GOLD FIELDS

Q4 2012

RESULTS FOR THE PERIOD
ENDED 31 DECEMBER 2012

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Q4 2012 Results presentation and transcript

Fourth Quarter and Year-end Results
Period ending 31 December 2012

Market Presentation
14 February 2013
Nick Holland
Chief Executive Officer

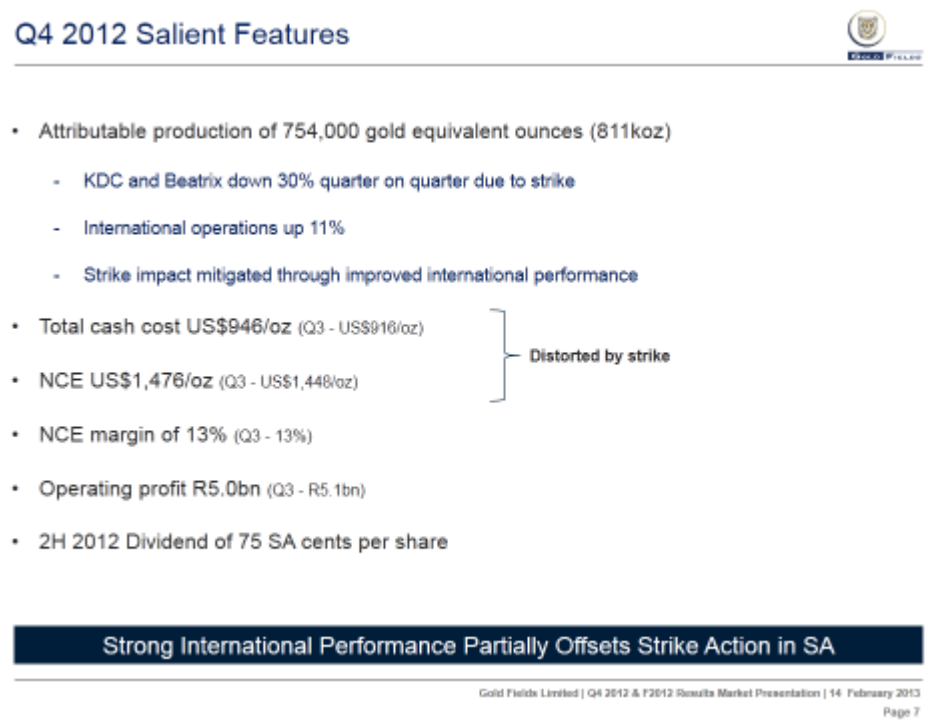
Forward Looking Statements

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

In particular, the forward looking statements in this document include among others those relating to the Damang Exploration Target Statement; the Far Southeast Exploration Target Statement; commodity prices; demand for gold and other metals and minerals; interest rate expectations; exploration and production costs; levels of expected production; Gold Fields' growth pipeline; levels and expected benefits of current and planned capital expenditures; future reserve, resource and other mineralisation levels; and the extent of cost efficiencies and savings to be achieved. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa, Ghana, Australia, Peru and elsewhere; the ability to achieve anticipated efficiencies and other cost savings in connection with past and future acquisitions, exploration and development activities; decreases in the market price of gold and/or copper; hazards associated with underground and surface gold mining; labour disruptions; availability terms and deployment of capital or credit; changes in government regulations, particularly taxation and environmental regulations; and new legislation affecting mining and mineral rights; changes in exchange rates; currency devaluations; the availability and cost of raw and finished materials; the cost of energy and water; inflation and other macro-economic factors, industrial action, temporary stoppages of mines for safety and unplanned maintenance reasons; and the impact of the AIDS and other occupational health risks experienced by Gold Fields' employees.

These forward looking statements speak only as of the date of this document. Gold Fields undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

Before we start the presentation I'm delighted to have Cheryl Carolus with us today, our newly-appointed Chair. As you will have seen yesterday Dr Mamphela Ramphele has tendered her resignation with immediate effect. We are delighted that Cheryl could step in and take over as Char.
At the same time I'd also like to give praise and tribute to Dr Ramphele for the excellent input she gave in the period that she was on our board and as our Chair, and also the personal guidance that I received from her. We wish her well in her endeavours, and I'm sure you will understand that she is embarking on a different direction and she will obviously have her own words to say on that in due course.
Cheryl has been on our board for some years, she knows the company extremely well, so I believe that this is a seamless transition that we have here.



Back to the results for the quarter and for the year ended December. Let me give you a brief overview. Attributable production for the quarter was just over 750,000 ounces. That is 7% down on the previous quarter or about 55,000 ounces. Now, the dominant factor of the last quarter and in fact the last two quarters was the illegal strike that plagued the industry at large and of course Gold Fields. And during the quarter alone it cost us 110,000 ounces as compared to around 35,000 ounces in the previous quarter.

So in fact we did better than what you would expect given that we had to absorb a 110,000 ounce decline. We in essence clawed back half of that through improved performances from the international operations, which reported an 11% increase in production. That really helped to mitigate a lot of the impact of the strike.

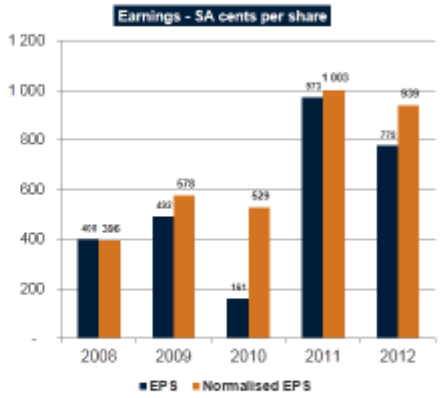
Of course the fact that we had the strike meant that a lot of the costs still remained in the system in South Africa although it was no work, no pay. Remember we still had the senior and middle management on the operations. All of those costs remained as well as things like electricity costs, consumables. So of course the unit costs went up significantly because of the strike. And I think that's a feature you've seen across the industry. So those figures are very distorted compared to what the historical numbers have been.

That is why this quarter it is quite difficult to report because of this big hole in production we've seen during the quarter. Notwithstanding that we managed to maintain our operating profit. That's because of higher gold prices. An operating profit of R5 billion compared to R5.1 billion previously, and of course the impact of more production coming from the lower-cost operations of the group.

In line with our policy of paying dividends in a range of 25% to 35% of earnings we've paid a dividend of 75 cents per share, and that takes the year's payout to 235 cents per share. I believe we are still leaders of the pack in terms of rewarding shareholders with cash payouts.

F2012 Salient Features

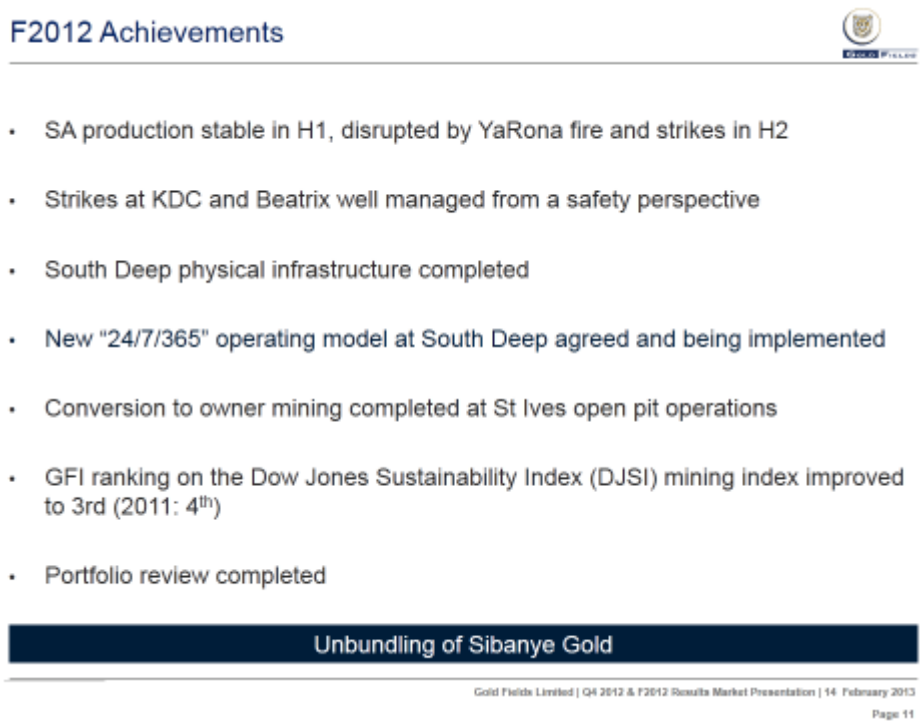
- Attributable production of 3.25 million gold equivalent ounces (F2011 - 3.49Moz)
- Total cash cost US$894/oz (F2011- US$795/oz)
- NCE US$1,376/oz (F2011 – US$1,173/oz)
- Operating profit to R21.0bn (F2011 - R21.1bn)
- NCE margin of 17% (F2011 - 25%)
- Normalised earnings R6.8bn (F2011 - R7.2bn)



Strong First Half, Challenging Second Half

Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 9

If we look at the year very briefly, it's a similar story. 3.25 million ounces of gold for the year, which of course is below where we wanted to be. The strike alone cost 145,000 ounces so if you add that back you're at about 3.4 million. And we lost around about another 30,000 ounces because of the tragic fire that took place at the Ya Rona shaft at Driefontein on 30th June last year. So if you add those back that reconciles back to the previous year's production with some plusses and minuses in the portfolio.
Cash costs of course were impacted again by the strike, and notwithstanding that I believe that the cost control in the company – and you can see that in the numbers if you go through each region and each mine – has been very good over the year.
Earnings were R6.8 billion for the year. Normalised earnings were very similar to the previous year, so we managed to use the higher gold price to help the bottom line, together with clawing back some of the production lost from the rest of the group.



