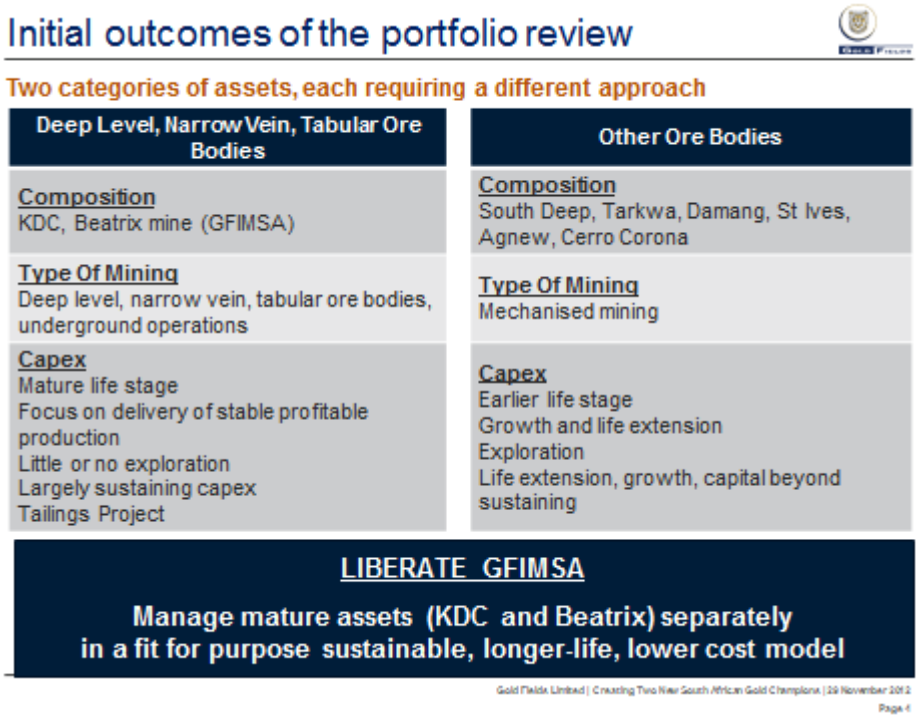
GOLD FIELDS UNBUNDLES GFIMSA (KDC AND BEATRIX) TO CREATE A NEW SOUTH AFRICAN GOLD MINING COMPANY CALLED SIBANYE GOLD

29 November 2012

Welcome to this conference this morning for some interesting news we want to share with you. And that is about creating a new South African gold mining champion called Sibanye Gold. And I am also delighted today that we have Neal Froneman with us, who was until yesterday the CEO of Gold One but is the CEO elect of Sibanye Gold. And also Mr Sello Moloko who is the Chair elect of Sibanye Gold. Sello is a director of Gold Fields presently, and I am delighted he has taken up the challenge to chair this new company. With his experience in the capital markets, being a previous head of Old Mutual Asset Management and Chair of Alexander Forbes, the company is in great shape. And you will hear later from Neal about some of the other board members and executive management that will be going with this company.

So let's go back and ask ourselves why. What has happened in the gold industry over the last five years? This has been bothering me in particular for the last two years. We've seen a gold price that has gone way beyond our wildest dreams over the last five or six years, and yet our equities are stuck in the mud. Not just Gold Fields, but in fact the whole industry. And if that continues into the future then this industry will be in for a massive shake-up.



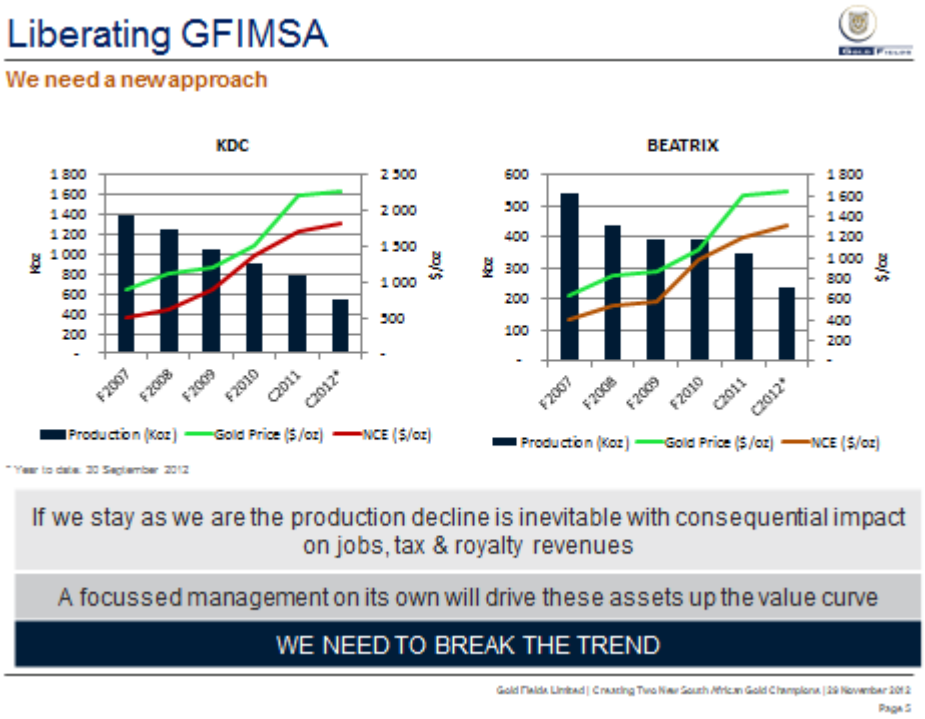
So we've undertaken a full review of our portfolio. Now, some of you may have seen the presentation I did to the Melbourne Mining Club on 31st July, which took a really hard, critical look at the industry and why it hasn't delivered returns. After having done all of that work and having spoken to over 100 fund managers and various other commentators in the industry, we needed to look at our own company and see what that means. One of the things that came out of this – a lot of this wasn't brand new; a lot of this we knew already – was that there are two types of assets in our portfolio. There is the mature, deep level, narrow-vein tabular ore bodies in South Africa, typically dipping at 30 to 35 degrees, mining one to three metre reef packages, which means they are typically labour intensive. The mature operations are focussed not so much on exploration because they have large reserves and resources. Sustaining capex has got higher over the last few years or so, and unfortunately a profile that has been declining.

That you have mixed up with open pit and shallow underground operations with one exception, a deep-level but massive operation called South Deep. Massive in the sense that's the type of mineralisation it is mining, where it is virtually horizontal mining, a very shallow dip, thick reef packages, fully mechanised operations. Here you've got a growth portfolio. You've got significant exploration into the assets themselves, into a portfolio of exploration projects, development assets.

So you've got all this mixed together. And our view is that it's time to liberate GFIMSA, which is the assets on the left, KDC and Beatrix. Liberate them. Set them free. Why? Well, two main reasons. Over and above the characteristics I've given you, it needs a new approach to halt the decline in production in these operations. It needs a dedicated and focussed management team supported by a board that thinks about nothing else. It thinks only about driving delivery out of these assets.

The other thing is as Gold Fields has become global over the last four or five years, more global than in the past. There is competition for capital. And there are a whole slew of projects, both brownfields and greenfields, in the portfolio. And we can't do all of them. There is a scarcity of capital. What is happening is that GFIMSA is often not the recipient of the investment that it needs to sustain these

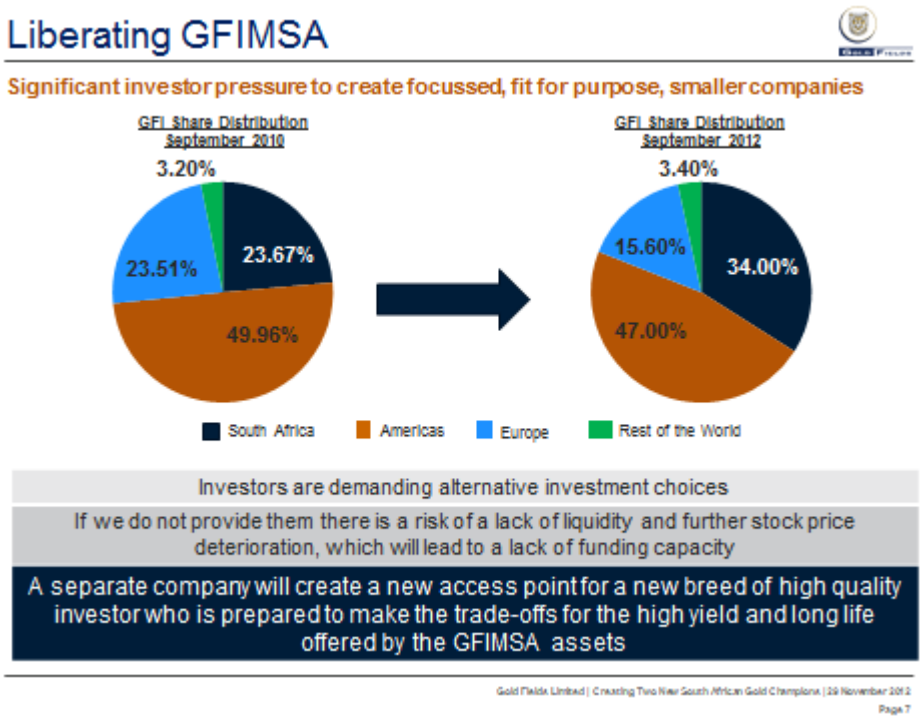
operations.



