FY 2016 Results

REINVESTING FOR THE FUTURE

16 February 2017

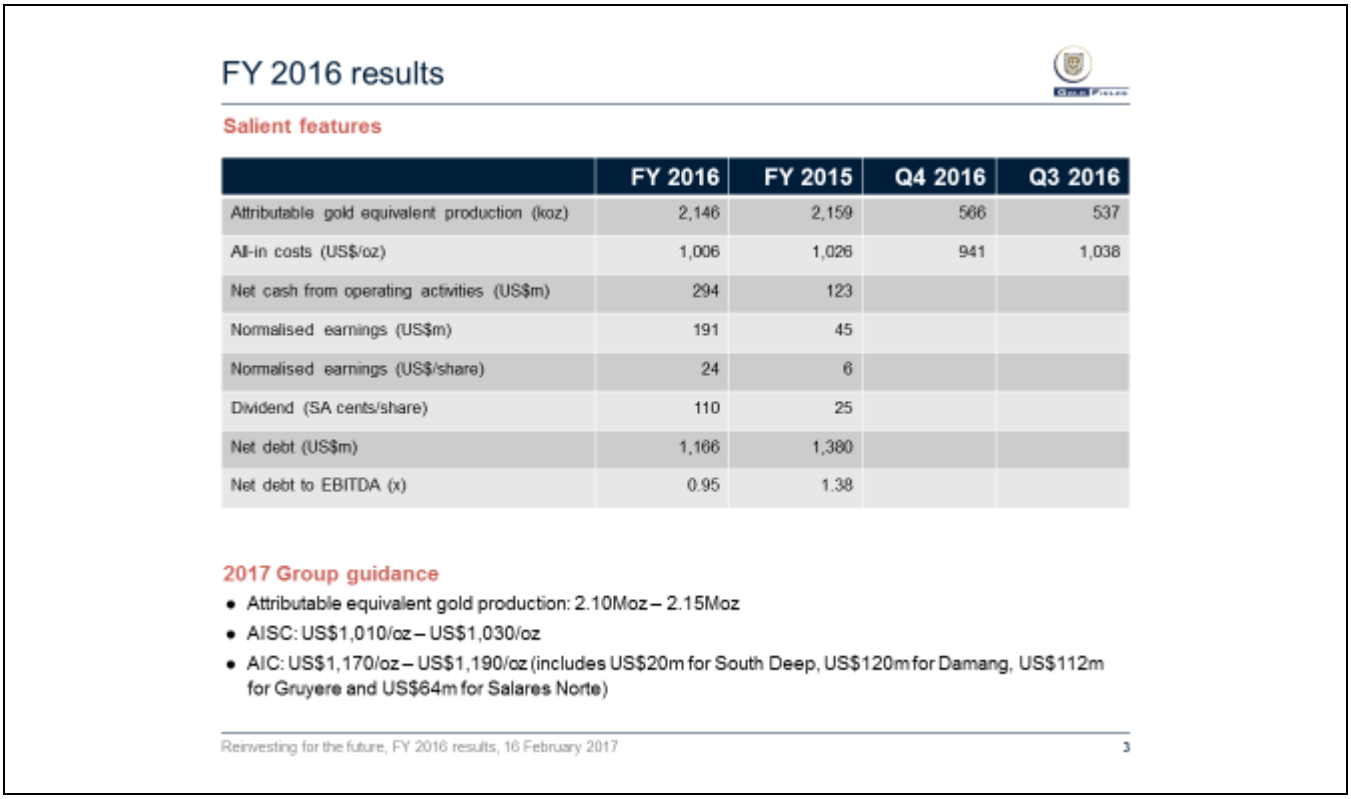
GOLD FIELDS

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.



FY 2016 results

Salient features

	FY 2016	FY 2015	Q4 2016	Q3 2016
Attributable gold equivalent production (koz)	2,146	2,159	566	537
All-in costs (US$/oz)	1,006	1,026	941	1,038
Net cash from operating activities (US$m)	294	123		
Normalised earnings (US$m)	191	45		
Normalised earnings (US$/share)	24	6		
Dividend (SA cents/share)	110	25		
Net debt (US$m)	1,166	1,380		
Net debt to EBITDA (x)	0.95	1.38		

2017 Group guidance

- Attributable equivalent gold production: 2.10Moz – 2.15Moz
- AISC: US$1,010/oz – US$1,030/oz
- AIC: US$1,170/oz – US$1,190/oz (includes US$20m for South Deep, US$120m for Damang, US$112m for Gruyere and US$64m for Salares Norte)

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So looking at the year under review, as you know fiscal year end has just happened, 31st December. Production wise 2.146 million ounces. That is pretty much in line with the previous year, give or take a few thousand ounces. And initially we thought we are going to be lower than that. We did revise our guidance up. And it is good to see that we were able to hit the upper end of our revised guidance. Of course you can see quarter four over there as well. We have done 566,000 ounces for quarter four.

All-in cost for the year just over $1,000 an ounce. That of course includes all capital. If you look at all-in sustaining cost it is around $980. A lot of people just publish the all-in sustaining cost, so if you wanted to benchmark that against what other people do that's about $980 for the year. So that is down on the previous year.

Cash from operations, this is after all interest, corporate charges and various other activities including growth capital, is $294 million. That is cash in the bank compared to $123 million in the previous year. So a nice increase in overall cash. Of course the gold price helped us, $100 an ounce higher compared to the previous year. But the nice thing is that we were able to capitalize on that and produce the ounces at the right price to give the cash flow.

Normalised earnings when you strip out all of the accounting exceptional items and non-recurring items you can see over four times up to $191 million for the year. Dividend, we have declared a final dividend of 60 cents (ZAR) so that brings the dividend for the year to R1.10. And as you can see that's a nice increase on the previous year.

We have said that we wanted to get our net debt down to one times. Paul and I put that objective out at the beginning of 2015, and we have got here at the end of the year. Debt is down to $1.16 billion. And that is even after spending close to $200 million on the first payment that we had to make on purchasing 50% of the Gruyere project in Western Australia from Gold Road. So we have hit that number even with that additional expenditure. So for this year we are giving the same guidance range as we gave for this year. The upper revised guidance that we gave was still within that range.

All-in sustaining costs are slightly higher than what we have been. A little bit of cost inflation, not a lot, some currency movements. But in essence we are talking about 2% to 3% up. That's not much. And then all-in costs of course given the growth projects I'm going to talk about if you reconcile the difference you can see it includes about $20 million for South Deep, $120 million for Damang – we announced that project as you know late last year – and $112 million for Gruyere. The $64 million for Salares is actually reflected in there as growth expenditure.

So if we move on let's look at progress against our strategic objectives. You have seen these before I believe. And we said that these are the key things that we are looking to do to add value to the shareholders. Growing cash flow and margin with an increase in the gold price. Well, you can see that our individual mines if you back our corporate interest and you back out the growth expenditure the mines generated close to $450 million. If you bring that back to a cash flow per ounce it is just over $200 per ounce, which we understand benchmarks quite well against the median certainly of the large peer group of gold producers around us.

