GOLD FIELDS

Q4 C2013

RESULTS FOR THE PERIOD
ENDED 31 DECEMBER 2013

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Fourth Quarter Results
Period ending 31 December 2013

Building a Sustainable Business at US$1,300/oz
Q4 2013 and 2013 Year-End Results

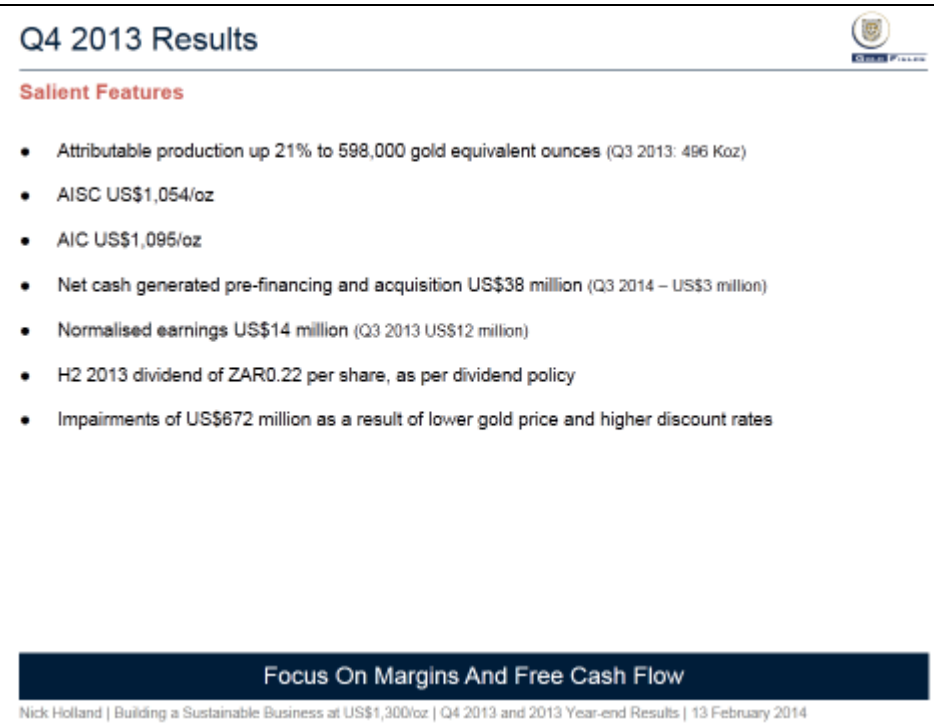
NICK HOLLAND
13 February 2014

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.



Looking at the quarter, we achieved 598,000 ounces of gold equivalent production for the quarter. That's up 21% against the previous quarter, principally because of the Yilgarn South acquisition. That's the main reason for the increase. If you strip that out we're pretty flat across the rest of the operations. I say pretty flat, but it was a good performance from those operations in the last quarter we believe.

There is a lot of confusion in people's minds about all-in costs and all-in sustaining costs. But this is the new metric that we will be reporting going into quarter one. The good news for some, and maybe bad news for others, is that these are the only metrics that we're going to report in 2014 because it really gives a true reflection of what it costs to produce an ounce in the business. So all-in costs have come down to $1,095 and all-in sustainable if you strip out what we classify as growth capital – and that's really South Deep – has come down to $1,054.

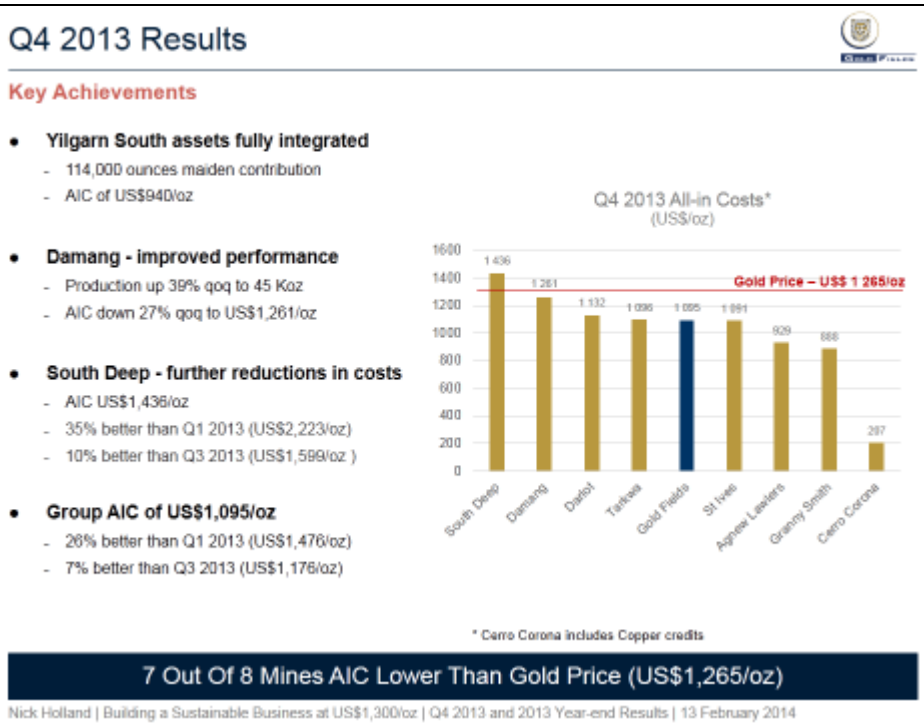
Net cash generated from the core business before financing and any acquisitions was $38 million. That has been a key consideration for us, to turn this business back to cash positive in the face of an unprecedented decline in the gold price during the course of 2013. And it is a start to where we want to get to, but importantly it's a big turnaround from where we've come from. Normalised earnings of $14 million.

We paid a dividend in line with our policy. Let me just confirm again, our policy has not changed. Our policy is still 25% to 35% of earnings that we will use as a basis for dividend pay-outs. We are paying 22 cents, and that comes to around about 30% of normalised earnings for the quarter if we strip out the non-recurring items for that basis.

As we said back in August we would be doing some impairments at year end. We had to run all of our economic models at $1,300 an ounce to do that. That took us a few months because we had to re-run our reserves. That means we are impairing about $672 million at year end. And that is principally in Ghana at Damang. $173 million of that is at Damang, given the drop in the gold price in particular. And also in St Ives in Australia. Those are the two big ticket items that we've got. So it is really Ghana and Australia.

These impairments are really on the back of the lower gold price, given that we were using $1,500 an ounce in the previous year and we are now using $1,300. So it is really gold price related. It doesn't have any bearing on the technical nature of the ore bodies. There hasn't been any material modelling changes in the ore bodies as such. And also we've used higher discount rates, and that's a function of the change in the risk free rates across the world, the risk premiums we apply and also the beta that applies to the gold industry. So we put those through.

We've also been analysing how we look relative to everybody else. The industry so far has impaired over $25 billion over the last year in asset impairments. So there are much bigger ticket items being impaired elsewhere than what we've done. This means that at $1,300 we are very comfortable with the carrying value of our assets.



Highlights in the quarter. Clearly the acquisition of the Yilgarn South assets that we got on 1st October has been a highlight. They have come in at 114,000 ounces at an all-in cost of $940 per ounce. Just to remind us, that includes everything except income taxes. Royalties, capital expenditure, operating costs, G&A, stock changes, you name it, it's all in there. They came in at $940 per ounce.

Damang we had a significant turnaround. I'm pleased to say that we got our production up by 39% to 45,000 ounces. But more importantly, we dropped the all-in cost down 27% to $1,261. We believe this created a platform for further improvements in the performance of Damang going forward.

South Deep has continued to reduce its costs and we're now down to $1,436 all-in cost. We are now edging closer to that break-even point that we're looking for. And we just put in here what it looked like in quarter one. In quarter one we were over $2,300. Now we're down 35% to $1,436. So we are getting closer to that.

And our group all-in costs, as I mentioned earlier, are down to $1,095. Again if you went back to quarter one that figure was $1,476. So we've taken out 26% of that cost base over the year. And as you can see that has been a key focus for us in 2013.

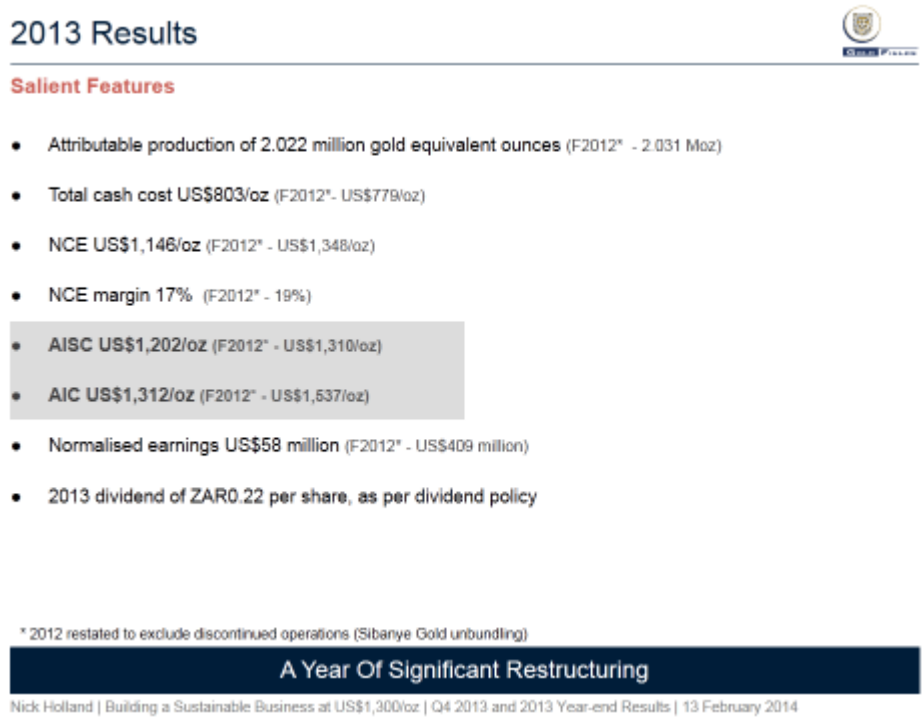
This was a scorecard I put up in August of the key ingredients that needed to improve the performance of Gold Fields. We needed to save further costs and capital. And as you will see we've taken $450 million out of our cost base during the course of 2013. And that's across the board. Capital, operating costs, growth, exploration. So that has dropped by $450 million, and you've seen that in the unit cost that I mentioned just now.

We've integrated the Yilgarn assets. We announced them on 22nd August. In fact, that deal only closed on 1st October and it's amazing how quickly we've managed to get everyone aligned and into the new way of thinking of Gold Fields in Australia.