Now by setting them free and liberating them, all of the cash flows they make – and they have made some pretty good cash flows particularly in the first half of 2012 before the strikes and last year – they can use for the benefit of paying dividends. I think this could be a very interesting dividend play. And they can use it for reinvestment into their own operations. There is a little bit of déjà vu here today because if I look back at Sibanye, which will be of course what GFIMSA was yesterday, it looks like 15 years ago when we formed Gold Fields. We started Gold Fields with Kloof, Driefontein, Evander and Fairview. Tarkwa wasn't even a producing mine at that point in time. Of course Evander went. Of course Fairview went very quickly. But the core of that company actually is what is going to be the core of Sibanye Gold. And with the gold price at or approaching R500,000 a kilogram that provides a great opportunity for these assets to get life extension under a focussed team.

And here is the reality of what we have seen out of these assets over the last five or six years. Despite best efforts KDC's production has gone down. The gold price has gone up wonderfully, but of course the all-in cost, NCE, has increased at almost the same rate. So we haven't really opened up the margin, and that has been a source of frustration for all of you and of course for all of us. And there is a similar profile if you look at Beatrix. A decline in production, costs going up at the same time as the gold price. That is not a recipe for success in the future.

You saw when we announced our results on Monday I said that if we don't do something different then these assets are going to hit the wall pretty soon. And this is the something different that we have been thinking about for quite some time. Having an experienced, skilled and entrepreneurial operator like Neal Froneman to lead the charge, I'm very excited about the prospects of this new company. In fact, I think we can break this trend and we can drive value out of these assets way beyond what's in anyone's models today.



Here is the other reason. I've been on the road a lot over the last couple of years speaking to a lot of investors, and I've been watching our share register very carefully over that period. Here is our share register back in September 2010. The European shareholders have dropped from 23.5% to 15.6% over two years. The US shareholders have dropped from 49.9% to 47%. There has been a corresponding increase in the South African shareholder base, but that's not because the South Africans are necessarily buyers. They're buyers of last resort, and there has been a flow-back of shares. And I don't think this is any different to what you'll see on a lot of the mining companies in South Africa. Investors are clearly sending us a message. They want alternative investment choices. And if we don't provide them with that then there is a serious risk that investors can sell down their interest in the entire company. That will have a consequential impact on liquidity, share price and funding capacity. So what we need to do is to give investors the investment choice they are seeking.
And I think it's a positive thing because you will have a lot of interest in Sibanye Gold's assets. There will definitely be some repositioning of the registers, but over time they will get a new breed of investor who is looking for yield, who is looking for exposure to Rand gold prices and is looking for leverage to those Rand gold prices. And Sibanye Gold provides the opportunity for all of that.

Liberating GFIMSA

Unlocking value - peer comparison

		Harmony	GFIMSA
Market Capitalisation	R bn	30.9	19.0*
Net debt	R bn	0.1	4.0
Wafi Golpu Enterprise value	R bn	7.8	-
Enterprise value adjusted for Wafi Golpu	R bn	23.0	23.0#
H1 2012 Production	Koz	551.1	688.1
H1 2012 Cash Costs	US$/oz	1,134	993
H1 2012 Cash +Capital costs (NCE)	US$/oz	1,467	1,254

* Proforma market cap assuming market affords GFIMSA the same EV as to Harmony's South African assets
\# Median consensus EV for GFIMSA R13.5bn
Source: Bloomberg, company reports, market reports

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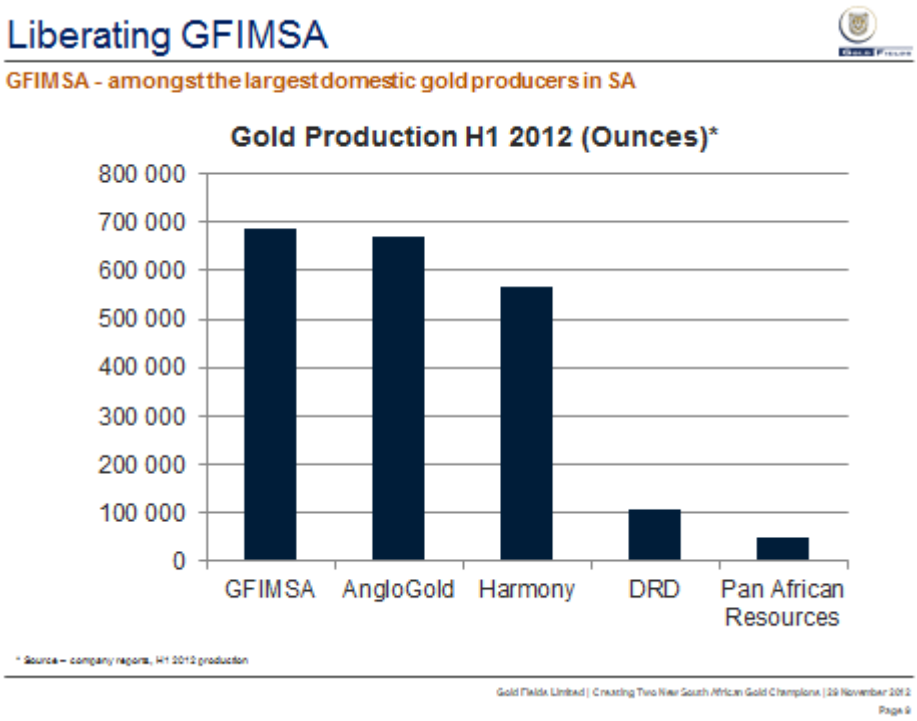
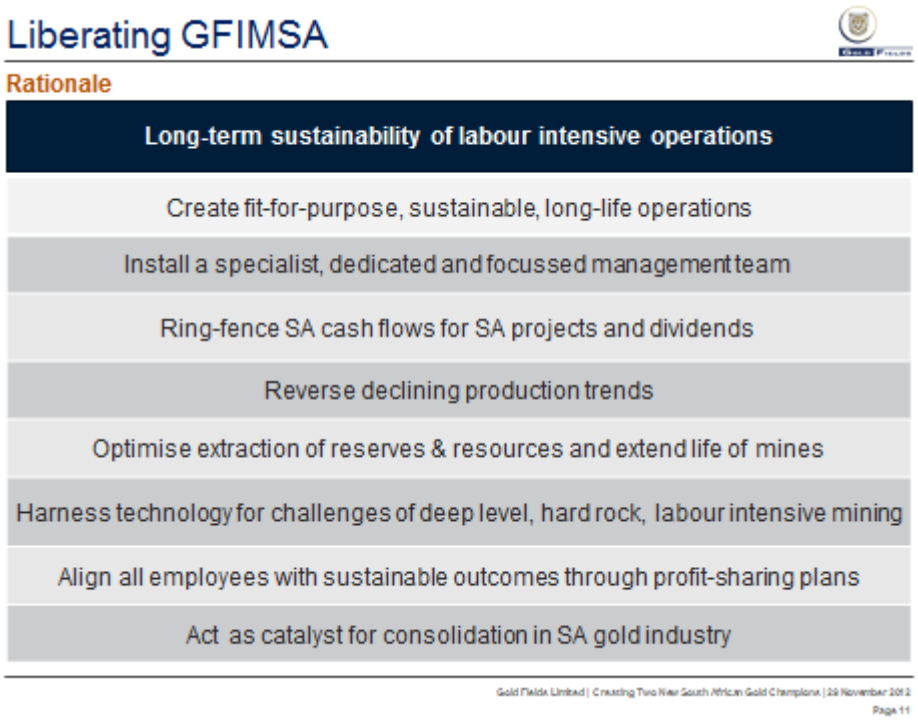
Here is a very rough comparison of the potential value of GFIMSA or Sibanye Gold, as we call it. These are not our numbers. We've taken market consensus numbers. Harmony has got a market cap of R31 billion. The market believes on a consensus basis their share of Wafi Golpu is worth R8 billion. That would give an enterprise value adjusted for Harmony, excluding Wafi, of about R23 billion. If we look at the GFIMSA assets of KDC and Beatrix over the six months to June 2012 – we haven't looked beyond that because the figures are distorted in Q3 with the strike – we have produced in this company more than Harmony, and as you can see the costs are lower. Now, some of the analysts are saying that the assets of GFIMSA, KDC and Beatrix, are negative, that the valuation is negative. They're entitled to their opinions. The average market value that analysts are attributing to those assets is about R13 billion. Well, if they were valued the same as Harmony's South African assets there is certainly the chance of a rerate. We have no idea what the market is going to value these assets at. We're not doing this for a rerate. We're doing this to provide different investment choices. We're doing this to liberate the assets and to provide a different management focus with a different business proposition for those assets. Hopefully the market will reward the two companies for what they are doing, but that is for the market to determine. We can't conclude on that.



Sibanye will be amongst the largest domestic gold producers in South Africa. And in fact as you can see for the six months to June, the production here was slightly higher than Anglo Gold. So I'm sure that the new management team will be looking at this as a marker and seeing what they can do going forward.

The rationale for doing what we're doing is that we're creating two proudly South African gold mining companies. Gold Fields post the creation of Sibanye will still be heavily focussed on South Africa with South Deep the flagship investment in the portfolio and the key area of growth in the short to medium term. Each company will have a focussed, dedicated team dealing with the requirements of each company, both from a social responsibility perspective as well as technology and innovation. The declining trend in Sibanye needs to be reversed or at least stabilised. I'm sure the new management team will get their shoulder to the wheel very quickly on this. And there are wonderful opportunities to take the cash flows that will now belong to Sibanye and will not be secondary to competing investments as is currently the cash in Gold Fields. Both companies will be domiciled in South Africa as Gold Fields currently is, with primary listings on the Johannesburg Stock Exchange and a secondary listing on the New York Stock Exchange. Two proudly South African gold mining champions.