What are the achievements over the last year? I must say it was really tragic that the trajectory that we had built up at the KDC and Beatrix operations in the first half was impacted by the strikes because for the first time in a number of years in the first half production in South Africa was virtually the same as the corresponding period in the previous year.

Unfortunately the second half of the year had a lot of challenges – the strike and the fire – so it is hard to compare results for the year when you look at that. It's really very much a tale of two halves. I think the most important achievement in 2012 was not the fact that we had a strike, but the way that the teams reacted to it and the fact that we were able to ensure that there were no injuries to people, there was no damage to property and we didn't capitulate to the demands. And we got everyone back to work safely. We can look back with a measure of pride at how we managed to deal with the strike situation. That for me is probably the most important achievement in a very challenging year.

The other thing that I'm very pleased about is the fact that we finished all of the fixed infrastructure at South Deep. Some of you may have gone on the mine visit last Friday. You would have seen that we now have an expanded processing plant to cope with full production, expected in over three years' time. We have an expanded ventilation shaft that will allow us to hoist full production. We have a new back-fill plant to augment the tails facility as well as the refrigeration facility we put in place. We've got all of the fixed infrastructure we need now for South Deep. The key challenge now is to ramp up the development underground.

Beyond that we agreed to a new operating model with the unions at South Deep, whereby we now work 24 hours a day seven days a week. And that is the international model for underground mechanised mines. That took a lot of work and negotiation but I believe we have made a breakthrough. I think the environment on the mine in terms of the management workforce liaison has improved, and that sets the benchmark for us to really drive momentum on this operation.

At St Ives we spent a lot of money last year converting to owner mining. Around about $60 million over and above the normal sustaining capital was spent converting the open pits to owner mining. That should result in a drop in working costs.

And from a sustainability perspective we were ranked third on the worldwide Dow Jones index in the mining sector, up from fourth last year, and the top-rated South African mining company on sustainability. We're very proud of that.

We also undertook a major portfolio review. Some of you may have seen my presentation that I did in Melbourne on 31st July last year where I talked about the need for the industry to change. We have done a lot of work on that, which I will share with you.

Proforma Results – new Gold Fields

		Q4 2012	F2012
Attributable production	koz	534	2,031
Cash costs	US$/oz	793	784
NCE	US$/oz	1,365	1,365
NCE margin	%	19	18
EBITDA	US$ m	506	1,868
Mine capital expenditure	US$ m	312	1,155
Project capital	US$m	17	58
FSE expenditure	US$m	16	65
Cash generated by international operations	US$m	177	276
Cash invested in South Deep	US$m	43	167
Net cash generated by new Gold Fields mines	US$m	134	109

Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 13

Now, the results in the book are of course quite difficult to follow because we have the accounting requirement of having to show continuing and discontinued operations. So we have split those results out. And we will have that same issue for the first two months of Q1 2013.

Let me try and give you a simplified version. What does the new Gold Fields look like on a pro forma basis if we look at the last quarter and the last year? Remember these are historical numbers. They are all in the book, and we have just rehashed them.

So in essence we are looking here at 2 million ounces that we have produced from the new Gold Fields. You can see cash costs are just under $800. NCE is fairly high given some of the inward investment at places like St Ives. And of course we had a peak year of capital at South Deep. We spent R2.5 billion last year. That's the highest we will ever see in a single year at South Deep, certainly in today's money terms.

But more importantly, you can see EBITDA at about $500 million for the quarter and close to $2 billion for the year. You can see a breakdown of capital here, how much we've spent on the mines, how much we've invested in projects.

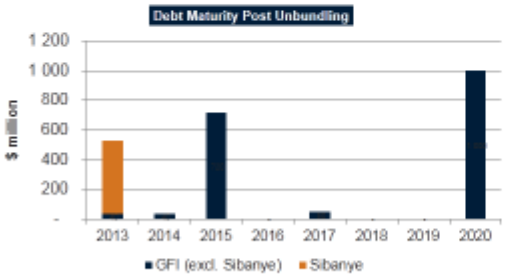
And a pro forma number here that doesn't add up in these numbers is the FSE expenditure. That's the Philippines project where we spent $65 million last year. That number will be lower next year, and I will talk about that a little later.

But you can see the operations, if you exclude South Deep for the moment given the fact that it's building up, are highly cash generative. And that's the important thing. It's a defensive portfolio and we can certainly withstand lower prices. South Deep of course needs to fund itself by the end of 2013. That's a key deliverable for this team.

Financial Strategy

Leverage the Balance Sheet

Proforma All figures in US$ million	Gold Fields	Sibanye Gold
Net Debt – 31 Dec 2012	1,263	443
EBITDA – C2012	1,868	694
Net Debt/EBITDA – 31 Dec 2012	0.68	0.64
Committed unutilised facilities (Post unbundling)	700	207
Cash From Operations – C2012	962	480



Financial Targets

- Leverage balance sheet in particular, the long end
- Strive for long-term Net Debt / EBITDA ratio ≤1.0x

Liquidity and Funding Policy

- Maintain strong liquidity and improve debt maturity profile
- Continue to diversify financing sources away from bank funding

Balance Sheet

- Conservative debt maturity schedule

Conservative Approach

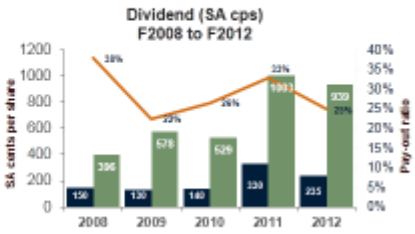
Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 15

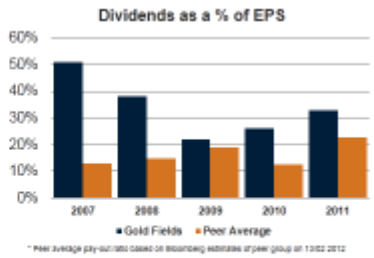
So let's look at what does Gold Fields balance sheet looks like. A lot of you have been asking how do you split the debt, who gets what and what is the financial viability of each of the operations? As you can see here the net debt for Gold Fields is around $1.3 billion. Sibanye I think they're in good shape because they're only taking about $400 million.
If I look at the EBITDA historically that is always a good measure of the ability to repay debt. And you can see both companies are well placed in terms of their ability to service that debt. So there is nothing to be concerned about in terms of how we split the funding here. Both companies are going to be robust.
We've got facilities in place that are committed as a backstop if we need them. And more importantly, as you can see, a big chunk of our debt is actually pushed out in the long end. It's not debt that is subject to the vagaries of re-pricing of interest rates. It is fixed at 4.8%. So that gives us a lot of comfort in terms of the financial viability of the new Sibanye and Gold Fields.

Financial Strategy

Commitment to return cash to shareholders

- Final dividend: R0.75 per share
- Full-year dividend: R2.35 per share
- Annual pay-out ratio: 25%





Conservative Approach

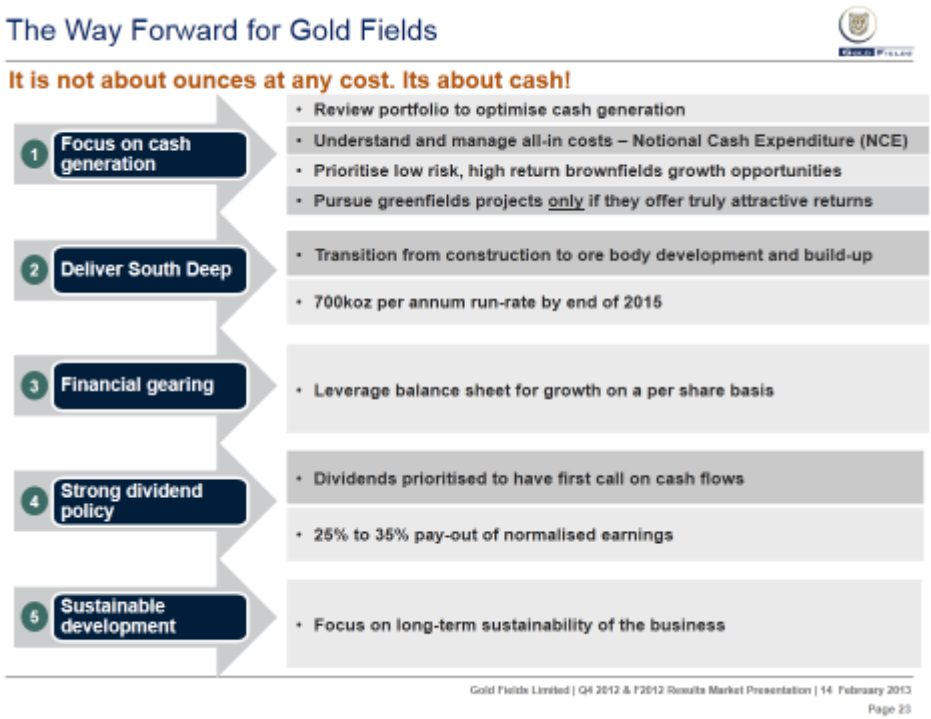
Dividends I've talked about. We're proud of our track record. Here is the comparison against the industry. You can see Gold Fields in the blue is consistently outperforming the industry. So if you want to get a company that pays good dividends we've certainly delivered that over the last five years.