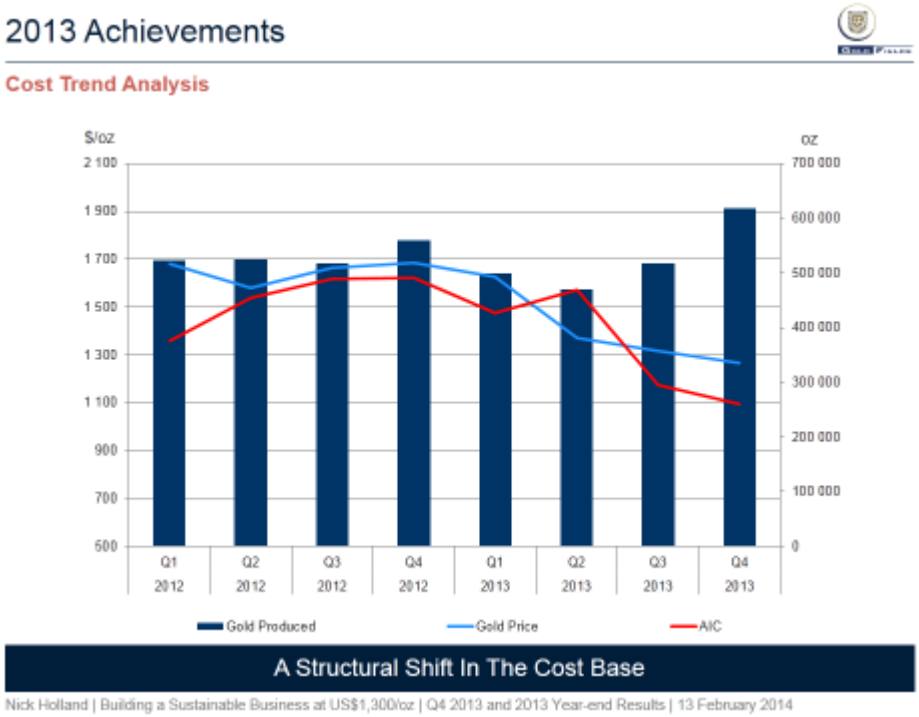
Tarkwa transition to CIL. That's done. We've stopped the heap leach operations at the end of December. We've said that Damang was a key issue. We had to make a decision on Damang. Our decision today is we believe we have a viable operation for the future. And this is the first step, these results, in making sure that that follows through.

The South Deep restructuring is largely done. We've made a lot of changes, and I think that's going to set us up for the future. I will talk about the build-up again a little bit later.

And then we've been looking to trade out of some of the portfolio of growth assets. We don't have anything new to say today on that, except to say that the process continues. If we can find reasonable offers for the assets we will look at it, but at the same time we're not going to give them away. And the holding costs of maintaining those assets and keeping them in the portfolio are low. So we can maintain the optionality without incurring a significant amount of money on those assets.



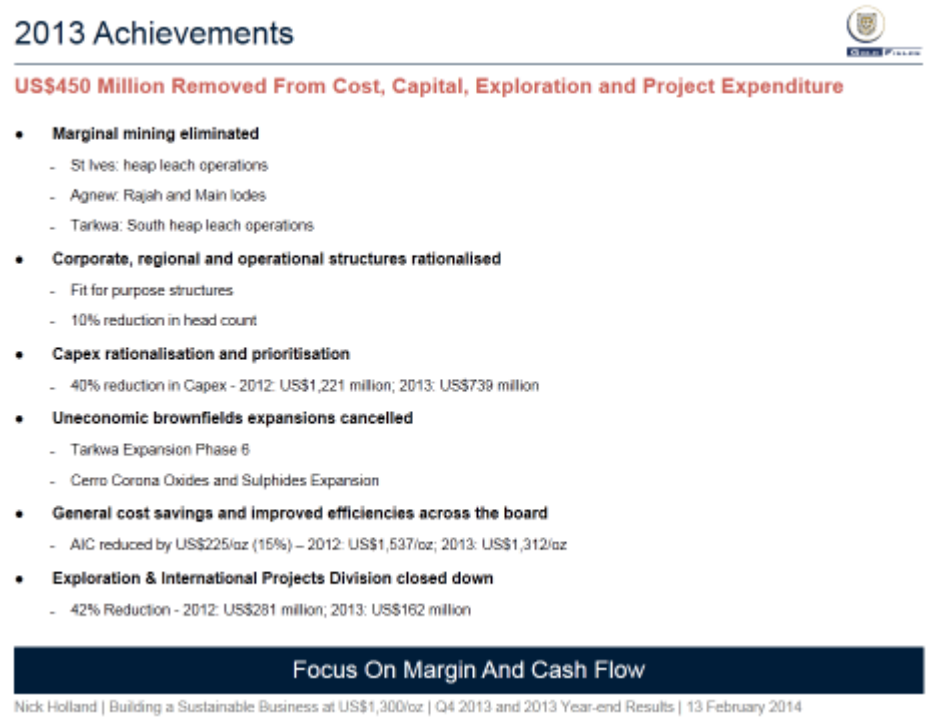
Looking briefly at the year, because this is now the financial year close, we did 2 million ounces this year, very similar to the previous year.
Cash costs – and again you're seeing this for the last time because I won't be talking about this into the future. You know my views on cash costs – at $803 an ounce.
NCE at $1,146. You won't be seeing that again in the future. But that shows what we did. We went from $1,348 in 2012 to $1,146 in 2013, so a big drop.
And then more importantly, the all-in cost and the all-in sustaining costs, we've given you some pro forma numbers of the previous year. We dropped from $1,537 in 2012 to $1,312 in 2013.
But more importantly, as I said, at the end of Q4 2013 we were down to $1,095. It shows you the scale of change from where we were in 2012 to Q4 of 2013. And I talked about the dividend.



This really demonstrates what we've achieved in the cost base. We've given you the last eight quarters here. We show you the gold production in the bars and then we show you the all-in costs in the red and the gold price in the blue.

And what we're seeing really over the last two quarters in particular is we've managed to increase the production base with the Yilgarn South acquisition, but at the same time we've dropped the all-in costs in red very significantly over the same period.

I think that sets Gold Fields up to be much more sustainable at the current price levels. And we're not restructuring this business hoping that the gold price is going to recover. We are restructuring the business expecting that $1,300 is what we have to work with in the foreseeable future. In the longer term I think it will improve, but we have to accept that over the next year or so this may be as good as it gets.



So looking at the $450 million I talked about, removing that from the cost base, how did we manage to do that? There is no silver bullet as such. It's a range of initiatives that are cutting out marginal production. We've said previously it's not about ounces, it's about cash. So we already started cutting down marginal production in 2012 as we sought to improve the margin per ounce. That's when we shut down the St Ives heap leach operations. We pulled out of the low-grade Agnew areas and we shut down the Tarkwa south heap leach.

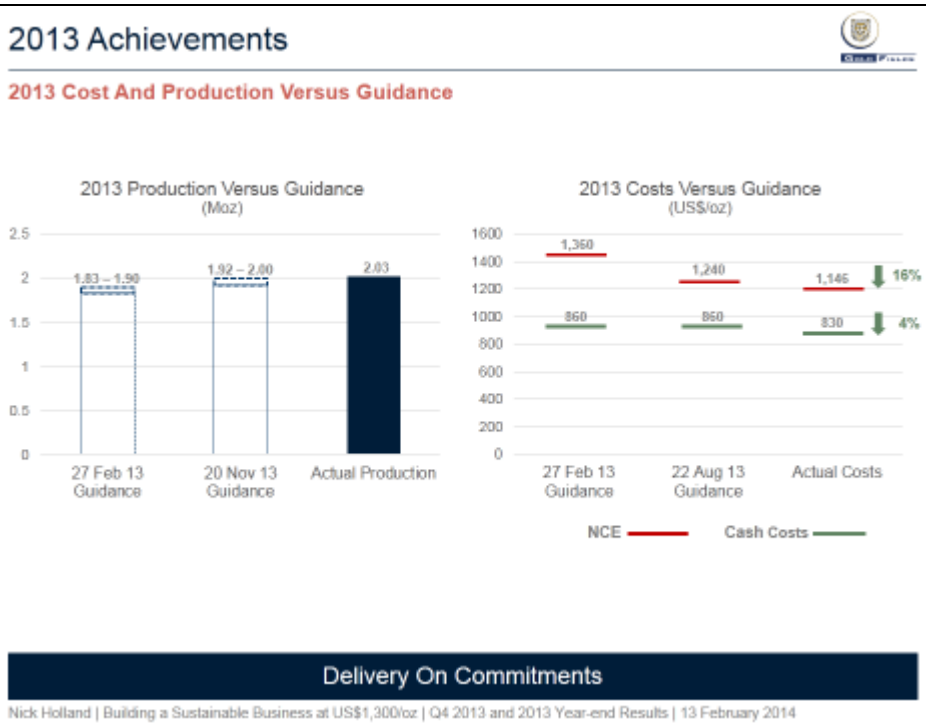
We've also trimmed our corporate and regional cost structures. We've had a 10% reduction in head count over that period, which, including contractors, translates to around 1,700 or 1,800 people. We've rationalised our capital. In 2012 we spent $1.2 billion. In this last year past, 2013, we spent $739 million and that figure will be lower again in 2014.

You might say, well, what are we giving away in terms of the future? The one thing we haven't stopped is development and stripping our pits to make sure that the future plans of the company are not compromised. I lived through $250 gold in 1999 and I saw what we and what the industry did. We pulled back our development significantly and we never really got it back. We said that we did, but we actually never got it back. And we paid the price.

So the important thing is, let's make sure that we maintain the structural integrity of our operations. That is the expenditure, or what I call the good costs, that we are going to continue spending. Uneconomic brownfields projects we've cancelled. The Tarkwa expansion is gone, and also the expansion in Peru. We don't see the need to do those at this particular point in time given that our focus is going to be on cash.

General cost savings, our all-in costs as I mentioned, reduced by $225 an ounce year on year. And our exploration and growth halved essentially from $281 million to $162 million. This doesn't mean we're not focussed on growth, and we shouldn't walk away from here saying Gold Fields is going to be ex growth. We're not ex growth. I think the fact that we are announcing our results in a quarter where we've just bought some new mines should give you a very clear indication of that.

The fact that we're still retaining an exploration focus, principally in the Americas on greenfields, and more focus on brownfields in Western Australia, where we've committed $50 million in 2014, gives you a clear indication that we are still focussed on growth. But we are very focussed on the kind of growth we think can really deliver for us in the short to medium term. We don't see ourselves as having 20 greenfields exploration projects around the world, which is what Gold Fields was in 2012. We're going to be a very different Gold Fields, where we're focussed on the countries where we want to be and the style of mineralisation that we're looking for, that will add the best value for us.



Here is our guidance just to pre-empt any issues about how did we do relative to what we promised. You can see we have outperformed on production and we've outperformed on what we told you we would do on our costs, both cash costs and all-in NCE for the period. And credit to the team for that delivery.

So what is Gold Fields today? We're a 2.2 million ounce producer spread across eight operating mines in four regions. Australia, as you can see in the pie chart, makes up 43% of our production. Essentially now we're a million ounce producer in Australia, which makes us either number two or number three in the total country, but certainly number two in Western Australia. So that's a very significant part of the world for us. Ghana is 31% and then Peru and South Africa 13% each. And that's what it is. It's a small corporate office here in Sandton and then four empowered regions across the globe. Any growth that we're doing is going to be embodied into those regions. So it is a much simpler structure that has been put in place.

2013 Achievements

Balance Sheet

- Total outstanding debt US$2.06 billion
- Cash on hand US$325 million
- Net debt US$1.74 billion
- Net debt / EBITDA: 1.53 (Q4 2013 annualised)
- 49% of debt is a 10-year US$ bond (US$1.0bn), no covenants, fixed coupon of 4.875%, maturity 10/2020
- 35% of debt (US$720m), maturity 11/2015
- Head room circa US$750 million

Conservative Debt Maturity Ladder

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Let's look at our balance sheet. Our total outstanding net debt is $1.74 billion. If you annualise the EBITDA figures for quarter four that comes out at about 1.5 times net debt to EBITDA, well within our financial covenants. There is no real issue on debt. And importantly, our tenure is well structured. Half of that debt is out to 2020 where there is no re-pricing risk. It's a fixed coupon. And then 35% of the debt has two years maturity from here. So essentially 85% of our debt does not have any immediate refinancing issue. And we will continue to work on trying to improve the tenure and see how we can actually continue to de-risk the profile. But the profile as it stands is certainly not a risky profile. We have comfortable committed headroom of $750 million.