I think I mentioned a lot of this already. We want to create a fit-for-purpose long life operation at Sibanye. A dedicated and focused team that thinks of nothing else except those assets. Ring fence those cash flows for the benefit of shareholders and for the benefit of projects. This almost feels a little bit like going back to what we used to be 20 or 30 years ago when we had individual gold mines listed. What did we do? You paid out all the cash or you reinvested it. If you wanted to build a new mine you went to the shareholders. This isn't quite that, but it is closer to what that is and it gives you investment choices.

But if we don't reverse the production trend it will be a key ingredient for success. We have to do that. It's absolutely fundamental. There are lots of opportunities below infrastructure. The drop-down projects that are no longer in the reserves but are still in the resources. We have significant ounce potential below Kloof in the eastern boundary area of 10 million ounces plus. We've got around 8 million ounces below current infrastructure at Driefontein.

This team will have an opportunity to reassess all of those against a rising Rand gold price. They are going to align all employees with the new company. And after the aftermath of the last three months, which was a very difficult period with the strikes, we need to find a way to directly engage our employees and to bring them on board and align them with the business. The creation of a new profit share will do that. The idea has already been mooted, and I'm sure that Neal and his new team will be working on that. That can create a new future, a new approach to getting everyone in the same direction.

And lastly, I think the creation of a new South African gold mining champion will be an interesting catalyst for consolidation in the South African gold industry. I'm sure that we've started something here that will change forever the face of the South African gold industry.

The mechanics of the deal. We're going to change GFIMSA to Sibanye Gold. I must give credit to Neal Froneman for the name. It means 'we are one' in Xhosa. He said to me, somehow we've got to have 'one' in the name here. And I'm sure that they will be number one.

We have to go through a process of getting our listings approved on the JSE and New York. That is just a process issue. That will be finished and we will list these companies in mid-February.

Some of the staff were asking this morning whether there is going to be any cross-holding between the companies. There is no cross-holding. These are two separate, independently-run companies. And that's the way we want them to go. We're not going to restrict the scope of any company. So if Neal and his team want to go and look at other things, that's really up to them. They're going to be competing on a completely even footing. Two independently-listed companies with separate boards and management..

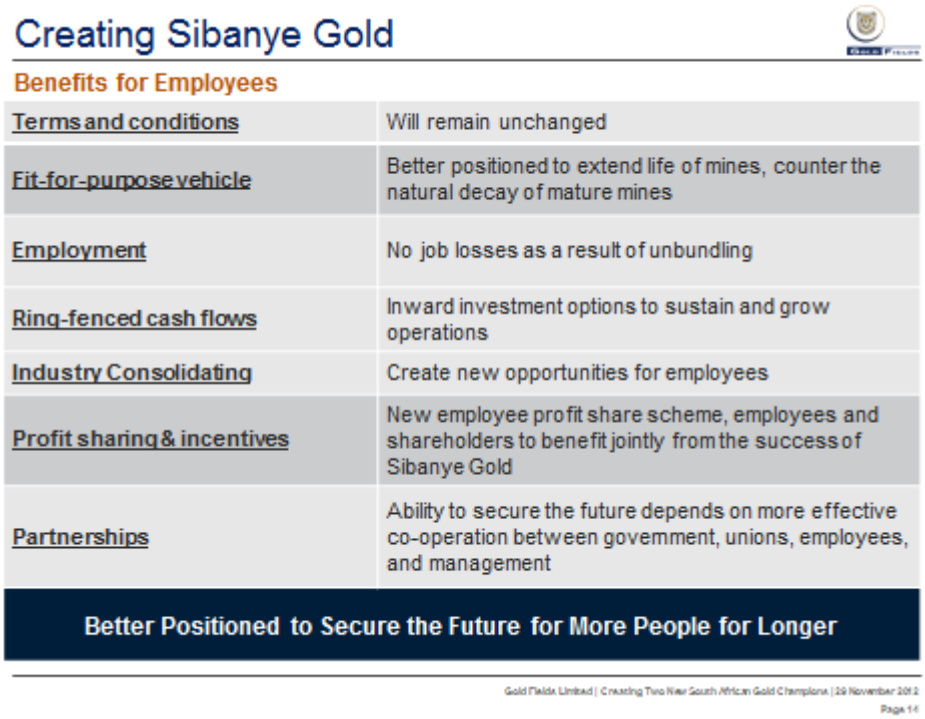
The debt between the two companies has to be split, and Sibanye Gold will retain around R4 billion of debt, which is currently what it has. The balance of the net debt of about $1.4 billion will be with Gold Fields. We don't think there is any issue on the empowerment status of the assets because we are just repackaging them in different companies.

So the benefits. The SA industry needs a turnaround. We need to break the trend. I think a focussed management team with nothing else to worry about is a great start in breaking that trend. The SA industry has become fragmented and unloved. People are saying they don't want to invest in it. As Neal will tell you, if we run these assets correctly there is no reason for the gold industry in South Africa to be unloved, particularly at R500,000 a kilogram.

I've spoken about a lot of these other motivations. Ring fencing the cash flows for reinvestment. Paying out dividends. Creating a yield for investors who seek leverage. Turn around the production trend. Keep on the good work we started with technology and innovation. We've got to find a way of getting back into the 2 million ounces of high-grade pillars we wrote off two years ago because of safety.

We have started some of that work. There are some encouraging early signs. But I would really encourage the new team to continue that work and see how we can bring some of that back. That's even before we look at going below current infrastructure. There are opportunities even above current infrastructure for high-grade pillars to be brought back.

Consolidation I've spoken about. I'm sure that this is going to be positive for the long-term life of mine and for jobs. The benefits for employees are no changes in terms and conditions of employment, no job losses as a result of the unbundling and creation of Sibanye. In fact, if anything, I think the prospects are better because they now have control and access to all of the cash flows they are generating.



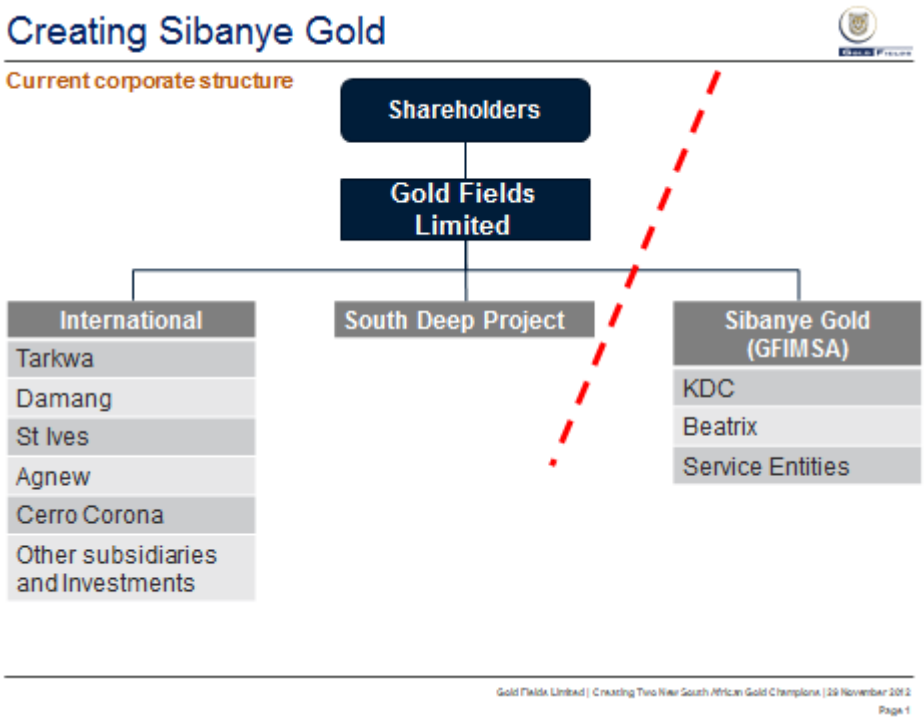
Creating Sibanye Gold

Benefits for Employees

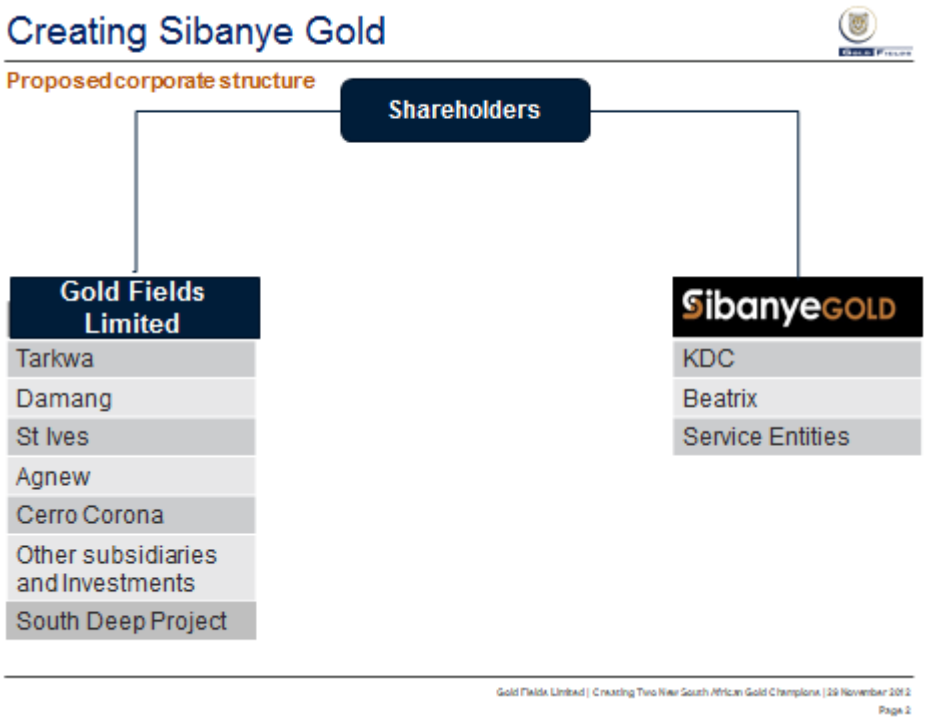
Terms and conditions	Will remain unchanged
Fit-for-purpose vehicle	Better positioned to extend life of mines, counter the natural decay of mature mines
Employment	No job losses as a result of unbundling
Ring-fenced cash flows	Inward investment options to sustain and grow operations
Industry Consolidating	Create new opportunities for employees
Profit sharing & incentives	New employee profit share scheme, employees and shareholders to benefit jointly from the success of Sibanye Gold
Partnerships	Ability to secure the future depends on more effective co-operation between government, unions, employees, and management

Better Positioned to Secure the Future for More People for Longer

The profit share I've spoken about. We will be taking that up with our workforce in organised labour. But all of this is contingent on a strong partnership between government, our employees, organised labour and management. If we can engender that kind of spirit here we're going to be successful.



