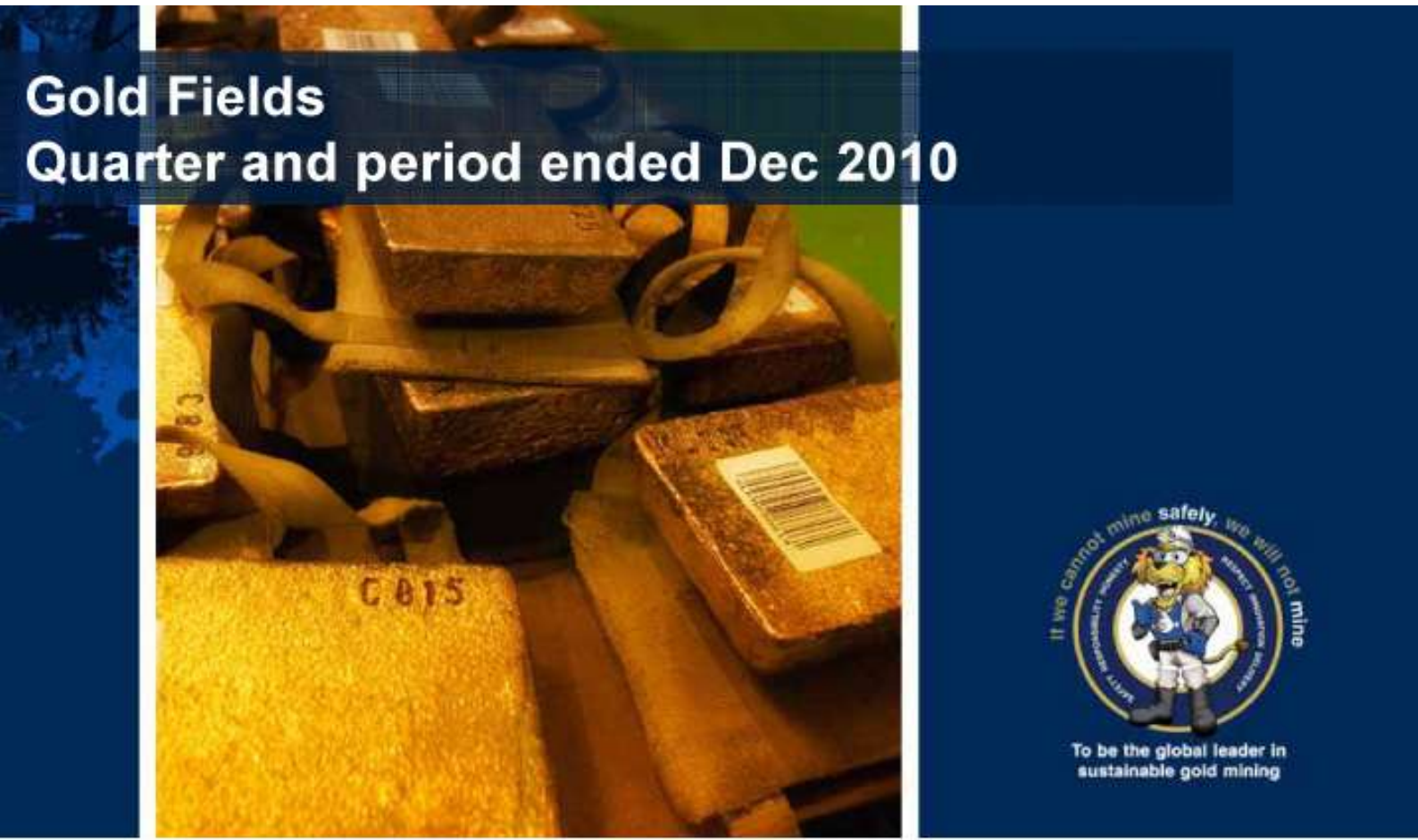
Gold Fields Limited
December 2010 Quarter
Results Presentation with Transcript
18 February 2011



Speaker	Narrative

Forward Looking Statements

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, Ghana, Australia, Peru and elsewhere ; decreases in the market price of gold and/or copper; hazards associated with underground and surface gold mining; labour disruptions; availability terms and deployment of capital or credit, changes in government regulations, particularly environmental regulations; and new regulation affecting mining and mineral rights; changes in exchange rates; currency devaluations; inflation and other macro-economic factors, industrial action, temporary stoppages of mines for safety and unplanned maintenance reasons; 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.

GOLD FIELDS

Thank you very much for joining us here this morning for our December 2010 results presentation.

I want to draw your attention to the forward looking statements in the printed copies of our presentation material and results book, both of which you have copies of in front of you.

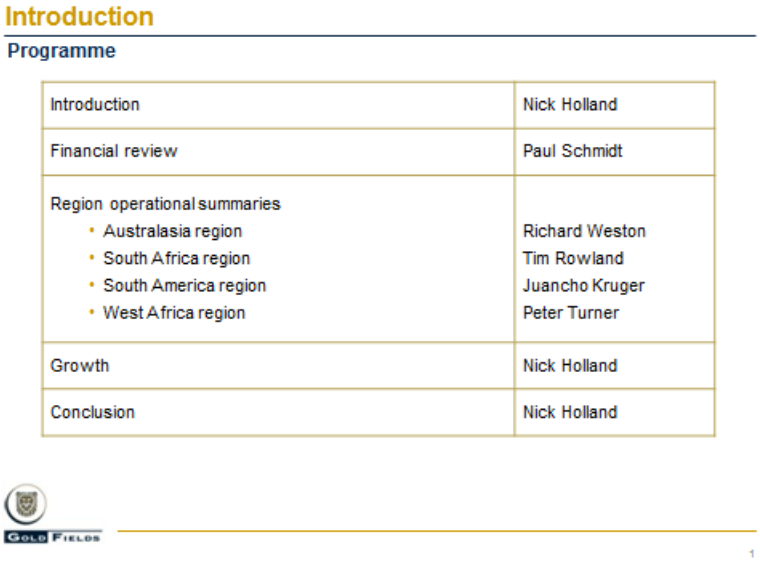
I want to also welcome those who have joined us on the webcast as well as the television broadcast here in South Africa.

For those of you here in the presentation venue, I would like to draw your attention to the emergency and safety arrangements. In the unlikely event that something goes wrong in this room and we've got to evacuate, there are a set of doors all along that wall. If an alarm sounds, move through those doors and assemble on the lawns furthest away from the building until further instructions.

Also, could I ask you to all please switch off your cell phones.

Speaker	Narrative

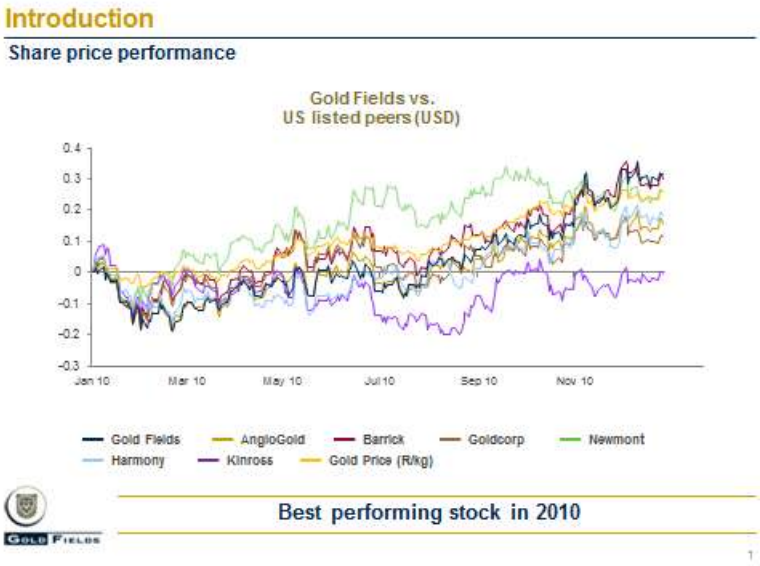
Speaker	Narrative



Nick is going to give us an introduction, a quick overview of the quarter. Paul Schmidt will do the financial review, after which we will go through each one of our regions with Richard Weston doing the Australasia region, Tim Rowland the South Africa region, Juancho Kruger the South America region and Peter Turner the West Africa region and then we'll go back to Nick who will give us an update on the growth portfolio of the group and he will also do the conclusion. After that we will have a brief Q&A session and immediately after that we will have a media round table in the room back here.

We will also have some refreshments and you're welcome to join us for that. Nick, over to you.

Speaker	Narrative



Thank you very much, Willie.

Good morning everybody and thank you for joining us today.

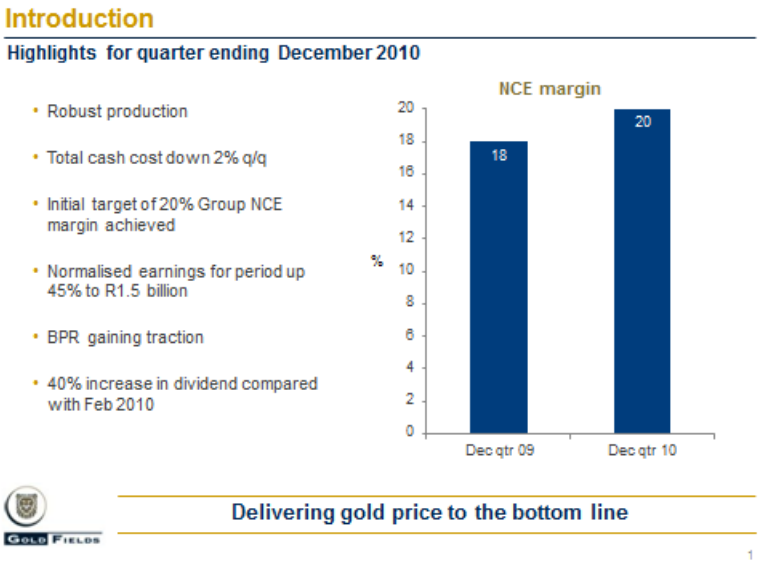
I think it's appropriate that we start off with what our share price has done over the last calendar year, up to the end of 2010.

If we look at ourselves against the major peer group we have been the number one performer over the last year.

I guess it does show that some of the initiatives that we put in place have helped us to have a good year and to be somewhat devalued, if you like.

I look forward to further improvements in 2011.

Speaker	Narrative



Now let's examine some of the drivers behind why our share price did so well over this particular year.

If you look at the quarter up to December 31, we had very robust production, in line with guidance and virtually in line with the last quarter, despite a 10-day strike at South Deep in November. We did feel the impact of that but nonetheless we had a steady quarter.

Our cash costs were down 2% quarter on quarter and you'll see a bit later there's a good trend on our cash costs.

For the first time we've achieved our 20% NCE margin. If you recall, about a year ago I said our short-term target was to get this group to a 20% margin on an NCE basis. NCE of course is operating costs and capital expenditure.

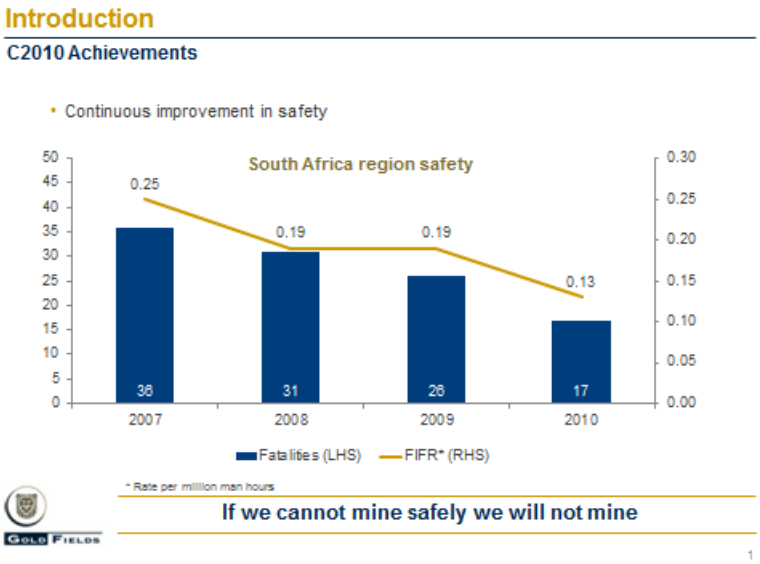
We've achieved that this quarter. Some of it of course is due to the gold price but, nevertheless, another important thing about a high gold price is to make sure you can deliver it to the bottom line and that's what we've done.

Our normalised earnings for the period are up 45% to R1.5 billion. A good performance there.

Our business process re-engineering programme, which is a group-wide exercise that we started back in April of last year, is starting to take traction and I think you'll see, when we go through the cost profiles in each Region, South Africa's costs are down and the costs in all of the other areas are basically flat in terms of the spend. So it shows that these initiatives are starting to bear fruit.

We've got a 40% increase in our dividend compared to the comparative period last year and I do believe that we are maintaining our position as the highest dividend payer in the industry.

Speaker	Narrative



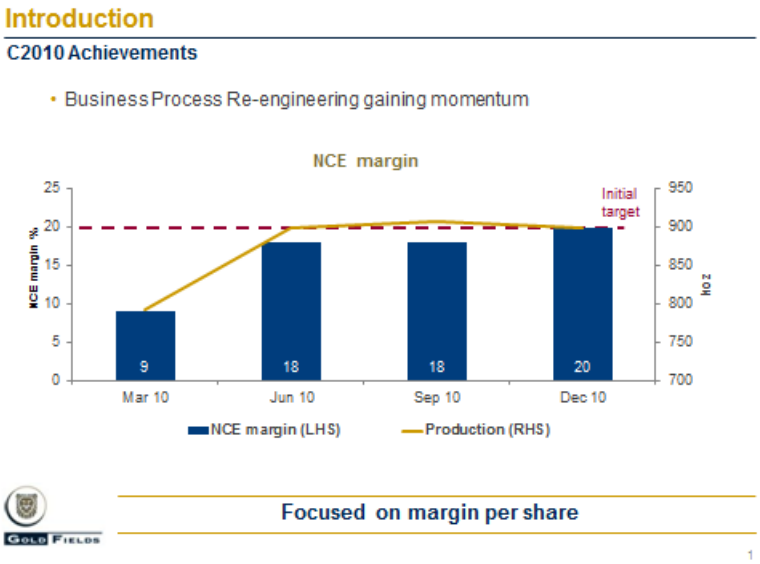
Safety of course is the key value in our group. If we cannot mine safely, we will not mine and we're not going to move away from that strategy because safety is everything. This business is our people and if we can't mine safely we will adopt that strategy.

Over the last four years we've shown a continual improvement in our safety and we've gone from 36 fatalities in 2007, down to 17 in 2010.

Now, I'll be the first to say if there's 17 fatalities it's still way, way too high. In fact, one fatality is too high.

So there's more work for us to do but our rate is coming down. I'm satisfied we're doing the right things. We've got to continue that trend and make these mines completely safe and that is still our long-term objective and I won't move away from that.