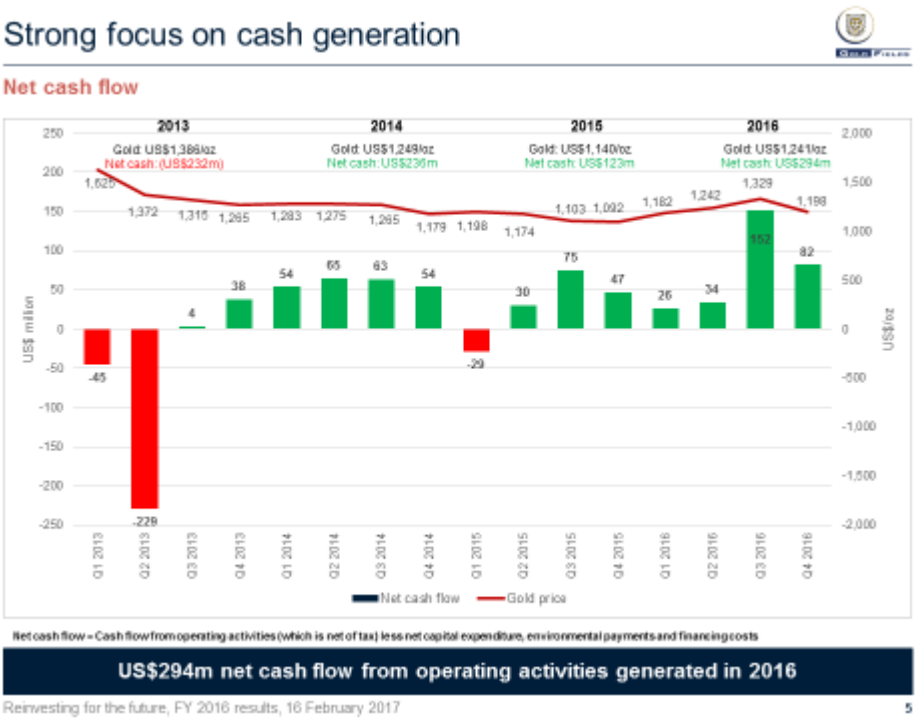
We made a 17% margin at a gold price of $1,241 so in fact we exceeded the target. The target, remember, was a 15% margin at $1,300. We have been able to improve that with the good operational performance during the year. And you have seen a big increase in the cash flow compared to the previous years from the individual mines.

Obviously deliverance against our targets is key. We get measured by a lot of shareholders and of course by analysts on that. This is the fourth consecutive year now that we have either matched or beaten our production and cost guidance on the group. So we are starting to build a track record. Similarly on dividends the dividend over the last five years has averaged around 30%. That is in the middle of our dividend pay-out range of 25% to 35%. We have always said if we make the earnings we will pay the dividends. So that's the leverage that we will give to shareholders. So we have honoured that commitment as well. The net debt I've talked about. We have achieved that goal already.

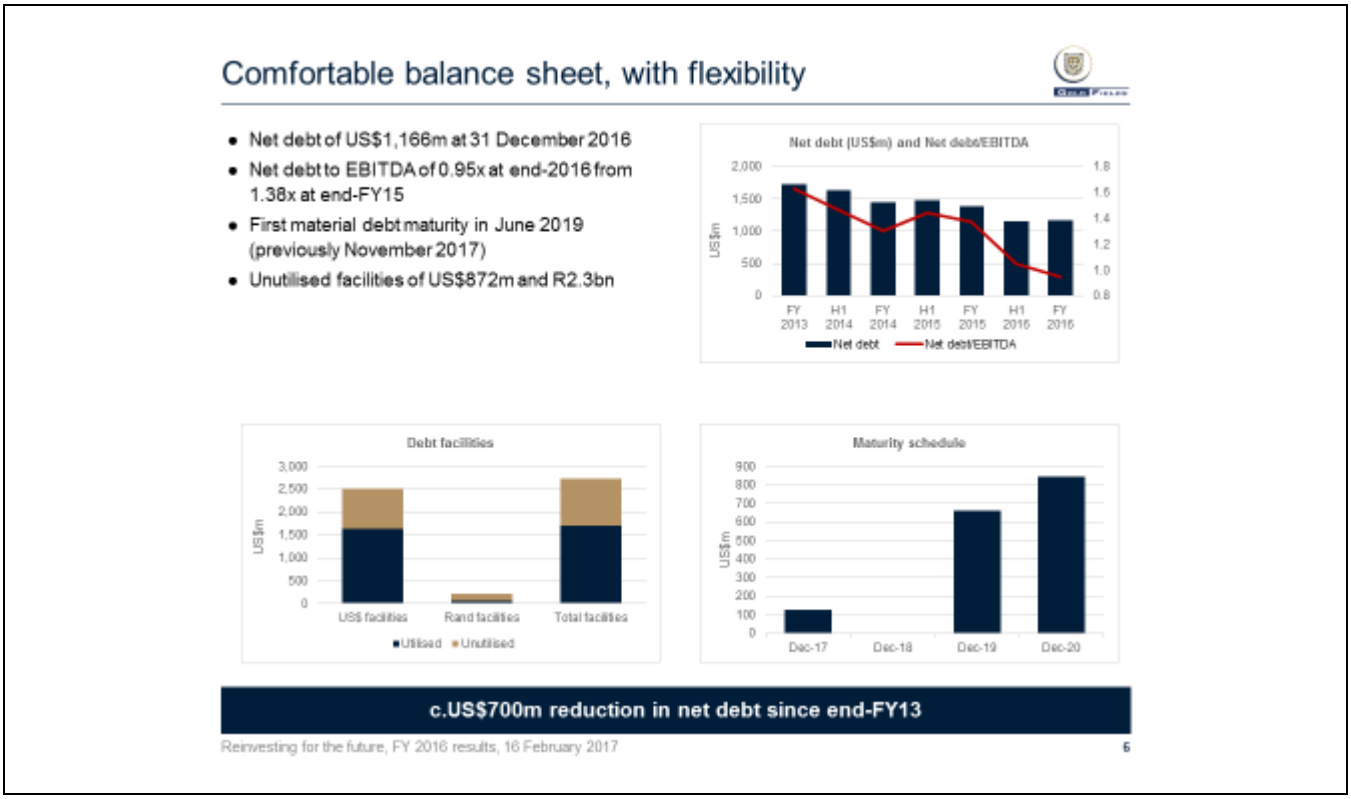
Deliver a sustainable South Deep. Well, certainly for the first year we have been able to achieve the targets and beyond that we set for South Deep. And we went from a negative cash flow of $80 million in 2015 to a $12 million inflow in 2016. A modest inflow, but the turnaround certainly is close to $100 million year on year. So that's a good place to start.

We said that we will continue to look at opportunities to enhance the portfolio with quality assets. You have seen the Damang reinvestment case which ticks all the boxes for us. A good IRR at $1,200 price and a breakeven price close to $1,000 an ounce. And also the Gruyere thing.