Let's talk briefly about the new Gold Fields and where we want to go to. I talked earlier about Melbourne and what I believe is probably a defining moment in how the mining industry, not just the gold industry, is going to start re-looking at things. But let's focus first and foremost on the gold industry.

If you look here over the last five years what do you see? You see a gold price that has been rising and you see gold equities that are stuck in the mud. Now, that's no recipe for creation of value for investors around the world. It's clear from my road shows around the world – I've just been to the United States and UK to talk to investors – the level of frustration on this is high.

So the industry has to change what it's doing, and I think you're starting to see a lot of that. Now, what are we going to do specifically? We have five main pillars that we believe are going to underpin our strategy going forward. We have to manage our assets for cash.

And I think we've got to be ware of the lure of the marginal ounce, which in theory looks great. The price goes up, and we say let's increase the size of the pit shell so we can get more gold. Often what happens is you don't increase the margin. In fact, the costs sometimes go up more than what you thought because you underestimated the strip ratios etc.



Let's rather focus on generating cash and not be fixated with growing production. As you will see if you look at the major top eight producers, which make up around 60% of the industry, they haven't grown their production base any way over the last ten years. And despite the fact we all stand on podiums at investor conferences around the world telling people where our production is going, we haven't achieved it.

So let's not make the same mistakes as what we've made over the last few years. Let's drive the portfolio for cash. It's not just about ounce profiles. Let's improve the overall margin. That means we have to focus on the all-in costs. And I'm glad to see that the industry is starting to focus on that. Hopefully we will see something coming out this year on how we redefine and look at ourselves in terms of costs.

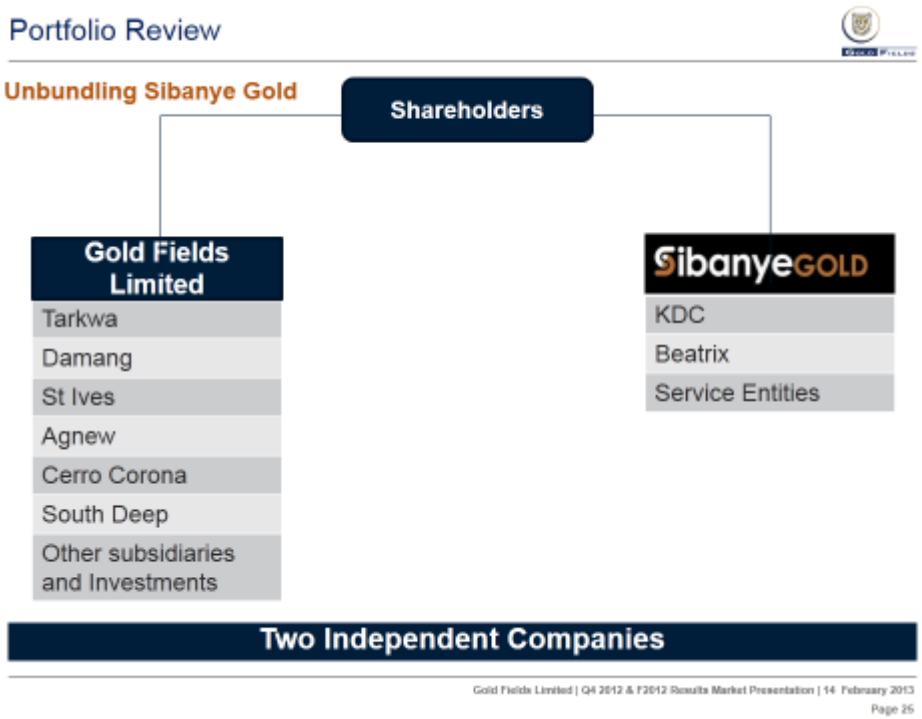
And I think you really have to drive growth judiciously. You should only build new mines if they make real returns, and focus possibly on smaller mines if you can find them, discover them and build them, or buy them. And we need to focus on brownfields opportunities with much lower risk and higher returns.

So our view at this stage is let's rather focus on that and let's not commit to any long-term production targets for the group. I think in the past all of us have tried to answer the questions that analysts give us. What is your long-term production target? Everyone gets it wrong. Let's not do it anymore. Let's rather indicate what we can do in the short term and what our strategy is for the longer term.

South Deep is even more important now in the new Gold Fields than what it was before, and it represents real growth in the portfolio. So we've got to drive the growth at South Deep. That's going to be a key issue for this year. I believe we are set up to do it. We've got all the fleet we need. We've got the working arrangements we need. We've got most of the employees now that we need. We've got all of the operators. We've increased our diesel mechanics, given that we're now maintaining our fleet 24 hours a day. So we've got all of the essential ingredients in place for South Deep to deliver. So I'm hoping that this year is going to be a good year for them.

The financial gearing we've talked about. We will use our balance sheet. We believe it is attractive still to look at the long end of the debt curve. For the right time and the right reasons we will look at that. Dividends I've spoken about.

And lastly let's not forget that if we don't focus on sustainable development in all of the countries we operate in we're not going to be around for the long term. And that's about making sure that we make money, first of all. That's the first measure of sustainability. Then it's about making sure that all stakeholders can see the benefits of mining in the countries we operate in.

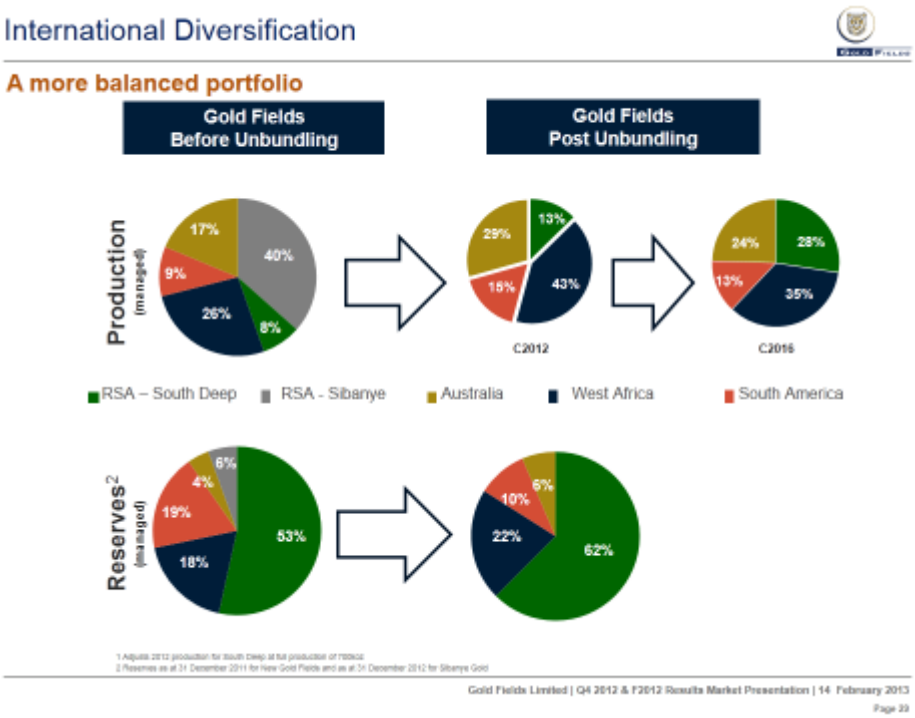


This you've seen when we announced the November split, but just to remind you, Sibanye is made up of KDC, Beatrix and various service entities. Gold Fields is the rest. The listing took place last Monday and the spin-off will take place next Monday. So the umbilical cord is finally broken next Monday.
But as I've said before, we will continue to provide transitional service arrangements to Sibanye and vica versa until such time as we are completely independent. I expect that this will be around another six months or so, and then we will be on our own. They can do what they want, compete with us on an equal footing anywhere in the world.

Let's remind ourselves why we did it. I wanted to liberate these assets and liberate the management to get a dedicated mining management team really only focussing on these assets, not worrying about anything else. And their destiny is now in their own hands. They've got substantial cash flows. So we've done this at a time when these operations make substantial money. Over R3 billion was made last year, bottom line.

And they can put that money to good effect. They can either pay out nice big dividends or they can reinvest some of it into the infrastructure, possibly into below-infrastructure ounces that have been around. It is up to them. But they have now got choices and they have got an exciting future ahead. I think you're going to find this company is going to do very well.

I think also the long-awaited consolidation in the mining industry, in the gold industry in particular, in this country now has a catalyst. It's got something that can drive it. Let's see what happens. But we've been talking about tearing down the farm fences for some time, and there are opportunities in the Free State and in the West Wits for that to happen. So let's watch this space and see what the new team at Sibanye come up with. It's going to be exciting.