Speaker	Narrative



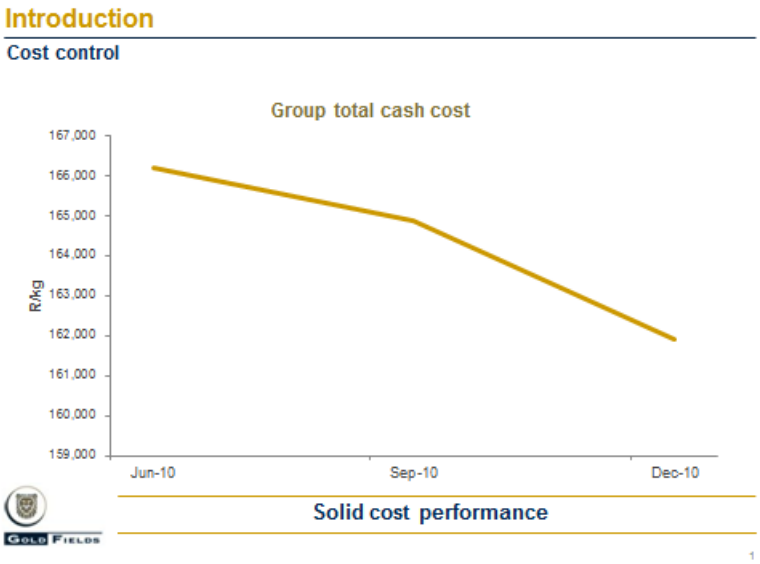
So here's an idea of what business process re-engineering has done for us.

If you look at the last four quarters, what you can see here is our margin has increased steadily from 9% up to 20% and you can see that against our production profile.

What's also nice to report is that production has been pretty steady over the last three quarters.

One of the key objectives we set out about a year ago is to get stability in our production base and I think we've certainly seen that over the last three quarters and of course that again is going to be our key objective in 2011.

Speaker	Narrative



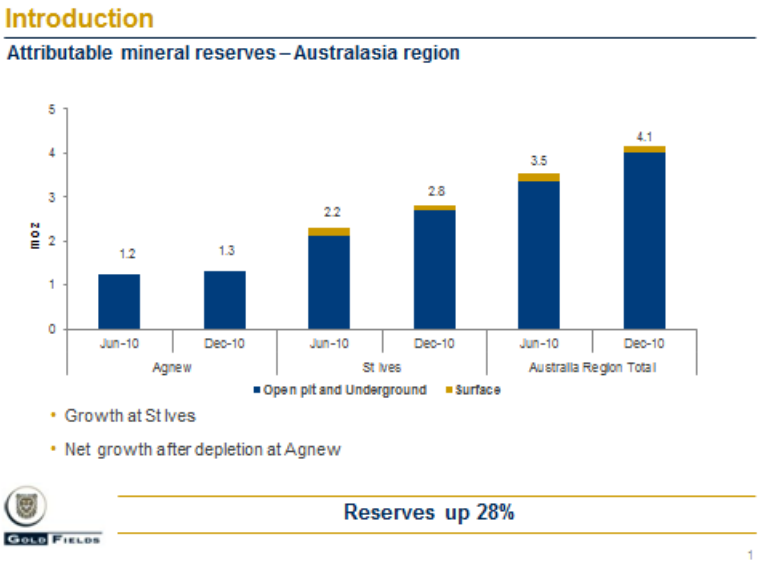
I talked about what's happening to our cash costs.

As you can see, if you go from June down to December, you can see overall the group's costs have dropped from about R166,000/kg to just over R161,000/kg, so we're looking very good on overall cost control despite the pressures that we have had from wages, oil, power and other costs.

However, there is more work to be done but the trend of course is always important.

We have established the right trend and I'm confident we're going to see more benefits in 2011.

Speaker	Narrative



Now our gold reserves have been finalised for the end of the 2010 calendar year.

I am going to give you only the highlights of our reserves here. There will be a detailed supplement that we'll produce by the end of March. The figures will also be in the annual report, together with the resources. But we want to give you a quick snapshot today as to what they look like'

Australasia in particular has gone up 28% and that's mainly on the back of the near-mine discovery at the Argo-Athena Camp on our St Ives tenement, five kilometres South of the LeFroy Mill.

St Ives has gone from 2.2 to 2.8 million ounces.

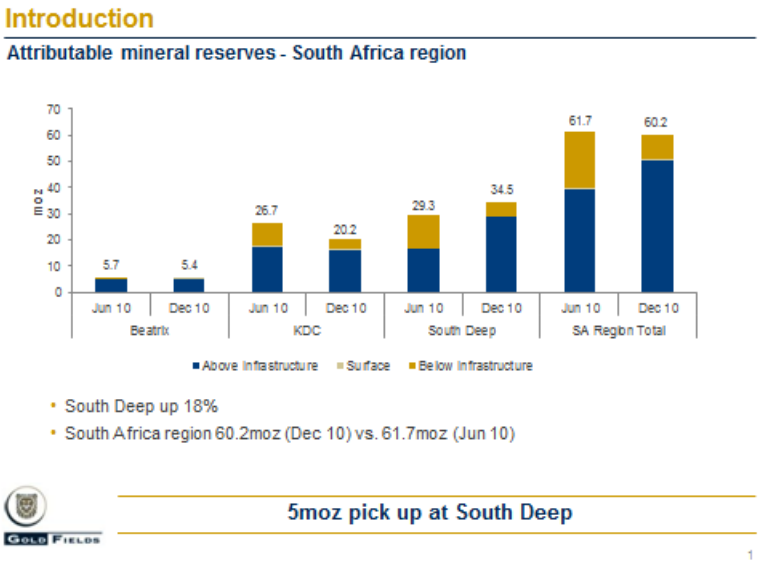
You know, we bought St Ives back in 2001 along with Agnew and since we've owned it we have mined 5 million ounces out of St Ives.

When we bought it we had only about 1.8 million ounces, and I'm pretty sure that we're going to mine at least another 5 million ounces out of St Ives over the next 10 years or so.

So, a great achievement to replace all of the depletion over this particular period and still improve the reserve.

And, of course, Agnew as well. About three years ago we only had three years of life. Today we've got about seven years of life.

Speaker	Narrative



If we look at South Africa, I think the big change in South Africa, the most exciting change, is South Deep's reserves which have gone from 29 million ounces to 34.5 million ounces.

And in particular, as you can see, most of that is now above infrastructure, which means that it is within reach of existing infrastructure. That's a good thing to happen at a time when the momentum at South Deep is growing.

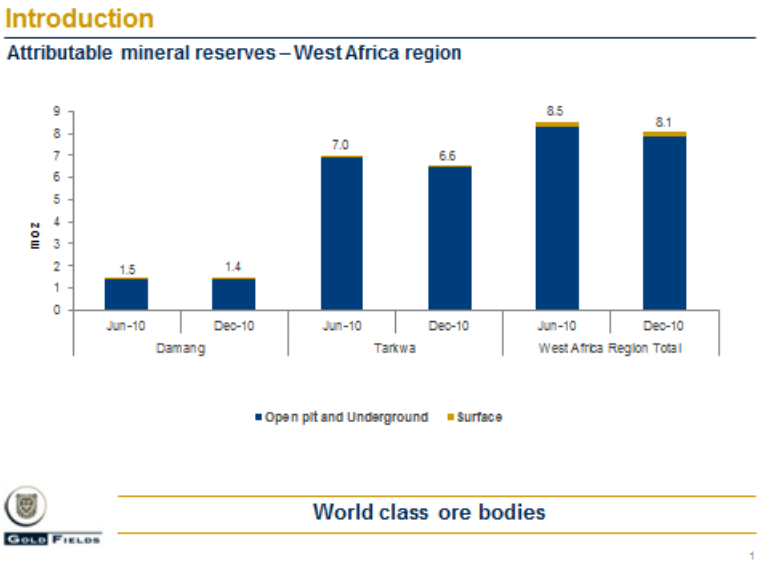
At Driefontein we've made the decision not to resume the Nine Shaft shaft deepening project. We made that decision some time ago and now we've formalised it.

We are doing a detailed feasibility on a series of declines that could incrementally get round about a third of what we had below infrastructure. However, it doesn't rule out the possibility of those declines extending further and being able to pull back most of the reserves that we've moved out of Reserve into Resource.

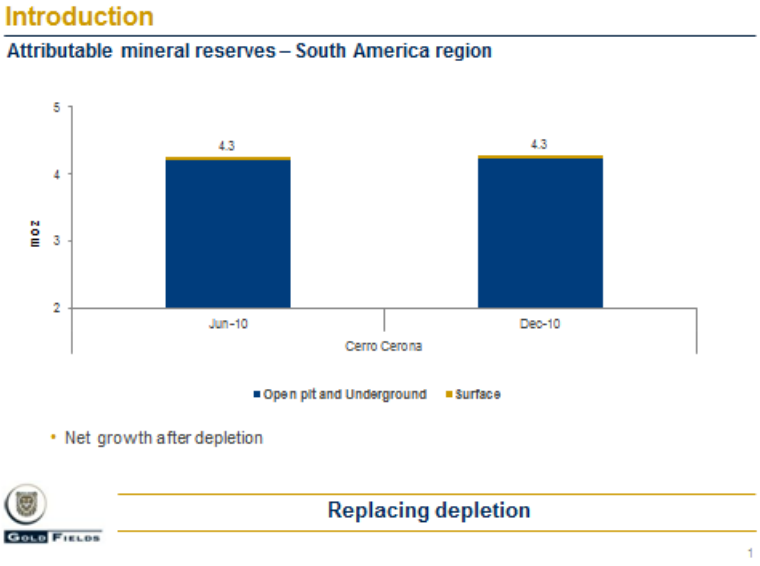
I think that's the right thing to do and it enables us to have a much more cost-effective, higher return, shorter payback approach to accessing those reserves below infrastructure.

So overall, South Africa then we're talking very similar reserves to what we had in June despite the depletion over the period.

Speaker	Narrative

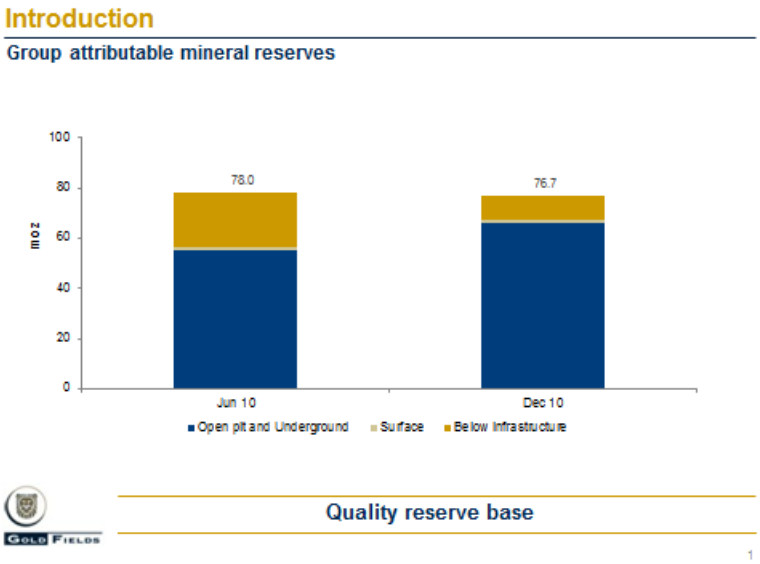


In West Africa world class ore bodies as you can see. About 8 million ounces of attributable reserves, so really no real changes there, just depletion over the period.



And then overall South America, what's I think a good feature over the last 18 months is that the team there has been able to keep our attributable reserves flat, despite 18 months of depletion. So in other words they've put it all back into their reserves.

Speaker	Narrative

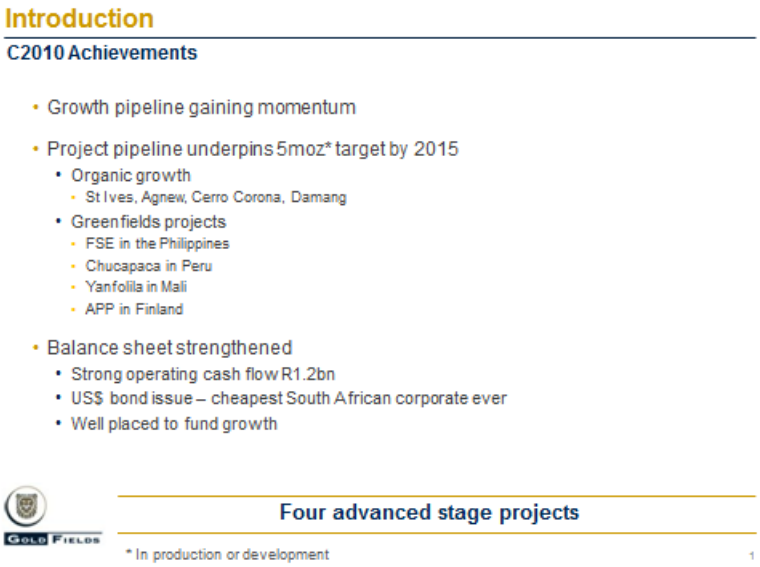


And there's the group, folks.

We're looking at about 76.7 million ounces versus 78 million ounces in June.

And the one thing I would say to you is, despite the fact that we've gone down, two things – one is it's because of depletion, if you add the depletion back – we haven't. Secondly, the quality of our reserves have improved substantially and remember, these are audited and reviewed reserves. We get outside parties to look at them. So as you can see, a tremendous pipeline of reserves ahead of us.

Speaker	Narrative



Now, let's look at some other achievements over the past year.

Our growth pipeline is gaining momentum.

We're going to talk about that a little later and I think, what we have in front of us today, is the best we've ever had.

It is made up of organic growth opportunities at St Ives, Agnew, Cerro Corona and Damang, but also a Greenfields project portfolio, the likes of which I haven't seen in this company before, and I've been in this company now for 13 years.

I do believe that our 5 million ounce target by 2015 is now definitely no longer just a strategic vision. It's substantively available for us to execute in the time frames that we have indicated.

We today have four advanced stage projects and we'll talk a little bit about them today.

Our balance sheet is very strong and we're very proud of the fact that in 2010 we did our debut US Dollar Bond and we got the cheapest South African Dollar Bond that's ever been issued.

So great achievements there by Paul Schmidt and his team and that has certainly improved our flexibility on the balance sheet.

Speaker	Narrative

We've now got all of our new order mining rights in place for all of our South African mines.

We have completed and fully accounted for all of our 2014 BEE ownership requirements including an ESOP scheme that makes every employee in South Africa an owner of the company.

Fully integrated reporting has been put in place and you'll see the annual report this time around, you're going to see a very, very different annual report where sustainability becomes integral to the reporting and not just an adjunct that we put at the end of the report.

We were joint first in the JSE Carbon Disclosure Index in 2010 and we're the first gold company to trade carbon credits. We've put together a deal on certified emission receipts and we're in the process now of completing our methane projects in the Free State and we should be flaring very soon. It also creates a much safer working environment because we capture the methane underground and take it away from the working places. It's creating lemonade from lemons, we will also get substantial revenue out of this project, and also energy down line, in addition to the carbon footprint reduction.

And then we've taken the lead in the industry, I believe, in training the new pipeline of mining engineers and artisans that we're going to need for the future.

With that I'm going to hand over to Paul Schmidt to take us through some of the financial highlights.

Speaker	Narrative

Speaker	Narrative

Financial Review

Group quarterly salient features

Description	Units	Dec 2010	Sep 2010
Attributable gold produced	koz	898	908
Revenue	R/kg	303,958	289,329
	US$/oz	1,366	1,223
	Rm	9,255	9,053
Operating cost, net	Rm	5,015	5,132
Operating margin	%	46	43
Operating profit	Rm	4,240	3,921
Total cash cost	R/kg	161,894	164,898
	US$/oz	728	697
NCE	R/kg	243,506	238,348
	US$/oz	1,094	1,007
NCE margin	%	20	18
Capex	Rm	2,414	2,225

2nd Consecutive quarter of lower unit costs

Thanks Nick. Good morning, ladies and gentlemen.