What we have done over here, if you rebased the all-in costs for the 12 months including those projects at full production just to give you an idea on a pro forma what it would look like that would have dropped our costs by over $60 an ounce. That is the kind of thing we are looking to do in this group. It is not about ounces. It is about the margin and the quality of the ounces. And that in itself will translate into better cash flow.



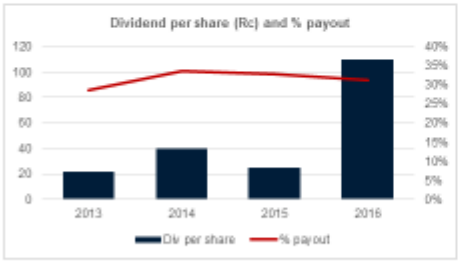
So talking about cash flow, we have continued to show this graph since the change in the strategy which took place around about over here, which also corresponded with the drop in the gold price. And from there we said, look, we're going to focus now on cash flow. Let's make money. It's not about ounces. We have cut some marginal ounces, but also at the same time we were able to add some production as you will see in a moment. But over that period we have consistently really been able to add cash flow quarter after quarter despite the gold price being a bit lower.

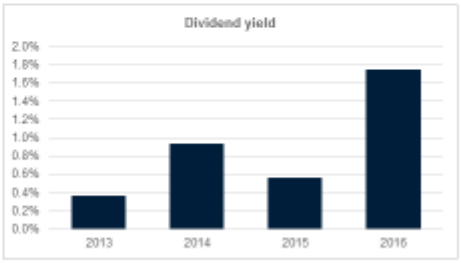


Here is the debt profile. I think the key takeaway here is look at the debt coming down in absolute terms. Look at the net debt to EBITDA ratio coming down as well. You can see that's a good improvement over time. Importantly the work that we've done over the year has pushed out our tenure, so we don't sit with any big liquidity problems in the short run. We've got flexibility in terms of repaying our debt. And we've got unutilised facilities of over $1 billion that are committed and available to us if we need them. The dividends I've spoken about. A nice pickup in the pay-out ratio for the year.

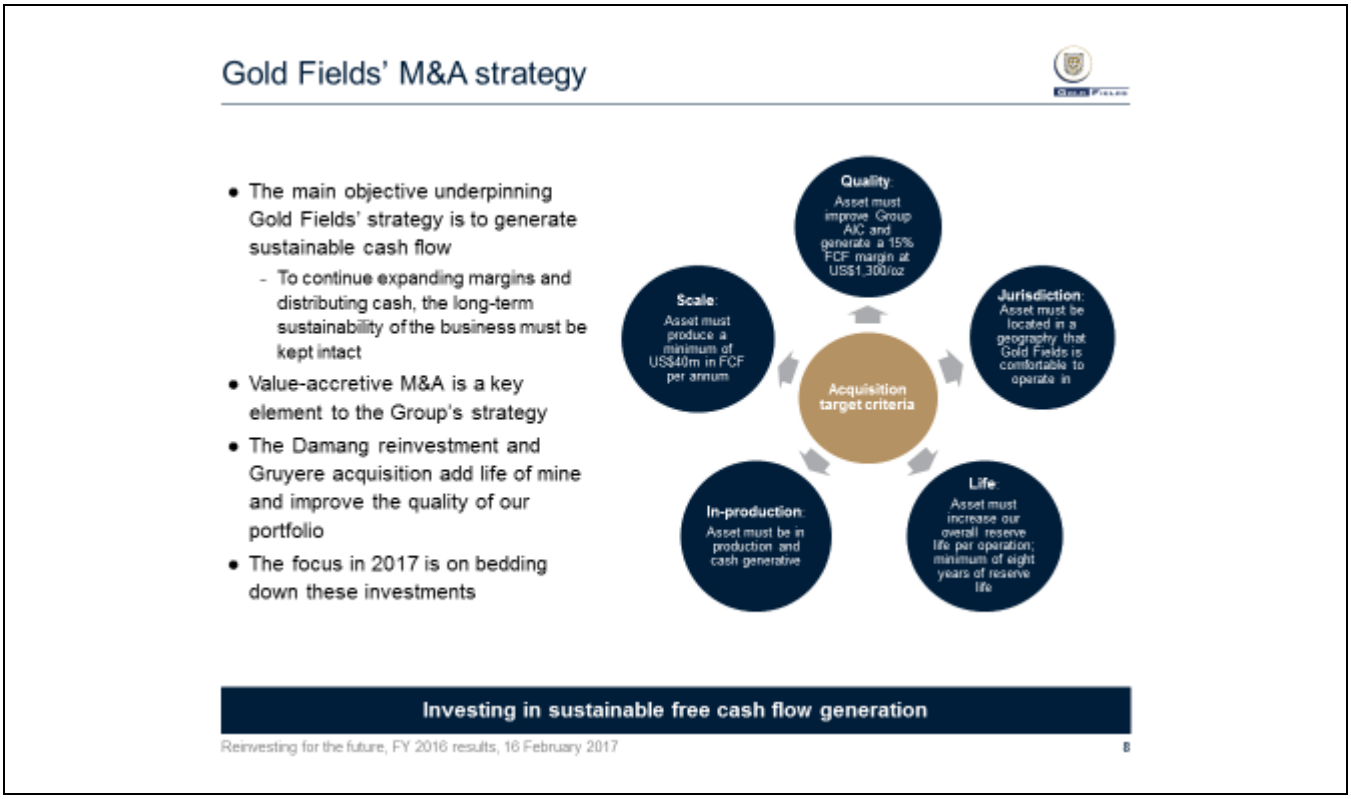
Dividends increase with earnings

- We have consistently paid dividends on a semi-annually basis since H2 2013
- We maintain our dividend policy of paying 25% - 35% of normalised earnings
  - 2016 payout ratio of 32%





