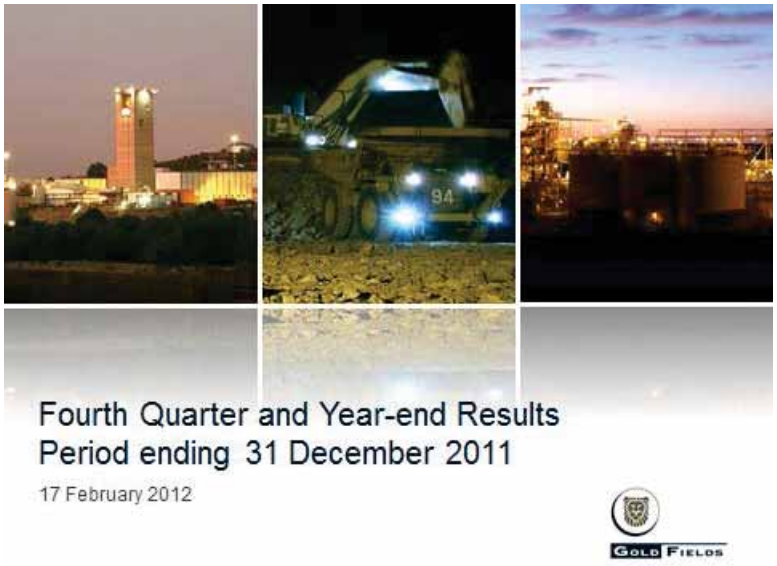
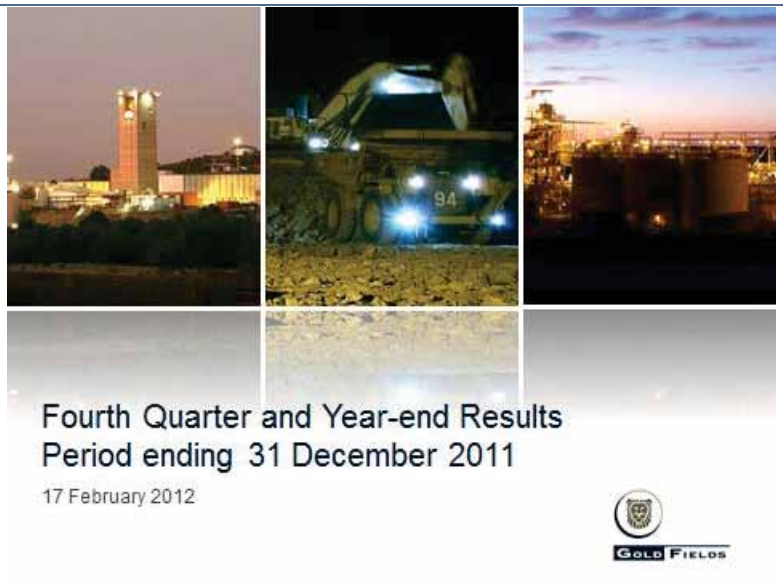
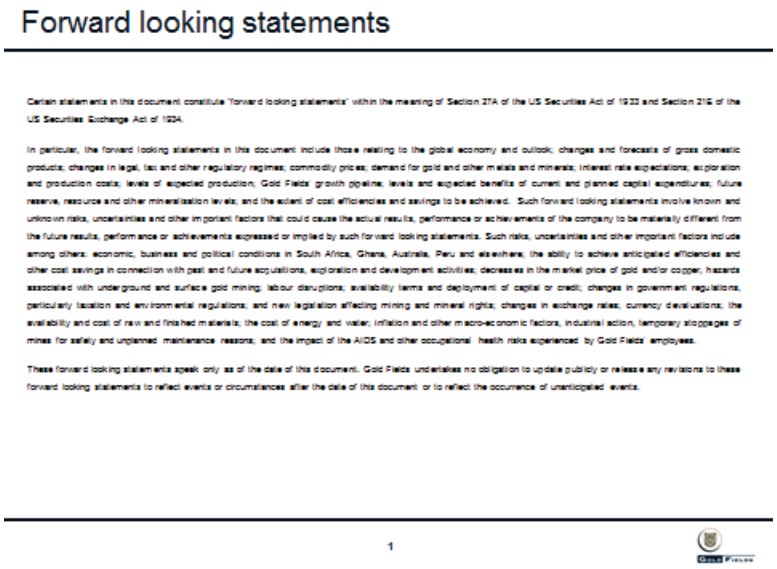
Fourth Quarter and Year-end Results
Period ending 31 December 2011





Zakira Amra
Senior Vice President: Head of Corporate Affairs and Investor Relations

Good morning ladies and gentlemen and welcome to the Gold Fields fourth quarter and year end results for the period ending December 2011. Before we kick off, in the event of an emergency I would kindly ask you to exit behind you below the green exit signs and congregate on the grass outside of the building. With that I will now hand over to Nick Holland, the Chief Executive Officer of Gold Fields. Thank you.



Damang Exploration Target Statement

Damang Superpit Project, Ghana – Exploration Target Statement

The Damang Gold Mine (Abosso Goldfields Ltd) is one of Gold Fields' two operating mines in south west Ghana, and currently produces approximately 220-240koz per annum. Following the acquisition (June 2011) of Iamgold's minority stake (18.9 %) in the Ghanaian mines, Gold Fields holds a 90 % interest in the Damang Gold Mine, with the remaining 10 % interest being held by the Government of Ghana. The Damang Mineral Reserves at December 31st 2010 totalled 2.1 Moz, with total Mineral Resources of 4.1 Moz from the Damang-Huni-Juno complex, and a number of other deposits on the Damang mine tenement. Mineralisation is orogenic hydrothermal in style and typically hosted within sediments and lesser mafic units. A component of conglomerate hosted paleoplacer mineralisation is also present.

The Damang Project Incorporates the combined inventory potential of the Huni-Damang-Juno deposits. Historically these deposits, which form a contiguous zone of mineralisation, have been explored and mined as separate deposits. Consolidation and expansion has been limited by (i) the location of the Eastern TSF (ETSF) and geotechnical wall angles, and (ii) systematic negative bias in the reporting of indicated and inferred grade and tonnes located below the current pit shells, as evidenced by historic positive tonnage reconciliations observed after mining.

In order to overcome historical limitations and to develop a "blue sky" basis for a concept study, the following steps were taken: (i) an Extensional mineralisation model was developed which extrapolated mineralisation based on historical grade control data to a maximum of 250m below the $1,150/oz June 2010 resource pit shells, and based on the measured resources and actual mining results from 6 x 6m spaced grade control data; (ii) the location of the ETSF was eliminated as a constraint in the White pit optimizations (i.e., a portion of the ETSF would be mined and relocated to a new TSF facility); (iii) Owner Mining projected costs were assumed for a range of new plant processing options up to 12Mtpa.

The conceptual model was optimised using current mining costs, generating a potential single large open pit of over 3.2km strike and hosting between 6 to 8 Moz. Two drilling phases first proved the Extensional Concept (~25,000m diamond core and RC drilling) and then in-filled the potential open-pit inventory to a 40m x 40m spacing nominally adequate for reporting of Indicated resources (36,000m diamond core and RC drilling). Both drill phases confirmed the extent and style of mineralisation below the existing pit and within conceptual expansion pits is essentially similar to existing mined ores. Modelling is now ongoing aiming to finalise a resource estimate to be used for ongoing studies and evaluation.

An Exploration Target model of ~6 Moz based on a conceptual tonnage of 70 to 100 Mt at a grade of 1.5 to 1.7 g/t Au with mineralisation extending beyond the limits of known and conceptual pit shells. Drilling demonstrates continuity of mineralisation to depths of over 350 m below current pit floors consistent in style and tenor of current mined ores. Ongoing studies will incorporate the existing Damang Reserves hosted in the additional satellite deposits (Amoanda, Rex, Tomento, etc) which combine with the Superpit Target for a total potential Damang Mining Inventory of 8Moz.

The potential quantity and grade of this Exploration Target is conceptual in nature and is expressed in 100% equity terms. At this point there has been insufficient exploration to define a Mineral Resource for this entire quantity and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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Far Southeast Exploration Target Statement

Far Southeast Au-Cu Project, Philippines – Exploration Target Statement

The Far Southeast Project (FSE) is an advanced exploration program being conducted by Far Southeast Gold Resources Inc. to investigate and evaluate Au-Cu mineralisation associated with the world class, concealed FSE porphyry system in the Mankayan district. The district is located in the central Cordillera of Northern Luzon, 220km north of Manila, Philippines, and is rated as exceptional on a global basis for both its gold and copper endowment and abundance of quality deposits. In September 2010 Gold Fields entered an option agreement with Lepanto Consolidated Mining Company and Liberty Express Assets to acquire a 60% interest in FSE over a three staged payment scheme amounting to US$340m by March 2012.

FSE is located within an existing mining camp and is in close proximity to two other mines (Far Southeast and Victoria) historically operated by Lepanto, of which Victoria is in current production. FSE has ready access to established infrastructure, including roads, tailings facilities, power and water, and an established mining community. There is no current declared Mineral Resource for FSE, although drilling completed over a number of years indicates the presence of a large, concealed gold-copper mineralised porphyry system. Approximately 114 historic diamond drill holes, dating back to the 1980 discovery hole and totalling almost 22,000 metres of drill core, had been drilled on the project. Of this drilling a total of 99 drill holes intersected a mineralised zone with approximate dimensions of 900 metres east-west by 900 metres north-south by 900 metres vertical. While grades are variable, the following historic drill intersections are considered typical of the mineralized zone: 661m at 2.2g/t Au, 0.8% Cu; 906.8m at 1.2g/t Au, 0.5% Cu; 612.1m at 0.8g/t Au, 0.8% Cu; 793.8m at 0.7g/t Au, 0.4% Cu; and 217.4m at 0.8g/t Au, 0.4% Cu.

Gold Fields has conducted a major underground drilling program since early 2011 aiming to characterise the magnitude, extent, and controls of gold and copper mineralization at FSE, and validating the grade, alteration and lithological models which Gold Fields constructed in 2010 from historic drill data. Eight electric-powered diamond drill rigs are drilling underground from the 700 level of the existing Lepanto mine. The rigs are drilling fan-shaped patterns of angled holes targeting the mineralization of the FSE porphyry. An initial 30 holes (36,000m) were drilled for Proof-of-Concept and Exploration purposes to scope the scale of the FSE mineralised system. Geological logging and assay results returned to date have validated the Gold Fields 2010 models. In addition the assay results indicate that lower grade mineralization extends well beyond limits of the original grade envelope, suggesting significant Au-Cu mineralization is more extensive than modelled and remains open in all directions. The mineralisation has been identified over a depth range of more than 1000 m and a strike extent of more than 1000 m, and remains open in these directions.

Planned drilling aiming to define the mineralisation to a level suitable for resource estimation will total 60,000 to 65,000 m in 65 to 80 holes to be completed by H1 2013. This drilling is targeting an Exploration Target of 600 to 1000 Mt at 0.4 to 0.6 g/t Au and 0.4 to 0.6% Cu for 4.5 to 5.5 Moz Au eq (assuming US$1,500 /oz Au and $3.74 /lb Cu). This material is targeted between the +350m to -200m (MSL).