Nick mentioned that gold is flat quarter on quarter at 898,000 ounces.

Based on a higher gold price in both Dollar terms and Rand terms revenue increased from R9.1 to R9.3 billion.

Costs decreased from R5.1 to R5 billion and this is showing that the effects of BPR are now translating into our income statement. It's not only the effect of converting at a stronger Rand. In South Africa the costs are down and the three international are flat in their respective reporting currencies, so it's a good performance on the costs side.

If we look at operating profit, that increased from $3.9 to $4.2 billion.

If we look at the NCE margin as Nick mentioned we've achieved the 20%. That was our short-term target and we've achieved it.

Speaker	Narrative

Financial Review

Group salient features

Description	Units	Dec 2010	Sep 2010
Net (loss)/earnings	Rm	**(777)**	701
Normalised earnings	Rm	**1,475**	1,016
Net (loss)/earnings per share	SA cps	**(110)**	99
	US cps	**(15)**	13
Normalised earnings per share	SA cps	**206**	144
	US cps	**29**	20

Delivering the gold price to the bottom line

If we look at normalised earnings, up from R1 billion to R1.5 billion, a 43% increase.

If we look at normalised earnings per share, it increased from 144 to 206 cents per share.

Financial Review

BEE Transactions

Description		Dec 2010
ESOP	Rm	1,227
1% of GFIMSA	Rm	73
10% of South Deep	Rm	825
Total	Rm	2,125

2014 Ownership target achieved at < R3/share

If we look at our BEE transactions the final accounting number came out at 2.1 billion and this is in line with the number that I gave you June quarter in 2010.

If you look at the strap line, below R3 a share to achieve our 2014 ownership target. I think it's a good deal and cheap at the price.

Speaker	Narrative

Financial Review

Final dividend calculation for six months to Dec 2010

Description	cps	Rm
Net loss	(11)	(76)
Add BEE transactions	-	2,125
Less growth capital - South Deep	-	(1,003)
Net earnings after growth capital	**147**	**1,046**
Final dividend cps (50% of earnings after growth)	**70**	**505**

40% Period-on-period increase

If we look at our dividend calculations, to start with, let me just remind you of our dividend policy.

Our dividend policy is to pay 50% of net earnings after adjusting for any exceptionals and deducting any growth capital. The only growth capital that we deduct at present is the growth capital for South Deep.

As you see, we started with our net loss of 76 million. We added back the 2.1 for the BEE transactions and we deducted just over a billion for the South Deep growth capital. This resulted in earnings of just on R1 billion, translating into dividends of just on R500 million or 70 cents per share.

That is a 40% increase compared to the corresponding dividend last February 2010 and more importantly, if you analyse our dividend it translates into a 1.5% dividend yield which is far higher than any of our peers in the industry.

Speaker	Narrative

Financial Review

Cash flow

		Dec 2010	Sep 2010
Cash flow from operating activities	Rm	3,889	2,250
Cash flow from investing activities		(2,921)	(2,228)
Cash flow before financing activities		**968**	**22**
Dividends to non-controlling interest holders		(149)	-
Dividends paid to ordinary shareholders		-	(494)
Cash flow from financing activities		358	1,189
Net cash movements for the period		**1,177**	**717**
Net cash balance at end of period		5,464	4,313
Loans (short and long term)		9,438	9,389
Net debt	Rm	**3,974**	**5,076**
Net debt	US$m	**589**	**722**
Net debt/EBITDA ratio		**0.27**	**0.37**

70% Increase in operating profit

If we look at the cash flow: if you look at the cash flow from operating activity, it increased from 2.3 to 3.9 billion, a 1.6 billion increase and this is showing that the higher gold price and the lower costs is translating into cash flow.

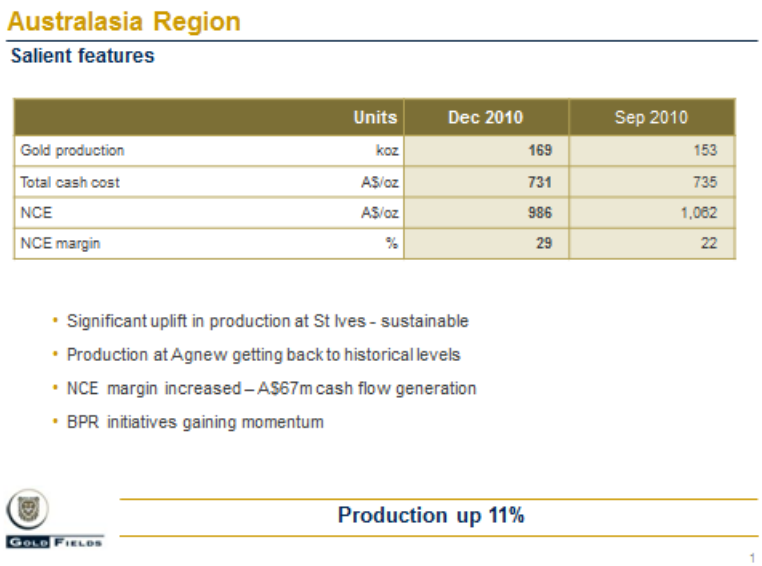
If we look at our cash flow from investing activities it increased from 2.2 to 2.9 billion. Two main items contributing to that: capital increased by just over R200 million on the back of $30 million spent at Damang on the owner mining fleet and the R371 million we spent on purchasing the option in the Far South East project.

The net effect of all of that is that cash generated for the period increased form just over 700 million to 1.2 billion leaving us with R5.5 billion in cash at the end of the period.

The net debt improved from 5.1 to R4 billion leaving us with a net debt to EBITDA ratio of 0.27.

In conclusion I'd like to say a big thank you to all my accounting staff. As you know we've had two year ends in the space of six months and they have put in a huge effort to get these numbers out on time and I thank them. With that I hand over to Richard to take you through Australasia.

Speaker	Narrative



Thank you, Paul, and good morning, ladies and gentlemen.

I'm going to brief you on the results for the Australia region in the last quarter.

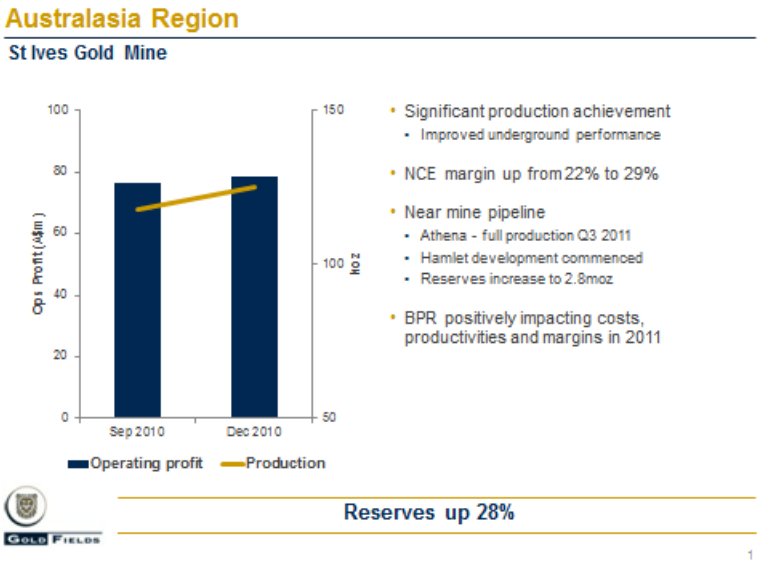
The Australian operation's had a good quarter with both St Ives and Agnew delivering significant improvements despite the strength of the Australian Dollar.

Australian production improved 11% to 169,000 ounces with strong performance from St Ives and with Agnew returning to historical levels of production.

Costs were contained resulting in a wider NCE margin and generating A$67 million in cash flow.

The wider NCE margin was partly as a result of the increased production from both mines, the BPR initiatives at St Ives and also reflected the strengthening management team directing efficiency improvements in both operations.

Speaker	Narrative



If we look at St Ives, St Ives had an excellent quarter in terms of production and costs and achieved a sustainable quarterly target.

The NCE margin improved from 22 to 29% as a result of the improved productivities.

The newly developed underground mine at Athena delivered its first gold production on schedule during December and full production will be achieved during the third quarter of 2011.

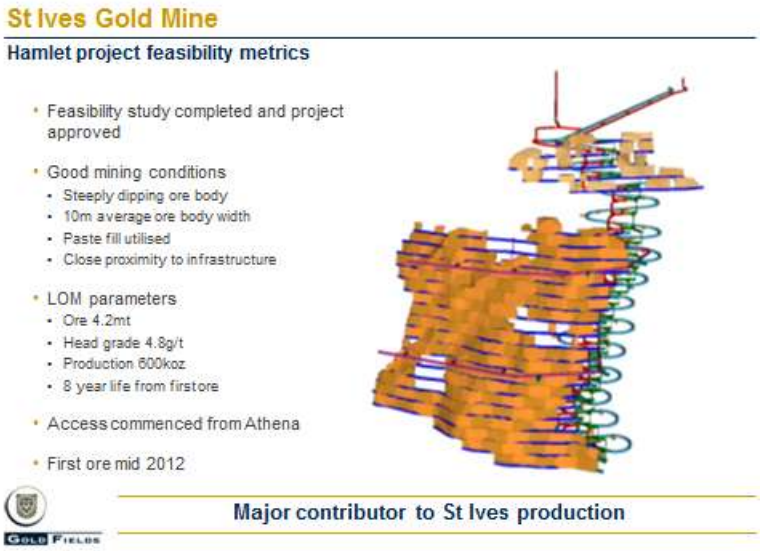
In terms of our near-mine pipeline activities this quarter focused on resource conversion drilling and as a result the reserves have been increased by 28% to 2.8 million ounces, equivalent to over five years of remaining mine life.

At Hamlet, following the drilling programme, a large portion of the 1 million ounce resource that we reported in May 2010 was converted to reserve.

Development to access this ore body commenced in December.

In addition, surface drilling at Neptune has defined a new potential open pit and this area will be further evaluated in 2011.

The BPR initiatives are gaining momentum and will remain the focus during 2011 to further improve productivities and margins.



The Hamlet ore body was discovered and has been progressed to a development phase in a very short timeframe.

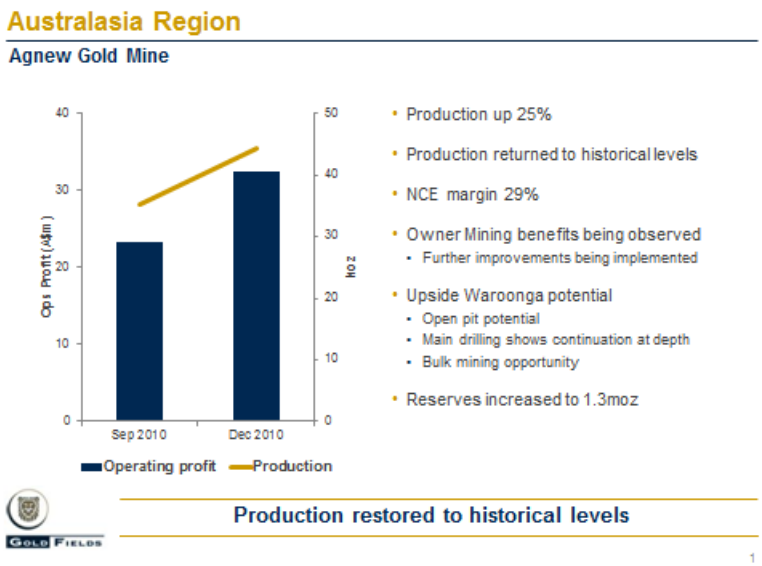
The recently completed feasibility study has indicated a sound reserve base for development and access commenced in December 2010.

Hamlet is contiguous to the newly developed and soon-to-be fully operational Athena mine and both mines share some common infrastructure.

The feasibility study indicated that Hamlet will produce approximately 600,000 ounces of gold over an eight-year mine life.

We are excited with the production capabilities of both these new mines and further potential exists for reserve growth and extended life.

Speaker	Narrative



We move onto Agnew.

Agnew also had an improving quarter with production increasing from 35,000 ounces to 44,000 ounces and achieving a sustainable quarterly target.

This was due to improving productivity in our owner mining fleet and also increased mining flexibility and stope availability in both the Kim and Main Lodes in the Waroonga ore zone.

The NCE margin increased to 29%.

Further improvements can be expected in the owner mining fleet as productivity improvements are realised and in terms of near-mine exploration deep directional drilling programmes continued at Waroonga with good potential for ore body extensions.

This drilling and evaluation programme will continue during 2011.

Other options at Waroonga are being investigated, including a possible pit extension and also potential for the introduction of bulk underground mining methods.

The reserves have been increased at Agnew to 1.3 million ounces equivalent to over seven years of remaining mine life.

Speaker	Narrative

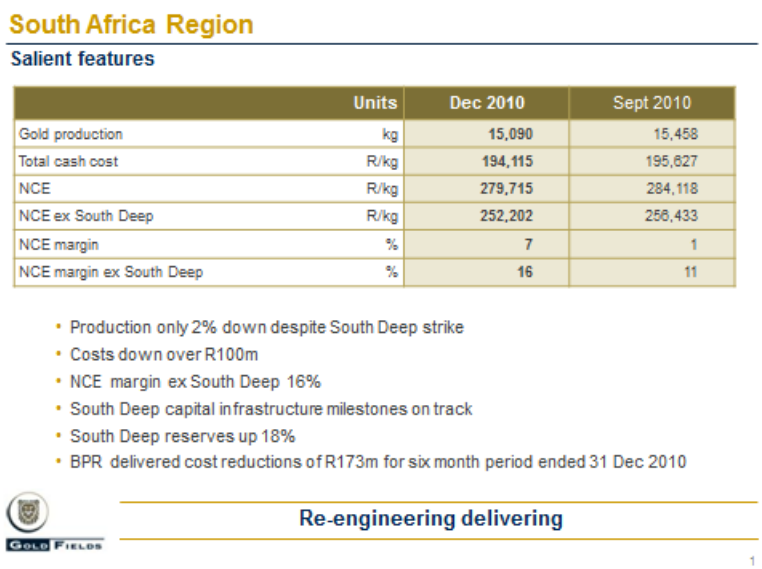
For our 2011 focus is to realise further improvements from the BPR programme, including consolidation of production improvements already achieved in both mining and processing areas, the development of Hamlet, and the extension of Cave Rocks to extend mine life.

At Agnew we have commenced surface mining at Songvang to reduce operating costs and also pursue the underground open pit potential at Waroonga complex and Cinderella.

We are expecting the Australian operations to continue to improve their performance during 2011.

I'd now like to introduce my colleague, Tim Rowland, responsible for the South African operations, to brief you on South Africa. Thank you.

Speaker	Narrative



Richard, thank you very much.

Good morning, ladies and gentlemen.

I'm now going to take you through the highlights for the South Africa region for the quarter.

What this slide clearly highlights is effectively gold production flat quarter on quarter. 2% down overall. This is despite the 10-day strike in November at South Deep so I think that's a good performance on production.