Maintaining dividend policy of paying out 25% to 35% of normalised earnings



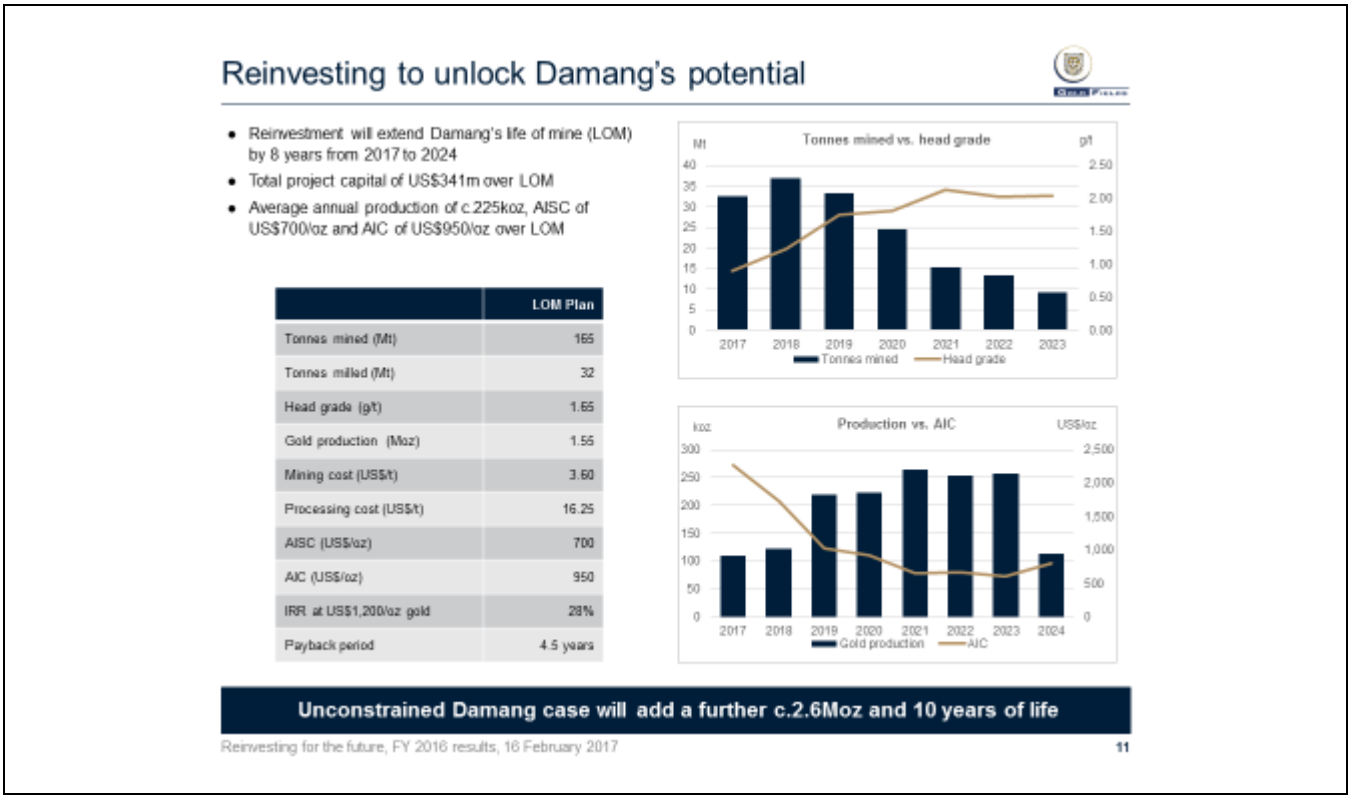
Our strategy on M&A, a lot of people have asked us what we look at when we want to buy something. We are really looking for stuff that can give us this 15% margin as you see over there. We want to be in a decent place. We want to try and consolidate where we are. If we can find additional assets in countries we're in that helps us to leverage off the footprint that we have, the platform. That is probably why you say us purchasing the interest in Gruyere. It enables us to leverage off the good skills base we have in Australia. And it should also lengthen the overall reserve life. And of course Gruyere has a 13 year reserve life. So of course that would help us to lengthen the average reserve life at lower costs in Australia.

I suppose one slight departure here is it should be in production. You might say, why did we buy Gruyere? it's a development project. I think we looked at this and said given where this is on the value curve at this point and given that it was a good addition to the portfolio in Australia, and the fact that it is becoming more and more difficult to buy stuff that is in production that is accretive we thought this was strategically a really good asset to buy. And it opens up our entry into a whole new camp that is largely unexplored. So that gives you an idea of what we're doing.

Frankly, I must just say given the fact that we've got the Damang reinvestment, we've got Gruyere, we've got Salares bubbling under and of course we've got South Deep. We think that our deck is pretty full at the moment. So I think the chances of us doing something exceptional or something additional in M&A would be less likely. It would have to be something exceptional. It would have to be more likely focussed on something that is synergistic in country that we're in. We never say never, but I think we have to have a more inward focus this year on the projects we've got on the table, because if we can deliver those we've got a good story of growing cash flow into the future.

Damang pit, Ghana
Gruyere, Western Australia
South Deep, South Africa
Salares Norte, Chile
Investing for the future
GOLD FIELDS

Let's look at the projects for the future and talk a little bit about that. The Damang reinvestment case obviously extends the LOM. Gruyere adds life and it lowers the costs. We're talking about brownfields exploration between $90 and $100 in Australia. We have had good results out of that. And we will talk about Salares and of course South Deep. We've got a few slides at the end.



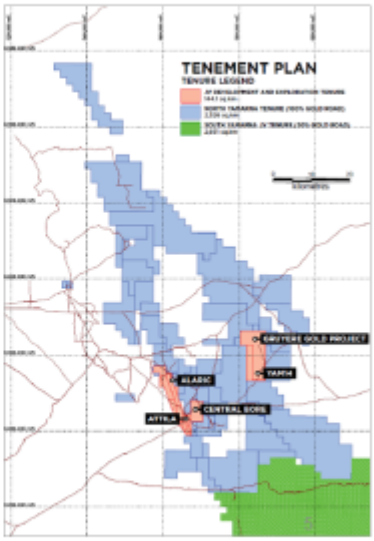
So just to remind you what we put out last year on Damang, the reinvestment case extends the life by eight years. We are going to be mining about 1.5 million ounces over that period of time as you can see over here. As we get into full production you can see production gets up nicely over there and the costs come down. Importantly we don't see this as an end project at all. We see this as an end project at all. We see this as the start of adding something quite significant over here. In fact if you look at the unconstrained Damang beyond this there is potential for ten more years and over 2.5 million ounces at depth. So once we get down there it's a question of eating the elephant slowly and making sure that we can make a return on our money.

Some people have said, well, why did you do this? Well, a 28% return at $1,200 hold is a pretty good return in my book, and of course we get a pay-back period of roughly halfway through the life. That project has started reasonably well. We have got our contractors all mobilised. We have got the bulk of the fleet. And I think the first month or two we are really tracking where we want to be at this stage. But of course it's early days.

Gruyere adds life and quality in WA

	LOM Plan
First gold	Late 2018/early 2019
Life of mine	13 years
Annual production (100% basis)	270koz
AISC	A$945/oz (US$690/oz)
AIC	A$1,103/oz (US$805/oz)
Total capital cost (100% basis)	A$507m (US$370m)
IRR at A$1,500/oz gold after taking into account acquisition cost	6%
Payback period	4.5 years

- Total purchase consideration = A$350m
  - A$250m paid on deal completion
  - A$100m payable according to an agreed construction cash call schedule
- Additional 1.5% net smelter royalty on GFL's share of production after mine production exceeds 2Moz
- Acquisition cost of A$199 per reserve ounce and A$106 per resource ounce