OPERATIONS REVIEW
It's not about ounces
Its about cash!

South Deep Project

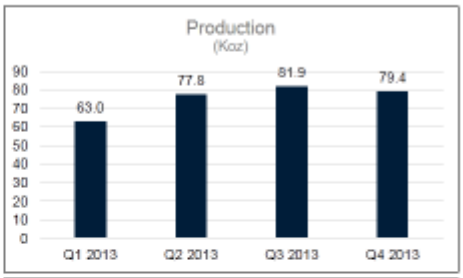
		Q4 2013	Q3 2013	2013	2012
Production	Koz	79	82	302	270
AISC	US$/oz	1,399	1,448	1,541	1,732
AIC	US$/oz	1,436	1,599	1,763	2,308

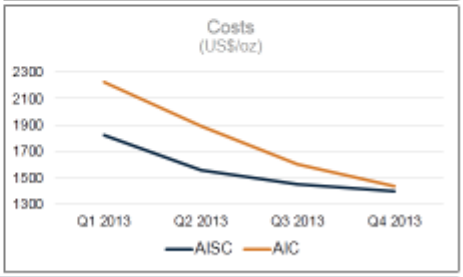
2013 results in line with guidance

- Gold production up 12% to 302 Koz
- Destress up 24% to 53,700 m²
- AIC down by 41% from US$2,436/oz in Q4 2012 to US$1,436/oz in Q4 2013
- Right-sizing of cost base continues

2014 Guidance

- Production: 360 Koz
- AISC: ~US$1,290/oz (~R394,000/kg)
- AIC: ~US$1,350/oz (~R412,000/kg)
- Exchange rate ZAR9.50 = US$1.00





Positive Trajectory Continues

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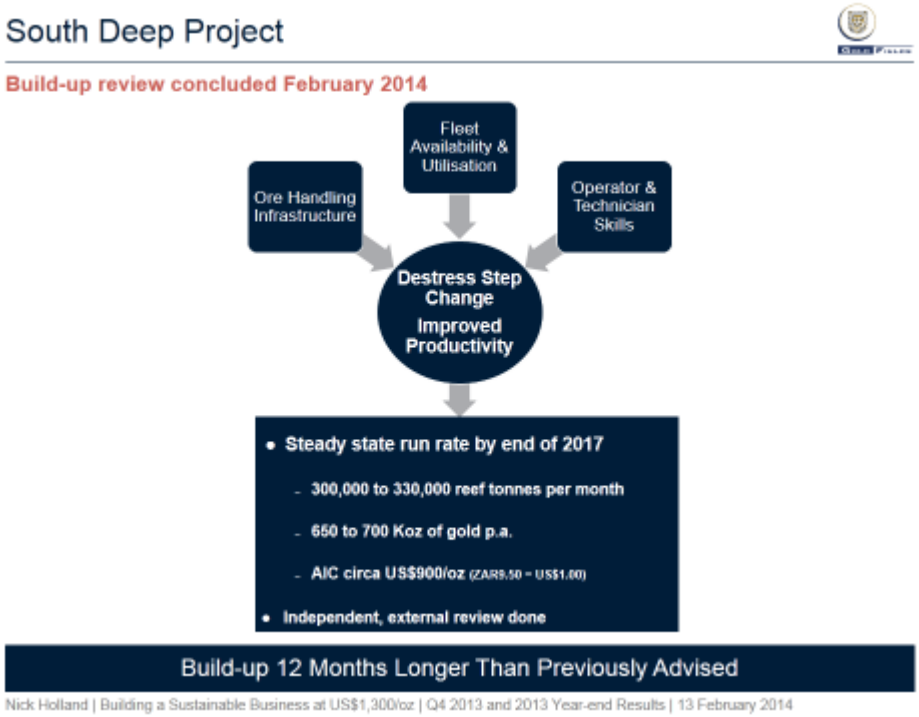
Let's go to the operations and have a brief synopsis of where we are. South Deep production for the quarter is marginally off the previous quarter, 3,000 ounces down to 79,000 ounces. As I mentioned earlier, the all-in costs have reduced significantly compared to the beginning of the year and also on the previous quarter.

Let's take stock of the year overall. We're looking at a 12% increase in production over the year. That's pretty much what we said we would do over the year. Our de-stress – and I will explain the de-stress in a bit more detail in a moment – which opens up the ore body - is up 24%, and that is on the back of a 50% increase in the previous year. So that has really doubled over the last couple of years.

All-in costs I've talked about. And we spent a lot of time right-sizing the cost base and you can see that on the graph on the right-hand side.

We've also given you the 2014 guidance we intend to achieve, 360,000 ounces. And as you can see the all-in costs, assuming a R9.50 exchange rate, we expect to be below $1,400 in 2014.



We've conducted a detailed review of the build-up of South Deep, as I mentioned we would do six months ago, which has included an independent external peer review. Our view today is we've learnt a lot about South Deep over the last few years.

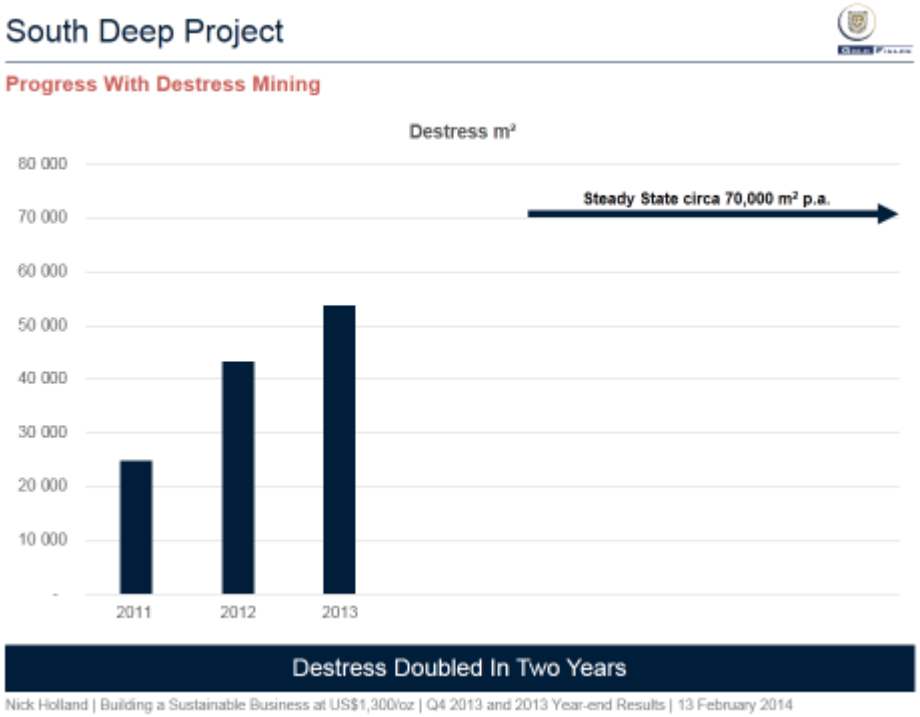
Certainly we need to improve our infrastructure underground. We need to improve the availability and utilisation of our fleet and we need to improve our operator skills. Those are the key ingredients in making sure that South Deep will be a success. All of these aspects have and continue to receive attention, and we believe that we have the right team on site for us to deliver this operation.

So what we're saying now is that we expect steady state by the end of 2017, a so-called run rate, as the Americans call it, of around 300,000 to 330,000 tonnes of reef tonnes and 650,000 to 700,000 ounces of production. And that should come in at an all-in cost of around $900 an ounce at about a R9.50 exchange rate. What we've done for those of you who want to get more details on how this build up will occur, we have put a schedule on the website that gives you a more detailed profile.

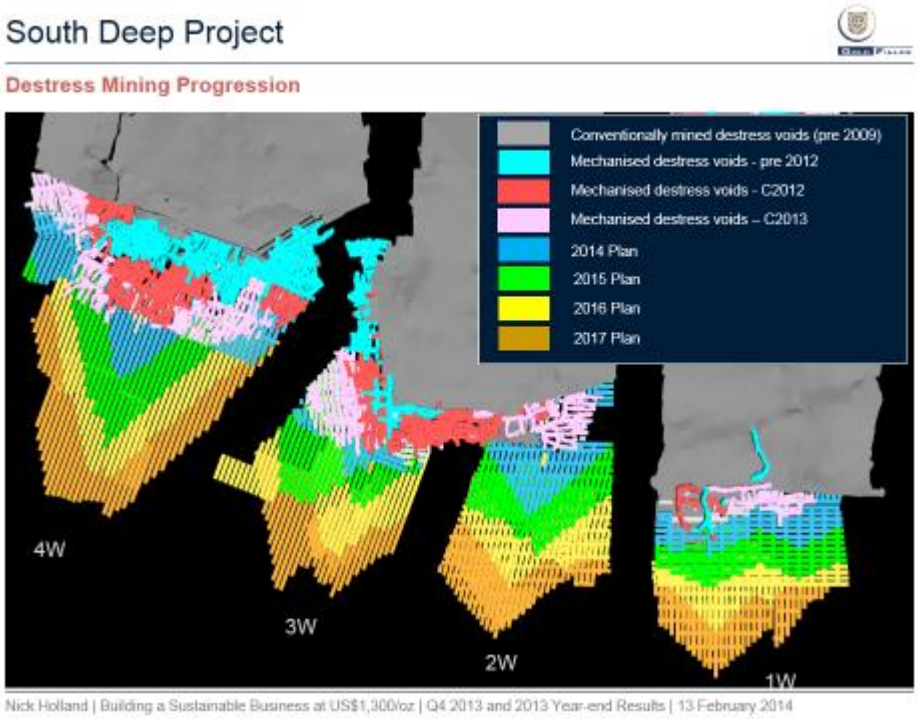
In essence we are now operating at around about half the tonnage we need to get to at full production. The average reef tonnage in 2013 was 154,000. So we need to double that in four years.

And we were at 300,000 ounces and we need to more than double that in four years. A big kick in that production will come from the long haul open stoping. And the mix of mining will change from currently about 30% long haul open stoping and the balance being benching, drifting and de-stress to 70% long haul open stoping.

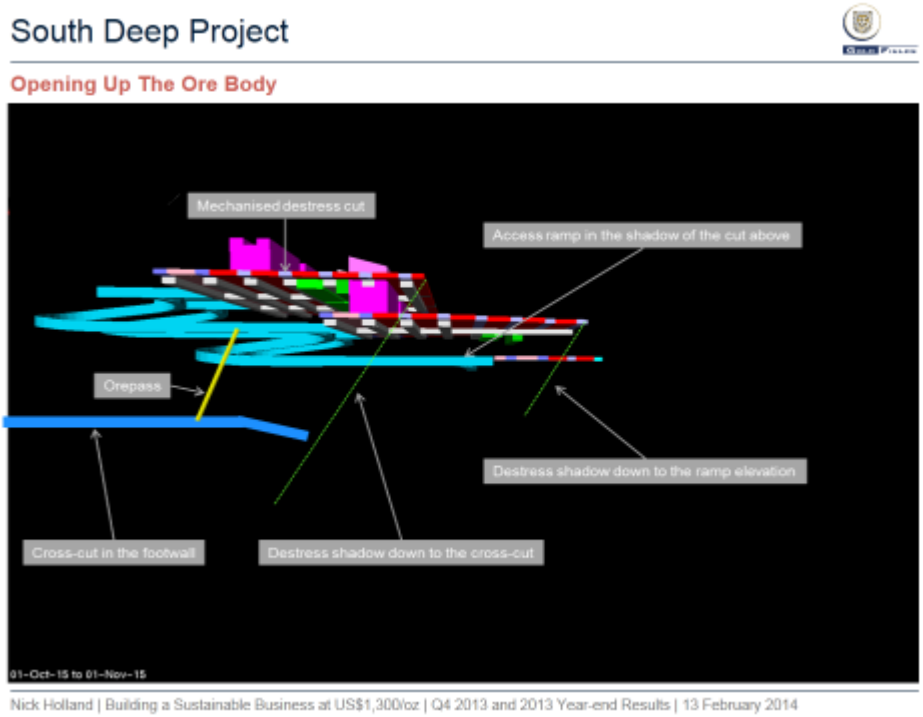
For the non-technical people in the room, open stoping is a means by which you can significantly improve your volume broken and significantly improve your productivity. That's why the de-stress is very important to us.