The costs down 100 million through tight cost control and the early impact of the business process re-engineering gaining traction.

Nick's already mentioned that the South Deep reserves are up 18% so we're building a world-class mechanised mine on a world-class ore body that is looking stronger and stronger the more we do our

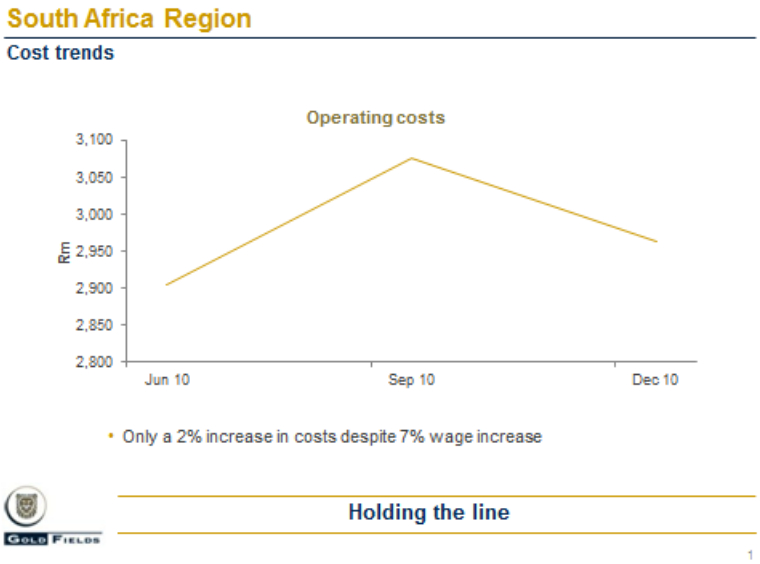
Speaker	Narrative

exploration and resource definition drilling.

The business process re-engineering which we scoped and did the diagnostic analysis on back in June last year has gained traction in the December quarter and as you can see it's had an impact of 173 million in the December quarter, and that's effectively through a dedicated focus on organisational structure, organisational design and production process management.

In effect we've collapsed three executive teams formerly looking after the region, Kloof and Driefontein, into one leadership team which is now housed at the Lebanon Office Park. We vacated the Constantia offices and the leadership team and senior management is all within 15 minutes' drive of all our West Wits operations.

Speaker	Narrative

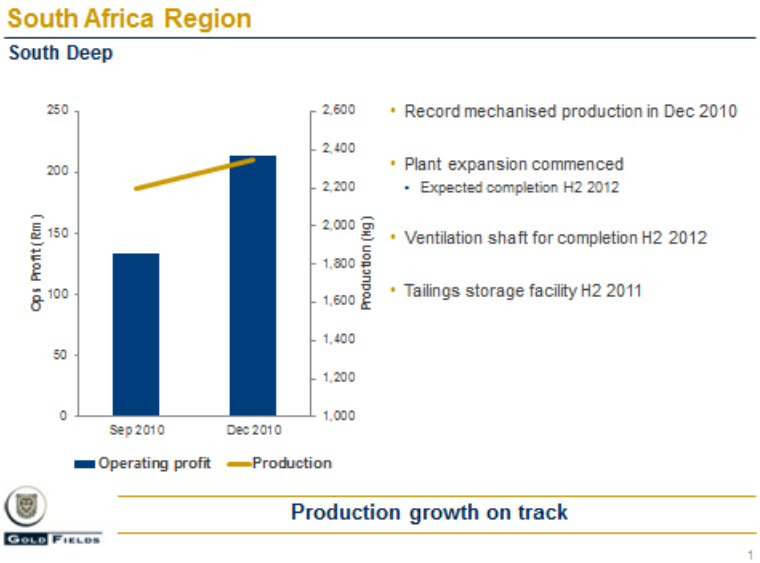


This slide clearly shows that we're holding the line on costs.

Although it's a short period we're looking at, just June through to December, the six months, I think the impact from September to December, when the BPR gained traction is self-evident.

Remember this is against the backdrop of a 7% increase in wage, salary costs.

Speaker	Narrative



If we look at South Deep, it's very pleasing for me that in the December quarter South Deep has actually hit a number of production milestones for the first time.

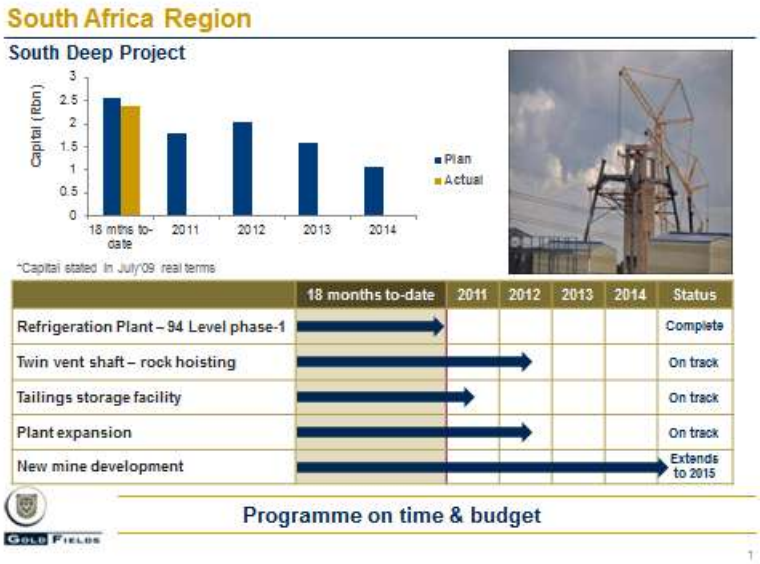
In October we hoisted 174,000 tonnes of rock, which is some 3,000 or 4,000 tonnes above the name plate capacity of the main shaft and in December we actually produced 164,000 tonnes of reef broken.

That's principally from our long hole stoping and benching which is a record for South Deep.

Another milestone was the December production at 885 kilograms and again against the backdrop of the 10-day strike in November.

So there's some very pleasing trends at South Deep.

Speaker	Narrative



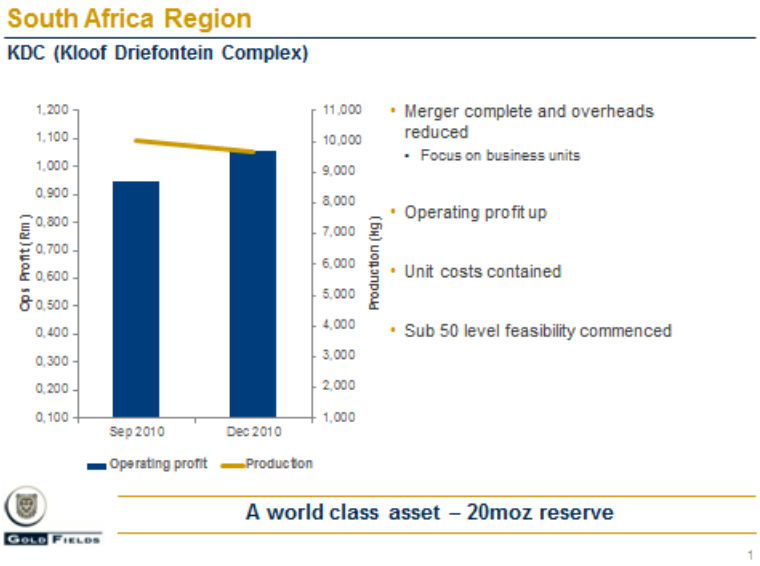
The capital infrastructure expansion project, which is on the back of the R8.4 billion capital programme in real terms approved in 2009, include these core projects that are to de-constrain the mine as it runs up to its 2014 production target of 330,000 tonnes through the mill, and annual gold production of between 750,000 to 800,000 ounces.

These are being well managed, are on track and on budget.

When you look in particular at the twin's vent shaft and the Plant expansion, which is modular and can be added onto as required going forward, these two projects are key to the ramp-up and we're very pleased with their progress. They're on track to take us to our five-year production ramp-up.

The photograph in the top right-hand corner is the 700 tonnes of steel which was lifted into position over the Christmas break, which is the project that will put that shaft into full hoisting capacity by mid-2012 to 195,000 tonnes of rock hoisted. So all these key infrastructure projects are on track.

Speaker	Narrative



If we look at Kloof and Driefontein, which we have merged into one entity during the December quarter, we've decided to use the acronym "KDC" which stands for the Kloof-Driefontein Complex.

That will be the nomenclature used for the consolidated Kloof and Driefontein going forward. In future presentations and reports you will see it as KDC.

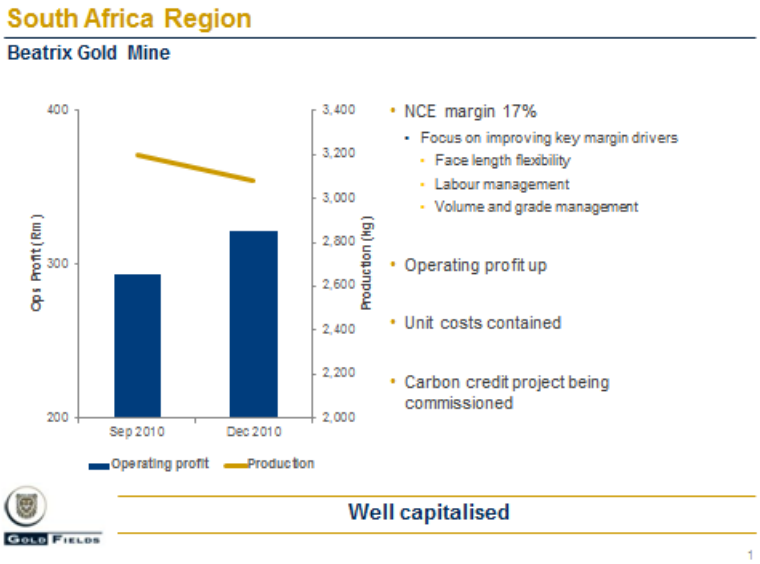
The merger is now complete. We've collapsed those two large operations into five commercially focused business units and we've resourced the teams on the shafts to focus on the below-shaft collar production.

The overarching services and leadership we've rationalised and decentralised into the Lebanon Office Park. As a result we've leveraged a lot of synergies as well as bringing real production focus to the teams.

Operating profit and unit costs are well contained.

Following up on what Nick mentioned earlier, the quality mineral reserves below 50 Level at Driefontein, which was previously reflected in our life-of-mine profiles for the 9 Shaft Project, is now being tackled through the feasibility work we're doing to put decline systems down below 50 Level and, in fact, we've got three winches going down on three lines to test the grade variability and the ground conditions, as part of that feasibility.

Speaker	Narrative



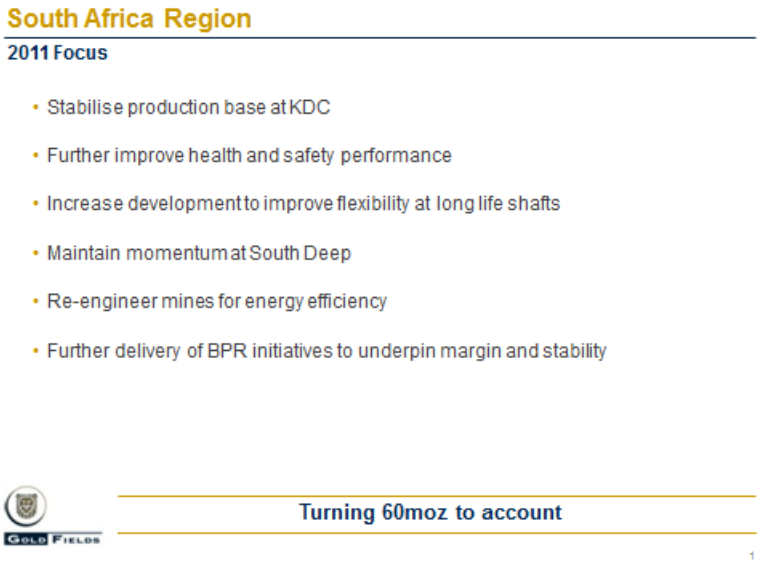
If we look at Beatrix, a strong NCE margin of 17%.

The focus there I think over the next quarter is about improving the key margin drivers.

Face length flexibility has always been important at Beatrix and we're going multi-blast on our key reef development ends and we've expanded our crews for equipping and opening up so we're looking at making movement on that on the coming quarter.

And also to follow up on something Nick mentioned, as part of our sustainability and carbon credit project, we will actually initiate the flaring of methane in the March quarter. We're very excited about that project coming through on time and budget.

Speaker	Narrative



In Conclusion:

They key focus areas going forward:

It's about stabilising production out of KDC. Obviously there's been a huge change management focus – an imperative when you merge two world-class large operations like that. That's largely in place now and we're looking at bedding that down and getting greater resolution against our plans.

Health and safety, obviously we're striving for zero harm. It's an absolute key focus for the South African operations. Engineering out the risk and compliance to standard is the key focus and key strategy going forward.

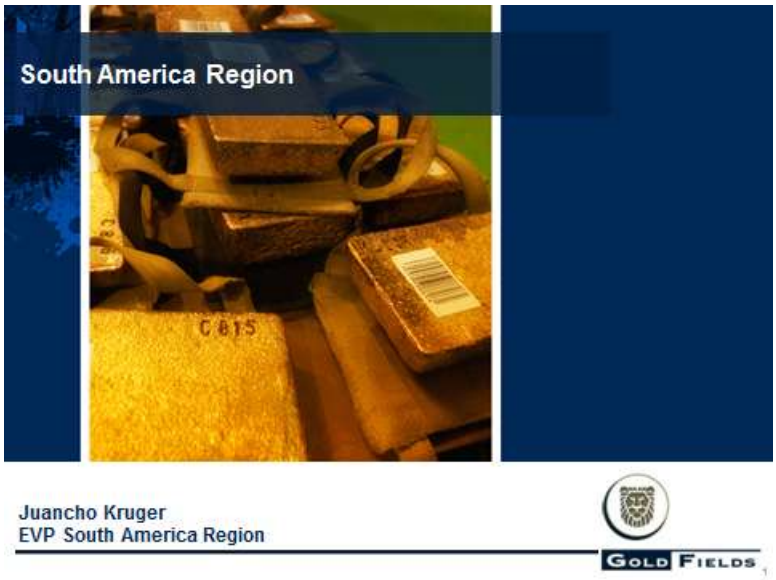
Re-engineering the mines for energy efficiency. Obviously with the Eskom tariff hikes we're looking at substantial additional energy efficiency. It important that we put dedicated focus on drawing down our power costs and that will be focus area for our engineers over the coming months.

And finally, the business process re-engineering isn't going to be a one-off, high- impact intervention. It's going to be a key, going forward, and will be managed through a newly established office for strategic management in the South Africa region and I believe there's a lot more money on the table to be recovered by implementing further initiatives that we have on our radar screen.