Exposure to a new and emerging goldfield in Western Australia

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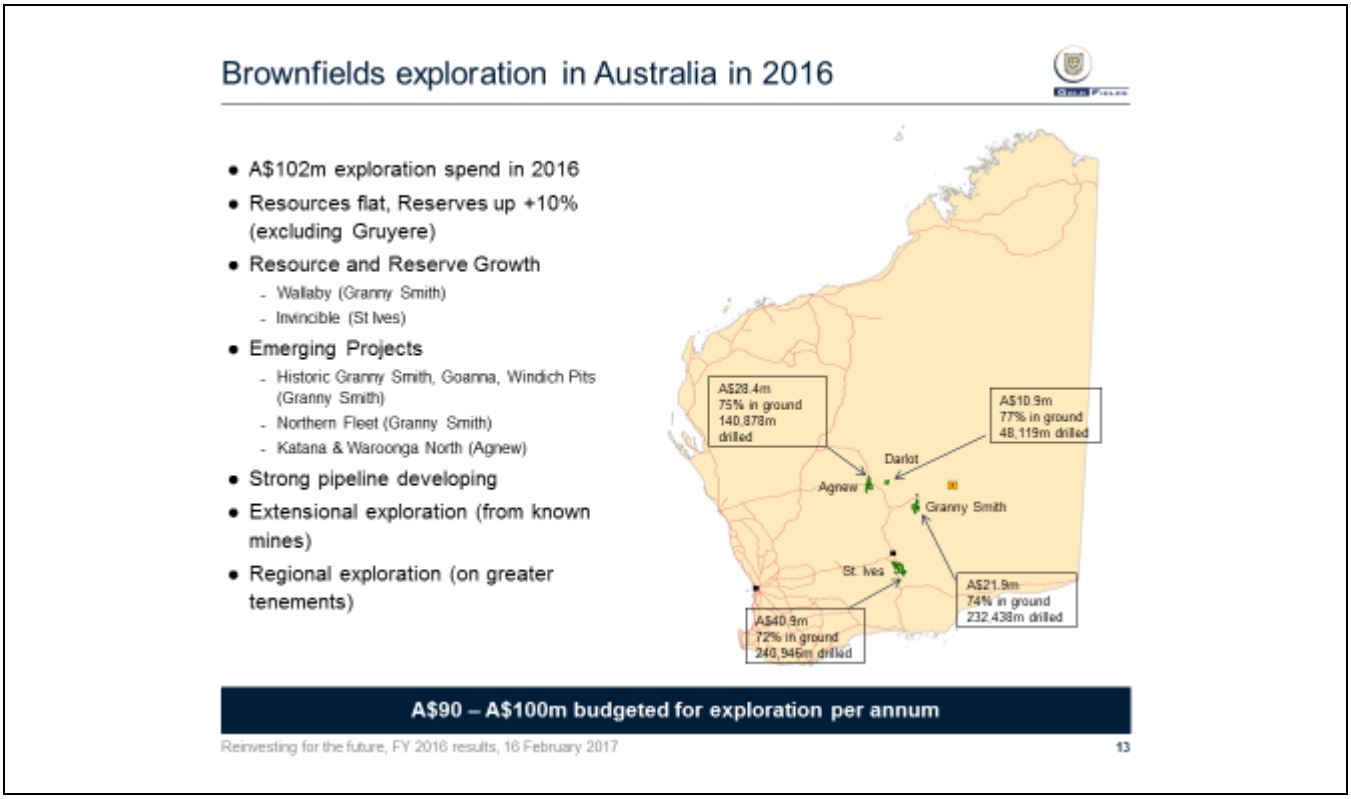
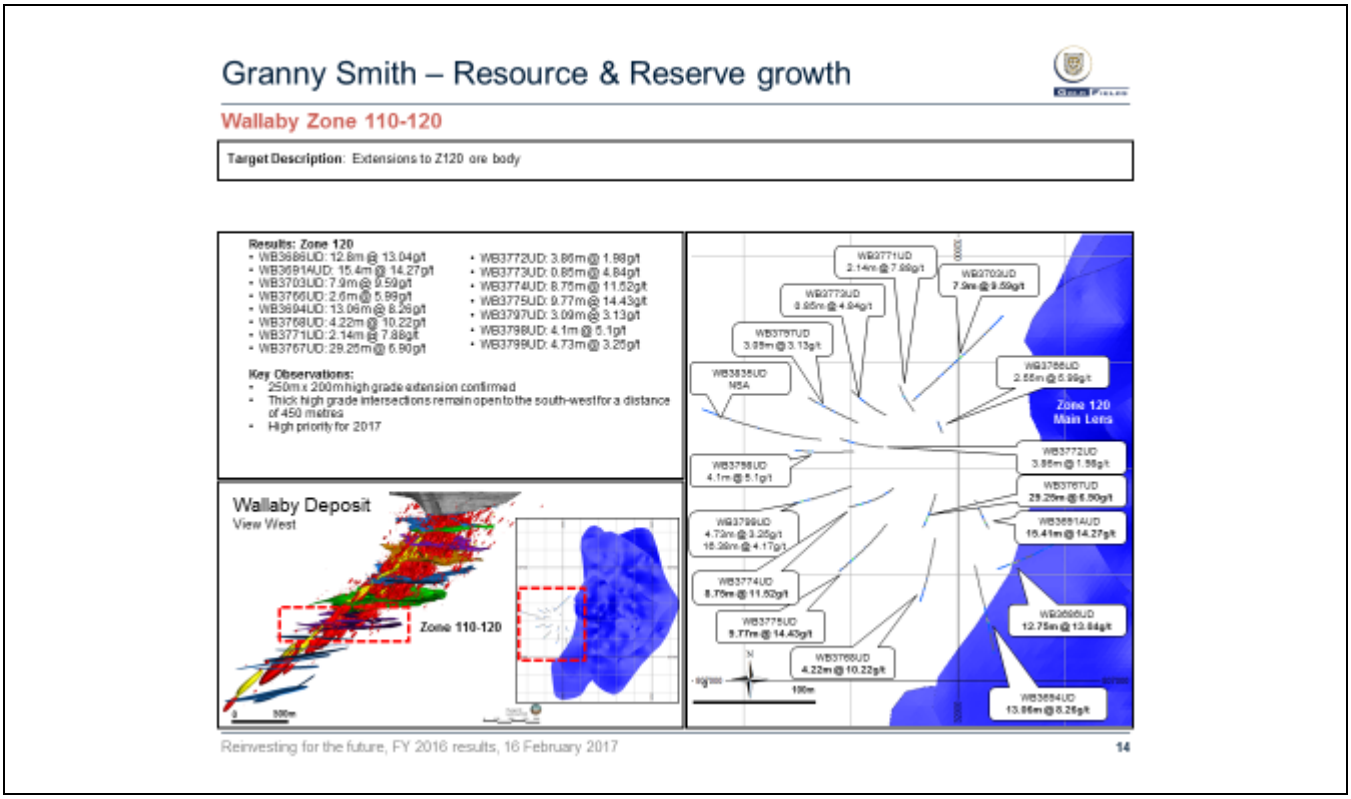
Moving on to Gruyere, again just to remind you we purchased these two blocks over here in pink or orange. The main project of course is Gruyere over here. That represents a reserve of about 3.5 million ounces, annual production of 270,000 ounces at all-in sustaining costs of about $690 per ounce once we get into production. Capital of course is $507 million. That is shared 50/50 between Gold Road and ourselves. And we would envisage that this project should get into production towards the end of 2018 or very early in 2019. And again I think we've started well.