The potential quantity and grade of this Exploration Target is conceptual in nature and is expressed in 100% equity terms. At this point there has been insufficient exploration to define a Mineral Resource for this entire quantity and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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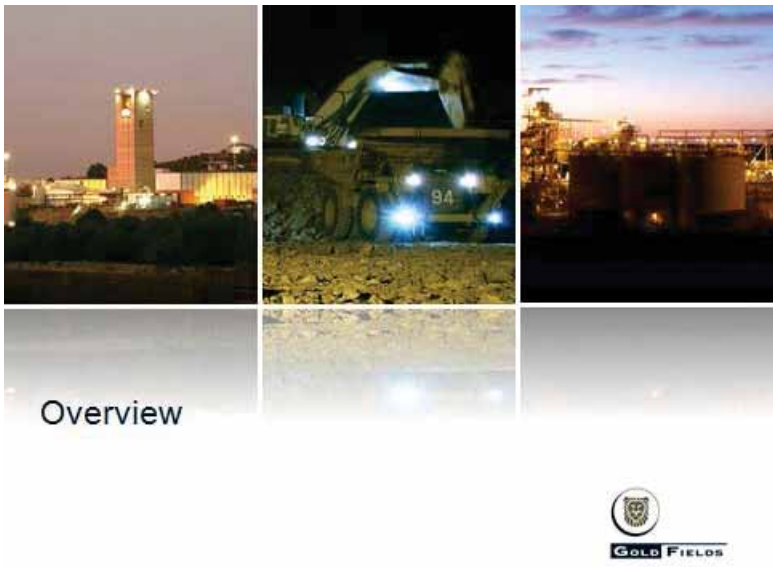
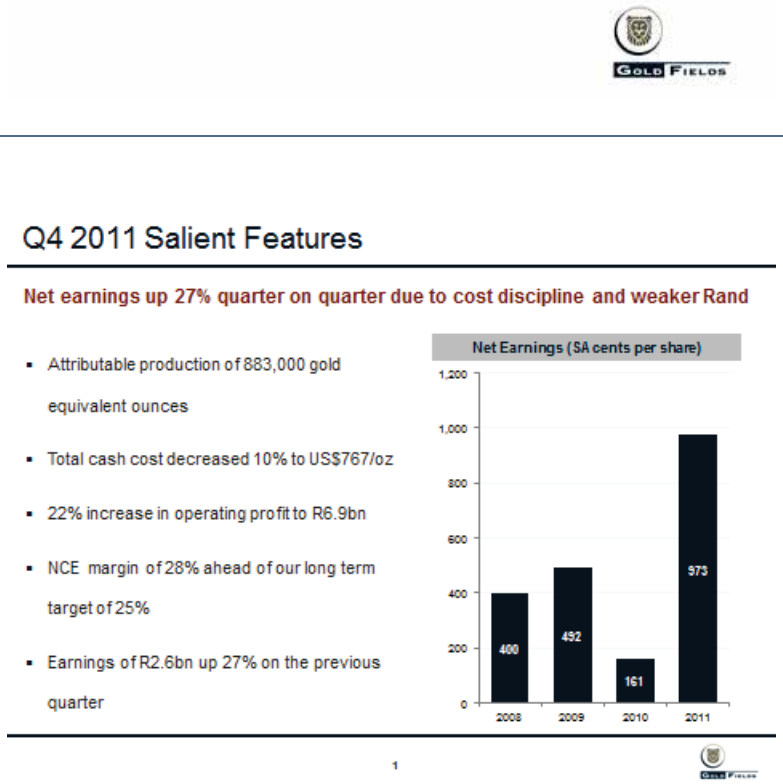




Nick Holland
Chief Executive Officer

Thank you, Zakira and good morning to all of you. This is the quarterly results for Q4 of 2011 and it also marks the end of our financial year up to 31st December 2011.

For the quarter our net earnings were up 27% against the previous quarter, and that's largely on the back of really good cost control and also a weaker Rand which has flowed through to a higher Rand gold price.

Our production for the quarter, 883,000 ounces. That's about 2% lower than the previous quarter.

Our cash costs have dropped by 10% to $767 an ounce. And of course the weaker Rand has played a role in

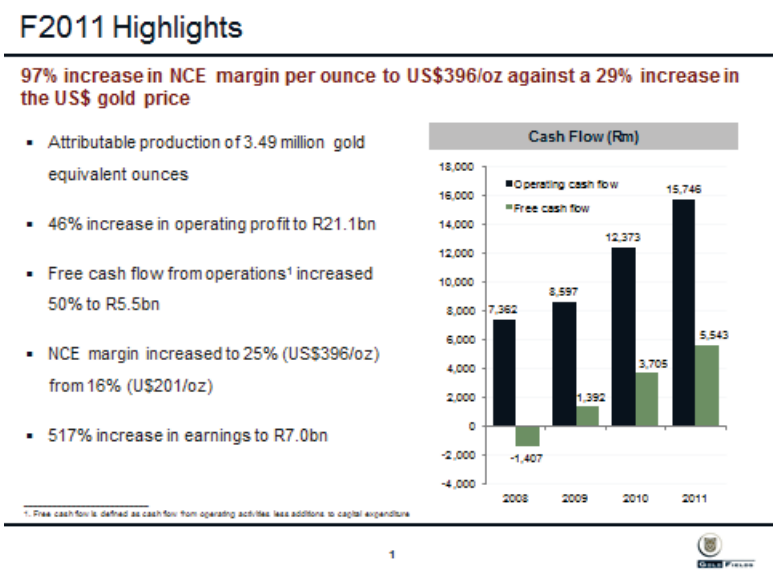
that, but not entirely. It's also because of the very good cost control across all of the regions which you will see as we take a quick view of all of those regions later on.

Operating profits up to R6.9 billion for the quarter.

And our NCE margin, if you recall, there years ago I said our short-term target was a 20% NCE margin. In the medium to longer term I wanted to get up to 25% at a range of prevailing prices. And as you can see, this quarter we achieved a margin of 28%.

Earnings of R2.6 billion, that's up 27% on the previous quarter.

And what you can see on the graph on the right is earnings over the last four years. That's my tenure and that's the reason we're showing those particular periods. You can see how the net earnings have gone up over that period. Of course the gold price has helped, but our ability to deliver the gold price in improved earnings is really what has counted for us.



So let's look at the highlights for 2011.

We've had close to a 100% increase in our NCE margin. Just to remind people again, NCE is the all-in cost of production. That's operating costs plus capital expenditure. In our view it's the true measure of whether you're going to make money or not, because if you can't make money after your capital expenditure you have to ask yourself about the long-term sustainability of your business.

So the NCE margin has gone up by almost 100% to $396 an ounce against a 29% increase in the gold price.

We've shown leverage to the gold price over this period.

For the year production of 3.49 million ounces, broadly in line with the previous year. We've suffered a strike during the year which cost us about 50,000 ounces.

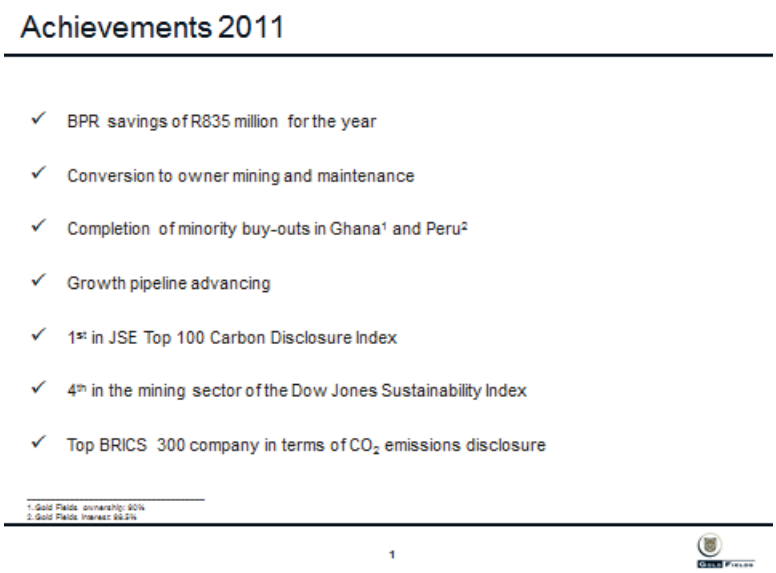
We did do some acquisitions of minorities in Peru and Ghana which were completed around the middle of the year, so we did get the benefit of those ounces in the second half of the year. But net net, very similar to what we said last year and similar to what we indicated at the beginning of the year at the lower end of our guidance.

There has been a 47% increase in our operating profit to R21 billion, and that has translated into operating cash flow of around about R15 billion - if you look at that dark blue bar.

Free cash flow from operations - we define this as cash from operating activities less our capital expenditure - R5.5 billion for the year.

And the NCE margin, as I mentioned earlier, up to 25% for the year. It was 28% for the last quarter but for the year as a whole 25% compared to 16% in the previous year.

And then of course, a 500% plus increase in earnings to R7billion. Broadly $1 billion of earnings for the year.



What were our achievements over the year?

Cost control has been one of the most fundamental achievements over the last year. And in the South African operations in particular we've managed to take out over R800 million out of the cost base. And, as you will see a little later, in fact, the escalation in our spend in South Africa was only 3%. Now, that's against the head winds of absorbing a 27% increase in Eskom tariffs, a 10% wage increase and other significant inflators in the mining industry.

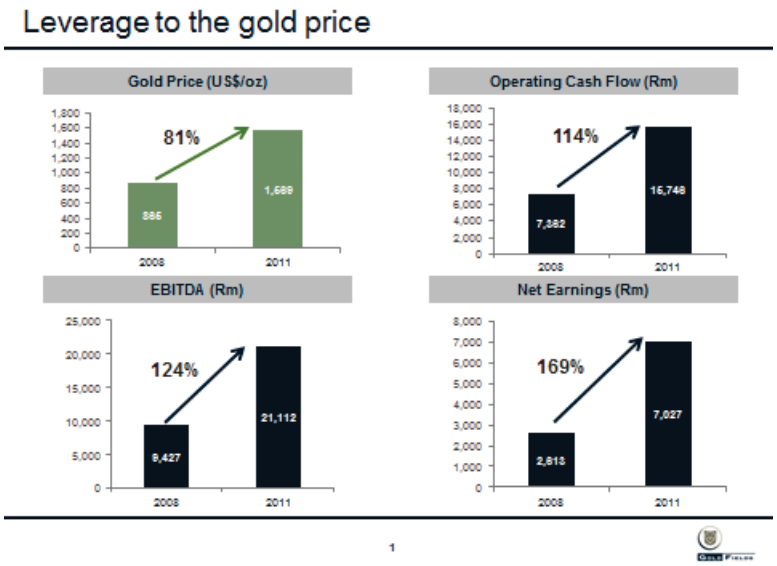
It's interesting that one of our large US shareholders did an analysis over the last five to ten years that indicates that mining inflation has been around 10% a year. And if you have a look at the numbers coming out from the major gold companies, showing their final results for the year, you can see that they are inflating quite a lot more than what we have done at our South African operations. So in total spend the guys have done a great job.

We've completed a number of conversions to owner mining during the year. We've done Damang. We've done the St Ives underground operations. We've done Agnew earlier in the year, and we're in the process now of converting the St Ives open pit operations to owner mining. I will talk about that a little bit later.

The minority buyouts in Ghana and Peru. We believe that these were landmark transactions for Gold Fields. We were able to acquire about 250,000 ounces a year of extra production which will go on for many years at very competitive cash costs and very competitive all-in costs.

Our growth pipeline has gone forward significantly over the last year, and I will share that with you too.

A number of prizes over the year that I think are worth talking about. We were first in the JSE top 100 Carbon Disclosure Index. Our debut on the Dow Jones Sustainability Index - we are positioned fourth world-wide in the mining industry index. We are the best out of any South African listed mining company. The only mining companies ahead of us are Xstrata, Newmont and Anglo American. We came in fourth and our objective over time is to get to number one. And then the top BRICs company out of 300 companies in terms of carbon emission disclosure. And of course our annual report was rated the best annual report on the JSE last year.



Leverage to the gold price.

Here are some quick views of what we have done over the last four years.