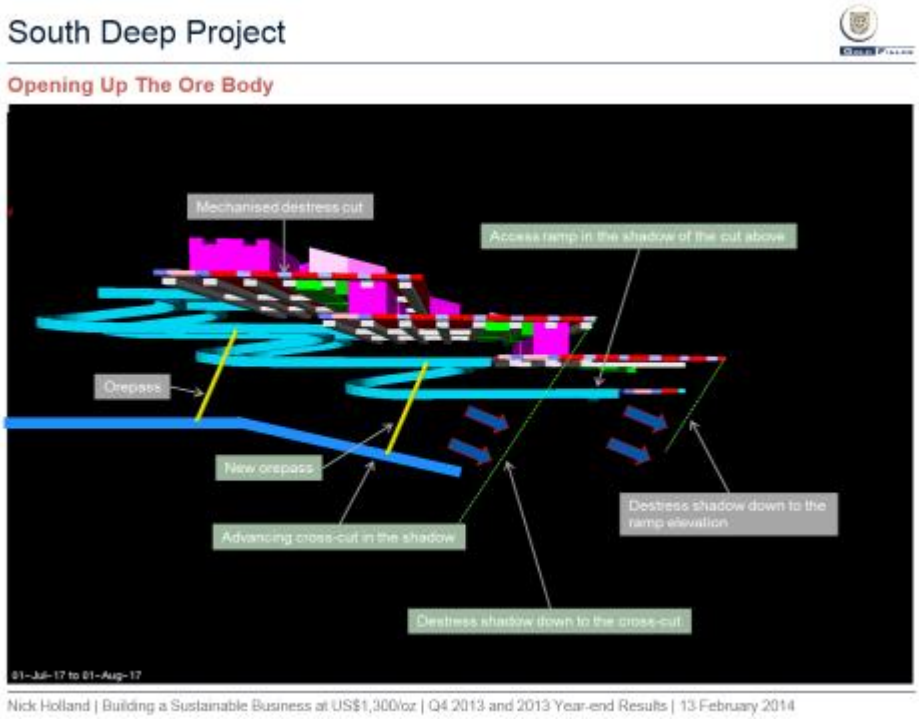
Let's talk about the de-stress. We have given you distress progress over the last three years. And as you can see we have moved significantly up. We didn't quite get as high as we wanted to though, and that's the reason why we believe it is going to take another 12 months to hit full production. The de-stress needs to be at a steady stage of about 70,000 per annum. And we need to get to there within two years.
If we can hit that within two years then we're going to be okay. And the signs are very good. As you can see we're not far away. So the trajectory has been very positive, but it wasn't at the momentum that we could say that full production could be secured by 2016.



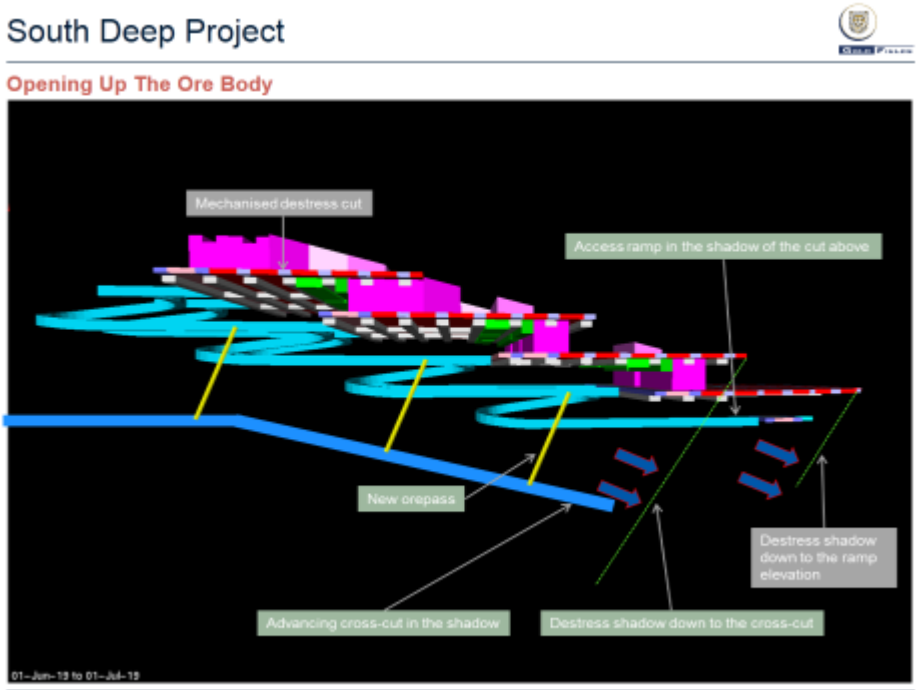
Let's look at the de-stress to get a better understanding. We've got four corridors of South Deep. And that strike there is about a 1.8km strike over the four corridors. You can see the de-stress in light blue that we did pre-2012. And then the red and the purple blocks show what we've done over the last two years. And you can see there has been quite a bit of progress. But more importantly, the heart of the ore body is in the 3 West and 4 West corridors. And that's the more proximal part of the ore body that is closer to the shore line that sits over here. So this is where you're going to get the higher grades and where you're going to get the bulk of the gold. We have made the most progress, in fact, on the 4West corridor. So that's very important for us to understand. You can see going forward we've given you the trajectory over the next four years. That's where we've come to on the de-stress and where we're going.



Let's just explain the de-stress in a bit more detail. This is now a section view of what you saw. This is the plan view if you're looking down on it. This is a section view if you're looking on the side of that. Essentially what the de-stress is its 2.2 meter cuts into the ore body. These are about 120 to 150 meter cuts. And then we put in a vertical slot here that links it up there to the next cut that goes through. Then we do the follow-on ramp underneath that. Then we do the ore passes and we do a cross cut as it goes forward. And this is going into the ore body which dips at about eight degrees.

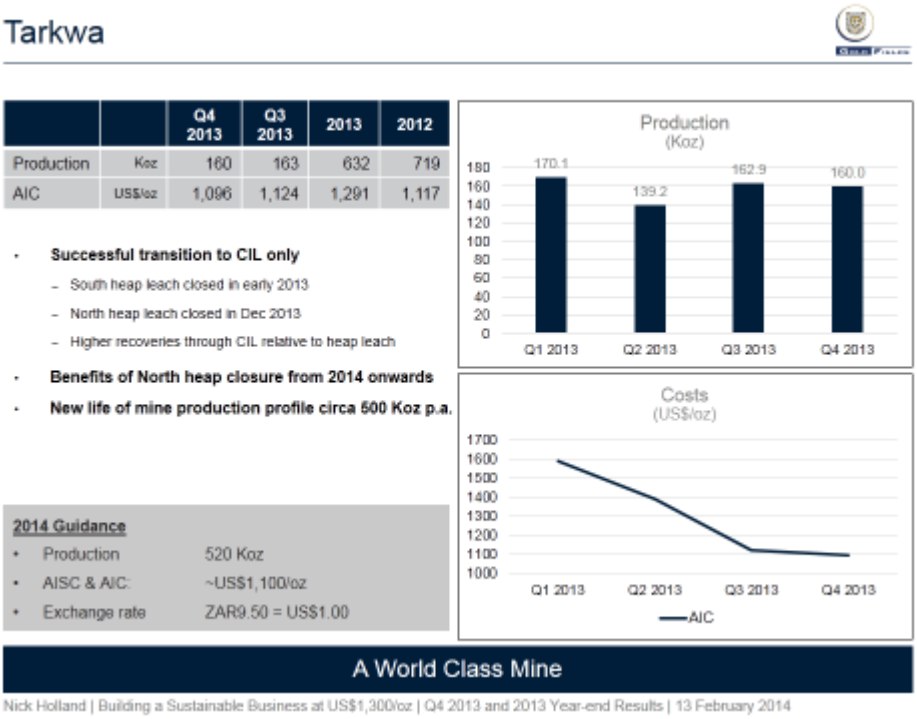


If you look further on, this is a typical de-stress cut and how it advances. You can see that's the next cut over there, and that's how it advances further. And we always continue this advance within the shadow. And you can see there is a 45 degree dotted line there, and that shows us that we have to continue doing the follow-on development in the shadow of the de-stress, because that helps us to reduce the virgin rock pressures significantly below where they would be otherwise.



And then lastly you can see another cut going down over there. So that gives you an idea of what the de-stress looks like. So the open stope mining will be done in these areas over here. And we will do retreat stoping across this area. We will do one retreat stope, have an open void, one retreat stope, then we backfill, and then we do the next. That's how it will work. There is 15 metres between these levels and these are 120 metres along. This will be 70% of the mining of South Deep in future.

Now, if you want to learn more about South Deep there is a mine visit taking place Tuesday next week. So we're going to have a detailed presentation from the mine management and we're going to have an underground tour for those of you who can join us. I believe a lot of people are coming.



An excellent performance from Tarkwa over the quarter. 160,000 ounces of production for the quarter. All-in costs below $1,100. And I think the achievement here that I think has been really good is that the cost base has been reduced in anticipation of the closure of the heap leach operation. So we've managed to get costs out of the system ahead of that. That has been closed down at the end of December. So we have quite a bit of fleet parked up which is still in good nick, so I'm sure we will find a source to deploy that into in the future. But for now that is parked up.

What are the benefits of closing the heap leach? Just to remind you, as we're getting deeper into the pit the ore is less porous and less amenable to heap leaching. And recoveries have been declining steadily over the last five years from 75% to around about 50%. Instead of getting 50% recoveries we're going to take that same gold, put it through the plant and get 96% recoveries.

In fact, over time we should be able to recover more gold by actually going the CIL option only. Remember we've got a 12 million ton a year CIL plant, and that will continue to be the base of our production for the future. So with that we've dropped our guidance for next year to 520,000 ounces for Tarkwa. And all-in costs around about $1,100, which is lower than the all-in cost for 2013. I think that gives you an idea of what we've done. Even with continued mining inflation, by closing the heap leach and restructuring the cost base we have managed to reduce the overall costs. Tarkwa used to be a 135 million ton a year operation or 450,000 tonnes a day. It is now going to be about a 90 million ton a year operation.

So a fundamental change in that, but it will be more profitable and more cash-generative to us on the basis of the new format.