Here is Gold Fields as it is. I think you're all familiar with that structure. The international assets, South Deep, then GFIMSA as we know it today.



And here is what it looks like afterwards. Sibanye Gold is now unbundled to the shareholders. GFIMSA was the company before. We just changed the name and we unbundled it to shareholders. It is a very simple transaction. Shareholders will end up with two pieces of paper. If you've got an ADR in New York in Gold Fields you will have an ADR in Gold Fields and an ADR in Sibanye. If you've got a common share in Johannesburg in Gold Fields you will have a common share in Johannesburg in Gold Fields and a common share in Sibanye. Two pieces of paper. You decide what you want to do with them afterwards

Now let me hand over to Neal to introduce you to Sibanye.

Neal Froneman

Thanks Nick. Good morning ladies and gentlemen. Let me just start off by saying this is a fantastic opportunity. Today we are creating a proudly South African-focussed mining company. Creating a new company is not new to me. But up until now I've had to drive that off a very small platform. Being able to drive it off a platform like this is unbelievable. Nick, thank you for the opportunity.

SibanyeGOLD

Leadership and Management

The Board of Directors

Chair
Matthews S Moloko. BSc(Hons) and Cert(ficate in Education, University of Leicester, Advanced Management Programme, Wharton. Mr Moloko was appointed a director of Gold Fields Limited on February 25, 2011. He is the executive Chair and Founder of Thesele Group and non-executive Chair of Alexander Forbes Group. He has worked at a number of financial services companies, including Sanlam and Old Mutual, where he was CEO of Old Mutual Asset Management until 2004. Other directorships include Sycom Property Fund and Aucap Limited. He is Chairman of the Nelson Mandela Foundation Investment Committee.

Chair of the Audit Committee
Keith Rayner - B.Com, CTA, CA (SA). Mr Rayner is a Chartered Accountant with a wealth of experience in corporate finance. He is CEO of KAR Presentations, an advisory and presentations company, which specialises in corporate finance and regulatory advice. Mr Rayner is an independent non-executive director of Goliath Gold Limited, Sabi Gold Limited and John Daniel Holdings Limited. He is a member of the JSE Limited's Issuer Regulation Advisory Committee. He was a member of the committee tasked with re-writing the South African Takeover Regulations in the new South African Companies Act. He is a non-practicing member of the Institute of Stockbrokers, a Fellow of the Institute of Directors, and was previously a member of various SAIMREC and SAIMVAL working groups and also a member of the Accounting Practices Committee.

Non-Executive Director
Jerry Vilikazi BA (Unisa), MA(Thames Valley), MA (London), MBA. Mr Vilikazi is Chairman of Palama Investments, which he co-founded to invest in a diversified portfolio of sectors. He is the past CEO of Business Unity South Africa (BUSA). Prior to joining BUSA he was Managing Director of the Black Management Forum. In 2009 he was appointed to the Presidential Broad-Based Black Economic Empowerment Advisory Council and in 2010 was appointed as a Commissioner on the National Planning Commission. He was previously Public Service Commissioner in 1999 and has played a critical role in shaping major policies in the new South Africa.

Mr Vilikazi previously held the positions of Director and Chief Director for Strategic Planning (Home Affairs); Deputy Director for Transformation (Dept of Public Service and Administration); Director for Commerce and Industry (SAICA). He has served on the Board of the Water Research Commission, the Council of the University of Venda and on various ANC branch structures. He has served on a number of structures promoting business such as NEDLAC, NEPAD the SADC Business Forum and various Presidential Working Groups. He is chairman of the Mpumalanga Gambling Board, Palama Investments and Trubok, and is the non-executive chairman of Netcare Limited. He holds non-executive directorships in PPC Limited; Goliath Gold Limited; Blue Label Telecoms; General Health Group (UK); BMF Investment Company; ExecuPrime; Tower Group and the Mpumalanga Economic Growth Agency.

In my mind a company is about the people. That's your most important asset. And it starts with the leadership in the company. Sello Moloko has already been introduced to you. The other two directors are well known. I've worked with them recently. Keith Rayner and Jerry Vilakazi. Good quality and good capacity for the board.

Going forward Rick Menell will spend a year with Sibanye Gold as well as Gold Fields. He will then resign and continue with Gold Fields. So he is providing an interim, transitionary role. Cain Farrell will be taking up the role of Company Secretary. He's the current Gold Fields secretary. I must point out this is the initial board. We will be adding more directors. Clearly you can't run a company of this size with only those directors. The additional appointments I can assure you will be of just as good quality and will obviously represent the demographics of the country. We had one of our employees saying there are no women on the board. There will be a woman on the board as part of the next round of appointments.

SibanyeGOLD

Leadership and Management

Senior Management:

Chief Executive Officer

***Neal Froneman** Pr Eng BSc Mech Eng (Ind Opt), University of the Witwatersrand, Johannesburg, South Africa; BCompt, University of South Africa, Pretoria, South Africa.* Mr Froneman has over 20 years of relevant operational and corporate development mining industry experience. Mr Froneman was appointed CEO of Afrasa Gold in April 2003. Afrasa Gold through a series of reverse takeovers became Gold One International in May 2009. He was primarily responsible for the creation of Uranium One from the Afrasa Gold uranium assets. During this period Mr Froneman was Chief Executive Officer of both Afrasa Gold and Uranium One until his resignation from Uranium One in February 2009. Prior to joining Afrasa Gold, Mr Froneman also held executive and senior management positions at Gold Fields Limited, Harmony Gold Limited and JCI Limited.

Chief Financial Officer

***Charl Keyter** BCom, Johannesburg University; MBA Northwest University; ACMA and CGMA.* Mr Keyter is currently Vice President and Group Head of International Finance for Gold Fields Limited. Mr Keyter started his career with Gold Fields in February 1995 and has held various positions in the finance department, including Management Accountant at Libanon Gold Mine, Kloof Gold Mine and later Unit Manager Finance at Kloof Gold Mine. In 2005, Mr Keyter was appointed Unit Manger–Management Accounting in the Corporate Office and during this time he was the acting Senior Manager Finance for the Venezuela operation. Subsequently he held the position of Senior Manager Finance for the Driefontein Mine and Head of Finance for the South African Region. In 2010, he was appointed as Head of Finance for Gold Fields' International operations. He has more than 17 years mining experience.

EVP Operations

***Peter L. Turner** National Higher Diploma (NHD) Vaal Triangle Technikon SA, Mechanical Engineering; South African Mine Manager Certificate of Competency—Metalliferous; South African Mechanical Engineers Certificate of Competency.* Mr Turner is currently the Executive Vice President and Head of South Africa region for Gold Fields Limited. Mr Turner was appointed to this position on 3 August, 2011 and previously served as Executive Vice President, Head of West Africa since 1 August, 2009. He moved to Ghana in 2003 when he was appointed Vice President of Operations and before that he was the Head of the Kloof mine in South Africa from 2003 and later the Driefontein mine. Prior to joining Gold Fields in 2003, he was Managing Director of Geita Gold Mining Limited in Tanzania from 2002 to 2003 and, before that, General Manager of East and West Africa region for AngloGold Ashanti where he spent the majority of his career. He progressed through the ranks, starting as an engineering trainee at Vaal Reefs in 1973, later spending time in various managerial positions at numerous gold mining operations. Mr Turner has more than 30 years of experience in the mining industry.

- Senior management to reflect South African demographics

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In terms of management, Nick has introduced me. I'm also very pleased to welcome Charl Keyter to the board and the executive management team. Charl is a longstanding Gold Fields employee. I actually worked with Charl at Kloof back in the early 2000s so I know him well. Peter Turner will be also a member of the executive. He is the existing Executive Vice President for the South African Operations. Clearly this is the initial executive, and a company of this size requires a larger executive than what you see here. Again, we will endeavour to reflect the demographics of the country in the appointments going forward.