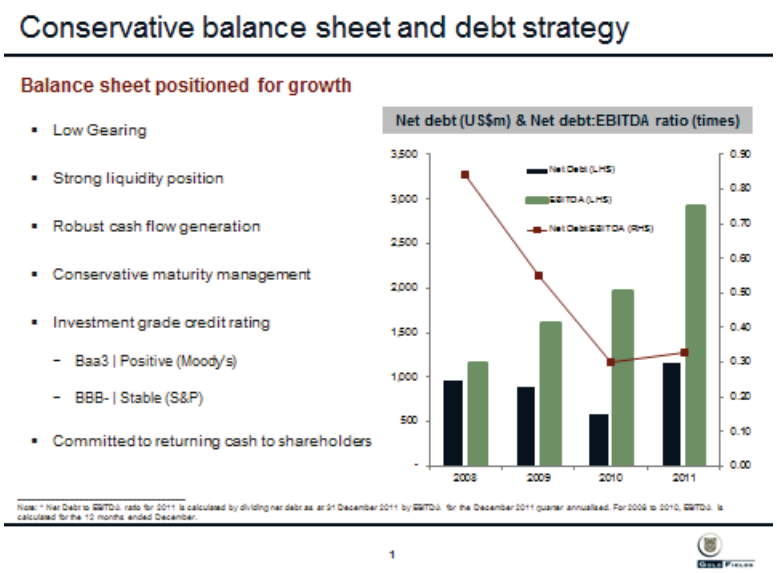
If you look at EBITDA it has increased 124% over those four years.

If you look at our operating cash flow that has increased by 114% over the last four years.

Earnings have increased by 169% over the same period against the gold price that has increased by 81%.

I think it is a clear demonstration that not just over 2011, but over the past four years we have been able to expand our margins.

We have been able to deliver the higher gold price in terms of improved earnings and cash flow.



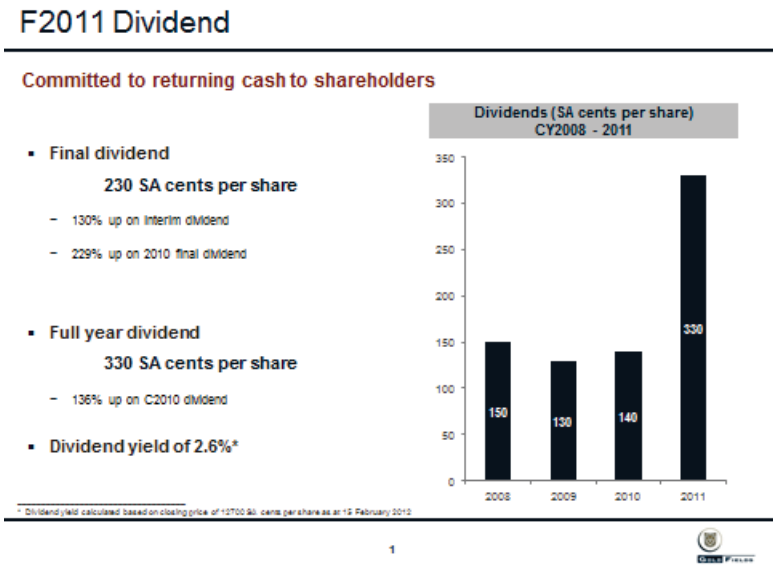
Balance sheet.

As you can see, we have a very strong balance sheet.

This shows you on the right here our net debt in absolute terms against our EBITDA, and then of course the ratio of net debt to EBITDA.

And you can see, our debt has not increased much over the four years whereas in fact the EBITDA has.

So simply put, we've got a much stronger balance sheet than we had before and we have the fire power to take our projects into the future.



Dividends.

We have declared a final dividend for the year of 230 SA cents per share.

And the reason that we've been able to do this is, firstly, because we have a dividend policy that we want to maintain, and secondly, that we want to reward shareholders with the higher earnings and the higher gold price that has delivered those higher earnings.

That's why our focus on the all-in cost of production or NCE is so important. This enables us to ensure that we generate cash flow which will be used for two purposes in this business: one is to pay dividends to shareholders, and two, to reinvest in the business.

We don't believe we have to sit on a lot of excess cash.

We're happy to take on some extra gearing.

You can ask Paul a bit later, but both of us would be comfortable with around about one times net debt to EBITDA which gives you an indication that we still have a lot of firepower in reserve.

So we're very happy to pay the higher dividend and it doesn't in any way concern us considering the growth pipeline ahead of us.

I do believe as of today we are the highest yielding stock in the gold sector in terms of dividend pay-outs.

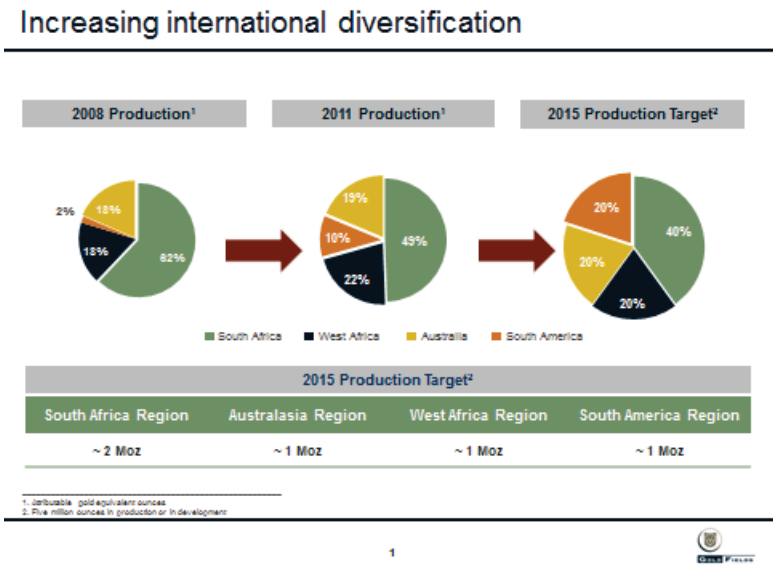
NCE margins.

If you look back to June 2008 you can see we were making no margin at all.

That's when I came out with a strategy to say we want to achieve a 20% NCE margins in the short run, 25% in the long run.

You can see where we are today.

Of course the gold price has helped, but it is delivering the gold price to the bottom line that is the trick, and that's what we've managed to achieve.



Diversification.

That was another big message to you some time ago.

We were too over-exposed to South Africa. And it's not that we don't like South Africa. We love South Africa, and it's the bedrock of the company, but we don't want to be over-exposed to any one region.

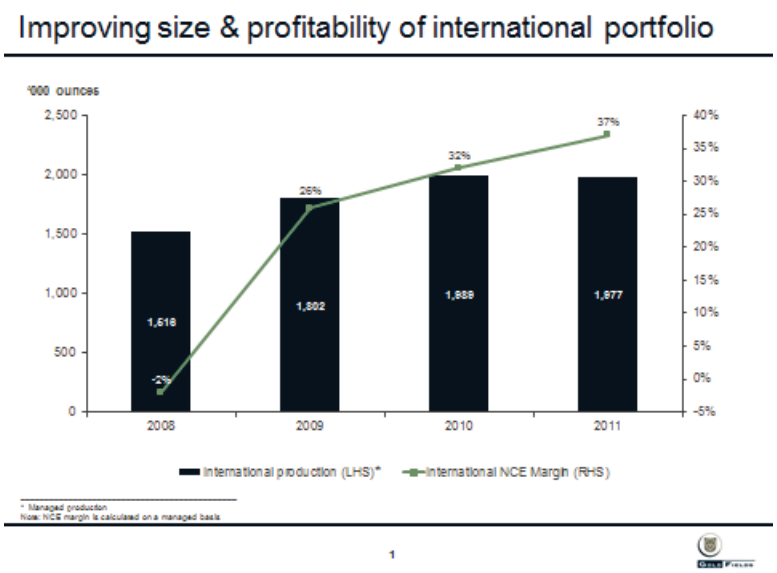
We believe that we need to have a balanced mix of production from each of the four main operating regions.

So the target we've set is to get to this sort of mix in five years - 40% from South Africa and 20% from each of the other three regions.

This is where we are today.

We've been able to add about 650,000 to 700,000 ounces of more profitable production to the international portfolio, which has offset the inevitable decline that we have seen in the South African industry.

I don't think that's an issue any of us don't understand well. I think we all understand it well. The point is, how do we try and offset some of the impact of that and how do we put additional ounces in at a higher margin? We've been able to achieve both over that period. And we're well on our way to getting to this sort of ratio in the next four years.

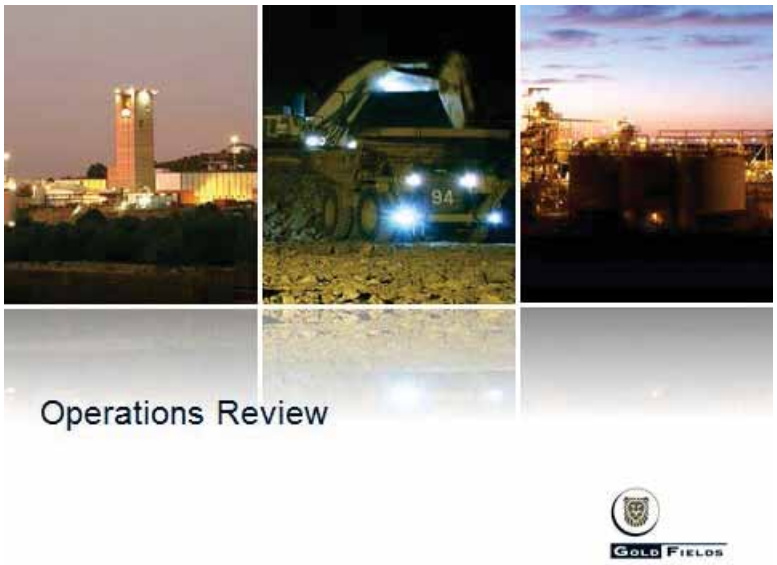


And this is how the international portfolio has matured over that timeframe.

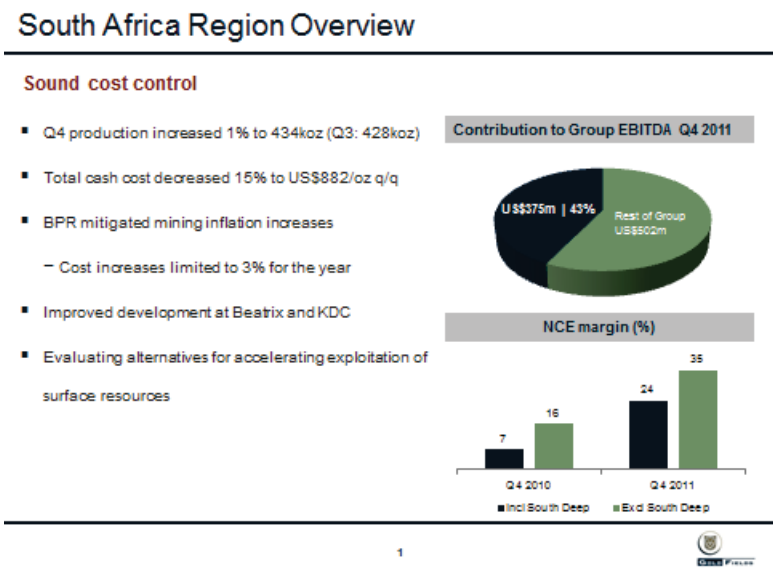
You can see we were about 1.5 million ounces in 2008. We've gone up to just under 2 million ounces today.

You can see that the margin has also improved significantly – higher quality, more profitable ounces.

It's not just about ounces, it's about ounces that make money safely.



Let's look very briefly through each of the regions.