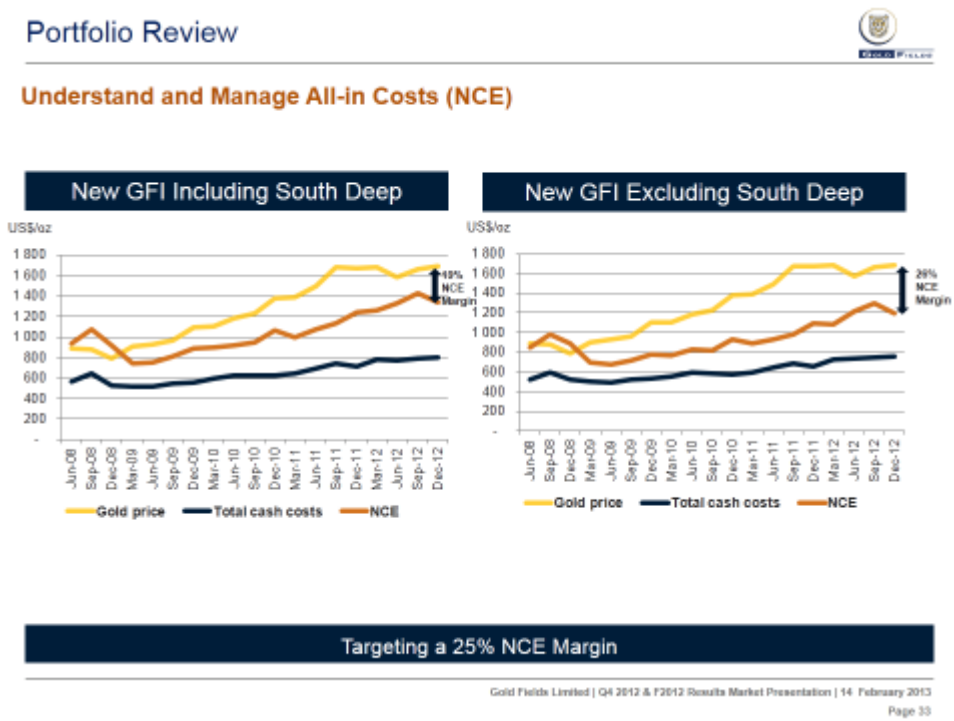


What does it mean in terms of our mix of production and reserves? As you can see on the left here, our production from South Africa was around about 48% last year, South Deep and KDC and Beatrix combined. We now drop to 13% production from South Africa post the deal. And with South Deep at full production, all other things being equal, we will be up to 28%. So the portfolio has a completely different profile than before.
The reserves are still highly concentrated in South Africa with South Deep making up 62%. But the fundamental difference is South Deep is a mine that is very different from the other mines. It is fully mechanised with a fairly small but skilled workforce. So it is a completely different operation and reserve base from what we had previously.

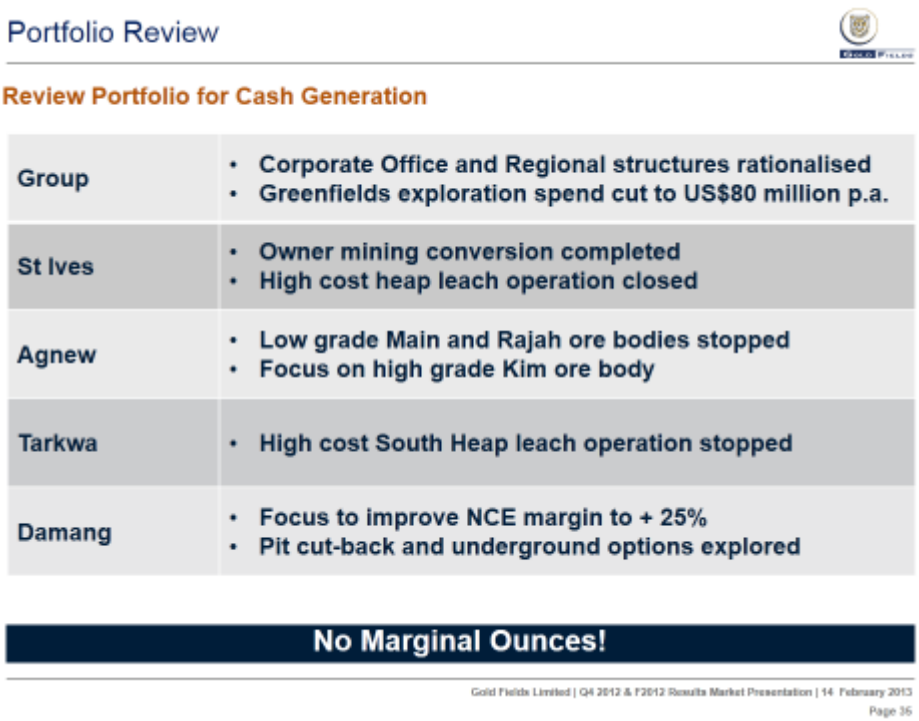
	South America	West Africa	South Africa	Australasia	Sub-total	Projects	Total
Resources[1]	8 Moz	25 Moz	81 Moz	9 Moz	123 Moz	32 Moz	155 Moz
Reserves[1]	6 Moz	14 Moz	40 Moz	4 Moz	64 Moz	-	64 Moz
Annual production	342koz	885koz	270koz	626koz	2.1 Moz	-	2.1 Moz
Number of mines	1	2	1	2	6	-	6

1. Managed gold equivalent Mineral Resources and Reserves as at 31 December 2011
2. The total managed gold equivalent Mineral Resources as at 31 December 2011 includes the managed gold equivalent ounces of the growth projects

So that's what the new group looks like. Australia, Ghana and Peru being the main operating platforms in addition to South Deep. And of course we also have the international project portfolio that you can see here. APP in Finland, Far Southeast in the Philippines, Chucapaca in Peru, Yanfolila in Mali and a whole slew of exciting advanced exploration projects below us. With a reserve base of about 64 million ounces that is sizeable. So this company is still very relevant in the international space.



That's what the new Gold Fields' pro forma figures would look like in terms of our NCE margin. And if you exclude South Deep, which is in a build-up, you can see the rest of the portfolio makes a very nice margin of 25% after capital. So these assets are cash generating. And with South Deep expecting to ramp up this year that will ease the cash pressure on the rest of the group.



Portfolio Review

Review Portfolio for Cash Generation

Group	• Corporate Office and Regional structures rationalised • Greenfields exploration spend cut to US$80 million p.a.
St Ives	• Owner mining conversion completed • High cost heap leach operation closed
Agnew	• Low grade Main and Rajah ore bodies stopped • Focus on high grade Kim ore body
Tarkwa	• High cost South Heap leach operation stopped
Damang	• Focus to improve NCE margin to + 25% • Pit cut-back and underground options explored

No Marginal Ounces!

Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 36

After the Melbourne speech we said to ourselves internally, what does it mean for us, what have we got to do? And I think for the first time in the industry we started to look more at making money as opposed to making ounces. Are we prepared to actually streamline the cost base and the production base to generate more money?

So what have we done? We've cut our regional structures and our corporate office. With Sibanye there will be a number of people going across, so we've cut that footprint. Exploration has come down from about $125 million to $80 million this year. So we've cut back around about $40 million to $50 million in exploration.

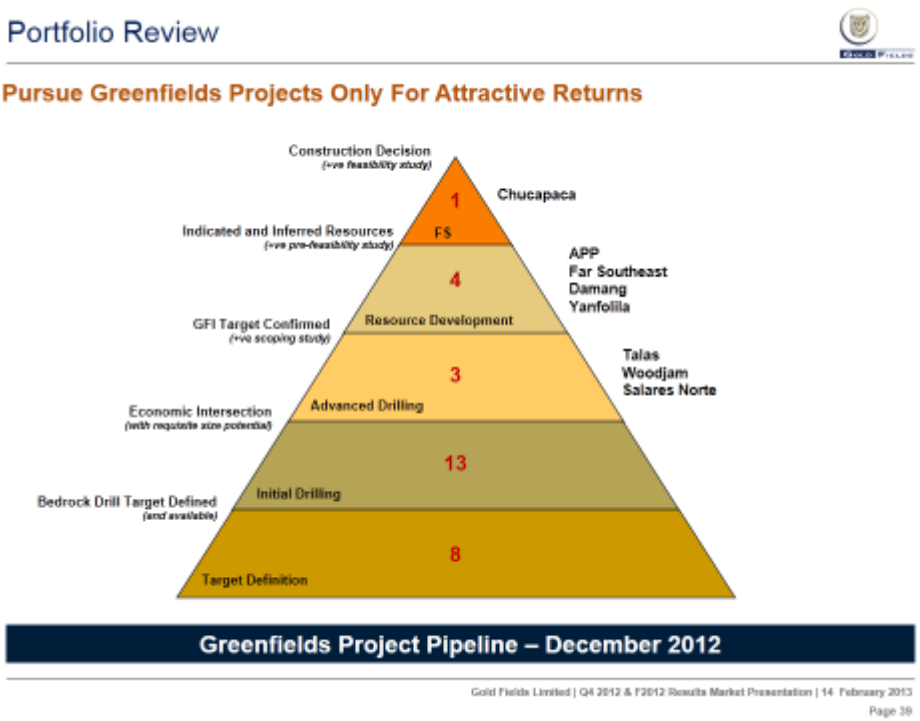
At St Ives in Australia we cut out the high-cost heap leach operations which were giving us low dissolutions. A very small, inefficient operation that we've been running for some years. We decided to bite the bullet.

At Agnew I think that's a fundamental change. That was probably the worst-performing operation in our group in the first half of last year. And in the second half it was the best-performing operation because we cut out the low-grade mining, we concentrated on the high-grade Kim Lode which is about 10g a ton, and we've now got an operation which is going to be smaller but more profitable and more cash-generative going forward.

At Tarkwa, we cut out the south heap leach operation where we were using a high-pressure grinding roller to take some of the harder material and try leach them. It wasn't really making much money for us, trading dollars as they say, so we've cut that out.

