a scarce commodity based on what we've seen over the last couple of years, and for the next decade that's certainly going to be the case, well, the next thing that's going to be scarce is water. And water is going to be a very important strategic commodity. So I believe we can achieve two objectives. One, we can help to make sure we mitigate the impact of any effluence that's going to be above limits that we're unhappy with or the regulators will prescribe are the limits, and secondly we can derive benefits for the country.

So as of today there is no problem for us in our own catchments area, but we're thinking ahead about how we're going to manage this issue going forward on an affordable basis for the company and the country. Thank you.

At a rough guess what do you guys pump per day from those three operations?

We've got about 70 mega litres.

Thank you.

Thank you, Bruce. Anybody else with a question? Good. Do you have any questions from the internet, Benjamin?

There is a question from the internet.

Can you read it for us please?

It comes from Mandy La Grange from Avior. What metal prices are being used to calculate Cerro Corona gold equivalent production outlook for FY2011?

Thank you.

The copper price used is $6,500 per ton copper and $1,100 per ounce gold.

Thank you very much. Another one, Benjamin, or is there another one?

There is another one, again from Mandy La Grange. Will you be delivering 1st December year end results this coming December?

Yes, Mandy, we will.

Well, ladies and gentlemen, with that thank you very much for being here today. I just want to again draw your attention, there are going to be three events after this. The first one is that there are going to be refreshments outside and you are welcome to join us for that. The second one is we will have the regular media round table in the regular room that we normally have it, so all the journalists can head off that way. Then the third one is that Paul Schmidt and Paul Curtis are going to have a small round table for all you analysts who are interested to hear more about the financial effects of the black empowerment transactions that we spoke about. So you're welcome to participate wherever you slot in. Again, thank you very much. Bye.

END OF TRANSCRIPT