South Africa managed to get an increase in their production over Q4, up 1% to 434,000 ounces.

What was really a great achievement for the team under Peter is the fact that they managed to get their cash cost down 15%. Of course the weaker Rand contributed, but the fact that we were able to deliver a lot of the business process improvements, also made a big difference.

Electricity tariffs are lower in the summer months than in the winter months. That helped too.

But certainly, as I mentioned earlier, getting only a 3% cost increase over that period is a phenomenal achievement against the head winds that they faced.

If you look at the back of the book we give a table that gives development results. If you have an opportunity, spend some time having a look at that. I know some of the analysts that have been in the game a long time, that's the first page that they turn to. I don't think Steve is here today, is he Alan? If he was he'd already be looking at that page I'm sure. He did already? There you go. So I know Steve too well. If you look at that you will see our development results have improved at both KDC and Beatrix. We've shown a nice increase in our development. The values are holding up. And also the values in the Free State look quite exciting for the future. But we have a lot of work to do on that. We're nowhere near where we need to be.

And the big challenge for 2012 is going to be to create more face length. We have projects underway to achieve that. Pleasingly we've got about 90% of our flat end development already mechanised, and that is giving us improvements in the rate of advance as well as making it a lot safer as well. And we have been able to pilot development on a six day work week at the old 5 shaft at Driefontein, and it is showing early promise. And that's going to be a big focus for 2012. We have to create additional flexibility if we're going to reduce some of the volatility.

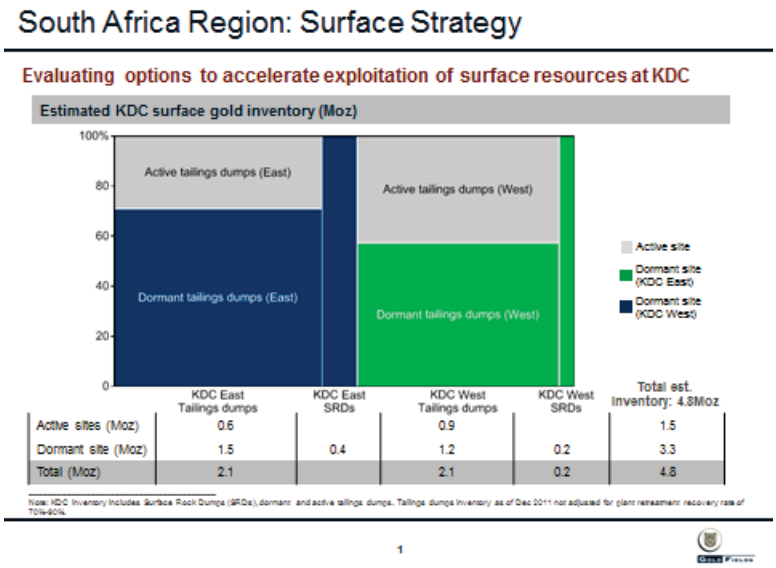
The other exciting thing for KDC is we are looking at alternatives for the exploitation of surface resources which I believe is hidden value that we haven't seen yet.

But let's look at the SA ops. Remember, if you look at the NCE margins over here for the last quarter all-in the region, including the funding of South Deep, made an NCE margin of about 24%.

And if you just look at KDC and Beatrix together they made 35%. That's not too shabby.

The production at those operations may not be where we want it to be, and I'm sure that we can improve.

But having said that their excellent cost control and getting the higher Rand gold price has enabled these operations to make good money to fund South Deep as it builds up and then also provide some additional cash for the rest of the company.



Let's look at briefly those surface resources.

We've talked a lot about this over the last couple of quarters.

This is our inventory. It's not a declared resource or reserve at this point. It's really our inventory. And I think when you see the final reserve and resource statement, which we should be able to get out to you during next month, you will see that some of this will be able to find its way into the reserve statement.

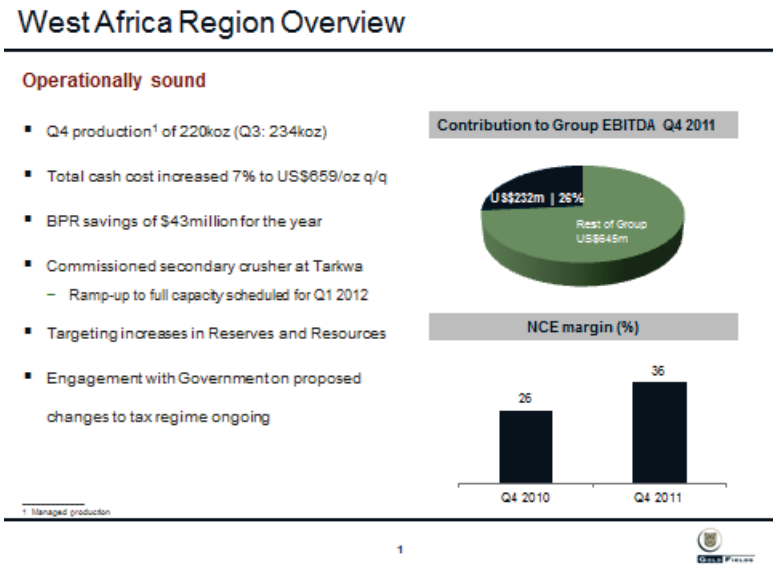
Simply put, we've got just under 5 million ounces of inventory on surface in tails dams and rock dumps. So our key strategic initiative is to deliver this. We're talking about 0.7g per ton on the surface rock dumps and about 0.3g to 0.35g per ton on the tails dams. We've extensively drilled the tails dams so we know what we've got there. And we're looking at the best opportunities for us to bring that forward.

One strategy of course is to deploy a number of mobile plants and divert some of the rock dumps into those mobile plants to free up some of the surface plants and push through the tails. The benefit of that is most of it can flow straight through to the leach circuits, which will make it quick and cheaper to process.

We believe this provides the potential to help de-risk the medium term profiles of both KDC East and KDC West. So you're going to hear a lot more about this from us. We're doing a full feasibility study on the various options.

Some of you may have seen that Neil Froneman and I agreed a memorandum of understanding where all of the work we previously did on the gold and uranium opportunity is now being looked at by him and his team, which is particularly important because they've just completed the acquisition of Rand Uranium which has some high grade uranium to offset some of the lower grade uranium that we've got but doesn't have quite the same gold rates that we've got. So that could be an interesting synergy.

Whether it will come to something, we will see. But I think it is an interesting opportunity that we will give information to you later on in the year.



West Africa. Solid production quarter, 220,000 ounces.

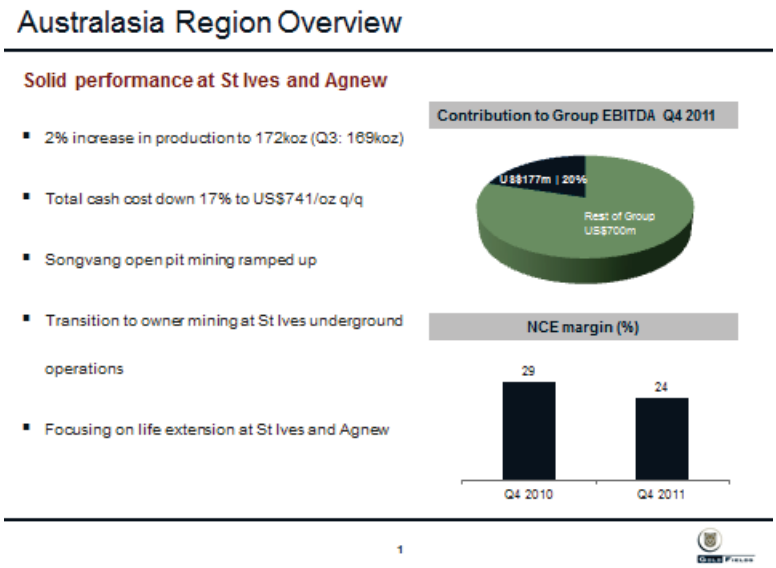
Slightly off the previous quarter, and one of the reasons for that is we have encountered harder blends of material, which is not a surprise. We knew that was coming. And that slowed down our milling rate through the CIL. That's a temporary problem, however, because we saw this coming some time ago. Peter Turner, when he was up in Ghana, had the foresight to put an extra circuit in ahead of the crusher at Tarkwa and that's now being commissioned. We're ramping up. And we expect to get our tonnes per hour at the mill back up to about 1450 tonnes an hour from about 1350 an hour currently. And that should enable us to get over the short-term issues. So there is nothing at all to worry about in terms of the longer-term profile.

Looking at targeting increases in our reserves and resources in Ghana, and of course we will give you more information on that.

I know that you're going to ask me, so let me pre-empt it anyway. We continue engagement with government on the tax changes that are being considered in Ghana. That has not been fully enacted into law. But what gives me encouragement is the fact that the government has now set up a commission to investigate the status of all the stability agreements in the country.

And the problem we've got there is we don't have a level playing field between the major gold producers. Some have stability agreements. We don't have a stability agreement. And that has been recognised by them. I've certainly been up there a number of times last year to make the point. It's pleasing that they're listening to us. So they are going to review all the stability agreements and they are going to engage with us before these mooted tax changes are put into effect.

I think that's good progress, and I remain cautiously optimistic that we can find a win-win solution to the issues that they have so that we can sustain the industry and so that we can try and deliver our projects. So let's see how it goes. I can't give any promises in terms of the outcome or the time it might take.



Australasia. Great performance from both St Ives and Agnew, up to 172,000 ounces. And just to put that into context, I don't expect the Australia operations to do more than 700,000 ounces a year. Frankly I wouldn't want them to because I don't think they could sustain it for long. And if you look at 172,000 it is basically operating at full potential in terms of production.

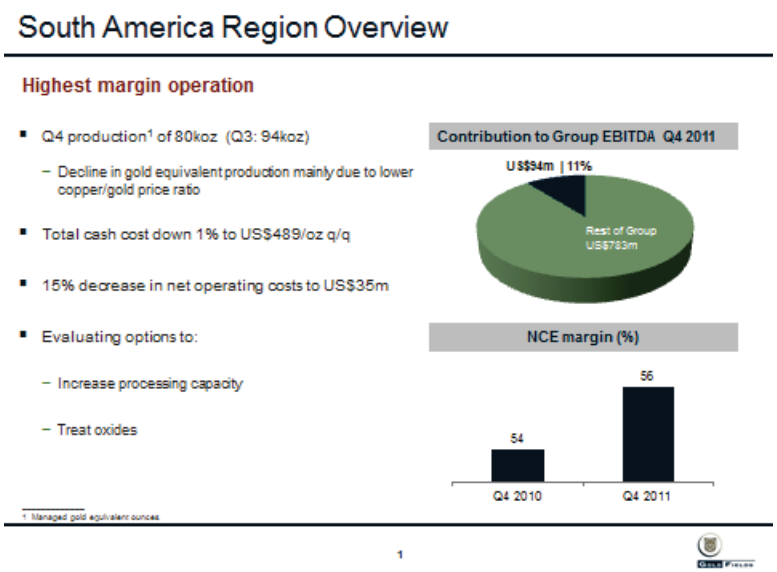
The issue we have been concerned about for some time is the cost structures in Australia. And as you can see they are down by 17% quarter on quarter to $741 an ounce. That's a great performance.

We have got the Songvang open pit mine at Agnew now ramped up and that has helped us to benefit from some additional production. And we will finish mining that next week, but we have stockpiles that will keep flowing through the plant for the next year. So that will help us to have the right blend and the right feed to fill that plant.

And then we're looking at other options on the lease itself to fill the gap that will be left by Songvang. There is another interesting opportunity called Cinderella. That's an interesting name for a potential mine. But we're drilling Cinderella, and it looks like that will be the next filler. And hopefully it doesn't turn into something different at midnight.