We have taken over the operations of that project from 1st February and we are making very good progress in awarding all of the various packages that need to be put in place for us to start all of the bulk earthworks for the plant, for the tails dam. And we will get into the mining next year. Importantly here we don't have a big pre-strip unlike some of the other opportunities. We go down 30m or so and we're into the ore body. So the pre-strip here is going to be quite minimal. And we will get early ore once we get into the ore body. I think the rest of the terms of the deal you're pretty familiar with.

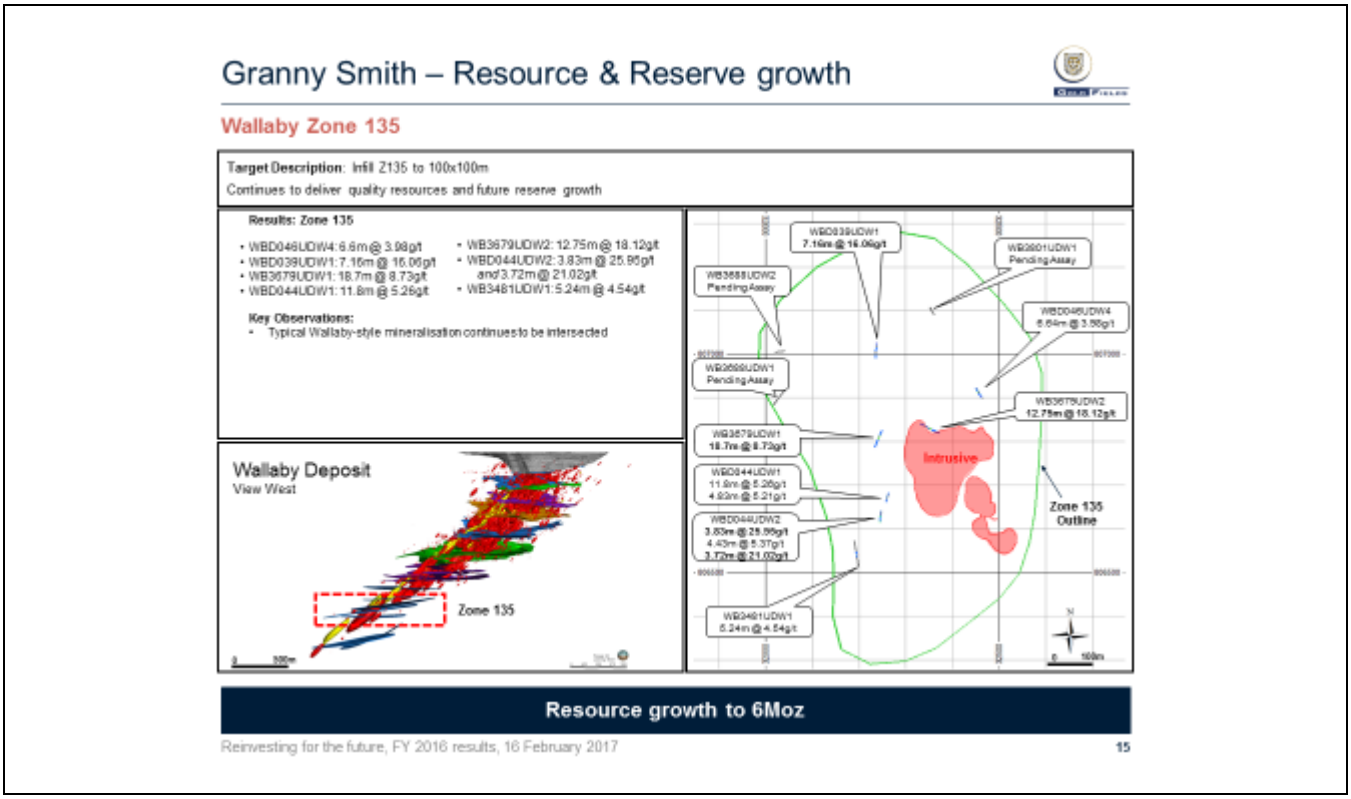


Exploration in Australia, we have said that over the years we have been quite successful in replacing what we mine. The average discovery cost over the last 15 years has been A$80 to A$100 an ounce per minable ounce. That is per ounce you put into the mill, not per ounce you put onto the reserve statement. Which is pretty good business if you look at what you pay for those ounces into the market. And of course you've got the infrastructure and people there to do it. So over the last year we have drilled a lot over the four leases. And I must say we have got really good results particularly at Granny Smith and St Ives. Those two mines in particular you will see when we put out the reserve and resource statement that they have more than put back what they have depleted in their reserves, which is really where we want to get to.

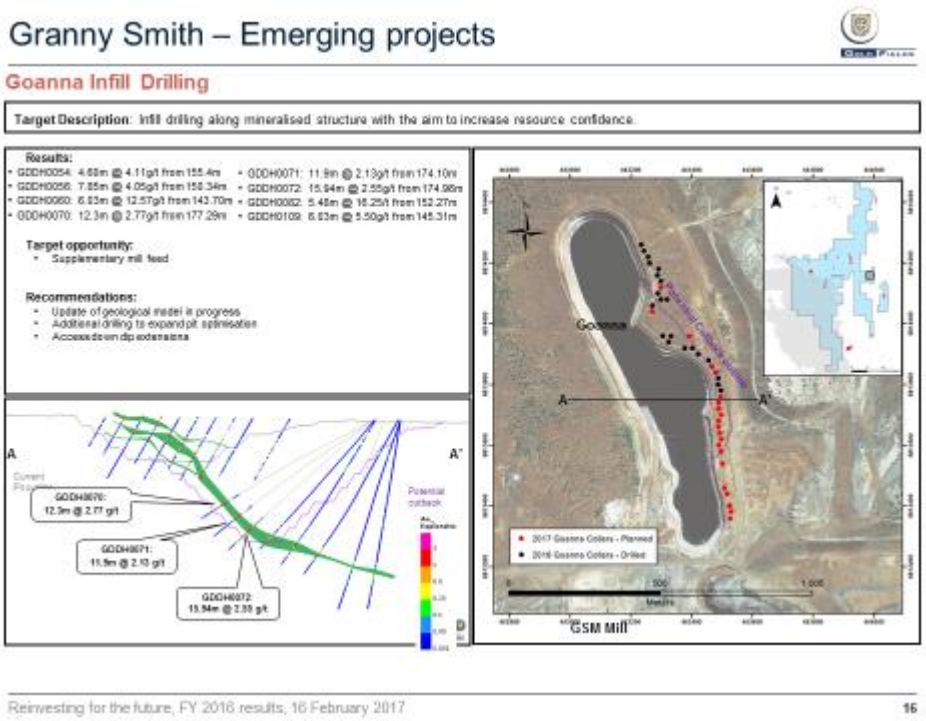
We have got work to do at Agnew and Darlot we have made a strategic decision that given where the mine is that this is probably better in somebody else's hands than our hands. So we are going to commence with a process to dispose of Darlot. We think there is good exploration potential there, but we've got enough on our plate. And with what we have to do on the other mines and with Gruyere we think this makes sense for us to look at a way of creating some value by disposing of this operation. So you will probably hear something more about that in the next couple of quarters.