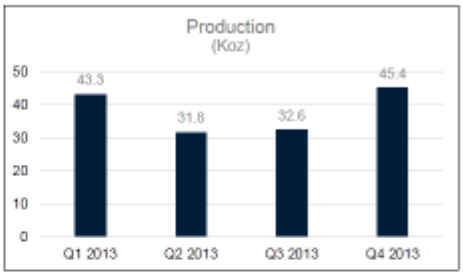
Damang

		Q4 2013	Q3 2013	2013	2012
Production	Koz	45	33	153	166
AIC	US$/oz	1,261	1,727	1,558	1,753

- **Significant improvement in operational performance in Q4 2013**
  - Focussed costs control, reduced cash burn
  - Quality selective mining, reduced dilution
  - Improved plant availability, recoveries and throughput

2014 Guidance

- Production: 165 Koz
- AISC & AIC: ~US$1,240/oz
- Exchange rate ZAR9.50 = US$1.00



Solvency Restored

Nick Holland | Building a Sustainable Business at US$1,300/oz | Q4 2013 and 2013 Year-end Results | 13 February 2014

If we look at Damang, as I mentioned, a massive turnaround at that operation. And we dropped our costs by $500 per ounce quarter on quarter. We've done a lot of soul searching, a lot of modelling, and a lot of work to try and understand what we should do at Damang.

And I think the one thing that has come home to me certainly, and talking to some of my peers in the global gold industry, a not too dissimilar view is being reached by other CEOs in the gold industry, is that we're going to go smaller and more incremental in our approach to ore bodies.

The original approach to the Greater Damang ore body was let's try and extract a 6 million to 7 million ounce ore body containing 700 million tonnes of material with a strip ratio of 6:1. That's wonderful once you've finished spending all the money on the strip. But you might find you're going to be spending a lot of money before you get to the good stuff. And the other thing is there may be some risk in that approach.

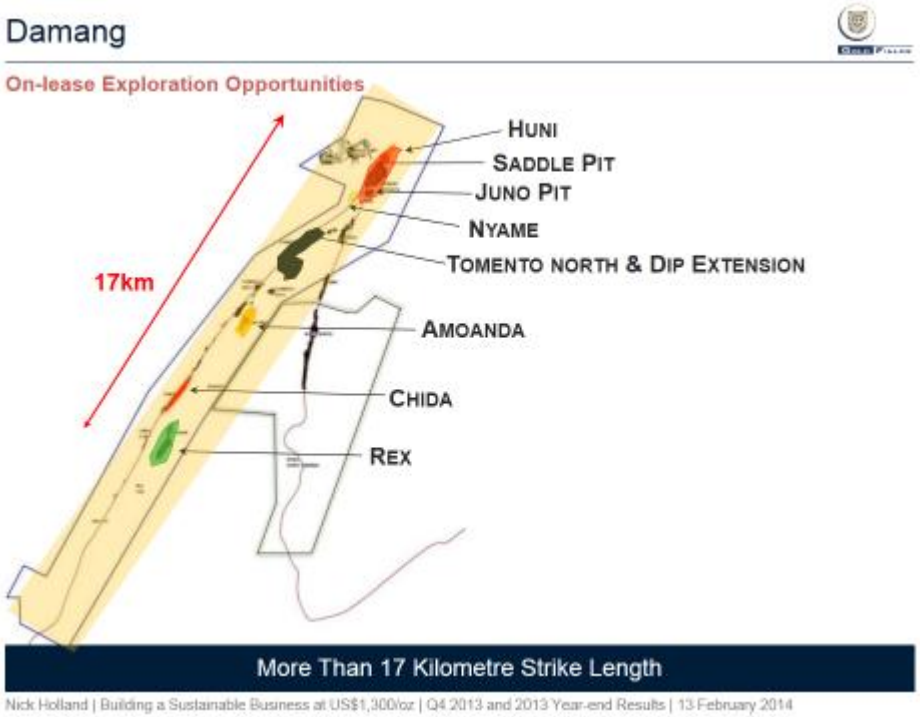
So our approach now is going to be to digest the elephant in smaller portions. And that way I think we will learn as we go. The approach at the moment is for us to really look at the higher-grade parts of the ore body.

Juno is the principle focus at the moment, and that will continue for a while. And judiciously going into the saddle area which is adjacent to the original pit to the north, and then Huni.

And employing different mining techniques because the ore body has changed. The ore body is now more discrete. It's not as disseminated as it was before. We need to make sure that we really understand the controls and the mineralisation and the differentiation between ore and waste. So selective mining is the key word here. Reducing dilution.

I think there has been a lot of good work. And we finally now have done all the work we needed to do to make sure the plant is going to be sustainable over the long term at somewhere around 4 million tonnes a year.

And it can take anything now that we throw at it. Previously we were concerned that we needed a mix of fresh material and oxides. We are now very comfortable that we can throw 100% fresh if we want to and we can still get 4 million tonnes. That's because we've invested in secondary crushing capabilities.



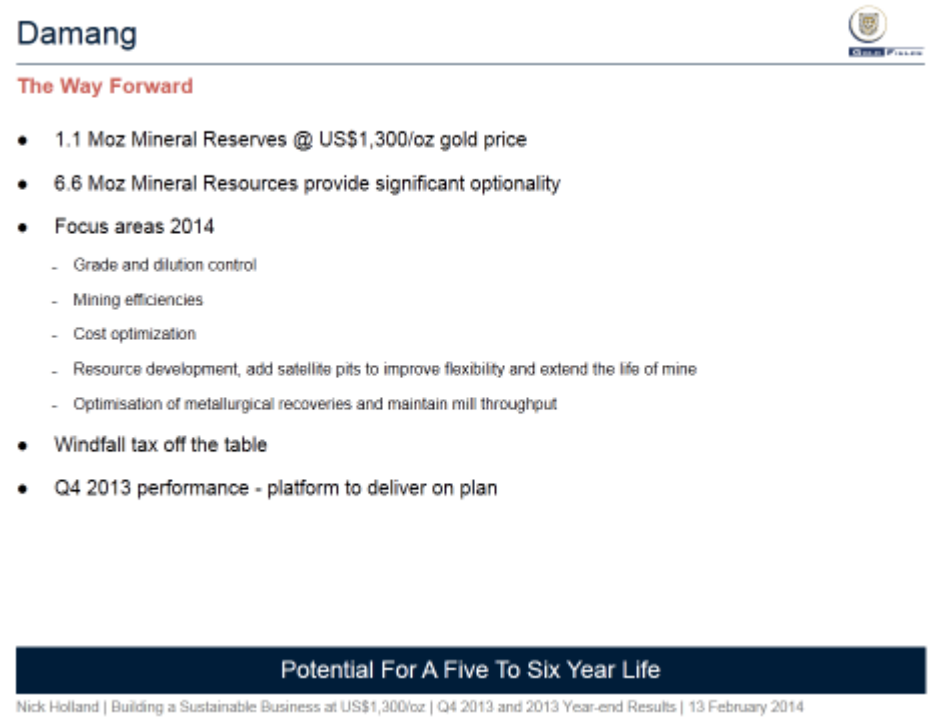
Let's not forget the potential of Damang. Here is the mineralised trend that we have, around about 17 kilometres of strike. Here is the original pit here in the middle. There is Huni to the north. There is Juno to the south. So this was the Greater Damang pit with 3km strike.

So we're concentrating our mining at the moment on Juno. We're doing some in the saddle and we will be doing some in Juno, but we are not stripping the entire pit to expose all the ore. We're doing it bit by bit.

There is the potential extension to Juno here in Nyame. And some of the old satellite pits that we've mined years ago, we're seeing now that there are extensions here at Tomento North, probably another 500 metres of strike, and also Amoanda. And those pits were last assessed at a gold price of $400 to $500 an ounce. So at $1,300 we see lots of opportunity here for satellite pits to help augment this production.

We think that there is good potential for this mineralised trend to actually extend to Tarkwa in the south here – that's about 30 kilometres south – and just link it all up. But we haven't spent the exploration time and dollars in the last ten years to either prove or refute that theory. That will be one of the focus areas over the next five to ten years.

So there is a lot of opportunity at Damang, and our view is that we're not going to walk away from this. We're going to make this work.



So the way forward is we now have an economic reserve of 1.1 million ounces at $1,300. Last year that figure was 4 million ounces. The gold price is the main factor in that reduction, because as you can see the resource is still very strong at 6.6 million ounces. So we've got something to play with. We've got five or six years to play with.

Our plan is to say let's mine this and make money, and at the same time let's see if we can continue to optimise the longer term, and let's see how we can convert some of that reserve to resource over the next number of years.

And key to all of this is going to be the basics of mining; the 101s of mining. That is going to be the key focus of Alfred Baku, the head of our West Africa region, and his team.

Windfall tax - the president said that is off the table, so we welcome that.

The platform has been set up for the future. The quarter four performance is giving us confidence that Damang can make it.

St Ives

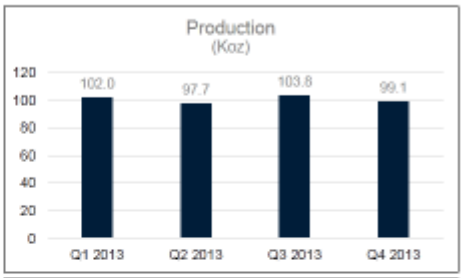
		Q4 2013	Q3 2013	2013	2012
Production	Koz	99	104	403	450
AIC	US$/oz	1,091	1,116	1,218	1,659

- **Significant improvement in AIC**
- **On-site discovery leads Reserve Growth**
- **Invincible – a significant discovery**
  - Mineral Resources*: 9.2mt @ 4.50g/t = 1.33 Moz
  - Mineral Reserves*: 3.7mt @ 4.09g/t = 492 Koz
- **Neptune – in production in 2014**
  - Mineral Resources*: 5.5mt @3.3g/t = 0.58 Moz
  - Mineral Reserves*: 2.9mt @ 3.4g/t = 319 Koz

*Gold price: A$1,570/oz for Resources and A$1,370 for Reserves

2014 Guidance

Production	395 Koz
AISC & AIC:	~A$1,210/oz ~(US$1,150/oz)
Exchange rate	US$0.95 = A$1.00



Significant Reduction In Cost Base

Nick Holland | Building a Sustainable Business at US$1,300/oz | Q4 2013 and 2013 Year-end Results | 13 February 2014

St Ives, another good performance for the quarter of 104,000 ounces. The all-in cost was under $1,100 an ounce. And I think also you can see the good work that has been done in dropping the cost base over the year at St Ives. What's particularly interesting now about this asset is the upside that we see. We've got something called Invincible which we think is the next big mine at St Ives and which I will talk about just now.

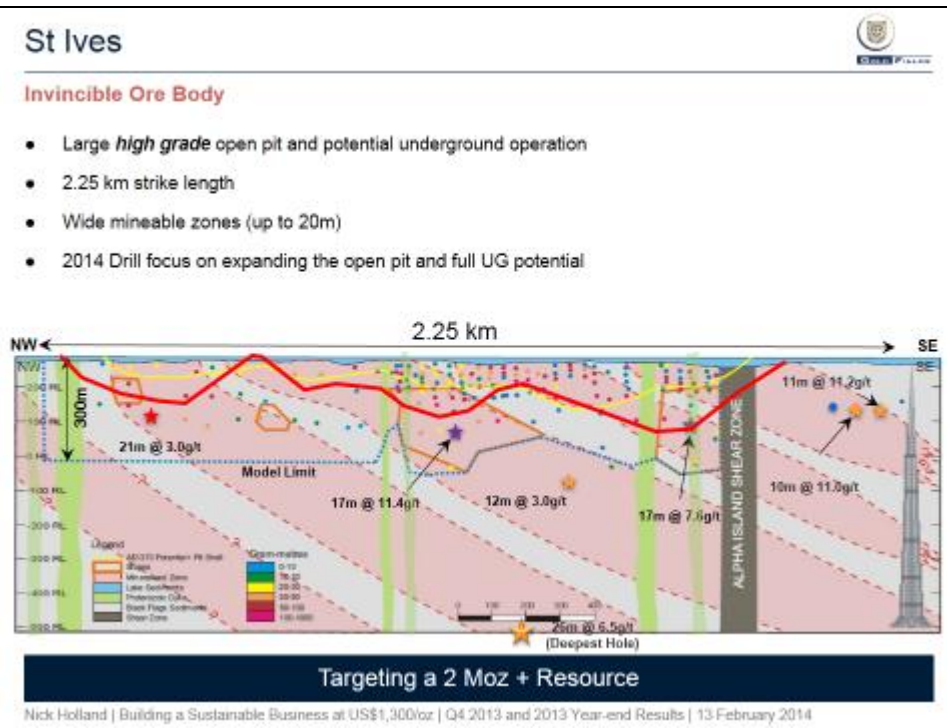
At St Ives we have 1.3 million ounces of resource and 500,000 ounces of reserve. We think there is potential to be about 2 million ounces is resources. And we will get that to feasibility stage hopefully by the end of this year and possibly start stripping in the course of 2015.