The other thing we're looking at is completing the transition to owner mining on the open pits at St Ives following the transition in the underground. And you will see we're going to spend about $90 million between now and October buying the fleet. That's going to reduce our cost base further, and more importantly, it's going to reduce the cut-off grade and help us look at opportunities which right now are on the margin, and could help us to drive some larger pits.

There are interesting life extension opportunities at St Ives and Agnew and we just don't know when these operations are going to end. But I can assure you of one thing, they're going to be around for a lot longer than what you might believe based on the reserves and resources.



South America continues to perform exceptionally well. I think it is worth recognising that when you review production for the Group and also this region for this last quarter, the gold and copper ratio has changed and we lost about 10,000 ounces quarter on quarter because of that ratio. The underlying physicals were good.

Gold was about 4,000 ounces less than last quarter and copper was about the same.

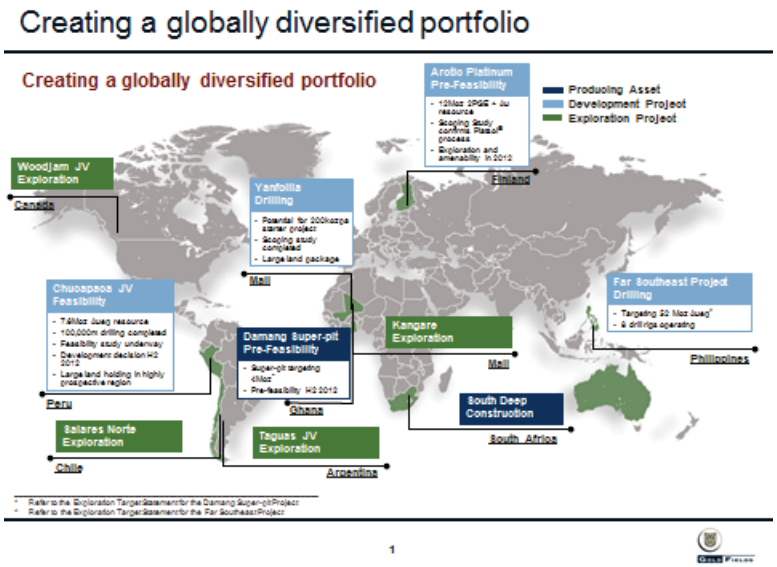
But because of the change in the ratio – we report equivalent ounces of production – you've seen a 10,000 ounce drop. But in fact if you normalise for the prices, then in fact there was only a 4,000 ounce drop.

Cash costs still very good. Great cost control.

And we're looking at options to increase the processing capacity. Right now we're sitting on about 6 million tonnes a year of processing capacity in the sulphide plant, and we're looking to increase that. And secondly, we're looking at different solutions on the oxide treatment.

Our current thinking is to have a mini heap leach operation that could very cost-effectively leach the 300,000 ounces that is sitting on surface. It is all stockpiled now, and if you go to the mine you will see this oxide material that is stockpiled in two different locations just waiting for a treatment option. So we hope to finish that particular feasibility study by the end of the year.

Growth projects. Where are we given that the year has just ended?



First of all the Damang Super Pit pre-feasibility study should be finished by around the middle of the year and we will be able to give you an idea of what that looks like then, and at the same time we should have an updated reserve and resource statement. By then I hope that we've made more progress in terms of our discussions with the tax authorities and we can take the project forward.

South Deep I'm going to talk about specifically a bit later. So those are the producing assets that we are looking to expand.

Then we look at the new projects, working from South America in the west.

You can all remember the 7.6 million ounce resource that we announced in September of last year. We've done 100,000 metres of drilling since the mother hole was discovered back in June 2008. And the feasibility study is well under way. I will talk a bit about that a little later.

Yanfolila. We're doing more drilling. We don't have enough yet to get a starter mine going, but we're very confident that we're going to get that in place by the end of 2012. And certainly between what we've found at Komana East and Komana West there is a high-grade shallow opportunity which we believe needs to be exploited.

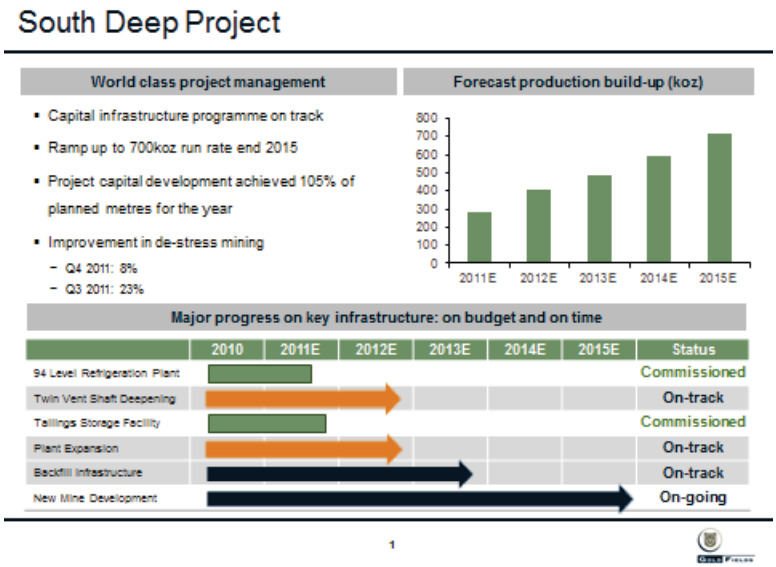
Arctic Platinum. There is more drilling being done as we look to finish our pre-feasibility study during the year.

And then Far Southeast. We said at the analyst day we're targeting a plus 50 million ounce position. And I will talk a little bit about that as well.

And then bubbling under there are a number of opportunities that you may well hear more about either later this year or into 2013.

Woodjam in Canada, that's in BC, a great part of the world. I've always wanted to have a mine in Canada. I think it is a well-known and well established mining jurisdiction and there is no reason Gold Fields should not be there.

And then further south we can see some other opportunities in Chile – another nice country to be in – Taguas in Argentina, a country that I like, and then of course in Mali to the north of Yanfolila, because Yanfolila is such a big property we split it in two and Kangare is the piece to the north. So a lot on our plate.



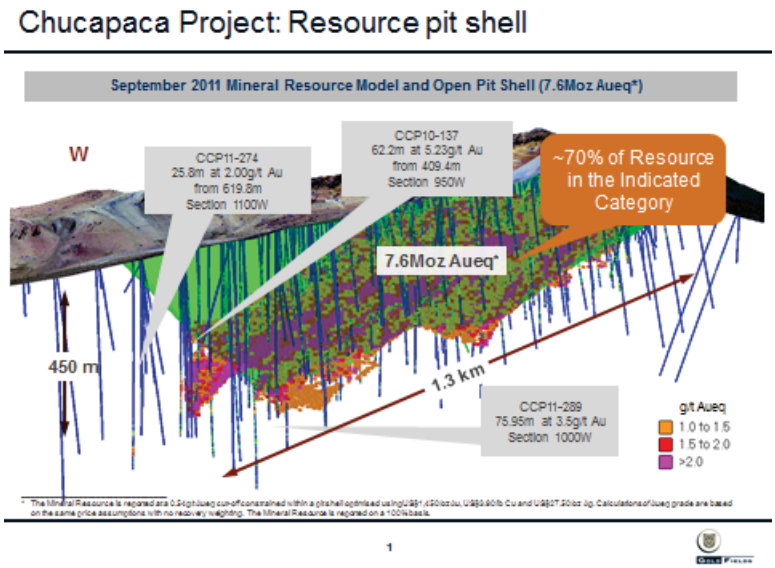
South Deep. The thing that is exciting about this mine is that by the end of this year we will have the two most important fixed infrastructure projects completed. We will have the ventilation shaft finished and we will have the plant expansion done. And for those of you who may have gone past South Deep or might be doing a visit some time, you will see a lot of activity on the surface as those projects come to an end.

Obviously the ventilation shaft will not have hoisting capacity of 195,000 tonnes a month upfront. It will start with about 48,000 tonnes and then move up progressively by June 2013. And not far behind it is the backfill plant. Remember about two thirds of our mining will be open stoping. We have to fill those stopes because we're mining at depth. And we need a backfill plant which is a combination of tails and cement to be pumped down the mine and compacted into those mined out stopes.

New mine development is going well, so that's the future of the mine - creating haulages.

The big focus now is getting the de-stress moving. Pleasingly over the last two quarters we've seen good increases in de-stress. There is a lot more we need to do. But we're opening up a lot more attack points on the ore body. We've currently got about six attack points in the four corridors. We expect that to be going up to 12 by the end of this year. And if we advance those 12 at the current rate of advance then we're going to make our target.

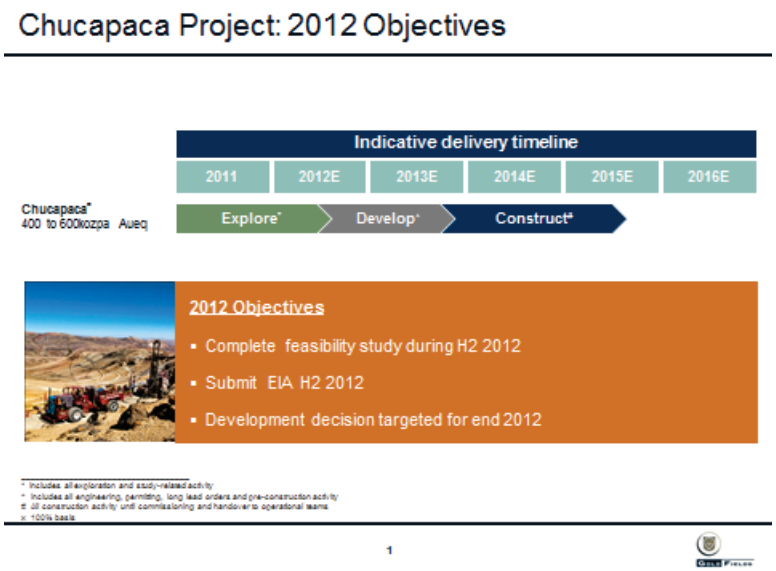
A run rate of 700,000 ounces by the end of 2015 is what we believe is realistic at this stage.



Chucapaca. You've seen this before, this long section, but I love it so much that I thought I would show it to you again because it really is a success story in exploration. 100,000 metres have been drilled over three years and we have delineated 7.6 million ounces. But more importantly, 70% of it is in the indicated category.

And for those of you who are not that *au fait* with what all of this means technically, it means it's good enough to build a mine. You've got the resolution in terms of closely spaced drilling that is good enough to build a mine. And that's why we can advance the feasibility study with confidence.

And of course it's still open, remember. We don't know where this ends. We're still doing some drilling over here (points to deeper part of ore-body) but we haven't found out where it ends. So that extends out that way.

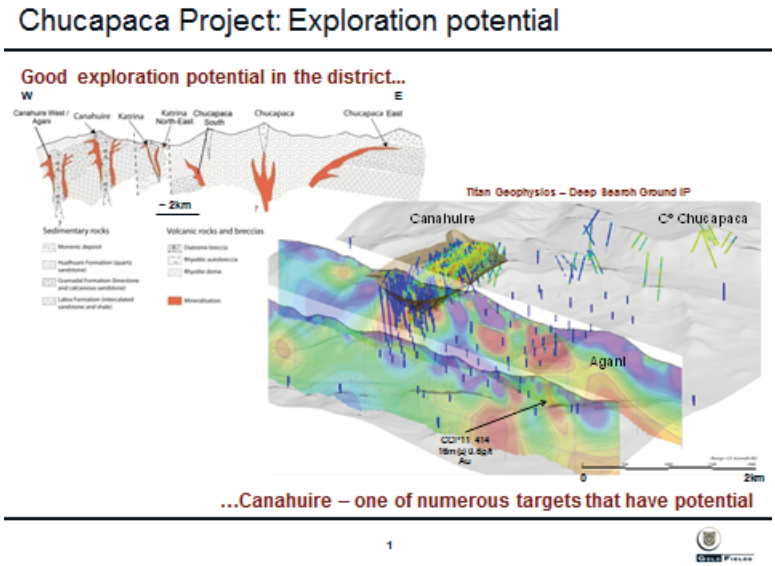


Chucapaca. What are the key objectives for 2012?