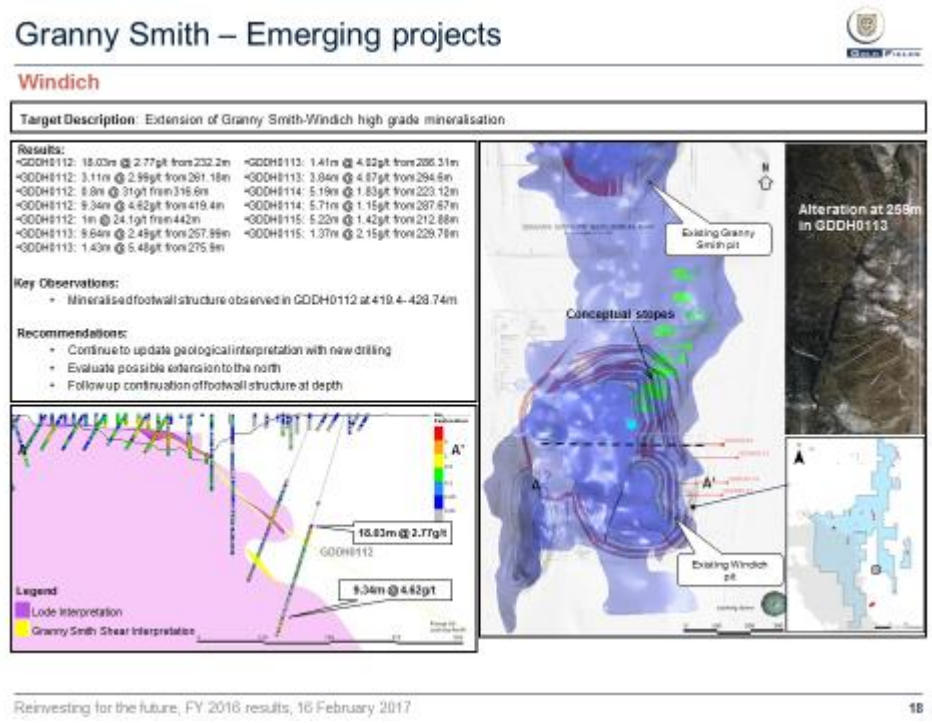
I'm not going to dwell on these slides, but just to give you an idea. I talked about the exploration success at Granny Smith that was very good. And we are seeing at the Wallaby underground mine which is a series of gently-dipping lodes that we are seeing the ore body being replicated at depth. Zone 110 to zone 120 is the prospect that we've done quite a lot of work on over the year. And you can study some of these drill results yourself, but they are pretty good intercepts. And we are seeing that this is growing all the time. And if you look above this we are seeing footprints of about 1km by 1km. That is the kind of size of the lens. And we are starting to see that this is getting up there and could replicate what we've got above. And each of these lenses could potentially be about a million ounces in situ of which we could recover around 60%, so a good opportunity there.



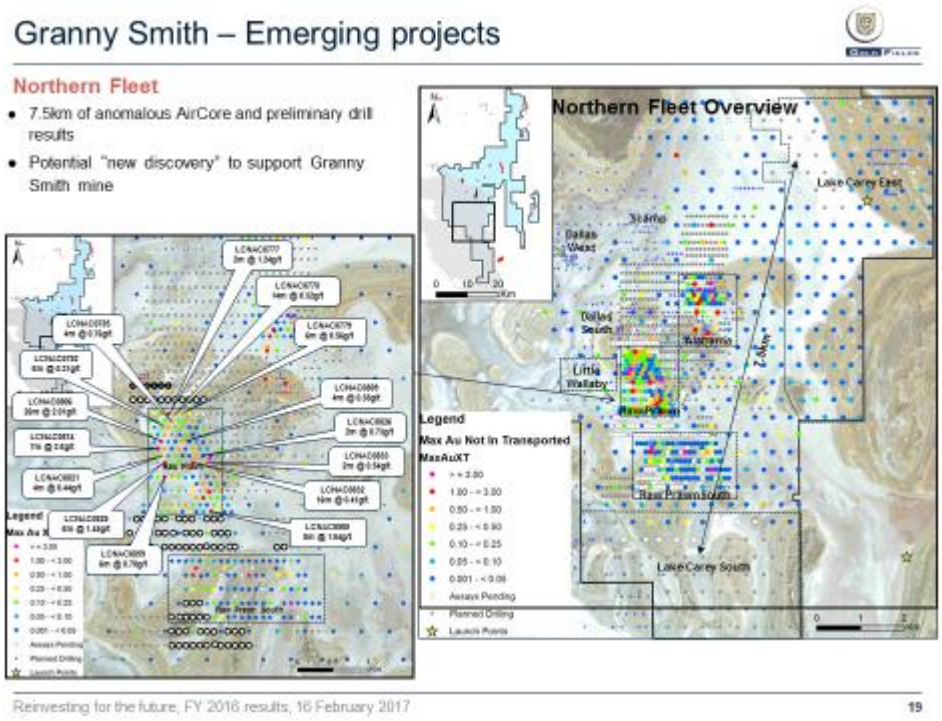
It doesn't stop there as well. Go down further to zone 135 and again we're seeing good results. That is starting to build up into a good position. Over the last three years since we've owned the Granny Smith operation we have doubled the resource from 3 million ounces to 6 million ounces. So I think that's quite a good result in that period of time. So money well spent. And we're confident that we can convert a significant part of that into a mineable reserve.



Obviously there are other things here. We have got some old pits. If you fly into Granny Smith as you come in you will see three old pits full of water. Those were the initial starter operations of Granny Smith, and one of them is Goanna. And there is potential here for a pushback. We have done some drilling. Why this is quite important for us is that there is an opportunity for us to fill surplus capacity in the plant. The plant has a nominal capacity of about 3.5 million tonnes a year. We are putting through about 1.5 million or 1.6 million tonnes. So to the extent that we can find additional ore on site or even offsite to put that through at marginal cost it will be good business for us. This may be a couple of years away, but the confidence in this is growing.