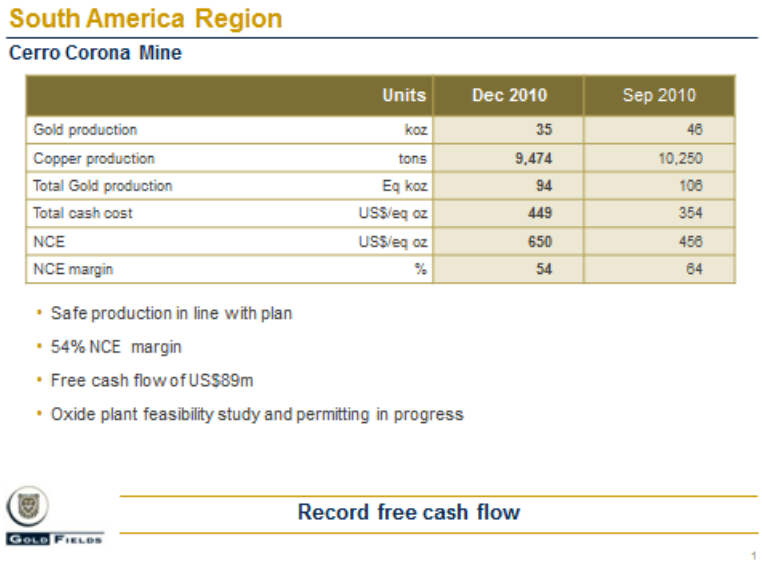
I am looking forward to continually leveraging the BPR cost savings over the next three quarters.

Thanks very much and I'll now hand you over to Juancho from the South American region. Thank you.

Speaker	Narrative

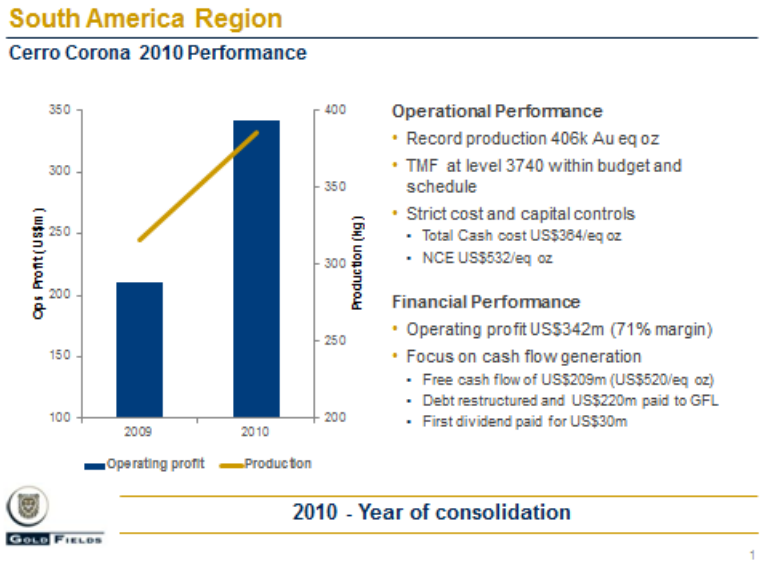


Thank you, Tim. I'm very happy today to present and share with you the results of the last quarter as well as the achievements of the South American region in 2010 and share with you as well the flavour of our growth projects and what's going to be happening or where are we going to be focusing this year.



The December quarter was another very strong period for Cerro Corona, delivering a record free cash flow generation of $89 million or slightly above $1,000 per equivalent ounce, all of these on the back of a very strong 71% operating margin and 54% NCE margin. Strong production for the quarter combined with strict cost controls and capital expenditure controls allowed us to close at an NCE of $650 per equivalent ounce better than our plan for the period. Another important highlight for the quarter was the significant process made on the studies to put into value our oxide stock. The technical studies required to confirm the feasibility of tracing this material continued during the quarter, together with the final preparations to apply for the environmental permission required for these projects. Filing for the EIA should be completed within the current quarter.

Speaker	Narrative



The strong December quarter rounded the conclusion of 2010 which was our second full year of full operation of Cerro Corona and a year in which our focus was on two main streams of work, I would say.

The first one was to consolidate the operation on the financial performance of these assets and the second one was to set the basis for sustainable growth into the future.

Our efforts on optimising the operation of performance at Cerro Corona resulted in a 22% increase in production year over year, safely delivering 406,000 equivalent ounces of gold during 2010 and this was mainly driven by an increase of around 5% above the current capacity during the year and the increase in both copper and gold recovered.

Equally important, we were able to complete the construction of the second phase of our tailings dam, up to the Level 3740 within budget and within schedule, which was critical to keep our capital expenditures under control.

The strong production, together with managing our controllable costs and our capital expenditures, resulted in a 16% reduction year over year in our NCE, taking it down to $532 per equivalent ounce in 2010.

The combination of both the improvement in the operational performance and the leverage to the higher gold and copper prices in the year resulted in a 62% increase in operating margins, or profits, sorry, from $211 million to $342 million in 2010 on the back of a 71% average operating margin for the year.

The high profitability contributed significantly to our ultimate goal of maximising free cash flow generation and in this line we're proud to report that Cerro Corona generated in 2010 $209 million of free cash flow or $520 per equivalent ounce.

The cash generated allowed us to pay our first dividend of $30 million during the last quarter and to restructure our debt, reducing by more than half our financing costs and reducing our net debt position by $130 million.

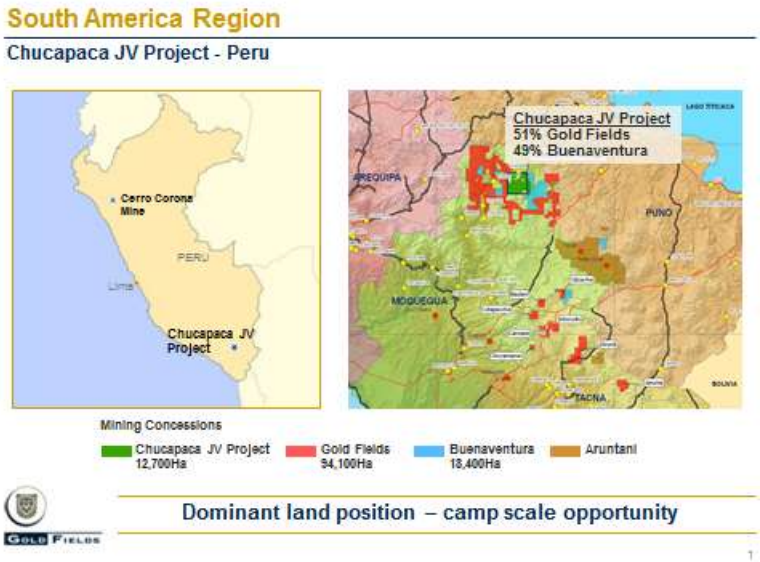
Speaker	Narrative

The second stream of work during 2010 was focused on our projects to materialise our future growth potential and as mentioned earlier there was important progress made on the oxides Project and the feasibility studies and we expect the resolution during the second semester or second half of the current year.

Another important source of growth from the resource is life in the resource conversion potential of 40 million tonnes in our deposit. The limited tailings storage capacity remains to be the main constraint to account for these resources of reserve. On this front, during 2010 we commissioned top consultants to evaluate engineering alternatives to expand our current capacity. These studies shall carry on during 2011 and we remain hopeful of getting positive results in the future.

Last, but not least, during the second semester of 2010 we decided to start a comprehensive drilling programme that will extend into 2011. The initial results of this first phase have allowed us to improve the resolution of our ore reserves while at the same time have given us some indications of further potential. Although still early days we remain optimistic of the results once the programme is fully completed this year.

Speaker	Narrative



But when we talk about growth we not only have to talk about Cerro Corona; South America and particularly Peru hosts the most advanced growth project for Gold Fields and probably the most significant recent discovery in the gold industry, our Chucapaca Project.

As most of you may know, this project is a joint venture with Bonaventura and it is located in the southern part of Peru in an area that is now considered to be or to have the potential to become one of the most important developing gold mining districts in the country.

The project provides us with geographic diversification in Peru and more importantly enables us to access the further exploration potential given that we have secured a significant land position beyond the current Chucapaca Project footprint.

The discovery hole was drilled in September 2008, the main focus of exploration on the Chucapaca Project has been realising the potential and increasing our confidence on the Canahuire deposit.

Upon declaring the initial inferred resource of 5.6 million gold equivalent ounces and completing the scoping study that's reported open face mining and positive metallurgical recoveries we decided to commence the second phase of drilling and to accelerate all the studies required to confirm the feasibility of the project.

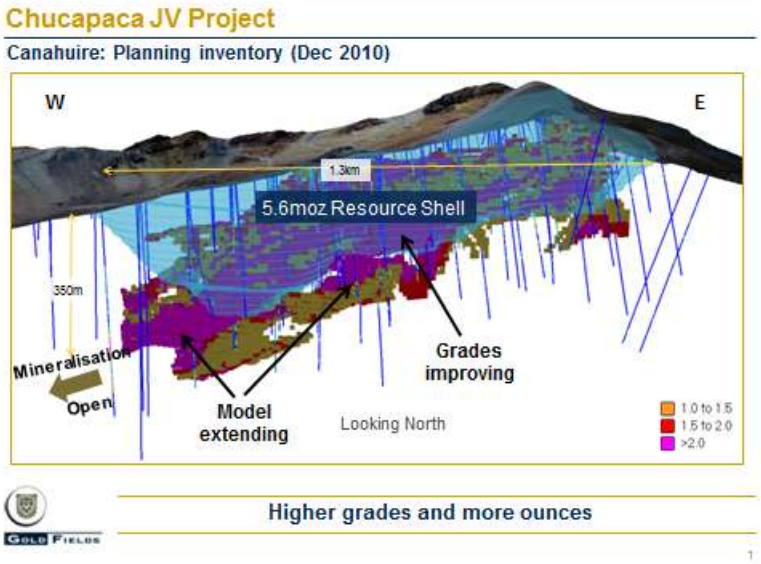
The second phase of drilling commenced in July 2010 with an aggressive 100,000 metre programme. Significant progress has been made to date with 12 rigs currently working on site. We have been able to so far complete 35,000 metres of drilling.

The main elements associated with the feasibility studies have commenced, including activities like hydrogeology, detailed metallurgical test work, geotechnical studies and engineering, together with the baseline environmental data collection as part of the EIA permission process.

The aim as part of the accelerated programme is the completion of a feasibility study for 2011 allowing us to hopefully make a construction decision in [unclear] 24 months.

The new drilling completed continues to confirm the growth potential and the robustness of our resource model at Canahuire.

Speaker	Narrative



Significant drill intersections were returned during this quarter with some results greater than 300 gold grams per metre. Some of these intersections include 36 metres at 12.5 grams, 56 metres at 26.5 grams per tonne, 127 metres at almost 3 grams per tonne, 89 metres at around 7 grams per tonne.

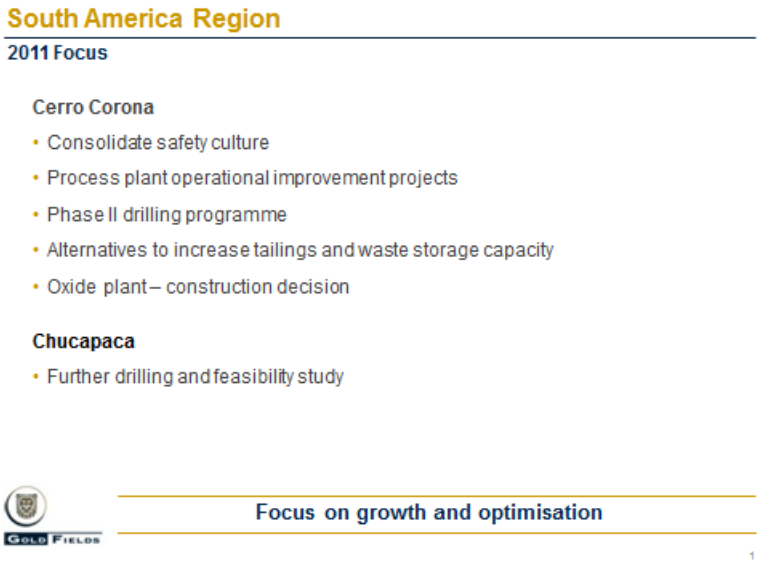
This long section here looking north is a new block model generated with some of these new results to provide a better understanding of the impact of the new drilling.

We can observe that the high-grade mineralisation is plunging 30 degrees to the west and, although preliminary, the new drilling results are confirming the continuity and average of high-grade mineralisation within the currently defined resource and the continual extension of high-grade mineralisation for the west.

Drilling results look better each time and more promising. In a nutshell, the grades are improving and the model is extending and the deposit's still open to the west.

Chucapaca is developing so is certainly becoming our next future mine in the region.

Speaker	Narrative



Looking into 2011 our focus will continue to be on growth.

Cerro Corona, we will be focused on sustaining the strong operation of performance while at the same time implementing the profits improvement projects that were identified during 2010, together with three strategic growth initiatives that I alluded to before.

The first one is to confirm the feasibility of the Oxides Project.

The second one is to analyse alternatives to increase our tailings capacity and the third one is to complete the drilling programme.

At Chucapaca the focus will be to complete the drilling and to accelerate the feasibility study with the aim to make a construction decision on 2012.

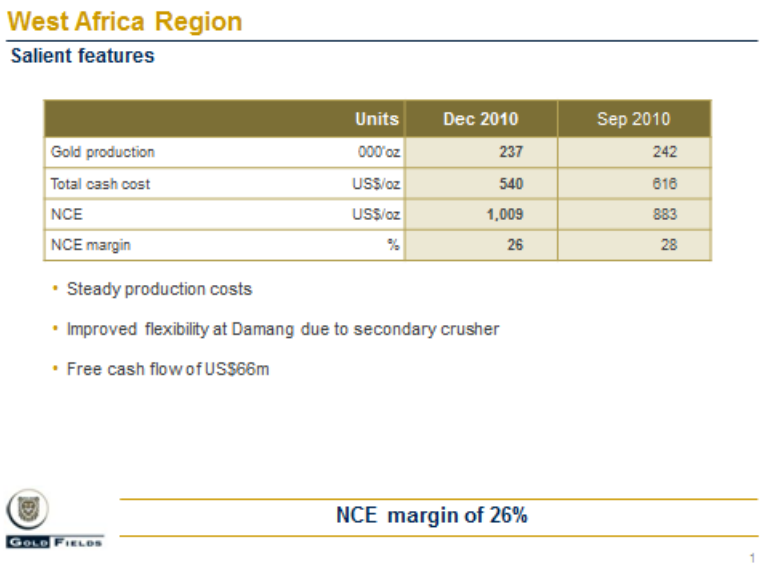
Results and future growth prospects have never looked better for the South American region.

Our track record, our focused strategy and the strong team on the ground make us feel confident that we will continue improving our performance and continue driving our growth plans.

As I mentioned last time I presented to you in July last year, we look to the future with very strong optimism and with a very serious commitment to continue creating shareholder value.

With that I would like to pass it to Peter for the West Africa presentation. *Muchas gracias.*

Speaker	Narrative

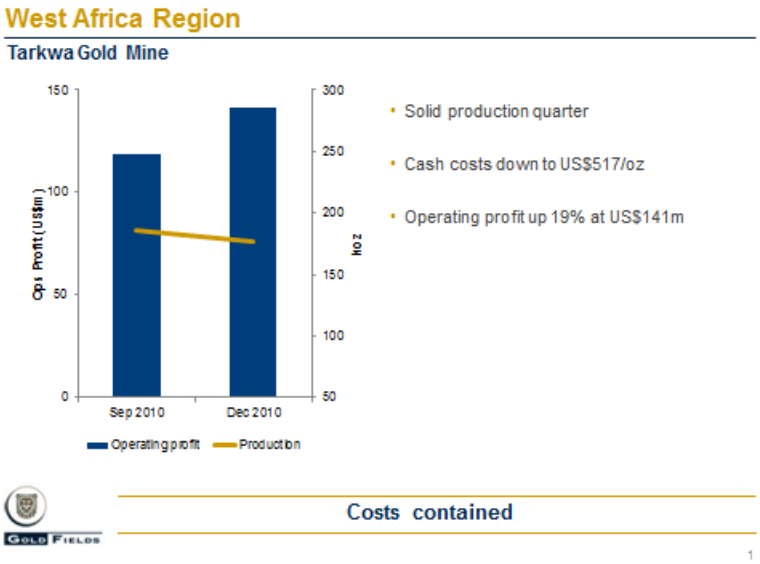


Thank you, Juancho, and good morning, ladies and gentlemen.