And then Neptune, we are already stripping that. That's the next generation pit. And that has got 580,000 ounces of resource and 300,000 ounces of reserve.

But importantly look at the grades here. These will initially be open-pittable mines at very good grades, and that is certainly going to help St Ives change its cost profile.

Guidance, as you can see here, 395,000 ounces at $1,150 all-in cost for next year. We're having an eye on the future here.

A lot of people said why did you buy the Yilgarn South assets? The reason we bought them is because we see the opportunities at St Ives replicating themselves at those operations. And between St Ives and Agnew, which we've owned for 11 years, we've mined about 8 million ounces and we can see the next generation mines are in sight. That's going to certainly add more to what's there. So these mines just tend to keep going.



Let's look briefly at Invincible. What have we got here? We've got about a 2.2 kilometre strike over here. This red line shows the resource shell that we've done at A$1,570. And the blue line shows the potential inventory, taking into account what we know is there. So there is more confidence in this stuff at this stage.

But you can also see some of the drill holes here and in particular at depth. This is 1,300 metres down and we are still finding good mineralisation. This is the Burj Al Arab in Dubai. It gives you an idea of the depth of the ore body. And this is still open at strike.

So a very exciting ore body that was under cover, and that's why we didn't find it. You don't find these ores with aero-mag surveys. You have to drill through cover to find it. And also this was in a perpendicular sheer zone to the main sheer zone, and that's why we didn't find it initially. But this is certainly something that's exciting for the future.

Invincible and Neptune are on the lake. For those of you who have been out to St Ives, we have a salt lake that goes through the lease. You can see the Lefroy plant over here. And Invincible is on the lake here and Neptune is on the lake.

So this will be lake mining. We've done that before. We don't see any particular issue. I think the only thing is the logistics. Do we have a conveyor system over here, do we have a separate causeway or do we take it to this causeway and across?

So we don't see any problem in doing that. Salt lakes are very common in Western Australia.

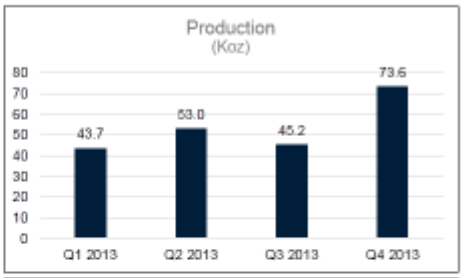
Agnew/Lawlers

		Q4 2013	Q3 2013	2013	2012
Production	Koz	74	45	216	177
AIC	US$/oz	929	842	919	1,253

- Agnew/Lawlers integration well advanced
  - Employees reduced by 14%
  - Lawlers processing plant on care and maintenance
- Further synergies to be realised
- Significant exploration potential on combined site

2014 Guidance

- Production 260 Koz
- AISC & AIC: ~A$1,170/oz ~(US$1,110/oz)
- Exchange rate US$0.95 = A$1.00



Agnew + Lawlers = Synergies

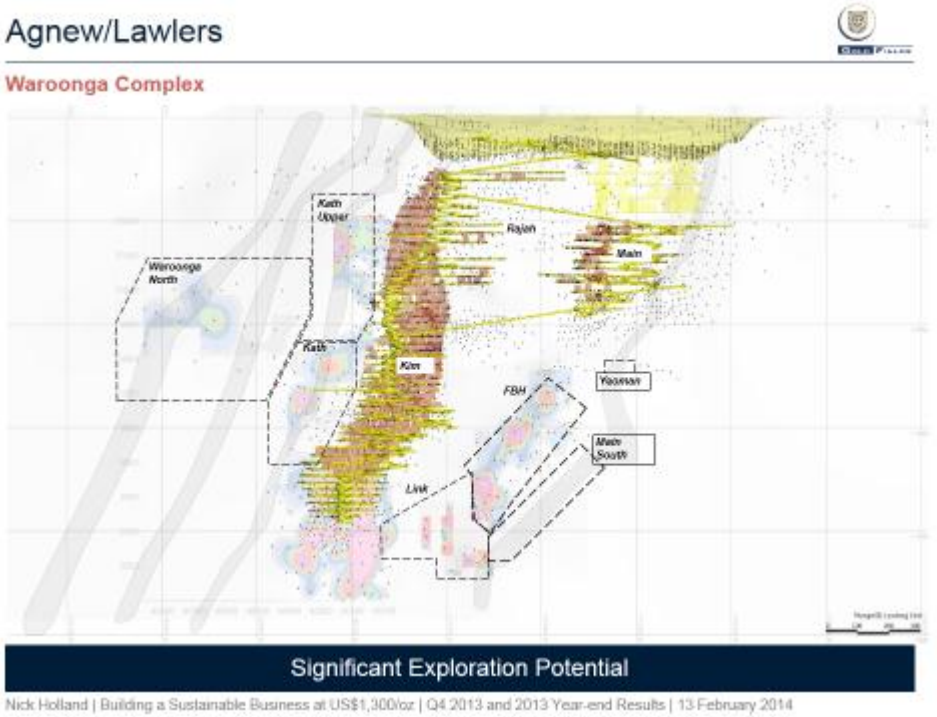
Nick Holland | Building a Sustainable Business at US$1,300/oz | Q4 2013 and 2013 Year-end Results | 13 February 2014

Let's go to Agnew and Lawlers. Again here you can see the impact of the Yilgarn deal. We've taken our production up from 45,000 ounces to 74,000 ounces at all-in costs of $929 per ounce. That implementation of the merger has been finished, pretty much. Some optimisation still to be garnered out of that, but by and large we're done.

We closed the plant in the first week at Lawlers, so all the material we mine is now being trucked across from Lawlers to the Agnew plant, which, by the way, is right next to where they were mining. They had to go longer distances to their plant.

We have reduced the overheads, about a 14% cut in people. There are more synergies certainly here that we can realise between the two mines, but it has only been three months.

Next year we see about 260,000 ounces at $1,100 an ounce. And that's what we expect to do. More exploration as well has been factored into next year to see the longer-term benefits of these ore bodies.

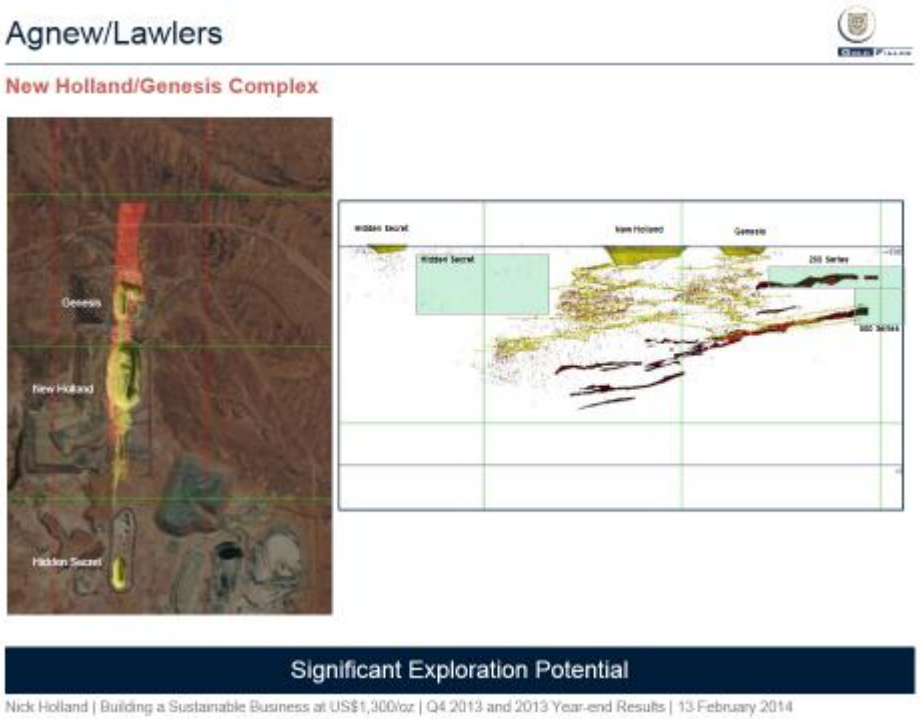


Let's look briefly at Waroonga, which is the Agnew leg of this ore body. Just to orientate ourselves, here is the old Waroonga open pit. That's all mined out. The portal there comes from the base of the pit. And this is the principle ore source at the moment, Kim.

You can see all the red areas are mined-out areas, and now we're down to here. And this is the area we've developed and this is the further extension of the ore body. What's interesting is we're seeing a replication of Kim to the eastern side at Kath Upper. This is only really 100 metres apart. Kath itself, and then Waroonga north looks like an analogue of the Kim ore body in another sheer zone. So that could be another ore body. We've got some drill results. This is the other exciting piece. We've got a link here that looks like it contains 10g to 15g.

The FBH area has been well defined already for a couple of years. That's a high-grade area too.

It looks like this whole area may coalesce into something much bigger. And again I think it gives you an indication as to the potential longevity that we see on these operations.



Looking at the New Holland Genesis. This is the Lawlers complex.
First of all here is an aerial photo. You can see over here that's the old Genesis pit that is mined out. The New Holland pit that is mined out. If you flip that on its side and look through it you see here's the hidden pit over there. These are the exploration targets for 2014. And this is about a 3km distance over here.
So we're going to be looking at exploration here. And we are mining really just to the left of this over here. But all of this is mineralised. And then there is another lode and another lode underneath that. So we believe this has the potential for about a 3km strike with multiple lodes.
And so we're just trying to first get our arms around the near-term potential over here and over here. That gives you an idea of what lies ahead and why we bought this mine in particular from Barrick.

Darlot. We took Darlot as part of the deal from Barrick because it was part of the package. We didn't value it as such.

We decided when we took it we needed to give ourselves some time and see what this thing could do. It was a $1,600 to $1,700 per ounce operation, so it was losing money when we got it. We started restructuring it, focussing on not just filling the plant with tonnes but actually filling the plant with quality tonnes. And the grade has improved and we dropped the costs, as you can see, already in one quarter down to $1,132 an ounce.

So Darlot has actually been turned around and it is no longer in the position it was in. We're going to be putting in quite a lot of exploration effort to see what we can get on the site. So they've got a nice budget for next year that we've given them.

But at the same time even with the exploration they are still going to have to cover their costs. They're not going to be allowed to be on a cash-negative basis. So we've turned it around, we've given them some upside.

We will take stock towards the end of the year and see where we stand. But I think at this stage we could probably mine for at least two years, maybe a bit longer. But we've got optionality and we've got time to find other opportunities both at depth on the existing underground operation and on the lease.