SibanyeGOLD

Our Resource Base

	KDC	Beatrix	TOTAL
Resources[1]	68 Moz	11 Moz	79 Moz
Reserves[1]	17 Moz	5 Moz	22 Moz
C2011 production	1,100 koz	347 koz	1,447 koz
Number of shafts	12	4	15
Number of processing facilities	5	2	7
Employees in service[2]	25,971	9,256	35,227

High Quality Reserve & Resource Base

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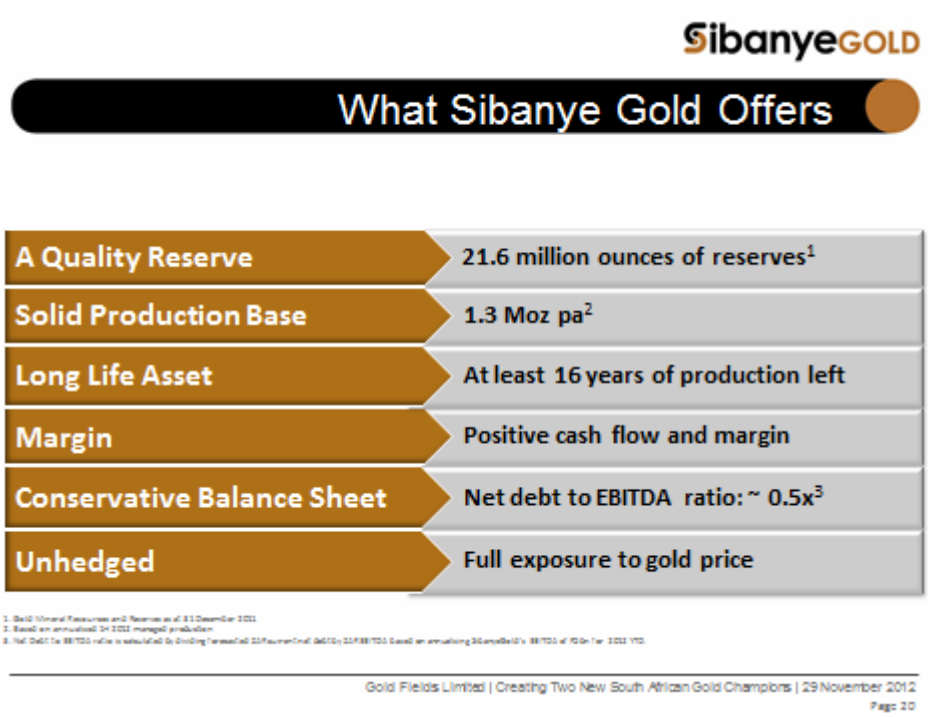
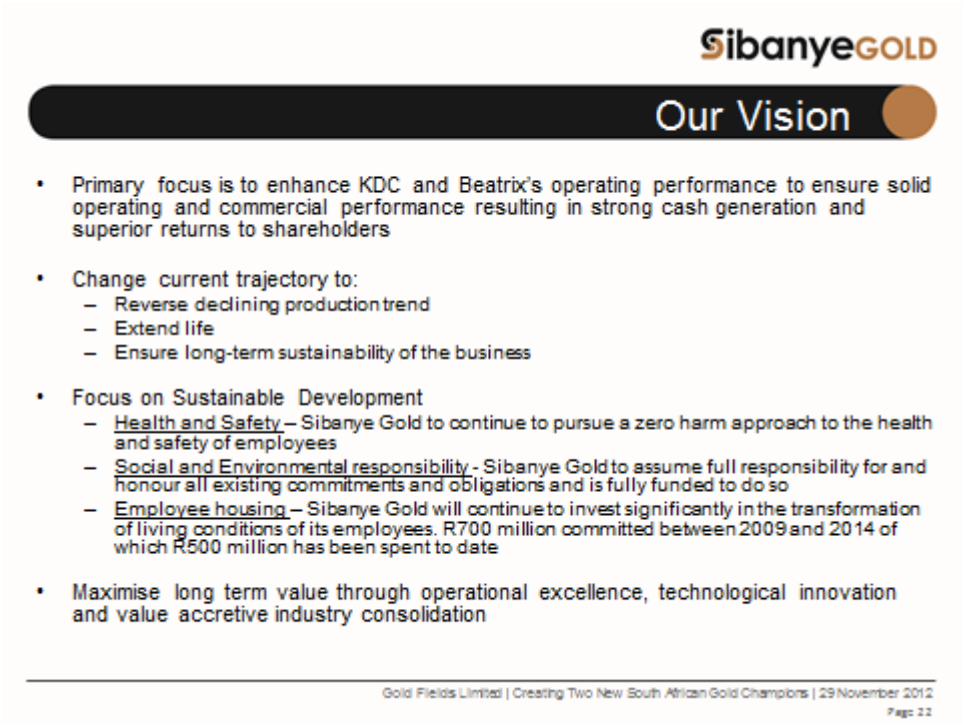
Our resource base is also a very important asset. Clearly if you don't have the resources in the company there is not much you can do. But we sit on a really nice resource base of just under 8 million ounces. Reserves are important and larger, 22 million ounces. Nick put up the production profiles and you can see the numbers there. Clearly a lot of infrastructure and capacity. And we have a huge responsibility, 35,000 employees in service. The key here is to do things differently. I will get onto that shortly.



I won't repeat what I've just said. Again these are not short life assets. On their current trajectory, if we do nothing else they have 16 years of production left. There are a number of projects that will extend the life of these assets considerably, and they are not projects that are going to consume a huge amount of capital. We will be careful, just as Gold Fields has done, on how it spends it capital.
High margins. As you can see from the debt to EBITDA ratio this is not highly leveraged. I think I need to say something on hedging. We will remain unhedged. These assets are extremely leveraged to the gold price. And when the Competent Person's Report is released you will see that at a gold price of R400,000 a kilogram, on a discounted cash flow basi,s they have a value of R13 billion. If you increase the gold price to R420,000 a kilogram that goes up to R22 billion. So you don't want to be hedged in that type of portfolio.

The opportunities I've already alluded to. This is an extremely nice base to create a proudly South African initiative. I think if there is any thinking that the recent industrial unrest created this, that's not true. Nick and his team have been working on this for some time. But what the unrest has done is to highlight the fact that it is time to do things differently. And that is not just a recognition by the industry. I think organised labour and the government have also realised that. I believe everybody is firmly committed to finding ways to solve the issues that caused the recent unrest. And it is not a lot of rocket science. It is going to take the stakeholders some time to work through that, but I believe it is an opportunity to change the landscape for good.



Sibanye starts with a clean sheet. We can really do things that are appropriate for Sibanye, and we intend to do that. Our vision is really not that exciting, but it is to get the operations working in the best possible way. I'm not saying that they're not working well now, but certainly we can enhance it with renewed focus on improving and achieving operating excellence, which will generate good cash. A lot of that cash will be paid back to shareholders. So this is going to be a high-yield vehicle. That is very clear, and I think that is what the market is telling us.

We need to change the current trajectory. I believe that can be achieved through operational excellence, spending a bit of capital on new projects and sound sustainable development. I think Gold Fields has established an excellent safety culture. We need to build off that. We are also not walking away from our social and environmental obligations, and we're going to continue to build on the good culture in those areas as well.

Employee housing. A lot of money has already been spent on changing some of the issues that were a catalyst to the recent industrial unrest. We need to build on that but we have to look at the key issues with regard to migrant labour. The bottom line is we want to maximise long-term value through operational excellence but also through sound sustainable development policies.

Nick mentioned technical innovation. And of course value-accretive industry consolidation. Contrary to what a lot of you may be thinking, I'm not going to be a Pac-man and gobble everything up just for the sake of consolidation.

The investment case in my mind is really quite simple. We have an experienced and supportive board of directors. Certainly I was given the opportunity to interface with each one of the new non-executive directors, share with them my vision in a bit more detail, and, without any single exception, they all buy into that. So that's really important in taking a new company forward, making sure you've got a supportive board of directors.

There is absolutely no question about the competence of the existing management team. Clearly it needs to grow. We know how to mine in South Africa, especially narrow tabular ore bodies. That is our core business, and we certainly have the capacity and the experience to do that.

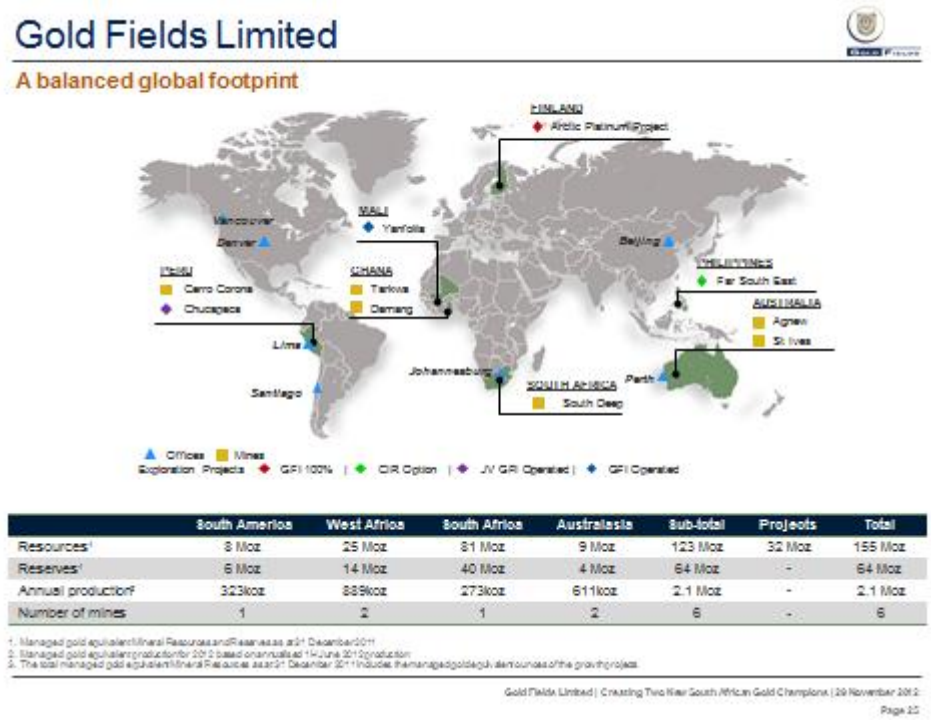
As Nick said, I think anyone that rates these assets negatively has got it wrong. They have very significant value based on the cash flows they're going to generate. And our aim is to increase that and to extend their lives.