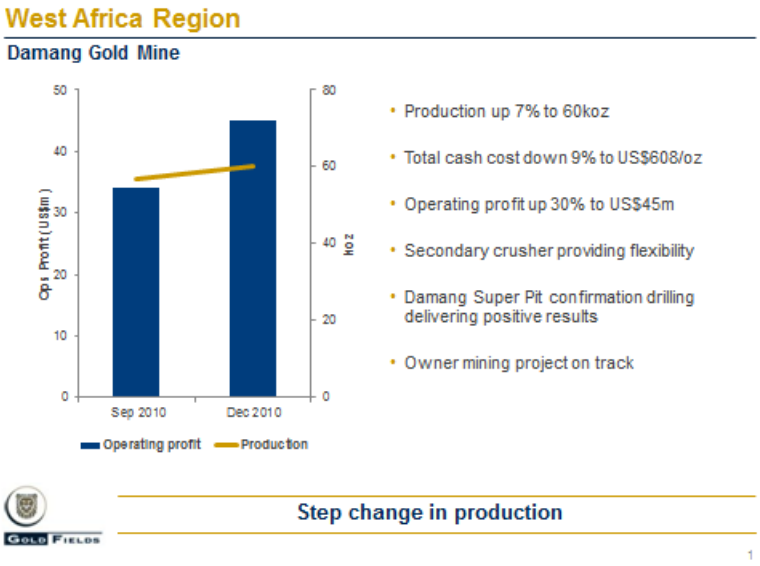
Operations in the West Africa region had a solid quarter with stable production, a 13% reduction in cash costs generating a healthy margin of 26%.

BPR projects aimed at productivity improvement and costs savings have been commissioned at Tarkwa and the owner mining project at Damang is on schedule and on track for commissioning during the next quarter. These projects are all aimed at reducing costs, improving productivity and increasing the margins throughout.

Speaker	Narrative

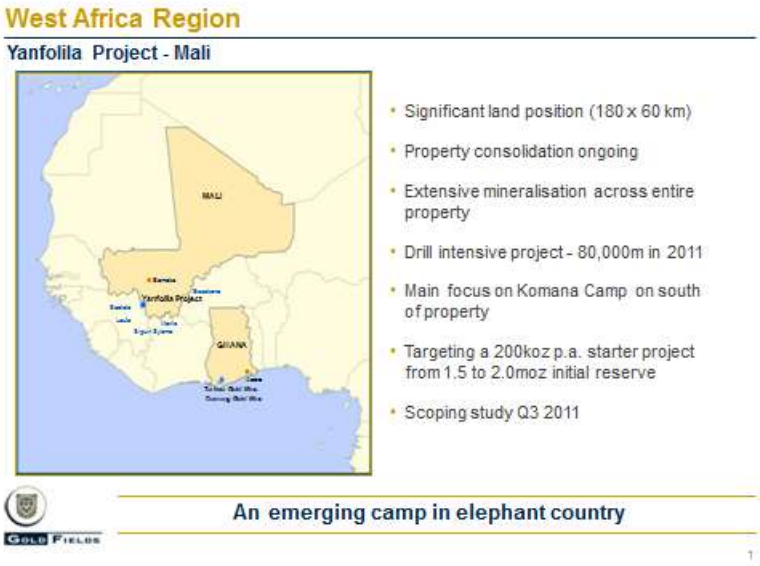


Moving on to Tarkwa, Tarkwa had a solid quarter with a 19% improvement in operating profit to $141 million. The BPR project there is well on track with defined cost savings targeted for 2011. Cash costs at this operation are down to $517 per ounce and good cost controls are in place across this operation.



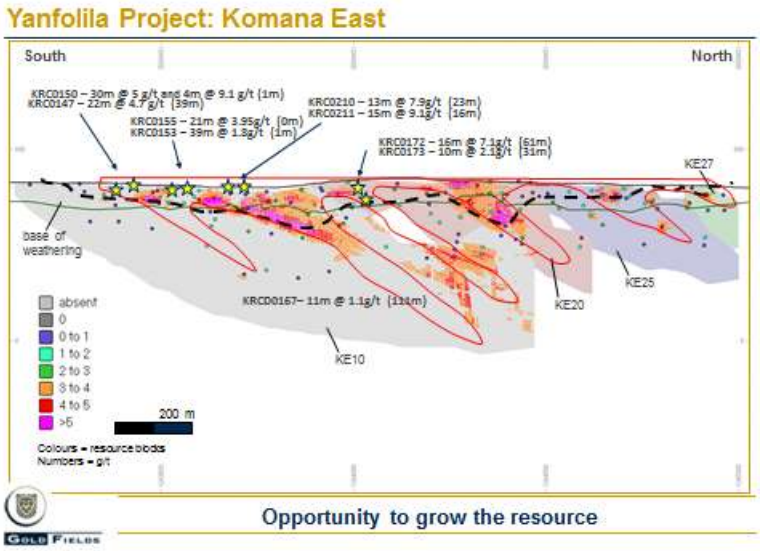
Damang has continued to show positive trends with production up 7% to 60,000 and cash costs down to 9% or $607 an ounce and an operating profit of 30%. In the plants the secondary crusher project is delivering to plan and we are seeing the benefits of being able to treat the higher grade fresh ores from the ore body. The key project at Damang, however, is the owner mining project which is on schedule and on track for commissioning in this next quarter. Exploration continues to show positive results. Our phase 1 resource definition drilling in the Damang cutback, Juno and Huni areas is yielding positive results underpinning our plans for a future Super Pit here at Damang.

Speaker	Narrative



I now move on to our growth project and in Mali I would like to share with you that the magnitude of our lease holding has increased to the extent that we've had to split it into two distinctive project ares, namely, the Yanfolila Project to the south of the river and the Kangari to the north of the river based on the natural break of the river and ability to manage these successfully.

We have an 80,000 metre drill programme that is scheduled for completion mid-year and we are targeting that 200,000 pilot project from a resource between 1.5 and 2 million going forward.



You will recall previously I've shown you sections, long sections of Komana East and I refer to this again.

What you will see in this long section, it's the long section through Komana showing the new model, with pay shoots plunging off to the right of your screen and these pay chutes are continuing at depth.

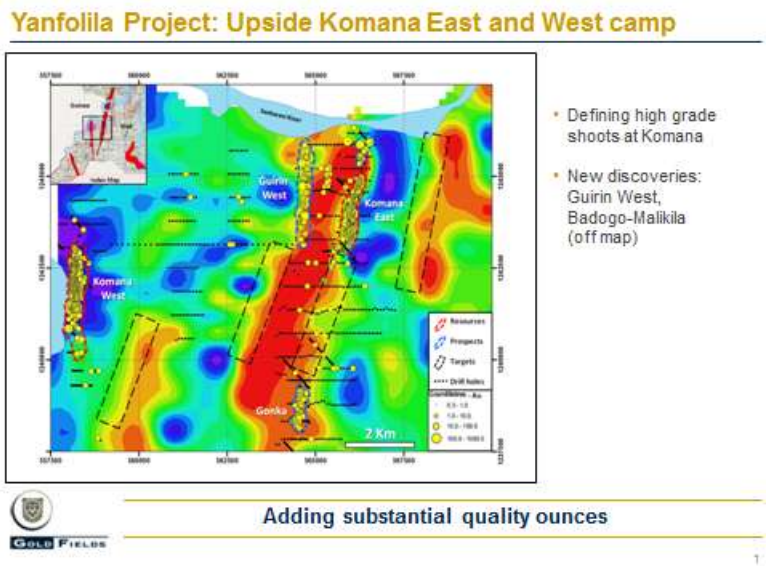
Confirmation drilling here is showing that those shoots that are going down in fact have good width, have good grade and have a propensity to pull this pit to at least double or triple the size that we currently have.

Current resource here is 400,000 ounces and growing daily. A total of 42 kilometres of aircore, 25 kms of RC and 10 kms of diamond drilling are planned until the end of June this year.

Shallow free-dig opportunities, as you can see from the results here, 30 metres at 5 grams on surface and I can mention but a few of these.

This is shallow, free-dig, low cost mining.

Speaker	Narrative



So certainly we're very excited about Komana East but not only that, I'm going to share with you some new discoveries we've had in this region.

In terms of orientation, this slide shows the location of Komana East on the right-hand side of the page and Komana West on the left-hand side of the page, draped with gravity images of two new discoveries.

If you look in the centre of your page you will see Guirin West and then there is the Badogo deposits which are not reflected on this particular page.

Guirin West, the new discovery is 3 kms west of Komana East and is a 2.4 kilometre long corridor with a similar setting to that of Komana East with near-surface gold and free-dig opportunities. Best intersections are nine metres at 3.62 grams from three metres; 12 metres at 25 grams a tonne from surface; 12 metres at 3.29 gram a tonne from 18 metres.

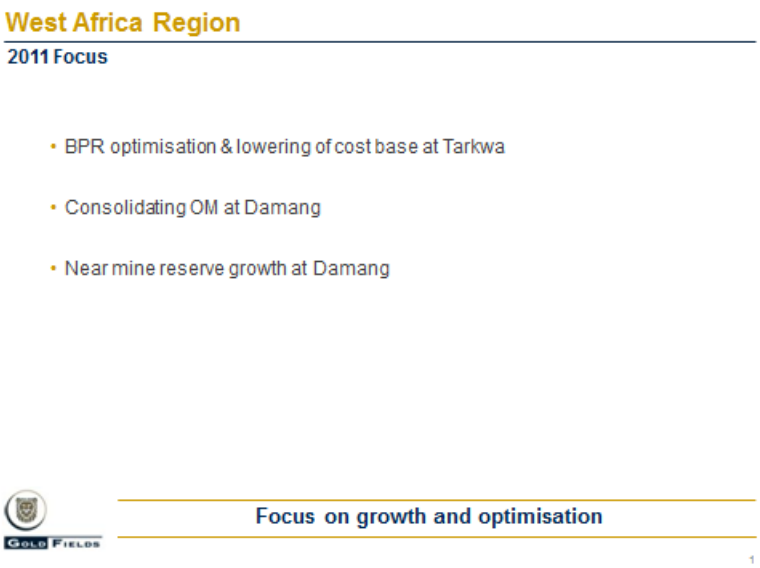
So you can see Guirin West is showing similar characteristics to Komana East.

Badogo, which is 25 kms away, is east of Komana and off the map but this is a 1.6 kilometre long deposit along strike with intercepts of 13 metres at 7 grams from 93; 3 metres at 26 grams from surface, so again showing sort of similar style ore bodies.

If you reflect on the schematic on the page you will see some blocked sections on this diagram. In the centre is the Komana Sheer, the opportunities of closing these deposits between Komana East and Zonke.

And typically this is an under-explored shear and has huge potential going forward. Very importantly again, as I've repeated, these deposits lend themselves to shallow free-dig mining in these near-surface onsite.

Speaker	Narrative



Finally, in summary, our focus for 2011 is a continuous thrust on safety which is our core value.

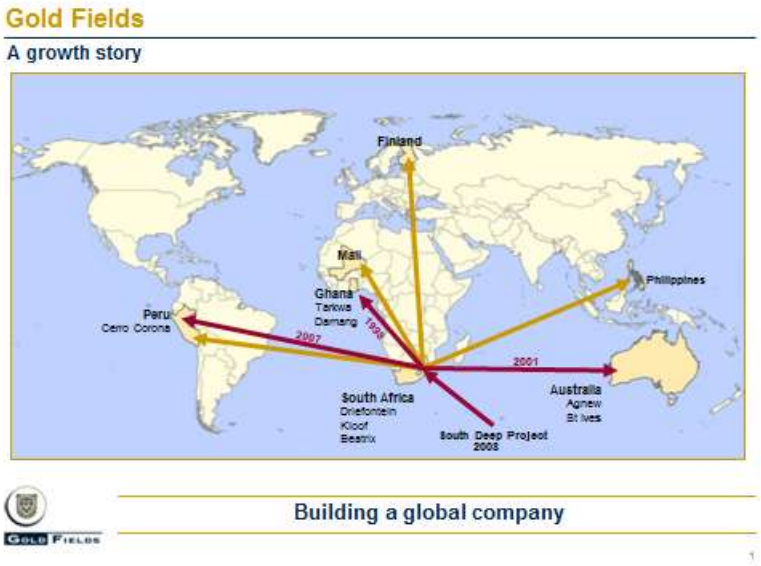
Our business process re-engineering will totally focus on cost containment at both operations.

These processes are well under way and gaining traction.

Exploration growth underpinned by a substantial drilling programme is planned at Yanfolila in Mali and Damang in Ghana is targeted at significantly increasing our 2011 resources.

Ladies and gentlemen, thank you and I'd like now to call to on Nick to close for us. Thank you.

Speaker	Narrative



Thank you very much, Peter.

Let's talk about growth. I think you've heard some of it from my colleagues already.

Let's try and bring this together. What does it mean? Let's first go back to what we've done since Gold Fields Limited was incorporated some 13 years ago.

When that was incorporated, Tarkwa was an underground operation and the surface mine was still to be commissioned.

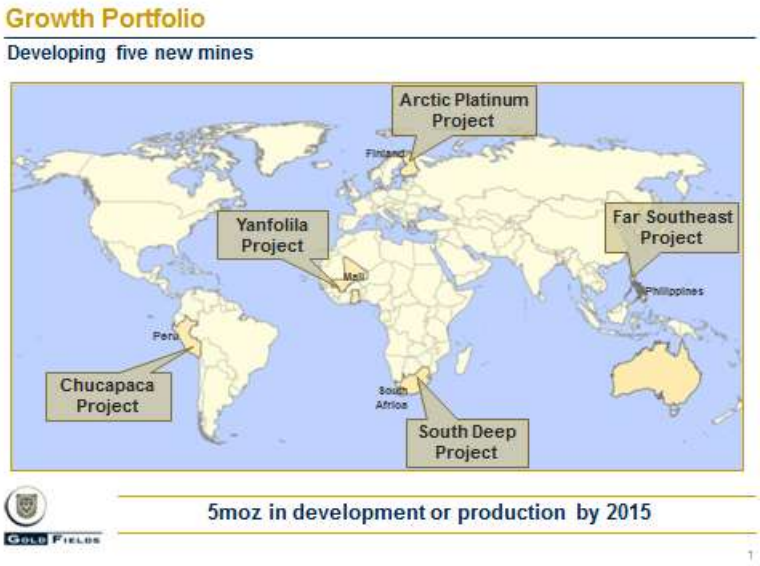
We bought the Australian assets in 2001.

We bought the Peruvian assets in 2007 and brought them to development very, very quickly thereafter. South Deep was bought in 2006 and over a short period of time has increased its focus on development and its momentum.