Granny Smith

		Q4 F2013
Managed production	Koz	62
AIC	US$/oz	888

- Transition to Gold Fields ownership successfully completed
- Restructuring largely done
- Significant exploration potential
- Spare processing capacity

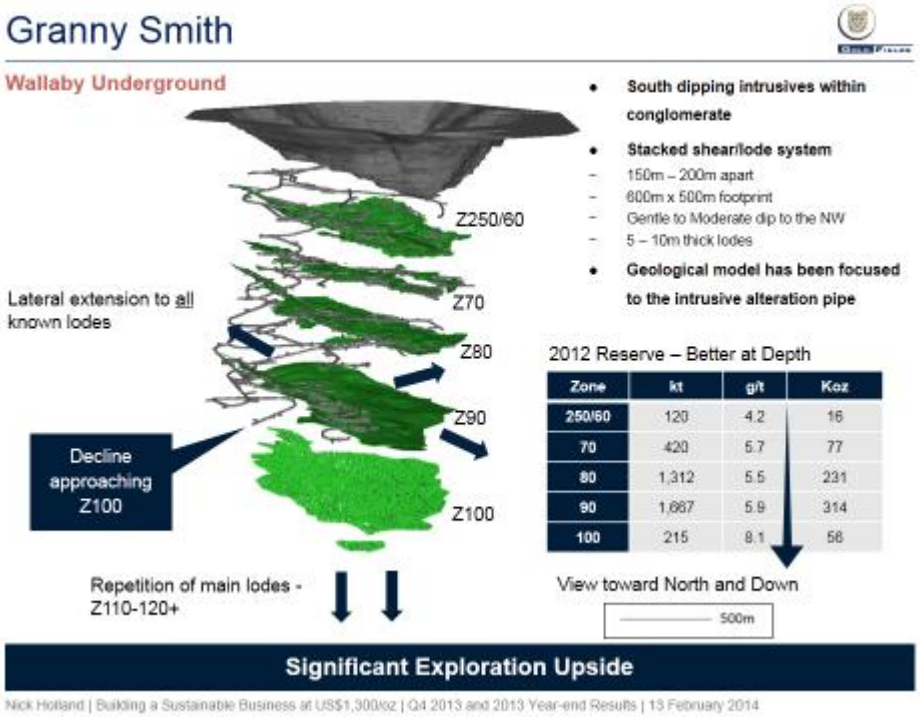
2014 Guidance

- 2014 Production 240 Koz
- AISC & AIC ~A$1,115/oz ~(US$1,060/oz)
- Exchange rate US$0.95 = A$1.00

A World Class Mine

Nick Holland | Building a Sustainable Business at US$1,300/oz | Q4 2013 and 2013 Year-end Results | 13 February 2014

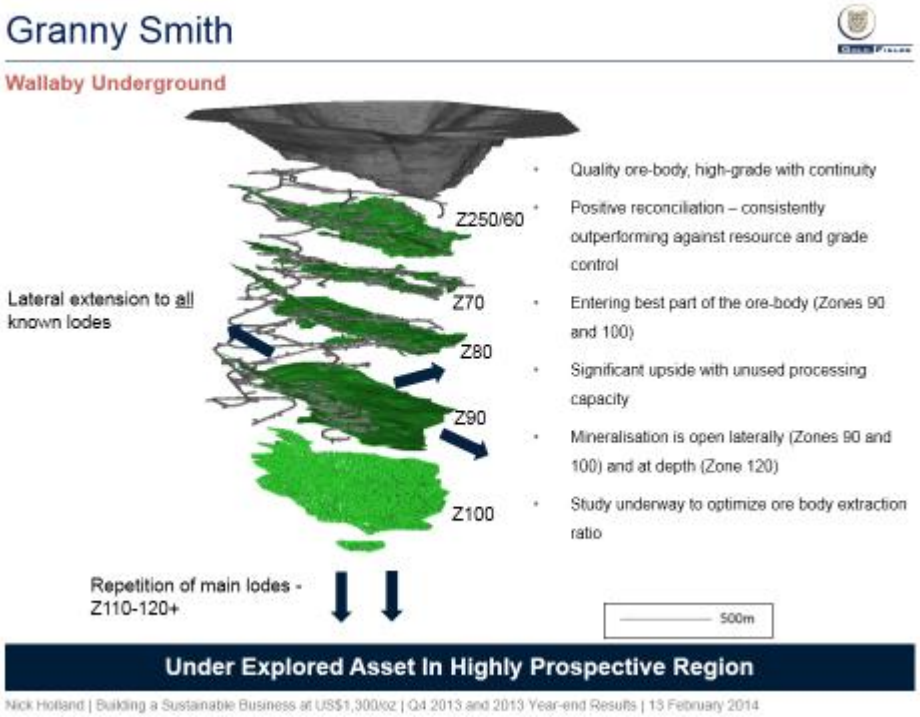
Granny Smith. 62,000 ounces in the first quarter with Gold Fields. All-in costs of $888 per ounce.
We've done our restructuring on this mine. We've reduced our workforce as well given the integration into Gold Fields.
The mine is only using half its plant capacity. The plant capacity is 3 million tonnes a year. We are only using about 1.5 million tonnes of that capacity because we used to do some toll treating for a neighbour. We've stopped doing that.
So we do have a capacity to expand this operation if we want to, and that is something we will be thinking about in the future. We think we can do 240,000 ounces a year at just over $1,000 all-in cost. So this is a truly world-class operation.



Here is the exploration potential. What are we looking at here? It's an underground operation. Here's the pit. It's an intrusive with multiple stack lodes at 150 metre intervals. At the moment we're mining Z70, Z80 and Z90 lodes. We are developing the Z100 lode. And by the way, this gets replicated another five or six lodes.

What is interesting is as we get deeper you can see the grades are getting higher. And the other thing is the lateral extension is getting wider. We are finding that it is almost coming down like this, so it is getting wider at depth.

So clearly there needs to be more work done to determine the true potential of the Wallaby underground operation. It certainly looks exciting and we're going to be spending some more exploration dollars.



What also really interested us here is that they consistently have a positive reconciliation on their ore mined versus their grade control and versus their model.
We are getting into the higher-grade parts of the ore body. And the other thing is we are looking at a study to see if we can optimise the extraction. We don't need to use paste fill here because the ground conditions are very confident. But at the same time we're using a room and pillar mining method. So if we could actually adopt paste fill we may be able to improve the ore extraction ratio. That is particularly relevant when the ore body is getting closer to 10g per ton at depth.
So we will keep looking at that, but that's all potential upside. Each of these lodes at depth could be a million ounces by themselves.

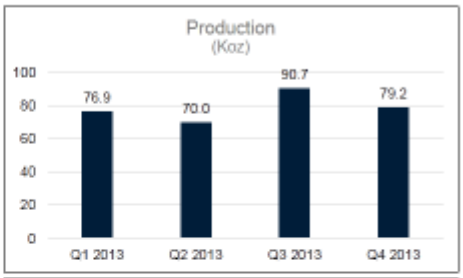
Cerro Corona

		Q4 2013	Q3 2013	2013	2012
AU eq Prod	Koz	79	91	317	342
AU eq AIC	US$/oz	707	609	713	775
AU only Prod	Koz	36	45	159	170
AU only AIC	US$/oz	207	(21)	206	82

- Consistent, world class mine
- Continued outperformance against resource model
- Future capital reduced – Replanning of TSF raise

2014 Guidance

- Production AU eq 280 Koz
  - AISC & AIC: ~US$865/oz AU equivalent
- Production AU only 140 Koz
  - AISC & AIC: ~US$490/oz
- Exchange rate ZAR9.50 = US$1.00



Lowest Cost Producer In Group

Nick Holland | Building a Sustainable Business at US$1,300/oz | Q4 2013 and 2013 Year-end Results | 13 February 2014

Let's move on to Peru. Cerro Corona, which continues to perform exceptionally well. We did 79,000 ounces during the quarter at equivalent all-in cost of $707 per ounce. I think you all recognise the ongoing quality of this operation.

Clearly the grades have declined somewhat, as we expected they would. But that said, we keep on getting a positive reconciliation at Cerro Corona. So we're very confident of the future here.

We have re-planned our capital going forward. We were going to take the tails dam up to beyond 3,800 to 3,815 which is another 15 metres. That was going to give us another million ounces over life. But it was going to cost us about $300 million over life to do it. So what we've done is we've taken that out.

We don't lose the optionality of doing that in the future. But for now that's not something we're going to be doing. And that's really going to help us to keep the costs down and make sure that this is a quality asset for the next ten years and probably beyond that.

2014 Guidance

	Production (Koz)	AISC	AIC
South Deep Project	360	US$1,290/oz	US$1,350/oz
Tarkwa	520	US$1,100/oz	US$1,100/oz
Damang	165	US$1,240/oz	US$1,240/oz
Cerro Corona[1]	290	US$865/oz	US$865/oz
St Ives	395	A$1,210/oz	A$1,210/oz
Agnew/Lawlers	260	A$1,170/oz	A$1,170/oz
Darlot	80	A$1,385/oz	A$1,385/oz
Granny Smith	240	A$1,115/oz	A$1,115/oz
Group[2,3] (Moz Au equivalent)	**2.20**	**US$1,125/oz**	**US$1,150/oz**
Exchange rates ZAR9.50 = US$1.00 ZAR9.00 = A$1.00			

[1]: Gold equivalent ounces.
[2] If calculated on gold only basis Group production will be 2.1 Moz at AISC of US$1,125/oz and IAC of US$1,150/oz
[3] Includes project costs of US$20/oz

7% Increase In Production

Nick Holland | Building a Sustainable Business at US$1,300/oz | Q4 2013 and 2013 Year-end Results | 13 February 2014

Looking at our guidance, it is all in the book. We are projecting a 10% increase in production, 2.2 million ounces at all-in costs of about $1,150. And just to bear in mind that this also includes about $20 or so for growth around the globe, for the best exploration and other projects we're doing. That $20 you could take out if you just want to get back to the core operations and see what they are going to do for us.

So in conclusion, I think we've continued over 2013 to transform Gold Fields into a truly global producer.
It has been a very busy year for us. We concluded the Sibanye unbundling at the beginning of the year, and I'm delighted that they're doing as well as they're doing. That was why we did it. That was the basis of doing it, to give two pieces of paper to our shareholders and to put the destiny of those two mines in the hands of the management team and make it work for the benefit of shareholders. I think they're doing that. And well done to Neal Froneman and his team.

Delivery of South Deep is a top priority. Things have gone slower than we would have liked, but that said we're very confident on the ore body, and we're very confident on our approach, and we believe that we can make this work albeit it's going to take a little bit longer.

As I said earlier, our focus is going to be let's make money. If we can make money we can look at growth. All of the options are open up for us. We can pay more dividends to shareholders. And hopefully we can get some improvement in our total shareholder return.

QUESTIONS AND ANSWERS

Alan Cooke – JP Morgan

Just going back to what you said about planning at $1,300 an ounce and the impairment and the new mine plans that were done over the last little while, could you confirm what the discount rate was that you used specifically? You said you changed the gold price from $1,500 to $1,300 and also discount rates. What is the discount rate that you're using? And it goes to hurdle rates.
I'm sorry if this is a long question. How are you evaluating your pipeline of projects – I'm not sure what is left in the pipeline – and make decisions like at Cerro Corona not to do the lift? But there are a number of other decisions being made. What is the hurdle rate and what is the discount rate? How are you evaluating new growth projects and existing expansions within the group? I ask that question with reserve replacement in mind. How are you going to go about replacing reserves in your project pipeline at your existing assets within the framework of that basis?
And then the next question is a bearish question I guess. You're planning at $1,300 an ounce. If gold goes to $1,100 or $1,000 how will those plans change and what will the group do further to maintain profitability, to maintain your positive free cash flow margin that you currently enjoy?