I've spoken about the gearing to the gold price. It is very, very significant and I think that we will achieve a premium rating with some of our ideas. Our primary focus is to get our current suite of assets working optimally and reverse this declining trend. There are clearly regional synergies and consolidation opportunities. We will be careful with that. The bottom line is, commercially, we have to do the right thing. So a strong dividend policy will be established and committed to.

Gold Fields Limited - Post transaction

Nick Holland
Chief Executive Officer

Nick Holland
This takes us then to where to for Gold Fields post the creation of Sibanye, after the middle of February next year. What's the investment case for Gold Fields?



	South America	West Africa	South Africa	Australasia	Sub-total	Projects	Total
Resources[1]	8 Moz	25 Moz	81 Moz	9 Moz	123 Moz	32 Moz	155 Moz
Reserves[1]	6 Moz	14 Moz	40 Moz	4 Moz	64 Moz	-	64 Moz
Annual production[2]	323koz	889koz	273koz	611koz	2.1 Moz	-	2.1 Moz
Number of mines	1	2	1	2	6	-	6

1. Managed gold equivalent Mineral Resources and Reserves as at 31 December 2011
2. Managed gold equivalent production for 2012 based on annualised 1H June 2012 production
3. The total managed gold equivalent Mineral Resources as at 31 December 2011 includes the managed gold equivalent ounces of the growth projects

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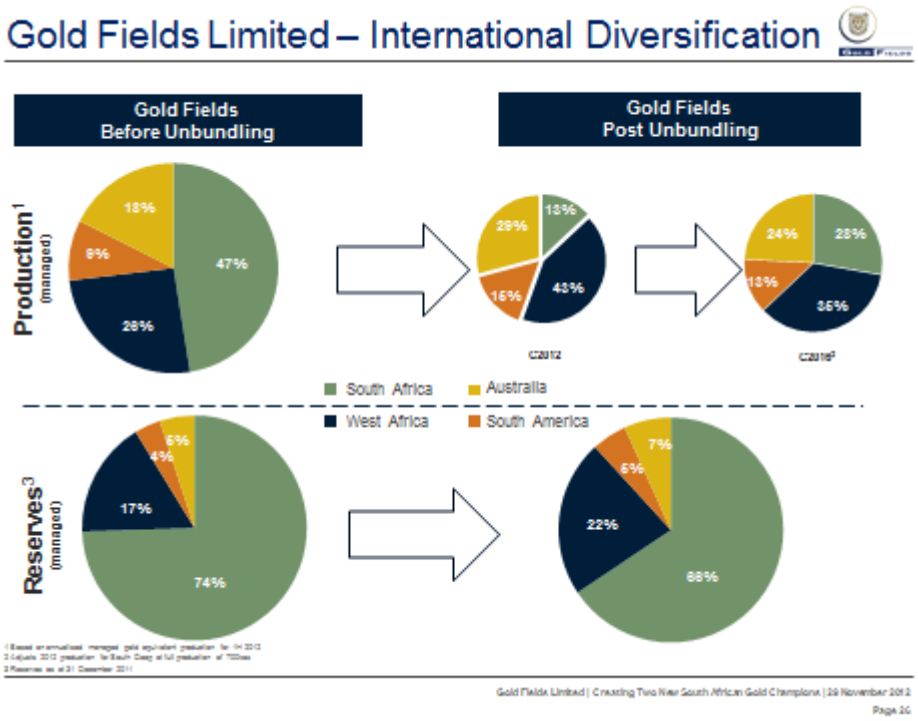
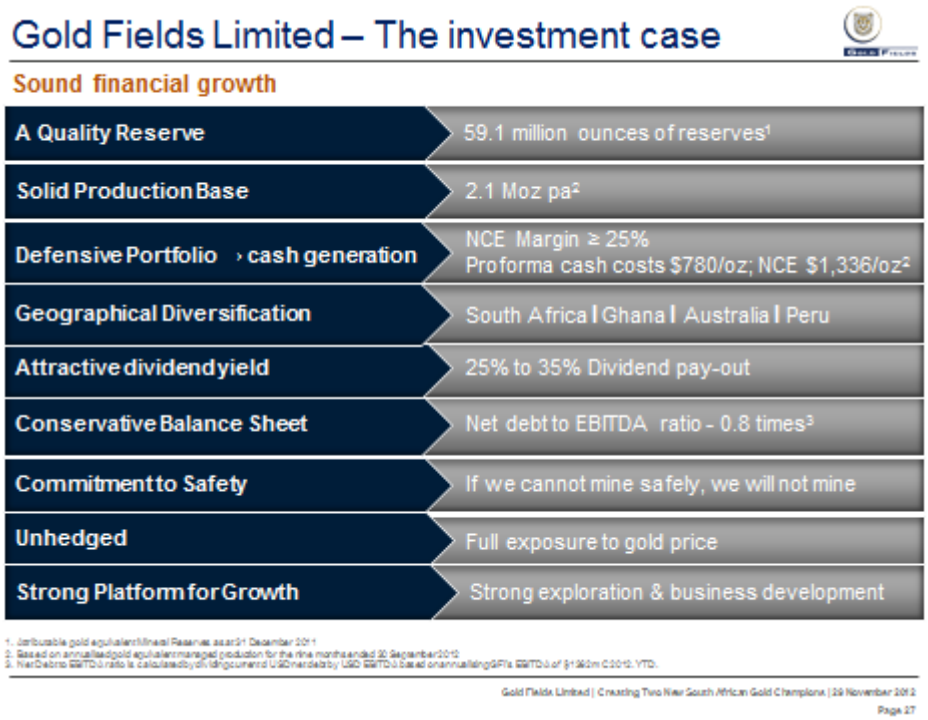
We still have a strong global portfolio with a footprint in South Africa that is very significant. South Deep remains a core of our business. And if you look at our reserves of 64 million ounces you can see that 40 million ounces of that relates to South Deep. 24 million ounces is the international operations' reserves. Obviously we intend to grow that as well.

Our production is 2.1 million ounces. But that doesn't place us in too bad a position compared to some of the other majors. Newcrest is about 2.5 million ounces. Kinross is about the same. So it gives you an idea of where we sit. They are all in the top eight. So I think we are going to be challenging and pushing up our ratings over time as we grow this company.



The global expansion of the company remains absolutely key. Nothing will change in terms of our strategy there. If we look at our production mix before the deal we were 47% South Africa. Interestingly enough, when I got into the job four and a half years ago we were 68%. I told you then I wanted to get South African down to 40%, not because we don't like South Africa, but we don't want anything to be dominating the portfolio. Well, currently we're down to 47%, not just because of declines in South Africa, but because we have added 700,000 ounces of attributable production to the international portfolio, which has taken the international production base from 1.3 million to around 1.9 million ounces.

We've got some exciting opportunities ahead of us. We've got brownfields projects at three of our international divisions, in Peru, Ghana and Australia. There are opportunities for us to change the trajectory of those particular assets. And on top of that, of course, we've got a whole slew of greenfields projects that are in different stages of exploration and development.

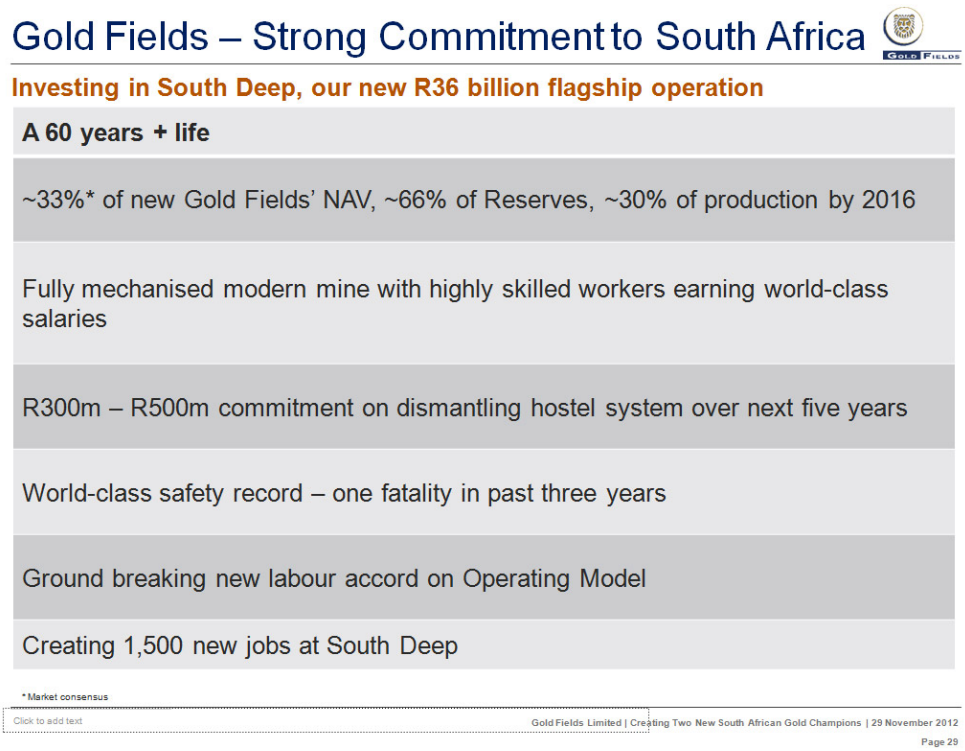


The reserve base is still heavily dominant in South Africa, but the important point is that's all South Deep which is a very different kind of ore reserve. Remember it is bulk massive mechanised mining at depth. Safe operations. We've had only one fatality at South Deep in three years. That gives you a good idea of the level of safety that has been achieved. And of late they're starting to approach safety levels seen at Australian mechanised underground operations.