Damang is a mine in transition, so that hasn't had a good year. But we now have to capitalise on the significant exploration potential we've unlocked through the drill rig. 10 million ounces of resource, 3.5 million ounces of reserves. We have a wonderful opportunity here to recapitalise that mine and that is going to be the big focus in 2013 and 2014.

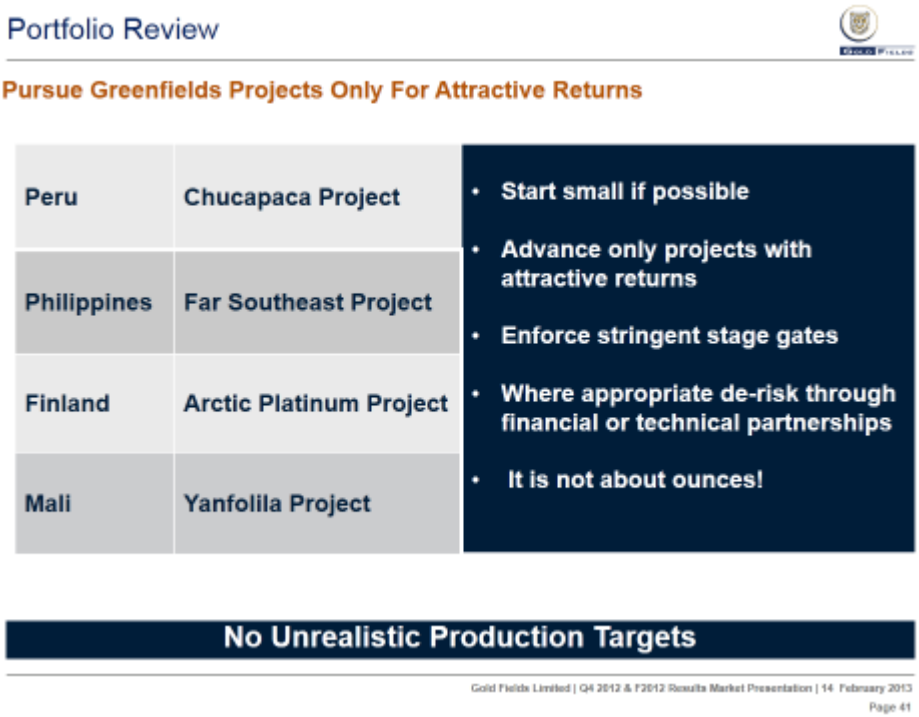
I talked about focussing on low-risk, high-return brownfields opportunities. We have the potential at Tarkwa, Damang and Cerra Corona to do exactly that. At Tarkwa we could potentially build another plant or we could actually expand the existing plant. But there is an opportunity here for us to reconfigure the operation and see how we can improve the overall recoveries, given the fact that we're getting deeper into the pits and we're mining harder material that doesn't leach as well on the pads as it would do going through the carbon in leach plant. So we're looking at that.
Damang I think I've spoken about.
At Corona in Peru there is the potential for us to build another sulphide plant, and bring forward production. We've had 7 million tonnes of oxides that have been stockpiled for five years which were essentially the top part of the mine. The mine was essentially a hill. The cap was an oxide cap. We couldn't put it through the plant. We are now looking at a heap leach operation to capture the 300,000 ounces that are sitting there. So that's an interesting little project that will add to Corona. So those are really things that can augment and improve the base.



The greenfields portfolio is very exciting in the sense that five years ago we had very little up here. These are your more advanced-stage projects. We had a lot down here and very little up here. So we've moved that. We now have five projects either in feasibility or resource development and we have three projects in advanced drilling.

And once you get through this hurdle into advanced drilling there is value here, there is clear value. So we've got a number of different opportunities for us to capture the value. We can't do all of this at once. It is clear now that we have to pick the winners. We have to prioritise and see which ones will go first.

If we can get a new mine into construction within two to two-and-a-half years as a target I think that would be a great outcome. And certainly that's what we're driving for. Who is going to be the winner? Well, we will have to see how things go.



Chucapaca in Peru. We did say that we weren't particularly enthralled with the outcome of the feasibility study. It didn't give us a big enough return. So we're doing value engineering on that. We're looking at changing the plant configuration from 30,000 tonnes a day to 25,000. We think there is the potential for an underground operation next to an open pit. We're looking at that.

We're also looking at the potential for an underground operation. And there is significant exploration potential in the area. We have another deposit that we believe could be another Canahuire, which is essentially what Chucapaca is or even better. That deposit is 1.5km away, and we want to start drilling that next year.

I think in time this will be a mine. We've just got to be patient. This could well be one that still gets the nod from us in future. But there is more work to be done. We're not ready to go.

In the Philippines our big focus is to get the license, what we call the FTAA, that allows foreigners to own a majority interest in those particular assets. That's a process that is preceded by an FPIC process, free prior and informed consent. That is run through a national committee of indigenous peoples. That process is slow. We're hoping that we will have that finalised during the course of this year.

And in the meantime we're continuing to wrap up the underground drilling. Remember we did announce a resource here of 42 million ounces last year. And that will place us in the position in 2014 to start with the pre-feasibility study. A wonderful ore body for sure.

In Finland at Arctic Platinum we've been busy there. We've done a pre-feasibility study that looks like it gives a good return, certainly an acceptable return. We're now evaluating opportunities. That study is almost finished. One of the reasons I'm not talking more today is there are still a few bits and pieces to do.

Now we have to ask ourselves what the best way to capture the value in Arctic Platinum is. Do we build it? Do we joint venture it? Do we spin it out? Do we sell it? We haven't decided, but I think we will come to a decision during the course of this year. This represents an interesting opportunity. Remember it's a polymetallic deposit, palladium rich, which strategically makes it even more interesting in the PGM space.

In Mali, the Yanfolila project. It's on the south-west boundary with Guinea far away from the action n Timbuktu and Goa, probably 1,000km north , so we haven't been impacted. But with an abundance of caution we have pulled out some of our ex-pats. And we continue to drill there. The resource has expanded significantly. This represents a potential new mine in Gold Fields. It has the potential to be a reasonably small but profitable mine, which is not going to cost a lot of money to build. It is very simple geology, simple metallurgy, high-grade oxides for the first 100 metres into the ore body, about 2.5g per ton as you would have seen from the resource and reserve statement. It's an interesting project. If the politics in Mali could be resolved this could well be something that looks interesting for us.

So we're advancing all of these projects slowly, and the one that we think is the best we will push along.

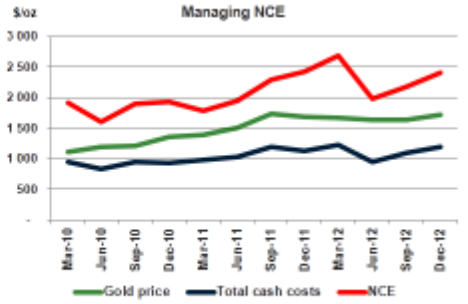
Very briefly I want to spend five or ten minutes looking at where we're going and what we've done. Let's go through this asset by asset.

South Deep Project – South Africa

		F2012	F2011
Managed production	koz	270	273
EBITDA (operating profit)	US$ m	148	131
Contribution to New GFI EBITDA		8%	7%
Total cash cost	US$/oz	1,105	1,073
NCE	US$/oz	2,283	2,091
Internal contribution to capital		52%	55%
Capex	US$ m	315	275
Resource – 31 Dec 2011		81.4Moz	
Reserves – 31 Dec 2011		39.6Moz	

2013 Guidance*

- Managed production: 305 - 320koz
- Total cash cost: ~US$1,100/oz (~R317,000/kg)
- NCE: ~US$1,800/oz (~R520,000/kg)



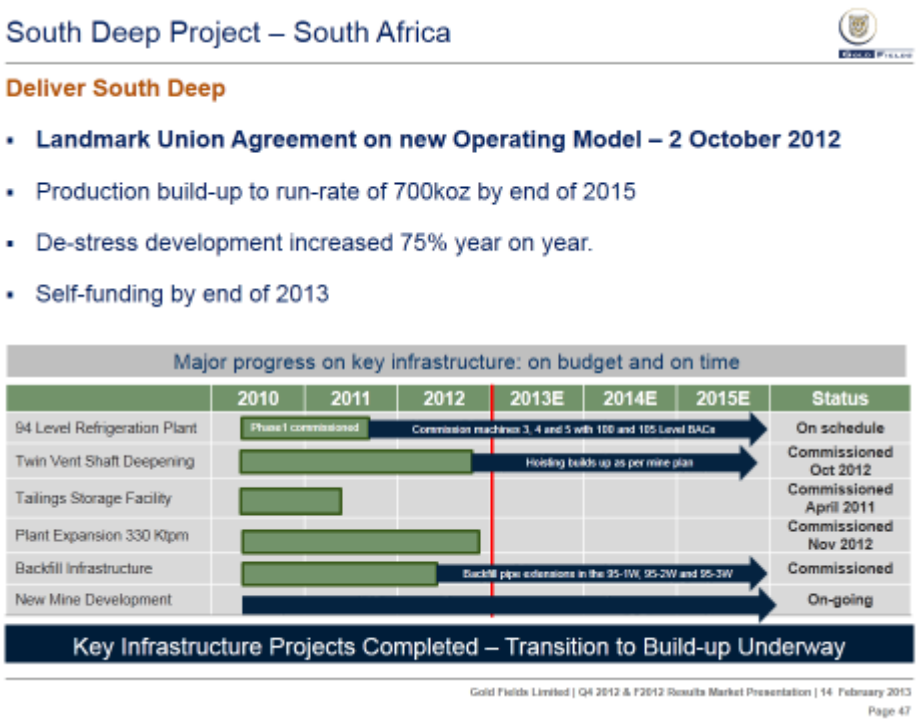
* Exchange rate used for guidance: US$1=R9.00

Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 46

South Deep, as you can see here, over the last year had production reasonably flat. The new operating model of course is the key. That will put us in a position we believe to increase production by about 10% to 15%. You can see the guidance block in the bottom left corner. We are looking for costs to be similar in dollar terms, which means we can absorb inflation because of the increase. And we are looking for NCE to be coming down.