We want to complete the feasibility study in the second half of the year, and then of course submit the environment impact assessment.

And then we hope, in fact we intend, to make a development decision on this particular project by the end of 2012 and then get into construction.

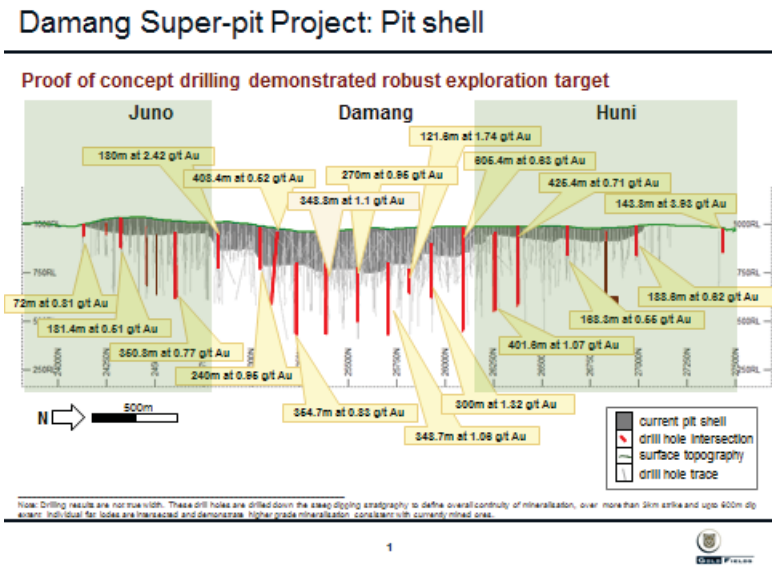
And this has got a good possibility of being in production within the timeframe of 2015.



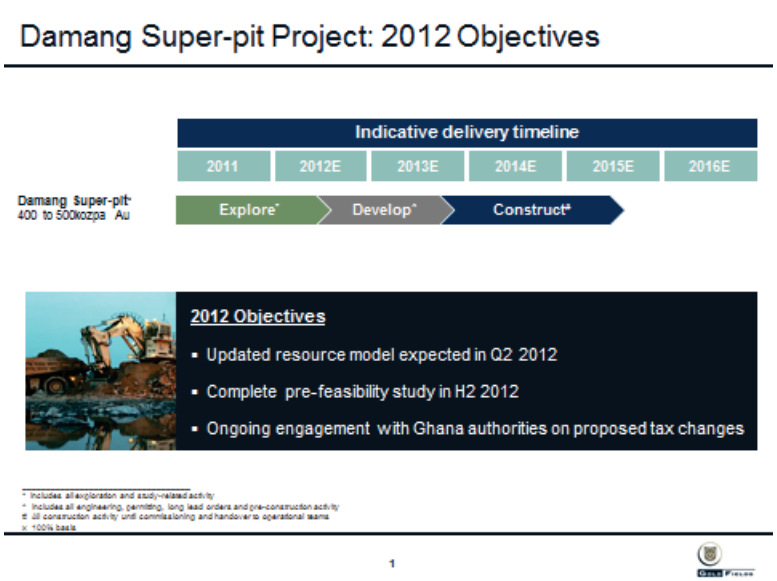
Just to give you an idea of the potential in the area, you can see here Canahuire is this particular diatreme over here. These are a series of diatremes. The mineralisation is hosted in the red areas. But you can see it is not the only one. There is a whole lot of these right next to each other and you can see how closely spaced they are.

And in fact, we were looking to place the tails dam on this thing called Agani over here, and we realised we should do some condemnation drilling to make sure we don't put the tails dam on something that could be very interesting in the future. And it may be that we have to look at other options.

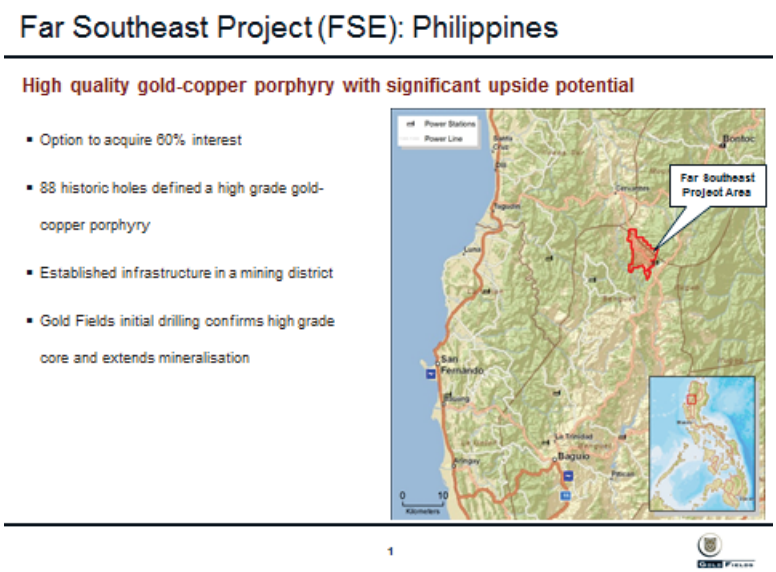
But there is a series of projects here in what is likely to be a very significant camp in the future. Don't' just look at Canahuire. There are a number of opportunities that we are going to update you on. And we are drilling a number of these already and we will give more details of that as things evolve.



Damang. This is a long section showing some of the drill results in the Damang pit. And remember the original pit was only this area over here. We're now looking at extensions both north and south and also at depth. The other interesting thing about this drilling is we haven't actually closed out the drill holes yet. In other words, we drill down but we haven't determined where mineralisation ends. We know it goes deeper. So this is a much bigger system. And it might be that we're going to have an underground operation in due course. We don't know how big this is yet. It's going to be a lot bigger.

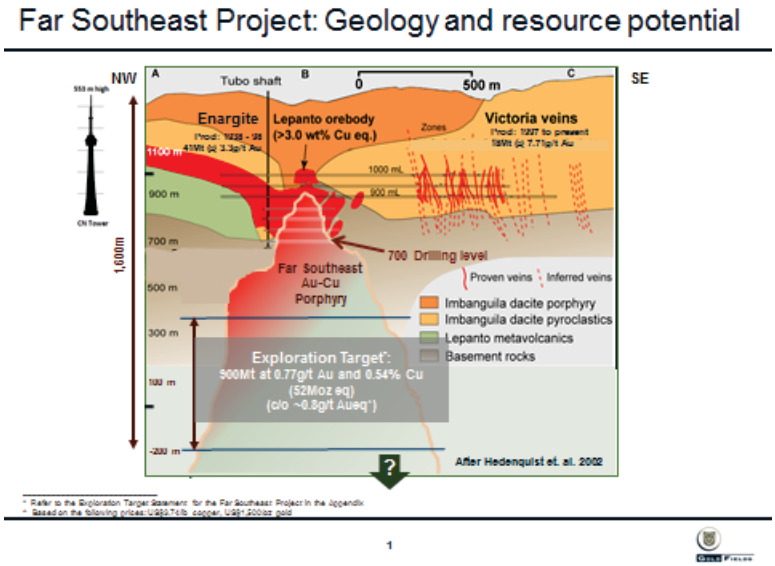


So Damang, our objectives are to complete our resource model by the second half of the year and complete our feasibly study also by the second half. At that point in time we've got to decide where we're going to go. And obviously we're hoping that on the last issue over there we make some progress on. But we will update you as things develop.



Far Southeast in the Philippines. Just to remind you where this is, it is in northern Luzon, the largest of the 7,000 islands in the Philippines. This project has been around for quite some time. 88 historic holes have defined a high-grade copper-gold porphyry, so we know that it's there.

We have an option to acquire 60% interest over three stage payments. We've made two of those payments. The last payment is contingent on getting an FTAA, which is a Financial or Technical Assistance Agreement which allows us as a foreign company to own a majority interest in a Filipino mining project. And that process is on-going and we expect to be able to complete that by the second half of the year.

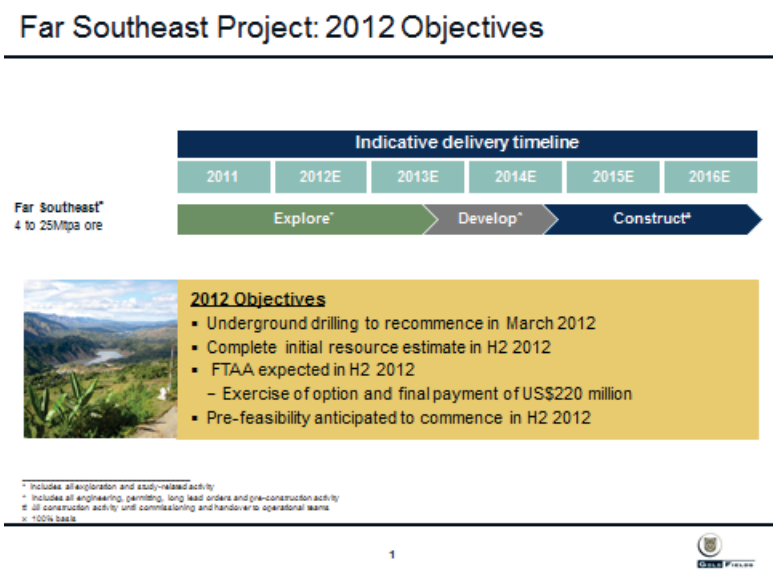


Let us take a look at the opportunity.

Remember this is an underground deposit. You can see it starts here around about 700 metres below surface. That's where our drilling platform is. And we've been drilling a lot of holes across the ore body. The problem with the previous drill holes was that they were vertical, so they weren't testing the extension of mineralisation between the holes. So now we're drilling across the ore body. We've done 17 holes last year, and we're putting that together with the historic drill core that has been logged.

And we should be able to come out with a new resource statement in the second half of the year. As we've said before on the analyst day, we're targeting about 50 million ounces so far at 900 million tonnes of about 0.8g/t gold and about 0.5% copper.

Now, if you look at copper-gold porphyries across the world – and at the next quarterly we will give an idea of what this looks like – and you rank them in terms of size and in terms of grade, grade of copper and grade of gold, you will find that Far Southeast is in the upper quadrant of quality, as of course is Cerro Corona. So that gives you an idea of the quality of this. By the way, we think there is a lot more potential than what we have indicated here, but we just don't know yet how big this thing could become.

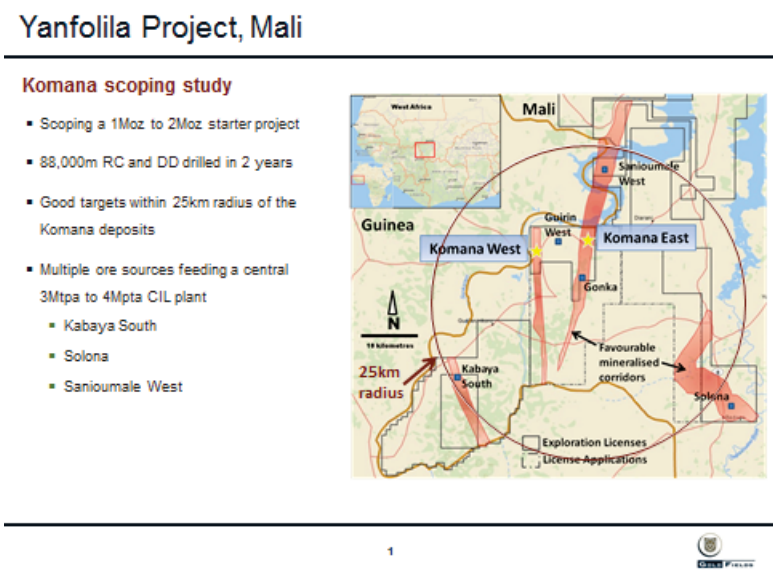


Right, so what do we want to do on Far Southeast?