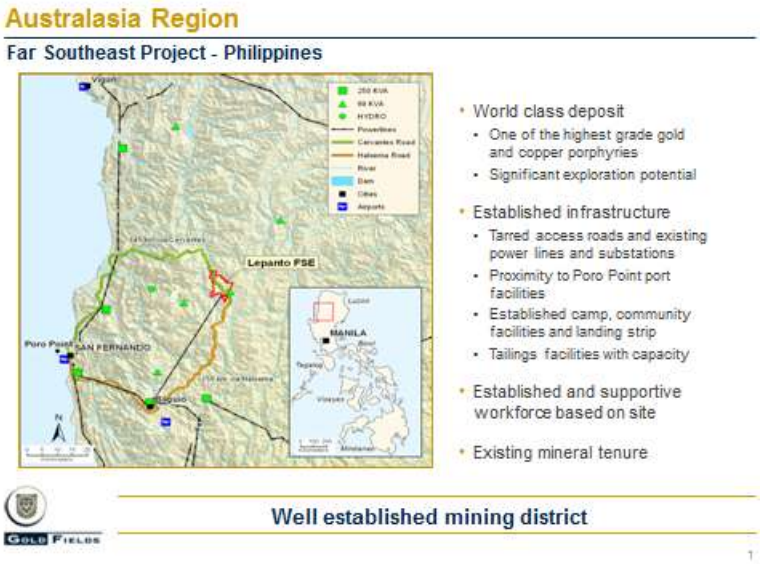
Let's go forward now. Mali, Peter has just talked to you about Yanfolila, one of the most exciting districts that we have in our portfolio and certainly has the opportunity to be two distinct areas of mineralisation and focus. North of the river which will be later, south of the river which is now. Chucapaca in Peru, Juancho has explained to you where we are and the fact that this continues to grow in terms of the likely grade and in terms of the likely size and we're getting into some of the feasibility study activity. The Philippines, I'm going to talk briefly about that too, that exciting opportunity that we put together back in September of last year and then Finland, which has been around in the portfolio for some time, the so-called Arctic Platinum Project in Finland which is a palladium-rich, platinum, palladium, nickel, copper ,gold deposit.

So these projects are all advancing at the same time and they're providing us with a significant opportunity to change the trajectory and quality of the portfolio in Gold Fields.

Speaker	Narrative



Speaker	Narrative



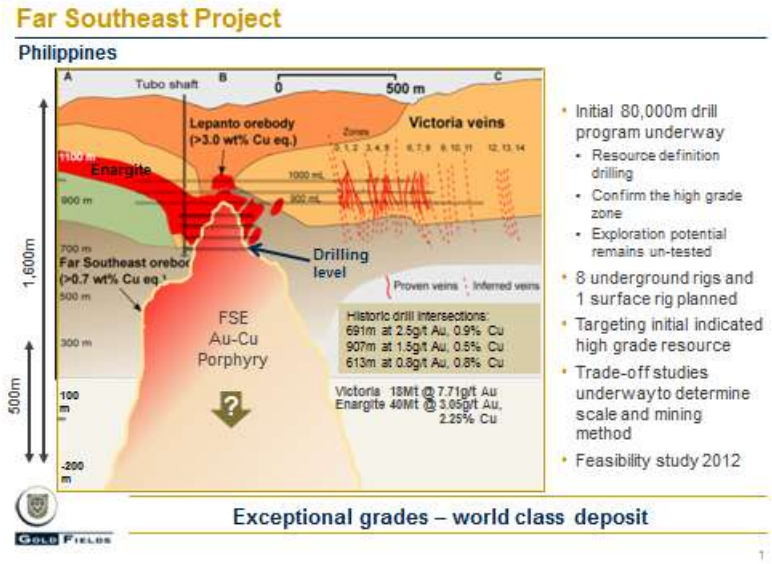
I just want to spend a little time talking about the far South-East project.

This is in Northern Luzon in the Philippines. It's very close to the sea itself, to the port of San Fernando.

So that's very strategic in terms of accessing services, supplies and also shipping our concentrates.

It is a copper/gold porphyry, one of the highest grade copper/gold porphyries around. The infrastructure is already in place. We've got roads, we've got a town. We've even got a tailings dam that we can use that has an existing capacity of about 6 million tonnes so it can easily be expanded to more than double of that, plus we have existing mining operations in place.

Speaker	Narrative



Let's look briefly at the ore body itself and if you look here you can see that on the left you've got the Energite deposit which has been mined out, that surface over there.

There's a two-barrel shaft at surface. Over here you've got the Victoria Mine that is still being mined, although it's coming to the end.

And then you've got FSE – Far South East, the gold/copper porphyry system which is down here. And this starts at a depth of about 800 to 900 metres. It goes down to about 1,800 – 1,900 metres and is about one kilometre across and the mineralisation runs in two sections, one that way and one the other way.

What we've established since we got on site is the drilling platform and the job now is to do some angle drilling, if you like, and if you could visualise this in 3-D you're going to have a number of drill rigs, in fact about eight rigs but they're going to be drilling angle holes almost outside of the page, if you like, to augment the 118 existing diamond drill holes that we have into this particular ore body that was done over the years and we believe that work there over the next six months should enable us to firm up the size and the structure and quality of this ore body. And here's some of the drill intersects over the last number years of note, and you can see here 691 metres, 2.5 grams gold, 0.9% copper and that we think is probably about representative. 2 grams, 2 to 2.5 grams of gold, about 0.8% of copper that we're likely to see in this particular ore body. So our initial view at this stage is that it looks like it could be anywhere from 200 million to 400 million tons at those sort of grades.

And I think you could work out the maths, what that potentially could deliver in terms of equivalent gold ounces.

So we got our drill rigs turning in early January, we established our platform, we put all the cuttings in place, the drill rigs are now turning and the next six months is going to be a very, very high intensive drilling programme for us to drill about 80,000 metres and to get a resource in place, at least get an inferred resource in place sometime during the course of Quarter 3 if possible.

And we'll get a start on some of the key feasibility work at the same time. We're not going to just wait till we've done the drilling.

Speaker	Narrative
	So there's a number of activities underway; we've mobilised an entire team on-site, we've started liaising with communities and one of the benefits of this operation is that it's likely to be an underground mine which I think is a lot easier to deal with than a surface operation. There are trade-off studies underway to determine the optimal mining method. So feasibility study early 2012 and we will update you over the balance of the year as things progress on this project and I expect them to progress reasonably rapidly.

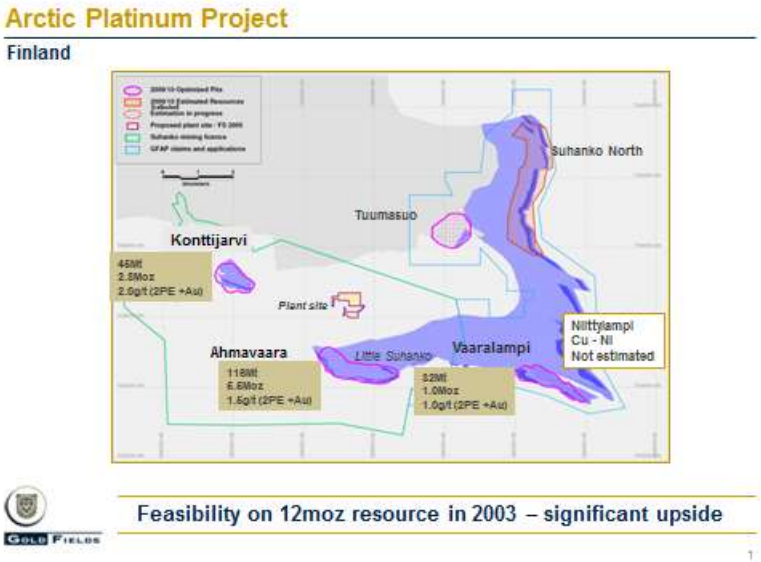
So Finland, the Arctic Platinum Project, the sleeper in the portfolio as we call it. It's been around for a long time. We did do a feasibility study in 2003. It is a world-class deposit, 12 million ounces with upside in a country that's regarded as the least risky country to operate in, in the world, in Finland.

Of course, it's up in the Arctic Circle so you've got fairly icy, snowy conditions there.

It's gold, copper, nickel, palladium and platinum and that's really the excitement here, is that all of those metals have increased significantly over the last number of years and that has changed the economics of the project.

But that alone wouldn't be enough if we didn't find a way of trying to improve the recoveries and looking at the Platsol technology which is being trialled at the moment, the next step of course is for us to do a bulk sample and we're going to be doing a bulk sample out of each of the three deposits.

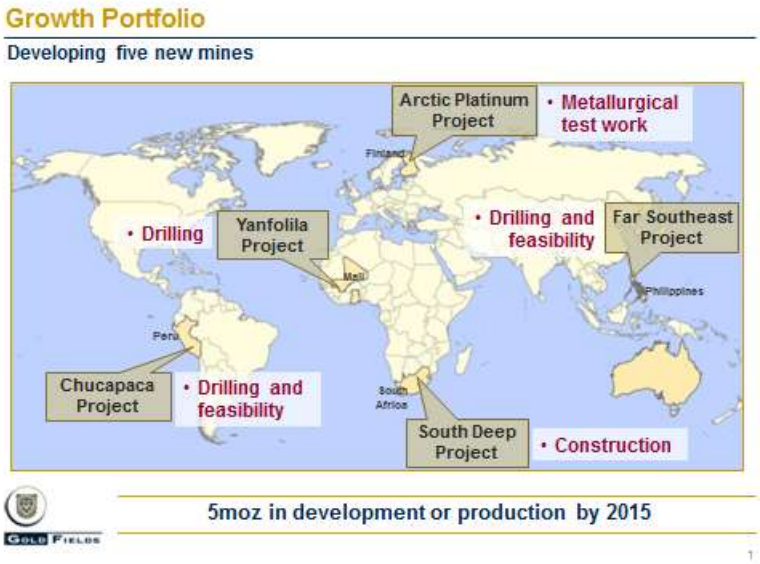
Speaker	Narrative



You can see we've got three deposits – those are the three mineralised zones. We're taking 50 tonne cuts out of each of those areas. We're going to be putting that through pilot plants to simulate what we would expect to see if we were mining these deposits.

That work is going to be taking basically the balance of 2011 so I would expect by the end of this year that we could come to a decision as to whether this works and what's important here with the Platsol technology is that instead of producing a concentrate we'll produce a copper cathode and a platinum precipitate.

In other words, we'll produce the metals on site; we'll produce it more cheaply and we should see a big pick-up in the recovery of something around 70% potentially as compared to about 50% in the original feasibility study and that could take this project to being one of the lowest cost palladium/platinum producers in the world. So they're quite interested to see how this works out and what the impact will be.



So developing five new mines. Where are they?

We've got Chucapaca in drilling and feasibility as you've heard.

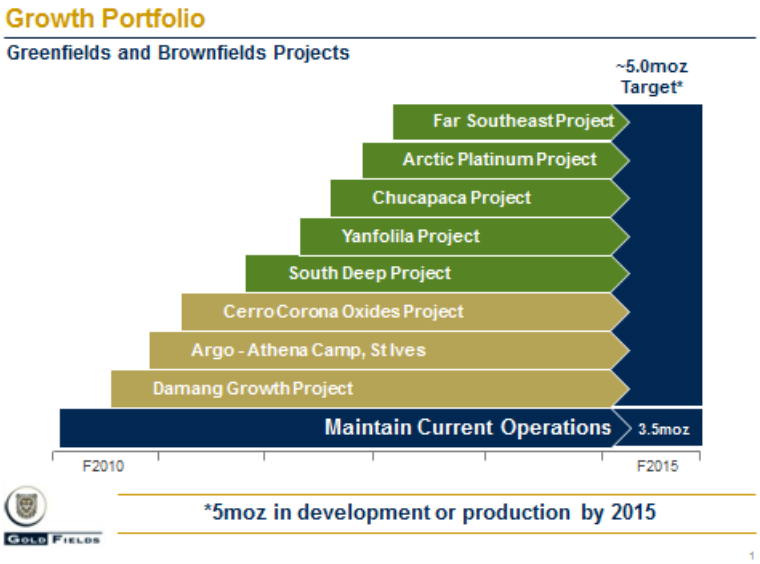
Yanfolila is in drilling.

Arctic Platinum Project metallurgical test work but I think we're going to move rapidly into feasibility studies thereafter.

Far South-East drilling and feasibility and, of course, South Deep construction.

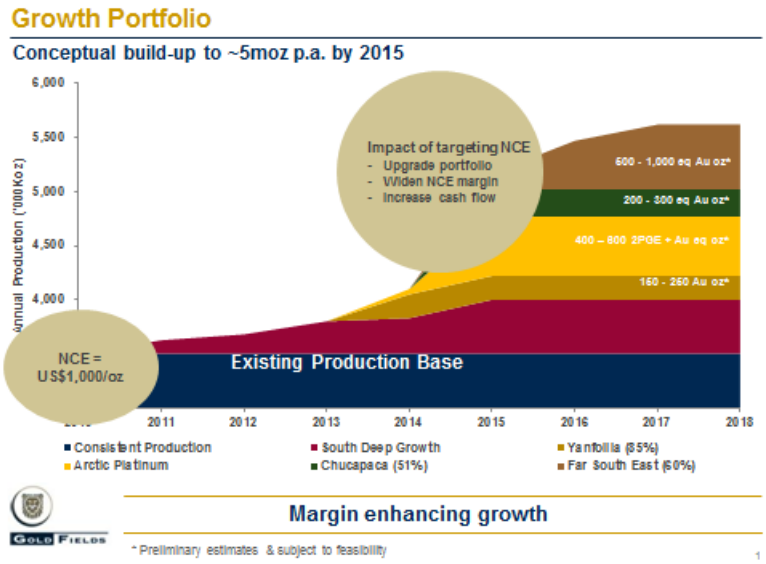
So no doubt that we've got a lot to keep us busy with to grow this company over the next five years.

Speaker	Narrative



And that's what it might look like if you look at what we're currently producing, about 3.5 million ounces; if you put on top of that what we call the Brownfields Projects that we know about there's a potential to add more, add on top of that the Greenfields Projects and I think you'll agree that the 5 million ounce target is certainly no longer just a strategic wish. It is potentially a reality that is coming down very, very quickly at us and that will be obviously very transformational for Gold Fields.

Speaker	Narrative



Here we've taken a stab at what I would call a conceptual build-up in production profile and right now, as you can see, we're producing about 3.5 million ounces at an NEC of about $1,000 an ounce.

If you superimpose on top of that the South Deep growth, the Yanfolila Project, Arctic Platinum, Chucapaca, Far South East, you can see the potential of what we might create and let's bear in mind what some of these particular projects could mean to us.

We believe that Yanfolila could be something around 150,000 – 250,000 ounces a year.

We believe that the Arctic Platinum Project is somewhere between 400,000 and 600,000 ounces of 2 PGE plus gold on an equivalent gold ounce basis.

Our share of Chucapaca, between 200,000 and 300,000 ounces and our share of Far South East, depending on the production profile and method deployed, could be anywhere between 500,000 and 1,000,000 equivalent ounces.

So substantial upside for us there and those projects will come in at a lower NCE cost than what we are now.

That's the important thing.