We've had probably our biggest year of capital, as I mentioned earlier. We spent R2.5 billion capital last year. This year we expect to spend much less than that, around R1.85 billion. So we are over the hump of the capital. And South Deep is being structured for us to get to a break-even position in the second half of 2013.

That's important for the new Gold Fields because we don't have the significant cash generation from the other assets to cushion that. So every asset now has to stand on its own. I think the timing of what we've done in terms of creating Sibanye is appropriate in terms of where this asset is. It is now going to have to wash its face, certainly in the second half of 2013.



I mentioned some of the capital projects earlier. And you can see all of the green lines where we've actually completed them. So the infrastructure is there. The union agreement has been signed. The focus is now on de-stress, which is opening up the ore body, bearing in mind that we're mining at 3,000 metres here and we're mining deep cavities, open stope cavities.

To de-stress the ore body enables us to mine those cavities on an open stoping basis without the sort of rock pressures that you would normally get. Typically outside of the shadow that we create through de-stressing we have pressures of about 500 megapascals. Inside we have about 50. So we have a one-tenth change or one-tenth impact of being in the de-stressed area.

So that is the key for opening up the ore body for creating the criss-cross development that allows us to do the open stoping that will make up 60% of production. So 75% up year on year, that is a big change. We need another big year. We don't need to get as much as that. Certainly we're looking to increase it again appreciably. But the momentum is now there for South Deep. So we're feeling a lot more confident about where we're going.

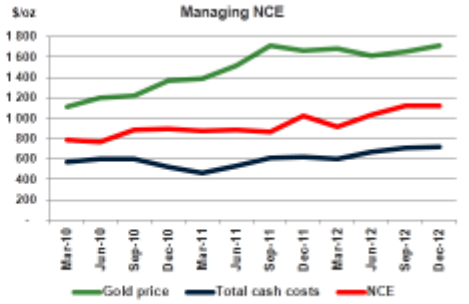
Tarkwa Gold Mine - Ghana

		F2012	F2011
Managed production	koz	719	717
EBITDA (operating profit)	US$ m	729	752
Contribution to New GFI EBITDA		39%	38%
Total cash cost	US$/oz	673	556
NCE	US$/oz	1,049	913
NCE Margin		39%	42%
Resource – 31 Dec 2011		15.1Moz	
Reserves – 31 Dec 2011		10.3Moz	

- Steady, world-class producer
- High costs South Heap Leach Operations stopped
- Brownfields expansion – CIL options to replace Heap Leach under consideration

2013 Guidance

- Managed production: 640 - 650koz
- Total cash cost: ~US$785/oz
- NCE: ~US$1,190/oz



Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 49

If you look at Tarkwa, a very good operation with over 700,000 ounces in the last couple of years. Production will be declining as we stop the south heap leach, as I mentioned. There is about 30,000 to 35,000 ounces to come out, fairly high-cost production as I mentioned.

The mining grade is now going to be more reflective of the life of mine reserve grade, and the combination of those two things is we're looking at around about 650,000 ounces a year. Cash costs are impacted by the fact that our strip ratio is increasing as we expected. And in particular operational waste. You're seeing more of it coming through the mining costs as opposed to capital, and that is a function of where we are in the different ore bodies.

10 million ounces of reserve. 15 million ounces of resources. And this will be an operation that makes good cash flow for us well into the future with upside.

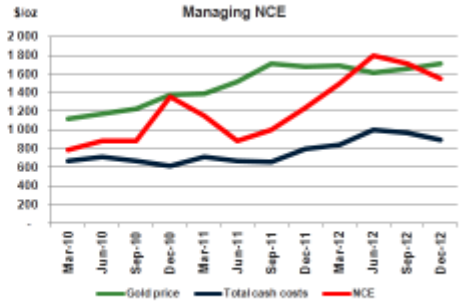
Damang Gold Mine - Ghana

		F2012	F2011
Managed production	koz	166	218
EBITDA (operating profit)	US$ m	125	201
Contribution to New GFI EBITDA		7%	10%
Total cash cost	US$/oz	918	701
NCE	US$/oz	1,630	1,056
NCE Margin		2%	33%
Resource – 31 Dec 2011		10.0Moz	
Reserves – 31 Dec 2011		3.4Moz	

- A mine in transition
- Mine to be recapitalised to harness value of 10.0Moz resource position
- Recapitalisation planned to bring production to ~200 – 250koz at NCE of ~$1,200/oz

2013 Guidance

- Managed production: 165 – 180koz
- Total cash cost: ~US$1,010/oz
- NCE: ~US$1,650/oz



Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 51

Damang we expect to be similar in terms of production next year. We are going to be reinvesting all of the cash flow we make in opening up this ore body. We still have to aggressively strip Huni and Juno, which are at the northern and southern extremities of the Damang pit, to get to the sweet stuff at the bottom. We have done some more drilling over the last four months or so to confirm our understanding of that geology at depth. It's a plan now that is based on good confidence.
And we're going to start picking away the better parts of the Damang pit cutback and start removing some of the overburden and exposing some of the higher grade material there. So this is a mine in transition. But ultimately one of the decisions we have to make is whether we do a pushback of the original higher grade pit. And we are doing all of the sums on that. I know a lot of you have had questions about Damang, but we will give you an update on that into the future, probably in the second half of the year. But for now let's keep the production where it is, let's recapitalise the ore body and set up a mine for ten or 15 years that will produce between 200,000 and 250,000 ounces a year at competitive all-in costs.

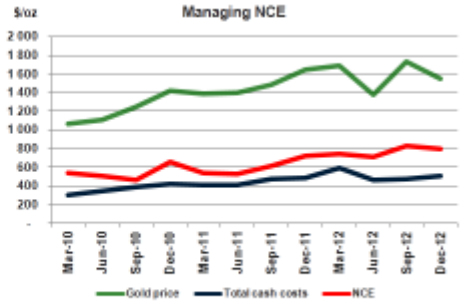
Cerro Corona Gold Mine - Peru

		F2012	F2011
Managed production	koz	342	383
EBITDA (operating profit)	US$ m	396	403
Contribution to New GFI EBITDA		21%	20%
Total cash cost	US$/oz	492	437
NCE	US$/oz	775	592
NCE Margin		51%	60%
Resource – 31 Dec 2011		7.7Moz	
Reserves – 31 Dec 2011		6.1Moz	

- World class mine
- Brownfields opportunities: Oxides Project and Sulphide Plant expansion
- 5 year pay back achieved in 2013 with 18 years left to mine

2013 Guidance

- Managed production: 270 - 280koz*
- Total cash cost: ~US$600/oz
- NCE: ~US$920/oz

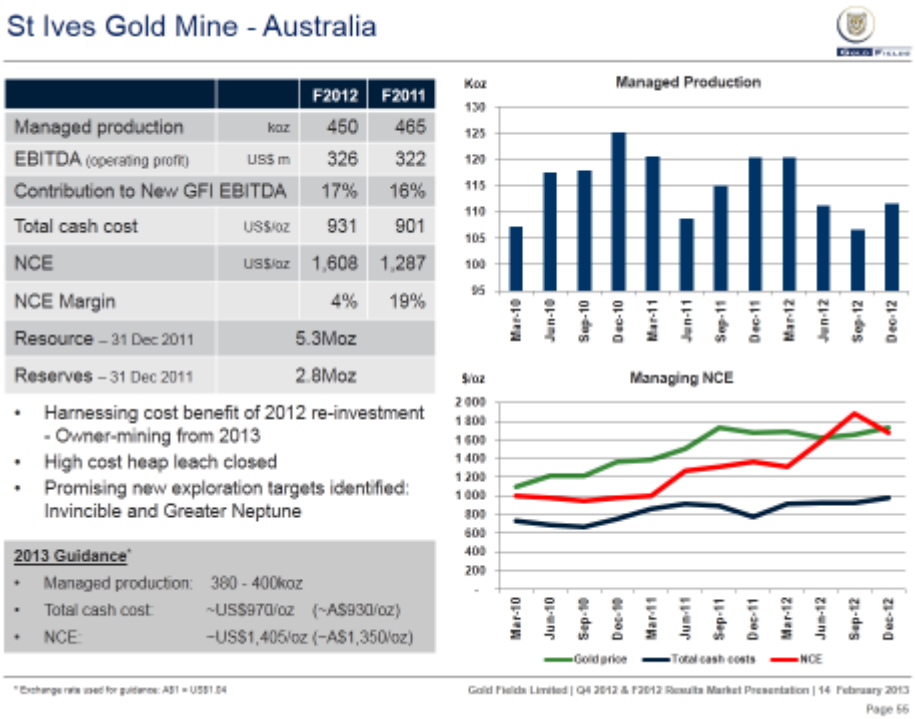


* Stated on an equivalent ounce basis based on a gold price of US$1,700 per ounce and a copper price of US$8,000 per tonne

Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 53

Cerro Corona in Peru. It has truly been a great asset for Gold Fields. And as you can see over the last two years we've produced 380,000 ounces in 2011 and 342,000 ounces in 2012. Your cash costs are amongst the lowest in the industry. And we expect to recoup our full investment this year. We spent $750 million building this mine. We brought it into production in 2008. We expect to recover all that capital by the end of this year. And that would still leave a mine with reserves of around about 5 million ounces and an 18 year life. So I think you will agree with me that we should get our investment back, all things being equal, many times over. And there is still upside beyond that.