We want to do some more drilling starting next month. That's going to be closer space drilling to get greater resolution on the ore body. We will do some geotechnical drilling as well so that we can better understand the properties of the ore body and the surrounding waste, and then also for us to look at the ideal sites to place decline structures, ventilation shaft systems and what have you.

I mentioned earlier that the FTAA is expected in the second half, and that will allow us to exercise the option, pay the final payment of $220 million and take our 60% stake. We believe that the pre-feasibility study is going to commence pretty soon, probably by March or April.

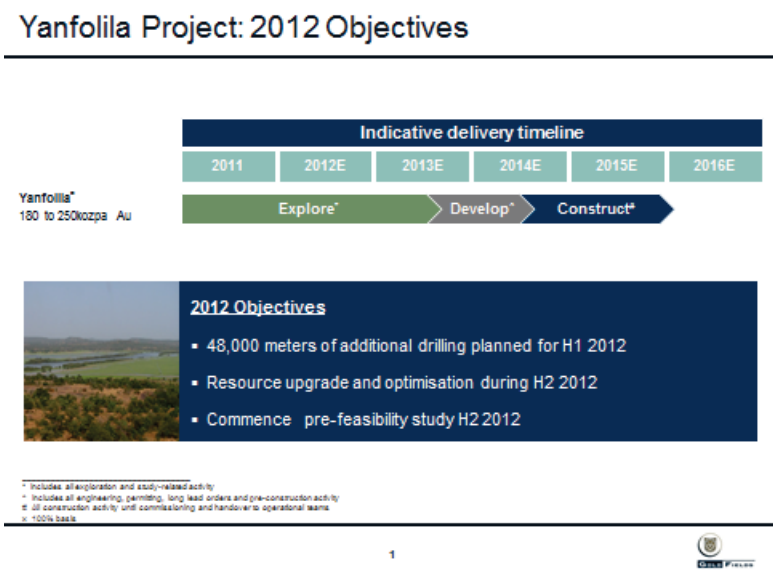
So it is all systems go. We've got a large team on the ground in the Philippines and I'm sure that in due course we will have more positive information to share.



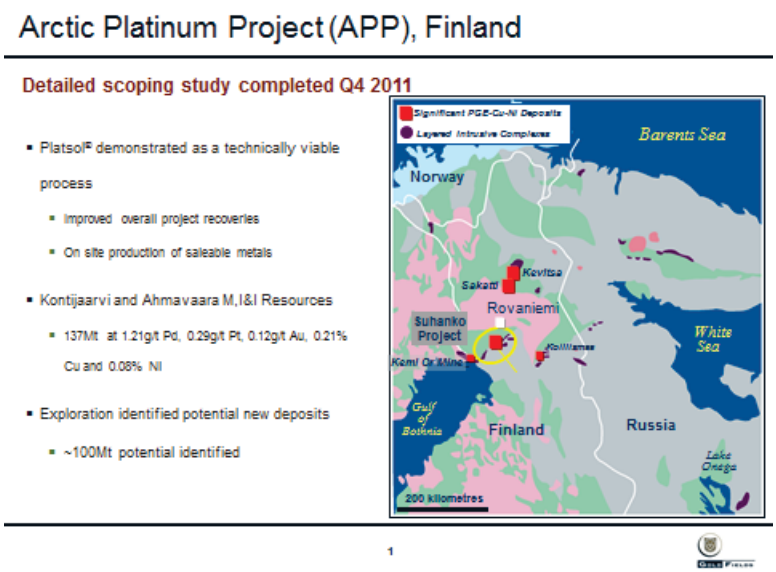
Going back to Africa to Yanfolila.

I mentioned earlier that we don't quite have enough yet for us to get going, but we have a series of high-grade pits within a 25 kilometre radius. The bulk of the mineralisation so far has been in Komana East and Komana West. We've got a delineated resource of 740,000 ounces between those two.

We're drilling these other pits now over a very large campaign in 2012 with the intent of finding enough mineralisation in some of these other targets to have enough so that we can create a central processing facility in the middle of all of this and truck all the material in. And the conditions are quite amenable for us to truck that across. So I would think that by the middle to third quarter of this year we will be able to give you some more positive information on Yanfolila.



I think there is a good chance that we will get a pre-feasibility going on a starter project because this will get bigger over time. We're going to be drilling in this particular area for quite some years. It is drill intensive. It takes quite a bit of time to find the ore trends and then to follow them, but once you're in the pay shoot the values and the grades are very good. It's just drill intensive and it takes time.

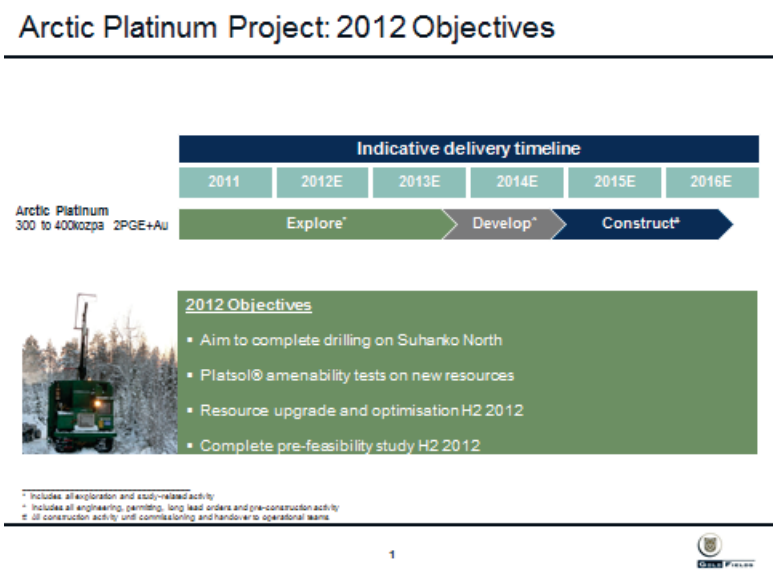


The last project, Arctic Platinum. As we mentioned earlier we were looking at a new process to produce the metals on site as opposed to the original concept of producing a concentrate and then shipping that to the smelters. We have an autoclave technology or a derivative thereof called Platsol which allows us to extract all of the metals in a sequence, the PGMs first by introducing chloride ions into the autoclaves and getting them out in the form of a precipitate, then getting the copper in a cathode and the nickel in a hydroxide form.

We've done a pilot plant test using bulk samples from Konttijarvi and Ahmavaara, the two principle ore sources, and it works. We can get the recoveries up to something around 70%. The issue now is for us to complete a pre-feasibility study. We've got 137 million tonnes at Konttijarvi and Ahmavaara at the grades indicated.

But we're looking for more flexibility and we're looking for more bulk. And so we believe that there is potential for another 100 million tonnes in something called Suhanko North. And if you look at this slide here you will see that Suhanko north is this section over here and Konttijarvi and Ahmavaara are down in this section.

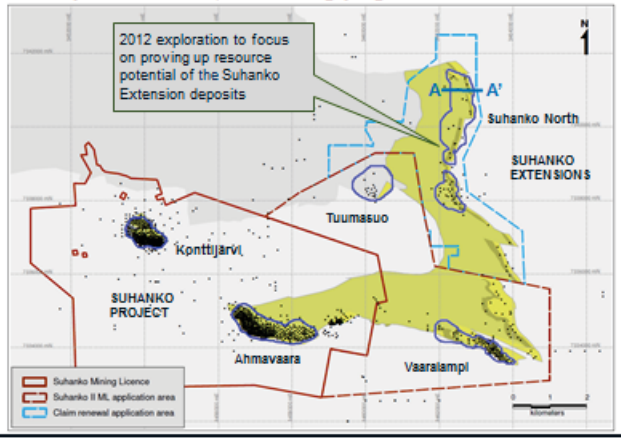
So we're drilling that at the moment. We're about halfway through a drilling programme. The results are looking really good. And we're going to feed all this information back into the model and also test the amenability of the Suhanko North material to Platsol. And if all of that works we will have a pre-feasibility study finished by the end of the year.



So our objective then is to complete the drilling on Suhanko North, do all of the Platsol amenability tests, have a resource upgrade and then complete the pre-feasibility study by the end of the year. But this still looks like a very interesting project for Gold Fields.

APP Resource expansion & metallurgical test work

21,867m completed out of 40,000m drilling programme



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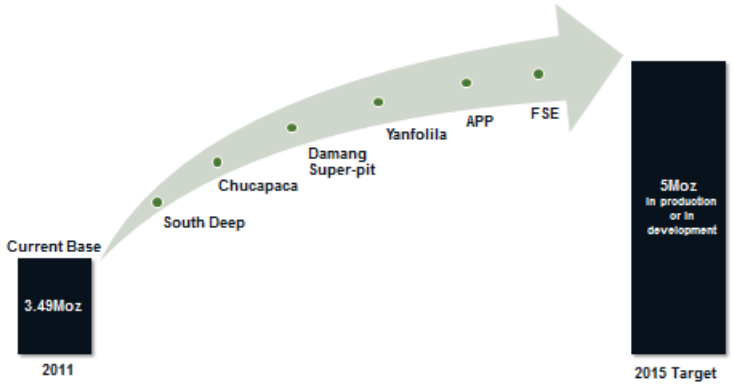
5Moz in production or in development by 2015

Continue to improve the quality of the portfolio as measured by NCE per ounce



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So here is the target, 5 million ounces either in production or in development by 2015 from our current base. And these are all the projects we've discussed that will enable us to achieve that target.

2012 Guidance

Production	3.5 to 3.7 million gold equivalent ounces	
Total cash costs	US$860/oz	R220,000/kg
NCE	US$1,300/oz	R335,000/kg
Project realisation costs	US$40/oz to US$70/oz	
Exchange rates	R/US$8.00 and US$/A$1.00	

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Here is our guidance for 2012.

3.5 million to 3.7 million ounces of gold equivalent.

Cash costs we're talking about $860 for the year. The year we just closed out was $795, so that's about an 8% increase. As I said earlier, mining inflation at the moment is running at higher percentages than that.

And then NCE around about $1,300.

Remember that NCE has been expanded by the fact that we need to do the owner mining conversion at St Ives that I've talked about, which is about a $90 million investment, some additional pre-strip at both Tarkwa and Damang and also some pre-stripping at St Ives to provide flexibility going forward for the future projects to come through.

Project realisation costs. In essence this is the money that we need to spend over this year to do all of the stuff I've just talked about on the projects, taking all of these projects to the next level. Obviously it depends on the timing and the extent of some of the spend, but if you're going to get projects you've got to spend money. So that's between $40 and $70 an ounce, the range that we're looking at to get those projects delivered. And we use an exchange rate of R8.

Thank you very much. I think with that I'll ask Zakira to manage the Q&A which either myself, Paul Schmidt, the CFO, or Peter Turner, who is the Executive VP of the South African Operations who is with us today, one of us will endeavour to answer the question. Thank you.