In terms of production in the new portfolio, once South Deep gets to full production South Africa will get up to about 28%. But that assumes no further growth from the rest of the portfolio, which I think is not right. We will be able to achieve growth elsewhere in the portfolio. So that will give you an idea of what the relative weightings will look like.

On an attributable basis Gold Fields will have 59 million ounces of reserves, 2.1 million ounces of production. We will still be heavily focussed on all-in costs of production. And I must tell you that I'm very excited that at last the gold industry is looking at redefining its cost definitions and not just looking at cash costs, so that we all start talking the same tune about what it really does cost to produce an ounce of gold.

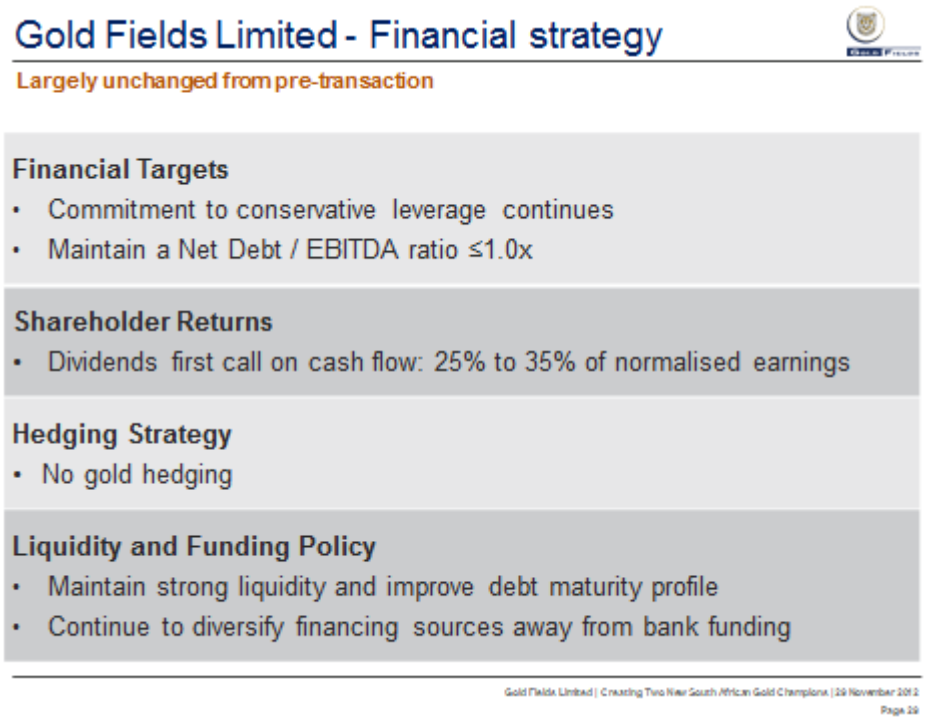
We will continue to focus on improving our margins and getting over 25%. You've seen the geographical diversification there. Our dividend pay-out will remain the same, 25% to 35% dividend pay-out as a first call against the on-going current cash flows of the operations. And that won't change. We want to continue with a conservative balance sheet. I'm also more convinced than ever that we need to be unhedged. And of course we have a strong platform for growth in the future. We will remain largely a gold company as well.



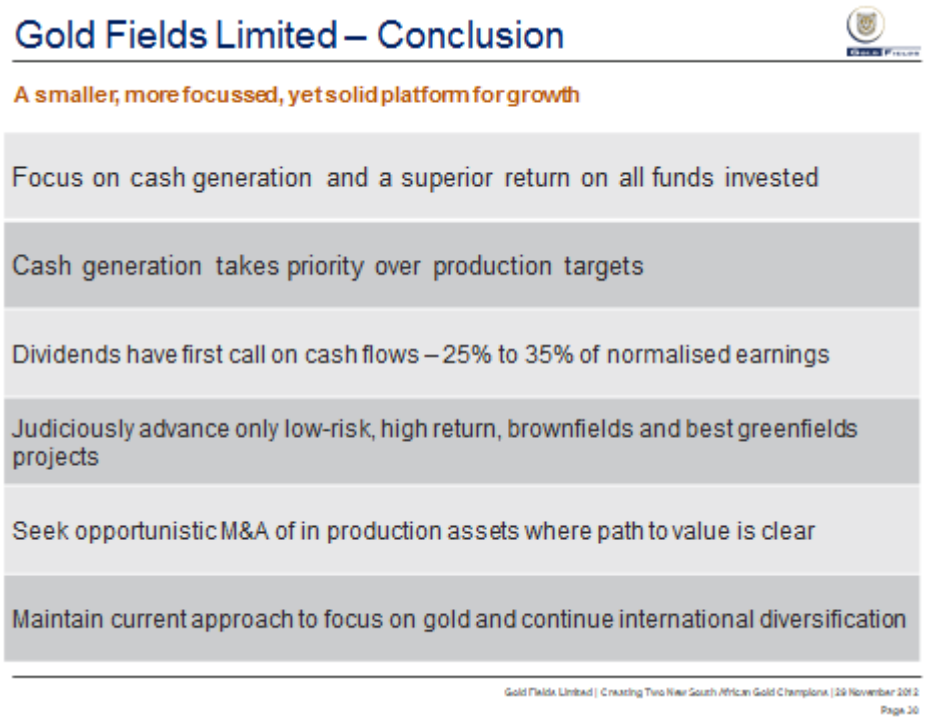
South Deep is our flagship operation. We've got a R30 billion investment here to date. We've got another R5 billion to spend before we hit full production, so we're over the worst of it. Being out at the mine last month it was great to see the first skip hoist of 30 tonnes from the ventilation shaft. It was great to see the second ball mill turning. So the plant and the hoisting capacity is almost there to support full production, which we expect to achieve in around three years' time.

We're going to really create a new model for accommodation on the operation and we're going to dismantle the hostel system at South Deep. We believe we can create a new model for a mine that will be around for 50 to 70 years.

We've got a new agreement with labour that took a lot of negotiation during the year. We managed to eventually conclude the deal in October. We've now started working 24 hours a day, seven days a week, which is what all mechanised underground mines around the world are doing. It is going to take some time to see the benefits, but it is going to give us 23% more face time and it is going to be the catalyst for taking South Deep to the next level. In an industry that is not creating jobs South Deep is going to create 1,500 new jobs between now and 2015.



Our financial strategy is unchanged. I've mentioned our leverage targets, dividends etc



. In conclusion, we will create a smaller, more focussed company with a solid platform for growth. And nothing has changed in our strategy about growth. It's the same as it was before, it's just on a suite of assets that is now more complementary with a more focussed management approach.

We'd like to grow the company through projects, but will keep an eye out for opportunistic M&A actions. With these kinds of things you've got to see if there is a path to value and whether it is going to be accretive.

SibanyeGOLD

Proforma Five-Year Financial History

	Units	F2007	F2008	F2009	F2010	C2011	C2012ytd
Gold Price	R/kg	147,320	189,964	252,991	264,231	369,139	425,186
Gold produced (managed)	Kg	77,226	68,023	57,976	51,888	45,005	31,228
Revenue	R'm	11,377	12,922	14,667	13,710	16,613	13,278
EBITDA	R'm	4,619	5,575	6,016	4,181	6,752	4,994
Capital expenditure	R'm	2,184	2,491	2,622	2,895	2,911	2,330
Total cash cost	R/kg	83,511	102,667	142,019	177,650	220,225	266,767
NCE	R/kg	115,789	144,626	194,465	239,437	283,804	339,849
NCE margin		21%	24%	23%	9%	23%	20%

Gold Fields Limited - Pro-forma financial history

Salient features of 5-year financial history

Description	Units	F2007	F2008	F2009	F2010	C2011	C2012nd
Gold price	$/oz	639	819	877	1,086	1,555	1,642
Managed gold produced	Koz	1,748	1,694	1,827	2,173	2,250	1,565
Revenue	$m	1,119	1,388	1,600	2,356	3,499	2,576
EBITDA	$m	434	477	605	1,107	1,989	1,362
Capital expenditure	$m	283	489	548	635	908	844
Total Cash Cost	$/oz	394	524	542	582	696	780
NCE	$/oz	572	820	857	878	1,109	1,336
NCE Margin	%	11%	0%	2%	19%	29%	19%

Note: 2007-2010 fiscal year ends are June; 2011 fiscal year-end is December - due to company change in fiscal year from June to December. In December 2010, Only continuing operations presented

Questions and answers

Steve Shepherd, JP Morgan.

I'm listening carefully to what you're saying. You're saying the new company is going to be a high-yield company. And you also implied, if I understood you correctly, that you would be investing for a longer life. Isn't there some sort of contradiction there?

Clearly large amounts of capital are going to detract from a dividend. I think that we will be able to extend the life through capital investment, not excessive capital investment. I think we're going to be very careful on what we spend our capital on. There are projects that I believe can be brought into production in a staged way. We're not talking about new shafts. There are down dip extensions that can be incremental.

But our aim is to re-establish a proudly South African company with a rating that is not a discount as it is perceived now. And there are two things to do. If you don't get the dividend yield right you're not going to get that premium rating. I also think the jurisdictions in which South African-focussed companies are listed need to change in the longer run. There is a much bigger strategy to achieving it. But none of that is going to be achieved unless you have the underlying dividend yield. So they are not contradictory. We're going to have to balance them.

I have a small follow-up question to that. The old debate, volume versus grade. Now, how did your predecessor put it? Saks 5th Avenue versus Wal-Mart. Where do you stand on that?

Listen, I think we've overplayed the size of the company by the number of ounces it produces. Not having conducted any review of the assets that I'm getting involved in, I'm not suggesting that the profile will still stay exactly the same. I think it is about margins and cash flow. So it is about quality, not about size.

One more very short question. Do you think there is room for a strategic partner in a company like Sibanye?