We are starting to see our reserve grades now being more reflective of what we mine, as we expected. We're starting to see copper grades get closer to 0.5% and gold grades getting down to 1g or lower. So we're now seeing an operation that is performing exactly as we thought it would in terms of the reserves and resources. And that is why you're seeing a drop in production. This is entirely anticipated from the outset. And that has a consequential impact of course on unit costs, as you can see here.



St Ives Gold Mine - Australia

		F2012	F2011
Managed production	koz	450	465
EBITDA (operating profit)	US$ m	326	322
Contribution to New GFI EBITDA		17%	16%
Total cash cost	US$/oz	931	901
NCE	US$/oz	1,608	1,287
NCE Margin		4%	19%
Resource – 31 Dec 2011		5.3Moz	
Reserves – 31 Dec 2011		2.8Moz	

- Harnessing cost benefit of 2012 re-investment - Owner-mining from 2013
- High cost heap leach closed
- Promising new exploration targets identified: Invincible and Greater Neptune

2013 Guidance*
- Managed production: 380 - 400koz
- Total cash cost: ~US$970/oz (~A$930/oz)
- NCE: ~US$1,405/oz (~A$1,350/oz)

* Exchange rate used for guidance: A$1 = US$1.04

St Ives in Australia, a mine where we've spent a lot of effort in taking both the underground and the open pit operations to owner mining. That is largely done now. We've shut down the high-cost heap leach as I mentioned earlier. This will be a mine that is going to be somewhere around 400,000 ounces going forward. And we have been able to essentially absorb a significant part of our inflation that we've had at St Ives as a consequence.

Power costs are going to increase significantly at St Ives as we believe they are across the world. We've had to renegotiate our power agreement. So you will see that coming through in 2013. But we've been able cushion most of the impact of that by re-engineering the operation. And as you can see here we have a reserve of 2.8 million ounces and a resource of 5 million ounces.

It is a highly prospective area still. There are two exciting opportunities, Invincible and Greater Neptune. Invincible is on the lake, the so-called salt pan for those of you who have been out to St Ives. Normally the mineralisation is hosted in parallel sheers. This is in a break-away sheer, so we hadn't seen it before. So far there is about a 1.5km strike. This has the potential to be a significant underground operation. We should be able to get more confidence on this by the end of the year.

There is a whole new system called Greater Neptune, which is a series of deposits which link up and could be another big trend. So there is a lot ahead for St Ives. Remember when we bought it it only had 1.4 million ounces of reserves back in 2002. We've mined 5 million ounces since then, and we've still got a reserve of 2.8 million and resources of 5.3 million. So I think you can see that this mine has delivered and will continue to make good money for us in a jurisdiction that is pretty low risk.

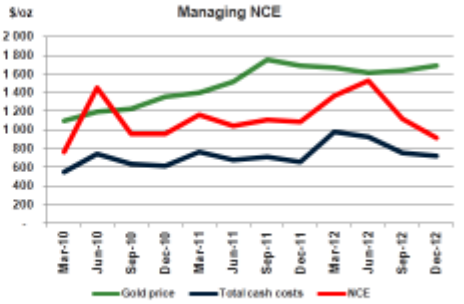
Agnew Gold Mine - Australia

		F2012	F2011
Managed production	koz	177	194
EBITDA (operating profit)	US$ m	144	181
Contribution to New GFI EBITDA		8%	9%
Total cash cost	US$/oz	827	696
NCE	US$/oz	1,191	1,096
NCE Margin		29%	32%
Resource – 31 Dec 2011		3.8Moz	
Reserves – 31 Dec 2011		1.3Moz	

- Restructured for cash flow
- High cost, low grade Main and Rajah closed
- Focus on high-grade Kim Lode
- Significant exploration opportunities

2013 Guidance*

- Managed production: 150 - 160koz
- Total cash cost: ~US$730/oz (A$700/oz)
- NCE: ~US$1,035/oz (A$990/oz)



*Exchange rate used for guidance: A$1 = US$1.04

Gold Fields Limited | Q4 2012 & F2012 Results Market Presentation | 14 February 2013
Page 57

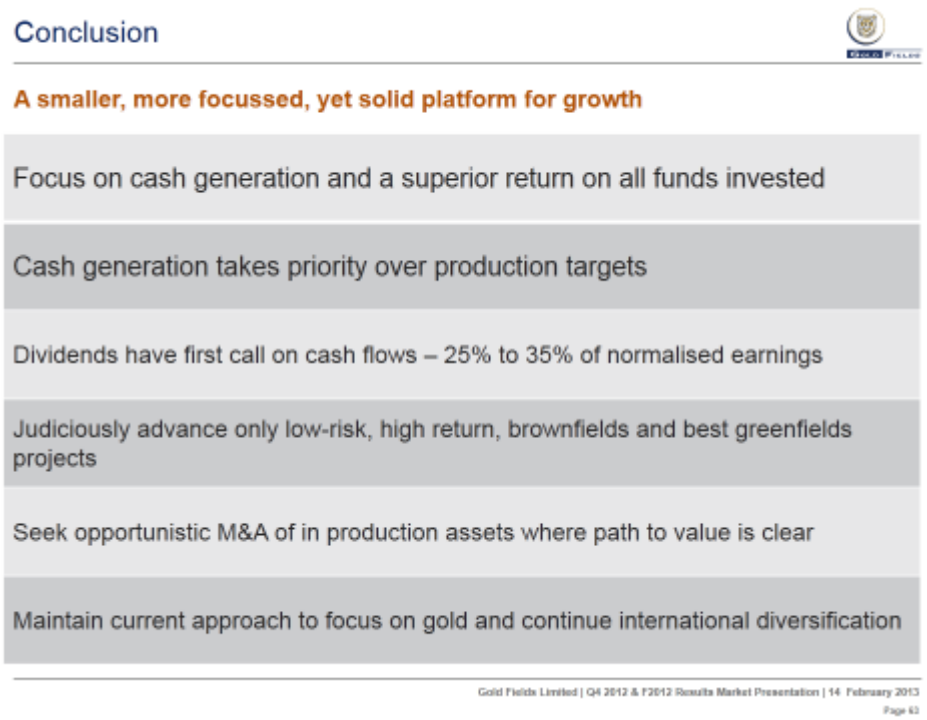
Agnew, the turnaround mine of the year. As you can see we are projecting to be slightly lower in our production, but our cash cost is going to come down $100, which includes the impact of inflation. So in real terms that's probably somewhere around about $200. And sitting on NCE down almost $200 million. And if you adjust for inflation it is more than that. So that is going to make nice cash flow for us. Indications are that that we will continue at depth. There is potential for more deposits in the underground area that we could augment Kim with in due course, so it's a great little asset for us.

Group Guidance for 2013

Managed production	koz	1,910 to 1,990
Attributable production	koz	1,825 to 1,900
Cash cost		US$860/oz (R250,000/kg)
NCE		US$1,360/oz (R395,000/kg)
Exchange rates		US$1=R9.00 U$1 = A$0.962

So in conclusion the guidance is in the book. I think you've all seen that. We've put figures down here that we're really keen to make sure that we hit. So those are the numbers you see. They do reflect of course the fact that we have closed the heap leach operation at St Ives, the south heap leach at Tarkwa and the fact that we're focussing on only the high-grade portions of Kim.

And that enables us to keep our cash cost increase restricted to somewhere around about 8%. If you adjust for the impact of the Cerro Corona grades alone you drop that to about 4%. And as we know, mining inflation over the last five years has been at around 10%. So that's the headwind that you're facing, but we've been able to cushion a lot of those headwinds in the forecast that we're giving you.
And NCE, which includes our investment into capital projects, is flat year on year. So again we've cushion the impact of inflation. We've had a prudent approach to exploration, a prudent approach to capital development, and I think this sets this company up to generate good returns and cash flows for shareholders into the future.



Cash generation is key, and that's more important than production. Dividends will continue to be important. We will pick the winners in the brownfields and the greenfields projects. We're not afraid to turn around and say that if we can't get any of them over the line we won't build them. We're only going to build them if they make sense. And that is really focussing our mind.

We're not adverse to M&A. We will look at it, but I think it is always going to be opportunistic and the probability of success is probably less than 5% because it is very tough to get value out there. There has got to be a clear path to value if we do that. And just in case anyone was wondering, we're still going to be a gold company.

With that we're going to provide time for questions.

Questions and answers

Brendan Ryan – Paydirt Media

Nick, could I ask you to elaborate on these comments of yours about the long-awaited consolidation in the South African industry. You're identifying Sibanye as a catalyst and a company that can drive this consolidation. What exactly do you think is going to happen, and how is Sibanye going to do it?

Nick Holland – CEO

Well, I think first of all there hasn't really been a company of substance that could be a recipient for asset disposals in the past. And what weve done with Sibanye is we've actually created the largest producer in South Africa. And to the extent that other companies might be looking to rationalise their portfolios there is a company here with currency that could well be an important contributor to helping them to change the shape of their companies. I think that is overdue.