Nick Holland – CEO

Let me deal with the two parts of your question and then I will ask Paul to deal with the impairment specifically. One of the important things that is implicit in our planning for 2014 is not to plan our business at a break-even $1,300. It is to plan our business to make a margin at $1,300. So we've looked at each of our assets and we've said we would like to try and make a 15% cash margin after everything – taxes, the lot – if we can at $1,300. Now, some of the assets get there and some need to get there. But the point is everyone is being looked at. Australia is basically there, we believe. Peru is basically there. Tarkwa is there. Damang is in transition and South Deep we're trying to get to break even as a start.

So if gold goes back to $1,100 and I was sitting here in front of you, I would be saying to you, well, at this stage we're going to be break-even. I think we're going to be hanging on like everybody else. I would want to keep developing the mines underground and in the open pits to make sure that we can have a future.
I think if the gold price goes to $1,100, the industry won't be making any money. I think we will all be treading water as we were in 1999. How long will it be at $1,100? Your guess is as good as mine. But certainly it would shake out a whole bunch of the industry.

So we've got an in-built protection factor at $1,300 because we have thought about that too. Some people say gold could go lower before it goes higher. We're prepared for that. So we don't need to build an emergency plan. It is in-built into our numbers.

In terms of looking at whether we spend money or don't spend money on expansions, acquisitions, development, typically I think we want to get a double digit return at robust technical parameters. In other words valuing what we see and not valuing all of the blue sky and upside potential.

A good case in point is the Yilgarn South acquisition. Potentially it is a four year reserve life for those assets We valued the reserve. We didn't value the upside. But in order to motivate this to our board we had to have upside. And frankly, if we didn't have any upside I wouldn't want to waste our time. I wouldn't waste time buying mines with a four year life. I think we can do better with our money. We see these mines going for significantly longer than that. But we only valued the reserves. We used a conservative gold price of $1,300. We used a conservative exchange rate in Australia. And we hit a double digit return. So that's how we looked at that. And I don't see us looking at other things fundamentally different to that.

That's why we've made the decision on some of the brownfields projects and why they're not doing some of them anymore, because they just don't' get over the hurdle rate. I will hand over to Paul to talk about the impairments specifically.

Paul Schmidt – CFO

Alan, we use a WACC (Weighted-average cost of capital) model to calculate the discount rate, different WACCs for each region. And that has to take into account, obviously country risk, and other factors. For South Africa we use a pre-tax rate. And the reason we used a pre-tax rate in South Africa is because of the massive unredeemed capital that we have. We used an 11.5% pre-tax rate for South Africa. For the rest of the group we used an after-tax rate, 8% in Ghana, 5.2% in Australia and 6% in Cerro Corona. South Africa is nominal. 11.5% is nominal. The rest are real.
And these have to be agreed with our auditors.

Andrew Byrnes – Barclays

Two questions if I may. First of all, with the impairment that we've seen this quarter what would that have been if you had reduced the impairment price to $1,200 per ounce gold price? How sensitive is this? And then secondly, is it possible to give us an update with regards to the SEC investigation in terms of the potential timeline and what's included in that investigation please?

Paul Schmidt – CFO

We ran some sensitivities from $1,250 to $1,350 on the impairment, but we didn't come to a total for the group. $1,300 was our number. Sometimes it is not gold price that we are sensitive to. It could be discount rates in some of the countries, or exchange rates. Australia is very sensitive to the US dollar/Aussie dollar exchange rate, when you run your models. I can't give you exact numbers at $1,200. We only ran from $1,250 to $1,350 in our sensitivity analysis. We didn't total that up.

Nick Holland – CEO

I think the best way to deal with your question is in a paragraph in the Results book on page 19. I will read the important paragraph to you. Obviously we know that there is an SEC investigation. Given the early stages of this investigation it is not possible to determine what the ultimate outcome of this investigation, any regulatory findings and any related developments may have on the company. That's all we can tell you at this stage. We have no idea on timing.

Patrick Malone – Deutsche Bank

Two quick questions. The first one really is just a clarification. South Deep at steady state by the end of 2017. Do you mean that the first year of your full steady state production would be 2018? And then just secondly on your capex rationalisation programme, you're talking about not compromising on development and stripping. Could you please reconcile that with your revised plans at Damang, stopping the stripping and focussing on the higher-grade areas only?

Nick Holland – CEO

In terms of your second question on Damang, the reason we're stopping the stripping is that we weren't sure that we were going to make a return at $1,300 an ounce. When we looked at Damang earlier we were assessing Damang at $1,500. And it makes a big difference when you look at it at $1,300. That is really price-related. We decided that the ore body may be better than what we thought it was at $1,500, but we don't want to tackle this as one big project to start with. We go stage by stage. We do it incrementally.

But the important thing is that Damang is not an option on the gold price. It has to actually fly at $1,300. The problem with the gold price going up is that regrettably other things go up with it. There is a high correlation with oil, a high correlation with steel, cement and other input costs. So our view today is that whatever long-term strategy we adopt at Damang, it has got to fly at $1,300. The confidence that we've got five years, works at $1,300. I think over time as we learn more we will be able to engineer a lot of the resource into reserve at $1,300 as well.

But the danger of pushing up your production and lowering your grade at higher prices is that it tends to

destroy value. And we don't want to get to that scenario. So that's how we reconcile that.

You're correct; the run rate I've given you is for 2017, so therefore 2018 would be the first full year at those levels of production.

Chris Nicholson – RMB Morgan Stanley

On South Deep. I remember a couple of years ago the total capex budget in real terms was about R8 billion for the South Deep expansion in real terms. How much have you spent to date? With the timelines getting pushed out how much remains? The second question. I know you've given it to us for Damang. Could you give us an indication of what the total reserve write-down would be across the international assets? There is no impairment on South Deep, from what I can see.

Nick Holland – CEO

The second question is going to be easy to answer. Those numbers are not yet finalised. So we will put them out in the annual report, which will go out in the next month. Those figures will go in there and you will see the numbers in there.

On South Deep, if you look at the website we've given you the future capital that we expect to spend. And you can reconcile that against what we've spent to date. But we're tracking very well on the capital. The capital has not been the issue. Certainly all of the money we spent on the fixed infrastructure projects, the vent shaft, the plant expansion, the tailings plant, refrigeration capacity and tailings dam, have all tracked very well. It's not that we've spent more to get the infrastructure. I think our issue on South Deep has been just taking longer to get the de-stress and longer to open up the haulages for future production.

If you look at the last four years we have tracked very well against what we said we were going to spend. We are within around 12% of budget. There was no contingency put into those numbers, so we've tracked very well. So the key thing is going to be for us to ensure that we get the capital spend going forward and deliver the mine. We are probably around three-quarters of the way to where we need to be on the South Deep capital spend. So the resolution there has been pretty good. To help you, if you look at the historic spend and you look at what we've put on the website, you can get a feel for what the capital has been and what it will be over the next five or six years.

Paul Schmidt – CFO

Just to add to that, we've said the sustaining capital is about R1.3 billion going forward. From 2015 onwards if you take R1.3 billion off that number that is basically still part of the original capital project. And from there onwards that is sustaining. R1.3 billion is deemed to be sustaining. The difference is growth.

Darren Mader – HSBC

Everybody seems to be doing South Deep to death today. I've got another question on that. What are the key factors that have impacted on these delays, and how are you mitigating these factors going forward? What is the confidence that you have in the new plan? Over the last few years it seems to have been a somewhat moving and diminishing feast.

Nick Holland – CEO

As I said in the presentation, the key issues were to make sure that we have the ore handling infrastructure in place, things like ore passes, making sure that the haulages are supported, making sure that we have the extra ramps to de-bottleneck the operation. We've done a lot of that work already. In fact we commissioned two new ore passes before Christmas and there are two new ore passes coming in during the second half of this year.

The second thing is equipment availability and utilisation. We're in the process of de-bottlenecking our five underground workshops. We've got a brand-new workshop which we've essentially finished blasting out, which is the size of two football fields underground. In fact I walked in the one corridor in December. It's about a 200

metres walk across. That will be commissioned this time next year at the very latest, and we're trying to fast-track that as well.

So that will help us to make sure we can split out the different components of the equipment maintenance. We're trying to do everything in a confined space. Tyre change, oil change, major services. So we're going to split those all out. That will make a big difference as well.

And then we are training our operators and re-skilling our operators, coaching them. We've got a new trackless training centre. If you come on the visit on Tuesday you will see it. That has already been commissioned. We are going to be upgrading the skills of the operators and the artisans and technicians. So we've got very good projects underway to make sure that all of that happens. And we're already seeing some of the benefits of that.

The other thing is the productivity rates that we're factoring in are still quite modest by benchmarking standards. So we should be able to do better in many cases. But we want to try and put a plan down that we're confident of delivering on. And we are confident of delivering on this plan.

Darren Mader – HSBC

Could you just update us on the land claims in Western Australia please?

Nick Holland – CEO

There is nothing new to tell you other than the press release that went out. Essentially it is not a land claim as such. It's not that the land that is at risk. It's a question mark on the process followed on the awarded tenement, which predates the time that we owned St Ives. We don't believe these claims are based on any foundation and we've got legal advice that supports our view on that. This has to go to the Federal Court of Australia. I think it is slated to go at the end of March. It is subject to an appeals process. And obviously both sides will be giving their own views of things and there will be time for deliberation. So we don't know the timeframe. It is not within our control. And with an appeal process it is likely that it could go on for even longer than that.

Kane Slutzkin, UBS

Just touching on your exploration projects, you disposed of Talas in December 2013. You still have several others that are up for sale. Can you provide some colour on how this is progressing, whether you're seeing appetite in the market, and has anything changed in your mind? What would make you want to retain any specific project or its optionality?

Nick Holland – CEO

All I can say is we continue to test the market and have tested the market on a number of these opportunities. Talas we disposed of, as you indicated. But right now we don't have anything new to say other than if we can't secure reasonable deals for these assets we won't give them away. And we will therefore keep the holding cost to a minimum during the period we have to hold them.
These are very substantial assets. At APP we have 15 million ounces of 2PGE plus gold with significant copper and nickel credit. It is certainly worth a lot of money to someone into the future. So if we have to bide our time and we're quite happy to be patient. The key consideration for us is how we can extract the best value and whether we wait longer for that. If we have to, we will.

Adrian Hammond, BNP Paribas Cadiz

I have two questions on South Deep. Firstly, what sort of face time are you getting at the face relative to your target?

Nick Holland – CEO

Face time, we're probably at around about 14 hours per day. We're not quite where we want to be yet. It is still taking us quite a bit of time to get people to the face. It is taking time to get people through the muster room

and through the safety process before the shift. And so there is work we've got to do to improve that. We've improved by around about 25% from where we were, and that's evidenced by the fact that the reef tonnes in 2013 were 26% higher than the reef tonnes in 2012. But we think there is more that we can get. So it's an optimisation process. We certainly didn't think it was all going to happen at once. It would take time to deliver. But we're making good progress. We're not where we want to be yet.

Adrian Hammond, BNP Paribas Cadiz

You're targeting 350,000 ounces at South Deep this year. Just talk to us about how you get there and the impact on working costs. Are you employing more stoping teams? And I guess that talks a bit to development you're expecting to ramp up to as well.

Nick Holland – CEO

We've got more than enough people right now and more than enough gear to mine, a lot more than what we're mining. So we've got more than enough people. We've got more than enough fleet. There is no issue with that. The key again to all of this is for us to ensure that we get our equipment availabilities up, that we get the mining cycle improved, we enhance the operators' skills. We've got good initiatives underway to deal with all of that.

END OF TRANSCRIPT