Absolutely, I do, yes.

Brush up on your Mandarin then. Moving to you, Nick. Funding of South Deep. Obviously the money has been going out of South Africa. It looks like it will be coming in now. Have you got any comments on that? How will you fund the rest of the capex for South Deep?

Nick Holland
I believe we are getting very close to a point where South Deep is going to be funding itself. And we are over the hill just about in terms of the capital. I think you will see the capital expenditure in 2014 is probably going to be less than what it has been this year and well be next year. And the mine has got a very clear message that it has now got to start looking after itself. They are doing that with a new operating model. There is every reason to believe they can get their production up. Their de-stress is about 70% up on last year. And of course the de-stress is very important for opening up the long haul open stoping opportunities which are going to be two-thirds of the mining in the future.

So they're going to have to step up. The one thing this has done, it makes us focus on each and every asset in the portfolio. Each and every asset needs to be looked at critically. We can't subsidise

non-performers. Everyone has to perform in the group. It's like a Premier League team. Every player has to perform; otherwise we need to put new players in.

Moving on. With the 2 million ounce production base of course you've got much more project gearing than you used to have in terms of opportunities if they come around. The question is would you be looking at smaller opportunities than perhaps you would have done before?

I think you've heard me say that I'm a great believer in getting small operations into the portfolio, because usually they have a shorter pay-back. They're not as risky in terms of the capital you put in. And it helps to reduce the concentration of production. In fact having more mines that are smaller probably is a better strategy than having a few larger operations. So we're on the lookout. We're prepared to drop our thresholds. We're not fixated about the rule of two's anymore. The rule of two's was 2 million ounces of resource or reserve, 200,000 ounces a year. We're really focussed on opportunities where we can generate value.

Having said that, we've got to take the growth portfolio and keep it moving along. And we've had some good wins on that during the year. We've got a maiden resource at FSE. We've got a 40% vesting in that project. We've got a feasibility at Chucapaca that we were unhappy with, but there is still a 7.5 million ounce resource, which is virtually a reserve because it is so well drilled, and we're going to look at how best to bring that opportunity to account.

We've got Yanfolila in Mali. We've got any number of different versions of expansions at Damang, which has got a 10 million ounce resource. We've got plenty of toys to play with here. We've just got to work out which ones are the right ones to push first, including brownfields projects. Potentially a new plant at Tarkwa, a new plant at Cerro Corona, a heap leach operation at Cerro Corona. So we've got lots of growth opportunities. We've got to work out the best sequence and the best prioritisation. That's going to be the job of the new team.

Last one very briefly. Far Southeast is a $15 billion project. Isn't that too big for a company like Gold Fields in the new form?

It is a big project. 43 million ounces. We're talking 900 million tonnes of ore. It's a very large operation. But we've got the opportunity. If we need to bring in a partner we're not adverse to looking at that. If it's a great project and we can help de-risk it by bringing in good, financially strong and technically able partners, I have no problem at all with that.

Andrew England with the Financial Times.
I know you said that Marikana didn't affect the decision, but did it have any impact on the timing? Do you think the unrest we're seeing will accelerate the trend to consolidation? The decision to hive off Beatrix and KDC, obviously they're the most challenging and the oldest mines in the portfolio. Is there going to be investor interest in this? On Tuesday you said if things carry on as they are, in five years there won't be an industry in South Africa. These are the most challenging mines that you have. So why would investors see any attraction in investing in mature, old, deep, labour intensive mines?

Today you're seeing my response to Monday. On Monday I told you where we're going to go if we do nothing. Thursday I'm telling you what we're going to do to make sure we don't end up in that scenario. By liberating these assets and setting them free we are creating a new opportunity for us to turn these assets around. That's the key ingredient to all of this. Will this start consolidation in the South African industry? I think it's inevitable that other companies have to look at their portfolios and

we have to work out how best those portfolios have to be managed, including tearing down farm fences, which has been a long issue. I think Bobby Godsell was the first guy to say let's get the farm fences torn down. Let's do so, because if we don't we won't be able to turn this gold industry around. I think we can. With almost R500,000 a kilogram and with a renewed focus on productivity and safety I think we can turn this around. And that's why we've created this today. But if we stay as we are in this industry with large global gold companies, with projects competing for scarce capital, then I don't think that's the best model for these particular assets. So let's watch this space.

And will the future expansion of KDC and Beatrix be on new technology that doesn't exist? If they have been in decline that decline will continue unless that new technology comes in.

Not necessarily. I think just improving the current mining practises will help. That's what Neal will focus on straight away. Just by improving what we have today we can certainly do better. But there is going to be a need for technology, and a lot of it is off the shelf. We don't have to go and try re-invent technology. There is a lot out there that we can still use today and get early wins.

Neal Froneman
It's well known that the best way to grow your resource base is to get your pay limit down. Straight out of this transaction there is very significant savings that will flow through. There is a much lower corporate overhead for Sibanye. And clearly there will be some rationalisation. But that's not going to save or materially change the pay limit. Getting the volume up in the right places will improve the unit costs as well and grow the resource. I don't think that we really have to go deeper. There are a lot of secondary reefs at KDC and there are extensions to Beatrix that involve things like uranium co-products. The uranium price is about to change. There is a model we know what will trigger a lowering of cost just due to co-products. Those are the types of initiatives that are going to make a difference.

In terms of technology we're saddled with narrow tabular reefs. But I think we can make drilling easier and more efficient. But it is going to be very difficult to mechanise it in the short term. The use of hydro power systems is well established. The use of stope drill rigs to improve the accuracy of drilling will help as it takes the dependence away from rock drillers as we know them today. In fact, we are working towards having women being able to operate rock drills off stope drill rigs. So the technology is not rocket science or pie in the sky. I think the issues that will change the asset base that we inherit are a lot simpler than what meets the eye.

Andrew Byrne from Barclays Capital.
This is a transaction that you've had in the pipeline and you've been looking at for a significant period of time. Obviously you've been interacting with government. Can you discuss what the key sticking points were to getting this transaction away and what the hurdles were that you had to overcome?

Nick Holland
I think the key hurdle was to find a competent and capable Chief Executive to run the company. And getting Neal – I'm not being flippant when I say that – on board was a key ingredient. Without a competent CEO to lead this we're not necessarily going to have the vision. We've got a great operational team to support Neal, but we needed a great entrepreneurial leader to take that forward. Obviously I was very excited when we managed to get Neal to come, and I think he's probably even more excited than we are.

And then the next big issue is to look obviously at the impact on our current debt arrangements. There was a lot of work we had to do there. I must give credit to Paul Schmidt over here who has worked

tirelessly.

What I didn't want was for these assets to die the death of a thousand cuts where they keep on declining, and then eventually you lose critical mass in an asset, and you have to hive that off. This is an omnibus solution, which for the employees at large means we're creating a financially viable company from the start that makes good cash flow, that is well capitalised, that is well funded and that is going to honour all of its obligations going forward. That was another key ingredient.

And then of course the stakeholders have to be supportive. And we have done some work on that too. We haven't just announced this today. We've done some work behind the scenes in talking to stakeholders about this. So those are the key areas we had to deal with.

My main question was leading towards the stakeholder discussions. What were government's concerns? What were the battles that you needed to take to them to get this to work?

I think the important thing is that this shouldn't trigger an immediate impact on jobs. That's the one thing. Number two, we need to make sure that we adhere to and honour our social commitments, which of course we will do. Environmental obligations are another key issue. And we are fully funded on all of our environmental obligations. And then of course from the point of view of organised labour to make sure that the scenario is not less beneficial to the employees than what it is pre the deal. Those are some of the key issues. I am sure there will be more debate and questions on all of this, but so far that has been the kind of discussion. We have covered all the boxes we believe but there may be some others we need to deal with in time.

Martin Creamer from Mining Weekly online.
Neal referred to some different approach he would be taking to migrant labour. Could we get some insight into what sort of differences these might be, whether there is any aspiration to create global best practise when it comes to migrant labour, and if this would also involve shorter working cycles and possibly reaching that 365 days a year as a quid quo pro from a productivity point of view?

Neal Froneman
Martin, that's a good question, and clearly we don't have all the answers yet. I think the answers have to be worked out together with the stakeholders. I think a lot of the work that Nick alluded to behind the scenes set the scene for that to happen. But you are quite right. I think we understand the underlying cause of the industrial unrest. We have to work towards global best practise. Things like fly in and fly out – it might not be fly-in, but bus-in, bus-out – are the type of things. We've got to establish communities where they belong. We can't just do away with migrant labour. We have to recognise it is not ideal, but that's what we have today. But we need to stop the issues of establishing dual communities and dual families and dual costs.

So certainly we want to adopt international practises. I don't have all the answers, but I know that the playing fields have never been like they are now. Industry, organised labour and government are desperate to do something together to solve these issues. And we are willing to lead that process. As the biggest South African gold producer we're going to play our part.

Clearly there will be some rationalisation. What do you mean by that? In what areas will that rationalisation take place?

The rationalisation I referred to is more around the services on the mines. First of all we're going to

move a corporate office of very few people to the mines. Those services need to be rationalised though I go into this with an open mind. There may also be opportunities in maybe restructuring the business a bit different. At the moment we have large regions. Perhaps they need to be smaller business units. That's what I mean by rationalisation.

Question from James Wellstead. What is the tax impact of unbundling on both local and offshore shareholders?

Nick Holland
It has no impact on local shareholders. This is a straightforward unbundling in terms of the existing legislation. For offshore shareholders each jurisdiction has a different issue. But in the US there will be a rollover for them on that. In the UK and other jurisdictions there is different treatment, but in the US and South Africa it is okay.

Speaker	Narrative

END OF TRANSCRIPT