Nothing that we want to add to the portfolio, nothing that we want to build is going to be of the same quality. We've got to improve the quality in the portfolio and lower our overall costs and make sure that this portfolio can be defensive against a range of long-term prices.

Speaker	Narrative

Speaker	Narrative

Let's conclude.

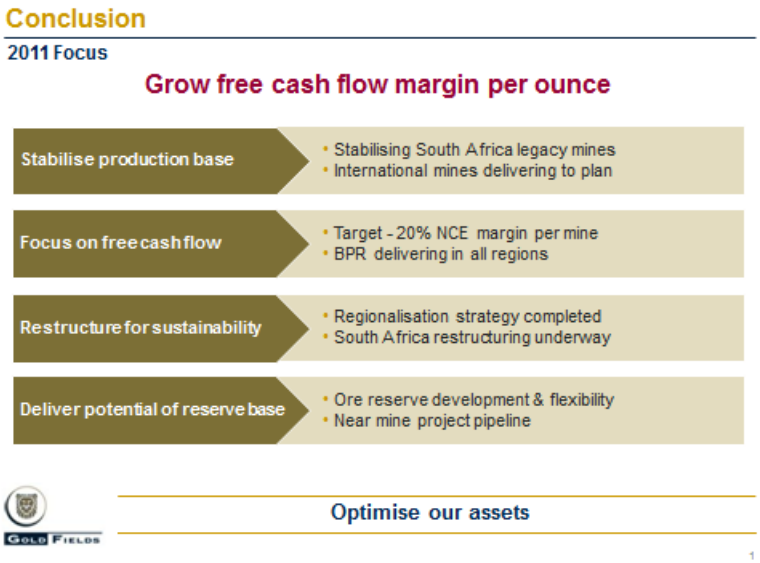
To be the global leader in sustainable gold mining is our vision and the three legs of our strategy are unchanged and these have been in place for a number of years .

To optimise our assets. That's all about growing the margin per ounce and I think you've heard today a number of initiatives about how we can improve the performance of our assets and re-engineer the operations. Having said that, this last quarter we generated R1.2 billion of cash flow. That shows what is potentially achievable and I'm sure we can do more.

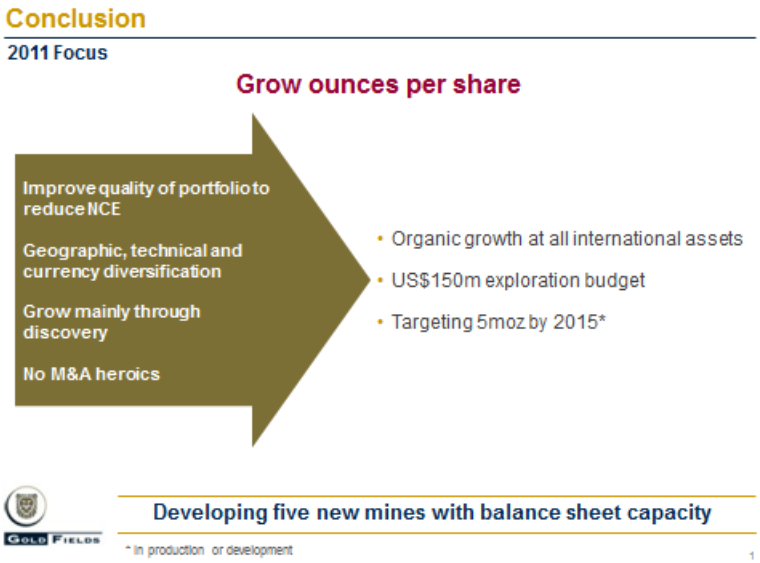
Growing Gold Fields – that's in fact growing ounces of production per share; trying to grow the portfolio without diluting shareholders is our key objective. We want to try and use our cash flow, we want to try and use our balance sheet to grow this portfolio.

And then doing all of this in a **sustainable** fashion and making sure that sustainability is integrated into every aspect of our work.

Speaker	Narrative



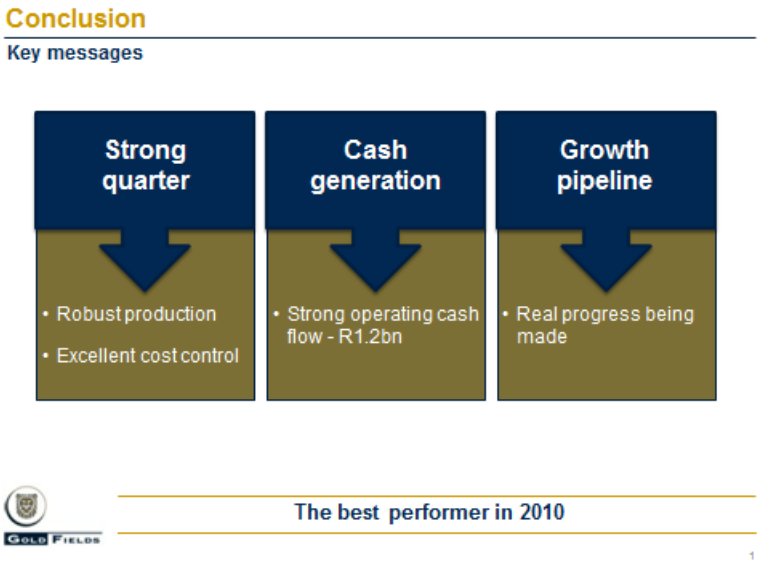
And these are some of the key initiatives for 2011. We've got to stabilise the South African legacy mines in South Africa. We've seen some stability over the last year and we've got to do more. Our international mines, we've got to continue the excellent performance we've seen over 2010. We've got to make sure that we underpin our NCE margins and do more work on delivering our business process re-engineering. Our regionalisation strategy has been completed around the globe and we're getting all of our regions fit for purpose so that they themselves can deal with their issue and help grow the portfolio and the South African restructuring is significantly underway.



We're going to grow our ounces per share as I've said and significantly we're spending about $150 million of exploration every year and last year we added about 11 million ounces of resource to the portfolio at around $10 dollars a resource ounce. There's no gold company in the sector that's done as well as that.

Speaker	Narrative

Sustainability, as I said, is key to underpinning everything that we do.



Right, so the key message is: strong quarter –we've had a good production quarter, good cost control and we made R1.2 billion of cash in that quarter. Our growth pipeline has never been better and the momentum is increasing and that's against the backdrop of being the best performer in the peer group in 2010. Thank you and with that I'll ask Willie to handle any questions.

Speaker	Narrative

Thank you very much, Nick. We have time for questions now. Could I ask you to please say your name when you start speaking so that the people who are not in the room can also know who you are. Shall we start up here in the front with Brendan Ryan, please?

Brendan Ryan, Mining MX. Nick, in all that growth I note here you're talking about your uranium project in South Africa. Can you give us an update on that, please?

[break in audio] for the study and all of the permitting activities, environment impact assessments and we should be finished with that in a few months time, and at this point we're going to decide what's the priority in the portfolio. And the fact that our explorationists have been so busy over the last year now means that we have choices and having choices is great as opposed to having only one project, and if I have to rank all of the projects I think some of the exciting growth opportunities you've seen in front of you today probably mean that those projects are going to require more of our capacity, our people capacity, and our financial capacity. And the one thing about building mines that we're learning very quickly Brandon, is that they require a lot of people and they require a lot of money, and you've got to make sure that you get best bang for your buck and make sure that with the skilled people are available to build new mines, that we deploy them in the best possible areas. And I think the uranium projects' a growth project and at some point I'd love it to become an eventuality, but I think at this stage let's get the permitting issues finished, let's get a complete record of where we are and then in time we'll revisit it. But for today I wouldn't say that it's a top priority for us.

Thank you.

Johan Steyn from Citibank. Nick, just focussing on site 61 first of all on the growth pipeline. I mean, it is truly an impressive growth pipeline and if one looks at it like that, but then I want to page back to page 53 and then just basically see the site where you mentioned the 12 years, and the turnaround of Gold Fields has achieved, yes, went open pit at Tarkwa, bought the Bolivian assets, Australian assets were bought, [cell phone signal], South Deep was bought, but despite all of this production has still basically decreased slightly. Now, anyone that looks forward to growth posits justifiably might be a bit sceptical, probably a big reason why you didn't achieve the initial, and I know it wasn't under your leadership at that stage, but [unclear] didn't achieve, the growth [unclear] issue set out 12 years ago was the course of

the deep findings that actually brokered South African assets, which [unclear] quarter again [unclear] continuing. How big an impact do you think a continuation of decrease in South Africa assets can have on your outlook for 5 million ounces?

It's a fundamental question that you ask Johan in that the foundation that we give there on that build slide is obviously the current production and key to making sure that we get additional ounces into the portfolio and not just replacement ounces, it's to make sure that the existing portfolio is solid, and you're quite right, we have seen declines in the production portfolio over the last year and in fact in years past we had, so a key objective in the whole business process reengineering is not just about taking costs out of the system, which I think you'll agree we've done quite well over the last few months, but it is fundamental to stabilise those operations. And one of the reasons we put the KDC noted together is not to hide Kloof, because I can tell you now, Kloof is not making money, we know that. One of the reasons we put Kloof and Driefontein together is to get a much better focus on the overall portfolio itself and I'll be the first to tell you its one of the key impediments for us going forward, if we must stabilise the production base, and if we look what we've got, we've got the ore body to do it and if we do the right things and if we improve our efficiencies and frankly if we could just get back to the productivities we used to have six, seven years ago, that would really be a home run. So, your question is fundamental to our portfolio and I can assure its receiving an enormous amount of our attention. But looked at differently, if we continue on a decline similar to what we've seen over the last five years, at some point we're going to lose critical mass at those operations, and as you know, keeping big shaft systems going, all of the energy requirements and so on, that would be a major issue, so its fundamental to the survival of those operations that we at least stabilise the production. And we're not calling at this stage, as you can see from the [unclear], I'm not even calling it an increased production, in reality we need to, but as the first step Tim and his team are working extremely hard for us to just level on, level off that production in 2011. If we can achieve that I think we can create a base, but it's, you're right, it's fundamental to [unclear].

Mandy La Grange from Investec. Hi Nick and team. Just keeping this, the [unclear] aspects and what's Johan's raised here, and looking at the reserves it doesn't seem that you've been able to convert any of your resources into this [unclear] accounts [unclear segment] any of the legacy assets. It's a bit difficult to see in the chart, but it looks that way. Can you give us an idea in terms of the resources? Has there been a big [unclear] in resources or have resources been removed and why have not seen if the question [unclear segment] those resources into the safe category?

Yeah, look, we're not publishing the reserves, the resources today Mandy but we will at the end of March, but what you'll see is we have taken out a sizeable part of our resources with those operations and it's about a whole new approach and saying, let's be very, very tough and rigid on what we really believe should be there. So, that's a cleanup on the resources that you will see, but it's still very, very substantial even after the cleanup. And I think if you look at South African deep level mines and the resource conversion is not like an open pit mine where you can just keep extending the limits of an open pit. In an underground operation often it means you have to push the infrastructure into different areas, you have to go deeper etc., and I think realistically if you wanted to look at the hardcore value of this company you should focus more on the reserve numbers we've given you. I think the reserve numbers now are giving you a much better perspective of the hard core value in these operations, and look, we've still got enough reserves to keep us busy for a least the next 10 to 15 years at both operations.

In time if gold prices increase, if we get to something like R400, 000 to R500, 000 a kilogram, which seems like into the stratosphere today, but maybe a reality in a few years time, I think you'll have another perspective on what those resources are, but we haven't been converting resources, and I guess the cost

pressures that we've seen over the last five years or so are one of the reasons that we've not been able to do that.

Thank you Mandy. Oh, sorry, yeah?

Sorry, I've just got a couple of questions. With the 2011 guidance on the KDC context, what are the grades that you are calculating the 1.232, 1.3 million ounces?

Tim will answer that. Do you want to give us the question again?

What is the average grade that you are looking at, at the KDC, to calculate the 1.23 to 1.3 million ounces?

I don't actually have those numbers right at my fingertips now. If you're looking at underground yield and you strip out the surface you'll be close to 7 grams/tonne, 7 to 7 ½ grams/tonne. And the reserve is about 7½, 7.6 grams Mandy, so if you adjust it for recoveries of about 96% then you should compare that at about 7.4%, so we're not quite up at the ore reserve grade yet, but that ore reserve grade is measured over a life of mine and it also depends where you are in the ore body at a particular point in time. The 7 grams a tonne I think is something that we can do for sure.

And then, on the capital front just as regards to these, again, with regards to the guidance, it looks like CAPEX will beat around R50,000 per kg, we're looking at about R2 billion for the combined entity. I know that that's still; you've still got [unclear] probably about a year and a half of rehabilitation work that you've been talking about doing. Can you give us an idea of the percentages of the capital that is going towards that rehabilitation work, and also, how are you rationalising the rehabilitation work with the BPR work that you're doing?

We work on a go-forward basis of about 12% working capital that we invest in a lot of infrastructural rehabilitation. And it is done on a risk profile needs basis, so we've categorised all that work that needs to be done in today's capital [?] and we're dealing with the high priority ones first before we move onto the second ones based on the risk profile. So it takes up a significant amount of capital, but that is being well managed on a quarterly basis.

Can you give us an idea of where the sustaining capital fits in this big context going forward? Does it remain in the R2 billion region or does that come off in the next couple of years as you progress through the BPR?

I think a large portion of the R2 billion includes ORD, and ORD is probably the bulk of it. ORD is probably in the region of R1.3 billion, with R600 million just being allocated to the rehabilitation. The big rehabilitation projects in South Africa have come to an end, the work that was done at Kloof, the work that was done at Driefontein. It's just the normal run of the mill keeping the mine operating.

Thank you, Mandy. Let's give somebody else a chance. Anybody else with a question? Thank you very much.

Bruce Williamson, Imara Asset Management. Hi Nick and team. Nick, could you give us an estimate of the percentage of reserve at KDC that are below 3,000 metres, and are there any below 4,000?

Of the total reserve at KDC we've got about 20 million ounces and between 16 million and 17 million of that is within reach of existing infrastructure, which is around 3,000 metres. In fact we have a much better quality reserve now than we had previously because we had probably about 10 million ounces below

Speaker	Narrative

infrastructure. Yes, the reserve has come down to 20 million ounces from about 26 million ounces before, but it is a better quality reserve and most of it is within reach of the infrastructure. Coming back to Johan's question. Given the fact that we have at KDC about 16 million ounces that are within reach of existing infrastructure and the grades are good, 7.5 grams, I think the challenge for this team is to make sure that can be delivered into profitable ounces for the benefit of shareholders. So it is a great opportunity when you see so many gold companies around the world paying hundreds of Dollars per ounce of undeveloped inferred resources. To have 17 million ounces here and the infrastructure down to that depth to grab it and with grades of 7.5 grams a ton I think it would be wrong for us not to make sure that we aggressively bring that to account to the benefit of shareholders. And it's up to us to change the trajectory. I think it's within our management reach.

Are all those grades in reserve below 3,000 metres?

Tim, do you want to comment? The average depth is about 3,200 metres.

Even our reserves aren't below 3,500. They're all shallower than that. The bulk of them are about 3,200 metres I would say.

Thank you.

Thank you, Bruce.

Okay, with that, let's conclude the event. There will be a media round table in the rooms behind us here, and the rest of you please join us for some refreshments. Thank you very much.

END OF TRANSCRIPT