Questions and Answers

Alan Cooke – JP Morgan

Good morning all. It's Alan Cooke from JP Morgan. Just two questions if I may. Could you talk to the level of safety stoppages you've seen at your mines in the Free States and West Wits, what you lost during the quarter and your experience over the last while? And then the caveat I saw too. You caveat your production guidance with safety stoppages. And then also, Paul, if you could revisit the dividend policy just to tell us how you calculate it. Do you have a fixed dividend policy so that we could more accurately predict the dividends that you expect to pay? And also looking further afield to 2015 you've got to spend more on your projects as they come through. How do you see your NCE unfolding and what impact will that have on your dividend? Are we going to see high dividends in the near term and then maybe stingy dividends as you have to spend more on these projects? It will depend on the gold price, but how do you see that unfolding? Will we see a hump in your dividend payments?

Nick Holland – CEO

Okay. I will answer the first question and the Paul will answer the second. There has been a lot of commentary recently about so-called section 54s and the impact it's having on the business. I think first of all, we're one of the first companies that said we're going to issue our own 54s and stop our operations ourselves, which we've done, because our main value system is to say if we can't mine safely we won't mine at all. That means we stop. We don't wait for somebody else to stop us. We stop. And in fact to give you an example of that, in the middle of last year when our fatalities got up to a level that I was particularly uncomfortable with we shut down KDC East on my instruction, not on anybody else's instruction. So we want to fix our own house. That's the first point.

The other thing is we have a collaboration, a good relationship with the DMR. We work closely with them on safety issues. They have given us a lot of good advice. I go and see them regularly. Peter goes and sees them even more regularly. We don't believe in getting into this approach where there is criticism passed. We would much prefer to have a collaborative approach, a partnership approach with them. I think they've done a great job in certain areas, and they have certainly helped me and helped our company to improve our safety.

Clearly we have to understand that if there is a safety issue, if there is a fatality, then we have to actually stop production in the affected area. The only question is how big the affected area is. And that will often depend on the circumstances. So there is not one perfect solution to every issue. I'd like to commend the inspectorate for helping us to improve our safety and we look forward to working with them in the future.

How much have we lost during the year due to safety stoppage, self-imposed and imposed by DMR. Around about 1.5 tonnes of gold, let's call it about 50,000 ounces of gold we've lost because of stoppages.

Paul Schmidt – CFO

We stick to our dividend policy. To remind you all, our dividend policy is 50% of net earnings less growth capital. For the last year growth capital was for South Deep about R1.9 billion and our share of the Chucapaca which was about R270 million. If you take that, that's about R2.2 billion. You take it off our R7 billion earnings and it gives you a number of about R4.7 billion. 50% of that translates into a dividend of

about R3.30 for the year. Our interim dividend was R1 per share, so R2.30 balances it out. We're sticking to it.

How we see it going forward, we will stick to the policy. Obviously as the capital ticks up it will influence our dividend calculation. But also remember, over the next three to four years we will be increasing our production as well, so we will have higher capital but also higher production and hopefully higher earnings. But we will stick to our policy. Higher capital will be factored in to the calculation of the dividend. That's why we set up the policy the way it is.

Male speaker

Morning. One can't help noticing that in South Africa the cash cost per ounce is $900. West Africa it is $660. In Australia it is $750 and in South America it is $500. Can you perhaps elaborate on that? What is the future of the productivity in South Africa and why is it so high in South Africa? Is it the productivity? Is it the strikes? Is it the capex? And going forward I know that you want to have a 40% market segmentation for South Africa, and obviously if you look at the costs that we see here I can understand it. But can you perhaps explain that a bit?

Peter Turner – Executive Vice President: Head of South Africa Region

We have a situation where we have seen rising costs. We've seen the power go up 25% per annum. Those have been some of the cost drivers. If you look at the mitigating aspects we've circumvented that by a BPR programme where last year we saved R835 million. And furthermore, if we just look at the process going forward, BPR has become part of our lives and we aim to keep cost increases below inflation. I'm happy to report that this last year we kept cost inflation at 3%. That was quite significant.

Adrian Hammond – PNB Cadiz

Morning. Adrian Hammond, PNB Cadiz. I have two questions. Firstly, regarding the 50,000 ounces you lost last year. Could you pinpoint how much was lost last quarter? And secondly, have you considered increasing your leverage and paying out more dividends? To me it makes more sense to increase your leverage while commodity prices are high because your returns on your projects are favourable right now. Have you considered that at all?

Nick Holland – CEO

I think first of all on the question of stoppages in the last quarter, we had a tremendous safety improvement this last quarter and only had one fatality. When I say only one, one is too much, but compared to previous quarters we had a good run. So stoppages and impact on production this last quarter was not significant. We did have some DMR audits towards the end of the quarter which did detract some of our attention, but I think those audits were very useful. Most of the gold was lost in the three quarters prior when we had more fatalities.

Paul Schmidt - CFO

I think we are quite comfortable about where our debt leverage level is. I'd hate to borrow money to pay a dividend. That is counter-intuitive to do it. We pay dividends out of the cash generated out of operations. We're going to stick to that. I'm not borrowing to pay dividends. Never.

Rubi Rosenberg

Thank you. Mr Holland, firstly congratulations and thanks for a most pleasing result. Now, from the balance sheet there are a couple of items that I'd like some clarification on please. Goodwill valuation has remained unchanged from a year before. Why is that? And also investments are down R258 million. What is the reason for that?

Paul Schmidt – CFO

First of all the goodwill relates to our acquisition of South Deep. Every year we perform an impairment test on it, and the impairment test showed no reason to write it down. You don't impair goodwill. You don't also amortise it. You only impair goodwill if your calculation shows it and you don't have to amortise it. So that's why it remains the same year on year.

In terms of our investments we did have a disposal of some investments. We disposed of our investment in Gold One. And also sitting under investments we had a loan to GDF a mining contractor in Australia. And they have basically repaid most of it. They repaid about $20 million this year. So if you take that number plus our sale of our Gold One shares that basically accounts for the difference year on year.

Rubi Rosenberg

Thank you, Mr Schmidt. I'd like to now go on to the issue which has been raised by one or two others before about borrowings and dividends and things of that sort. Mr Holland, I took note of your comments regarding the comfort that you and Mr Schmidt have with your debt, and I'm in full agreement with it. But the facts at first glance could lead to another conclusion. The balance sheet shows a huge increase in long-term loans minus cash deposits. At the end of December they stood at R9.5 billion. A year earlier they were just under R4 billion, an increase of R5.5 billion.

Now, the cash flow statement gives more than adequate reason for that. Although the result of the cash flow statement was a fractional negative of R80 million overall the performance was very good in that R7 billion was spent on non-controlling interests. R4.8 billion was loans repaid, but there was just over R8 billion of new loans obtained. Now, I'm concerned about the new loans obtained. That clearly, and would you confirm this, has to do with the requirements for ongoing development of the various mines worldwide that you've spoken of. Would that be correct?

Paul Schmidt – CFO

No. It's simple. The reason we've increased our borrowings, I borrowed about R5 billion as part payment of the acquisition of the minorities. R2 billion was used out of cash resources. The balance of R5 billion was the borrowings. That's why we have structured our borrowings two years ago setting up for big expenditure in terms of minorities. So nothing to do with running the business. The cash flows adequately cover all my capital etc. The only exception I had this year was the R7 billon of the minorities. I used some cash. The balance I used my loan facilities to pay for.

Rubi Rosenberg

As a thumb suck is it possible to say to what extent or over what period of time you expect to recover in returns the R7 billion that you paid out for the non-controlling interest buy-outs?

Nick Holland – CEO

On the two acquisitions in Peru and Ghana if we use current prices we should get our money back within four to five years. And Peru has got a long profile of around about 14 years and Ghana has got a profile of about ten or 11 years for Tarkwa and around about 12 or 13 years with extension possibilities for Damang.

These acquisitions were based on only the hard value that was there. There was no account taken of the Damang Super Pit and what that might do to future production and life. And similarly at Tarkwa it was only based on the existing profile.

And on both of these mines there are possibilities for significant mine extensions and growth that we're evaluating right now that we don't believe we paid for in the original deals. Also if you benchmark these kinds of acquisitions to buy in production ounces at what we paid, which was about $300 per ounce, I challenge anyone in this room to find where they can get that today. You can't get it. You can go and buy ounces in production for two or three times that. You couldn't get these kinds of deals.

Plus, last but not least, we were running these mines. We knew what the potential was, what the upside was, what the downside was. So the risk here was significantly less. And even if the higher taxes are promulgated it doesn't change the outcome. These were sound and very good acquisitions for shareholders, even if we reduce the gold price down.

At $1,200 or $1,300 these would still be good acquisitions. If you want to go to long-term prices of $1,000 and below, don't stop here because there is no gold industry anyway. So hopefully we don't get to that point, although I see some of the analysts are projecting that we will. Hopefully we won't get to that, because if we do the whole industry is just not going to be sustainable. It probably won't be around in its current form.

Johann Steyn – Citigroup

Morning everyone. Johann Steyn from Citigroup. Just with regards to the minority buy-outs, you spent R8 billion this year in capex. Your initial guidance for this year was 3.5 million ounces to 3.7 million if I recall correctly. But during the year you had to spend another R7 billion buying out minorities to meet the bottom end of this guided range. I don't want to be too aggressive here, but again does that mean that your sustaining capex from here forward just to maintain 3.5 million is going to continue to increase? I know that you've got very attractive growth ambitions etc. but the problem I have is the fact that more and more capex, in total about R15 billion this year, had to be spent in order to maintain.

Nick Holland – CEO

Johan, it wasn't to maintain. This was a strategic opportunity to buy out part of the interest that we didn't already own. We're talking about 250,000 ounces of production that we didn't already own. Now, these opportunities don't come along very often.

And plus, it wasn't a question as I've just mentioned of what you see is what you get. It was the significant opportunities to grow that production base. You're right in the sense that notwithstanding these acquisitions we only achieved the bottom end of our range.

If you look at the ounces that these acquisitions added during the year, they probably added about 120,000 ounces. We lost about 50,000 ounces because of the strike. I'm not going to talk about the Section 54s

because you could argue that's business as usual. The strike is not business as usual.

So in fact if you want to adjust all of those then you could say we missed the bottom end of our guidance by 70,000 ounces. There is a range of issues we could discuss. The copper gold price ratio changed a bit, so we lost some ounces there. We lost some ounces in South Africa because of lack of flexibility. The development wasn't as advanced as we would have liked. We had some grade drops on KDC West that affected us as well. So if you add all those up, those are the reasons we didn't get to the bottom end of the range.

But I don't see it as you've got to spend this every year to hit the bottom end of the target. This was a once-off acquisition. We don't spend $1 billion every year on acquisitions. And as you know, I'm not necessarily one that's going to rush out and say acquisition is our main source of growth. I won't rule it out, but we know the cost of buying ounces. You can benchmark them. They're around $500 to $700 an ounce depending on the deals you look at.

So this was a once-off opportunity to consolidate our ownership in assets that we already ran. But of course the challenge going forward is to make these ounces incremental. I have no issue with that. We have a challenge here, and we've got to make sure that these ounces aren't to necessarily fill the hole that is left by other assets not delivering what they should.

And our objective this year is to get all of the assets to deliver in the portfolio so that we really see the benefit of these incremental ounces. But I think your point is well made. Thank you.

Paul Schmidt – CFO

Also just to understand on the positive side, remember we only had this for half a year. And in half a year it added about $70 million to the bottom line earnings of Gold Fields. So as Nick said it is going back to the five or six year payback. It's not going to take us that long. It's reflected in your dividend. You're already getting some of it back in your dividend.

Zakira Amra – Senior VP: Head of Corporate Affairs and Investor Relations

Are there any further questions from the floor? We've got no questions. With that I'd like to thank everyone for joining us this morning and invite you to join us for refreshments to your left.

END OF TRANSCRIPT