There are certainly opportunities on the West Wits, as I've mentioned. There are mines that are contiguous. Working together we could more quickly exploit those ore bodies than working alone. We've tried I think to drive some of that in the past, but without success. And in the southern Free State it's like a jigsaw puzzle. If you find all the missing pieces, all of a sudden you've got the picture. I will leave you to figure out what that means. Maybe it leads to nothing, Brendan, but maybe it creates something different. And that might be what's needed to save the gold industry.

Because continuing along the path that we've been continuing along, you've seen the trend, and the trend is your enemy. We need to break that trend. And it may well be beneficial all round for employees, for the government, for the country, for communities and for the industry at large. But let's see what happens. I think we will see something, but I will leave it up to your imagination as to what you think will transpire.

Alan Cooke – JP Morgan

South Deep is your most important asset now. It's more important in your lives than before. Could you perhaps indicate what your expectations are for costs, production and capex through to 2015 when you hit those 700,000 ounces of gold production per year? And perhaps also highlight the key risks to that ramp-up if you don't mind.

Nick Holland – CEO

At full production, if we hit that at the end of 2015 that will mean that 2016 will be 700,000 ounces. That's important, because that's the run rate. There will obviously be a steep build-up as the de-stress gathers momentum. We need to get the de-stress up probably another 40% or so this year compared to where we where. We did 75% last year. We've got 18 attack points into the ore body, seven in the current mine and 11 in the future mine. That is three times what we had two and a half years ago, so it makes a big difference. We've got all of the equipment we now need. We've got the new working arrangements. So I think you will see a steep ramp-up in 2014 and 2015. But in essence you're now sitting with 3,500 employees at South Deep. You're sitting with most of the overhead and infrastructure personnel that you need to run the shafts and all of the surface facilities. So we only need another 1,500 people in the trackless underground section, the mining as well as the associated engineering and maintenance sections, to hit full production. So you can figure out that the leverage from here on out is significant.
And I would expect at full production that South Deep is going to be looking at all-in costs including sustaining capital of somewhere between $900 and $1,000 per ounce in today's money, which would mean that they will make substantial cash generation.
The biggest risk to the build-up is the de-stress. If we can continue the significant momentum that we've made in 2012 we will get there or pretty close. I don't think we will be far away. But it's going to be important to have another very good year on de-stress. With the new operating model, however, I think we've significantly improved the potential to achieve exactly that.

Darren Mader – Renaissance Capital

I just wanted to ask you about what you feel is your level of capital project spend that you can sustain. Now that the company has obviously been transformed you've got the 2 million ounce base and you've maintained your dividend policy at 25% to 35%. Potentially with the pipeline that you've got those two could be at odds. Could you just give us a sense for what you feel the company can maintain in terms of project spend?

Paul Schmidt – CFO

I think for the next two years we don't see a big uptick in capital spend as we have no approved projects coming down the line. We are still busy with pre-feasibility and some of the work. Time will tell in two years as to what those projects will cost and how we are going to fund them, whether we're going to use more balance sheet etc. But we are still committed to sticking to our dividend policy. We're watching this closely, but for the next two years we've got a bit of headroom because there will be no physical construction of projects.

Darren Mader – Renaissance Capital

Maybe just a follow-up. On the brownfields expansions at Tarkwa and Cerro Corona, mill expansions in particular, you seem to be a little less upbeat this time around compared to the last results presentation when it seemed almost a sure thing that you were going to go ahead with that. Do you have any comment in terms of when we're likely to see a decision in terms of actually going ahead with the brownfields projects?

Nick Holland – CEO

It's not that we're less upbeat. I think we're in the middle of the process of getting resolution around the numbers. And the fact that we've conducted this portfolio review and the fact that we're introducing a lot more rigour into our investment decisions, we're setting the bar higher for ourselves. But all of these opportunities I think really represent value for the company. I think in Tarkwa we have to look at what the optimal size and configuration of additional processing capacity is. That is our key decision. Because otherwise you potentially end up chasing tonnes again and not necessarily improving the overall margin. So we've got to make sure that in the light of the new philosophy that we're talking to you about today, that we make sure that our decisions reflect that philosophy. That's all it is. But I think these projects have all got a reasonable chance to go in the short to medium term. We will update you further in the year.

Darren Mader – Renaissance Capital

Just to Ms Carolus, if you could maybe give us a few minutes outlining your visions for the new Gold Fields as you see it?

Cheryl Carolus – Chairperson

It is all still a bit fresh and new at some levels, sitting as the Chair. But having been on the board since 2009 it has been quite exciting to see how it has evolved. And I must say under Nick's leadership, the kind of vision around the safety issues I think has been a huge achievement. And the whole restructure with Sibanye represents leadership that has been provided in the gold industry. From a board perspective - certainly just the short four years that I've been with the company - I think it has been interesting to see how we have managed to stay the course at some levels, and at other levels have not been scared to innovate.
The focus on cash is also critical. Understanding what shareholders want and being able to meet their needs is critical, while at the same time having a fairly proactive stance about seeking out new opportunities. I think we have listened to shareholders over the years, and I think we've got the formula right.
I think the Far Southeast project is one example, but with the necessary caution. And then the approach to Cerro Corona. So I think that it is a very steady trajectory that the company has been on. We haven't compromised safety.
So I don't think we're going to be doing anything wildly mad, but I think there is enough innovation in the

pipeline. And the Sibanye transaction has proven there is a boldness in the company and a confidence that I like. I'm very excited to be part of the next phase.

Adrian Hammond – BNP Cadiz

I have two questions. Firstly you've mentioned a couple of production cut-backs. How will you address the fixed cost overheads in order to reduce the unit costs that you say you will?

Nick Holland – CEO

We've already done quite a lot of restructuring in the regions. We knew that this was coming and over the last quarter in particular we've restructured a lot of the regions. We've put back resources at the mines where necessary. We've looked at the corporate footprint that we have here in South Africa. We've cut back the capital spend. The capital spend that we were going to spend last year and what we ended up spending was substantially down. What we're going to spend this year is going to be significantly less. As Paul indicated, we're going to operate within our means. I think once the dust settles and we get a better handle on what the new Gold Fields looks like we're going to have to have a hard look again at what we really want to be and not forget why we're here. We're here to drive value, and some of the nice-to-haves we're going to have to think carefully about. But as our Chair has said, and I'm glad she's mentioned it, we won't compromise on safety, health, environmental stewardship or community engagement. And in fact we're embracing the concept of shared value across the world as a means of making sure that mining becomes relevant for those people who see the headgear turning and not just an interesting spectacle when they wake up in the morning.

Adrian Hammond – BNP Cadiz

And my second question is obviously with Sibanye unbundled the earnings base takes a bit of a knock. Have you considered revising the dividend policy to restore dividend yields?

Nick Holland – CEO

We're still going to pay out 25% to 35% of our earnings. And that is just off a lower base. So we will operate within the same policy. Paul has had a good look at it. Maybe you want to comment on your comfort on that, Paul.

Paul Schmidt – CFO

We are comfortable sticking to the policy. The share price has already moved down corresponding to what we've given up. And we will stick to it. The reason we went with the 25% now is that we are reporting a lot of Sibanye's earnings in it. That is why we didn't go to the higher end of the spectrum for this final dividend, because I'm paying some of their earnings this quarter.

Andrew Barrett – Barclays Absa Capital

First of all, you outlined the cuts you're making on exploration. What are you looking to take out of the corporate cost base year on year with the unbundling of Sibanye? On Tarkwa and Damang, decisions around expanding those assets or optimising them as you suggest, are they dependant at all on the tax or royalty regimes of the country as you've discussed in the past? And finally, the question is just on debt levels and gearing. You're at 0.6 or 0.7 times net debt to EBITDA at the moment. Do you view that as being the optimal level that you're looking to maintain through the cycle, and should we expect any debt issuances over the next year as you see it in your plans?

Paul Schmidt – CFO

You want me to deal with the debt first. In terms of the net debt to EBITDA we've always said a level of around one to long term is our comfort level. In terms of issuing more debt, obviously we like to have long-term debt as opposed to short-term debt. With this restructure, we've just finalised a five year and a three year term and RCF post the bridge that we were given for the whole Sibanye deal. We're always looking at

the market if we want to extend in the bond market going to ten year. It just depends on what the markets are. But we are quite comfortable with the debt levels at the moment. As Nick said earlier, we've got it in the right debt maturity categories at the moment. It is all effectively long-term for the new company.

Nick Holland – CEO

I think in terms of your first question on the overhead and corporate structures, the Sibanye transaction allowed us to transfer a number of people from the corporate to Sibanye. So I think that has helped us to share the resources between the two companies. And that will help us to have a right-sized corporate. And I must say where I sit today I think it is one of the most efficient smaller corporate structures you will see in the gold industry. So I think we're done on that as we see things today.

On the Tarkwa and Damang expansions, clearly there have been some changes in the fiscal regime in Ghana. We continue to engage with government on how best we can take forward the gold industry in Ghana for the benefit of all stakeholders. And that is obviously something that is an ongoing debate. I can't give you a timeframe of when and where we might get to.

But certainly it is not an irrelevant issue. You've got to look at this in the context of the entire project. I'm pretty hopeful that we're going to come to a situation where we get a win-win deal for everyone. More tax into the coffers for the fiscus, more jobs potentially in the mining industry in Ghana, and more benefits for our investors. So let's see how we go.

END OF TRANSCRIPT