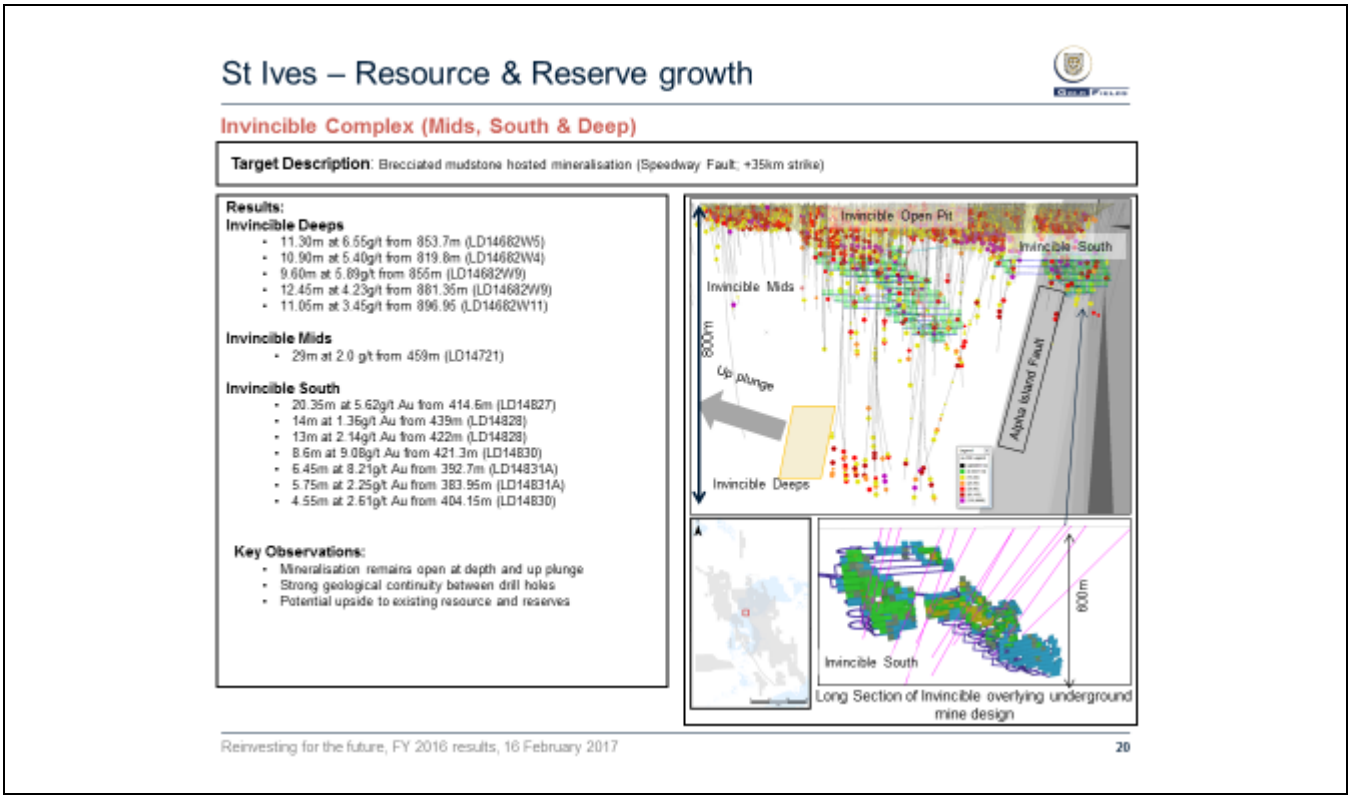


In addition there is an underground potential as well. This is all pretty close to where the process plant is, easy trucking distance. And again we are building up a nice position here. So we should be able to tell you more about both Goanna and Windage in the year to come, hopefully as incremental feed into the process plant and use up some of that capacity.



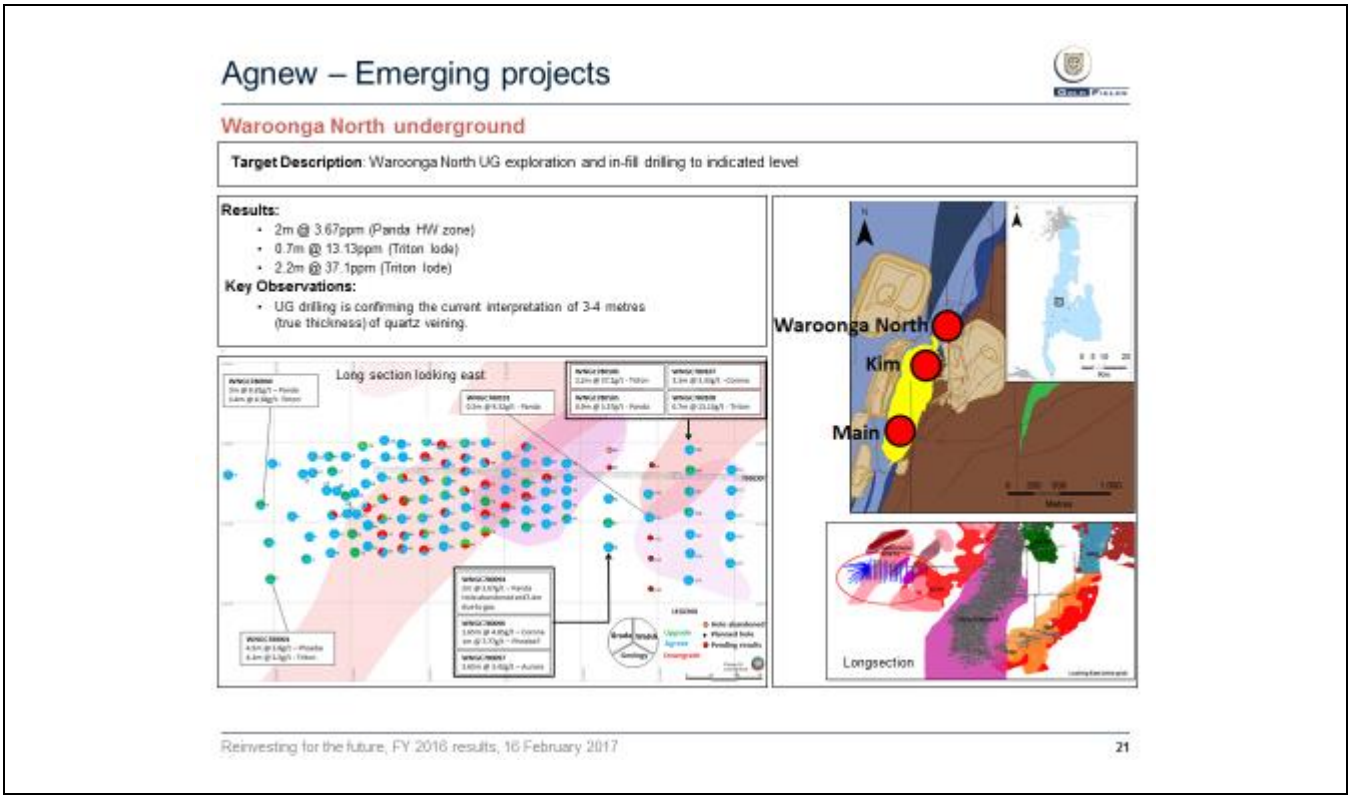
On the lake itself we've got a salt lake here called Lake Carey. It is like St Ives. We have got a big salt lake there called Lake Lefroy. It is a bit different through in the sense that it doesn't have the hard crust that you have on Lake Lefroy. So there has been very little exploration done on here. As a consequence we have had to build causeways on here to try and get the drill rigs in. So it has gone slower, but we are making more progress now.

And we've identified something here that is quite interesting. It was an anomaly called Northern Fleet. But with a lot of the air core drilling that has been done it has now turned into something that is mineralised. We have got something here that is about 8km by 4km. As we put holes into it we're finding stuff now. Don't pay too much attention to the drill results. This is really target drilling, framework drilling, air core. What we will do now is we will take some of these results and we will put this into a more focussed RC and DD drilling programme to get a better feel for what we've got here. But this certainly is something that looks like it could be quite significant. Three, four or five years out obviously, but we are having an eye on the future of Granny Smith beyond just Wallaby.

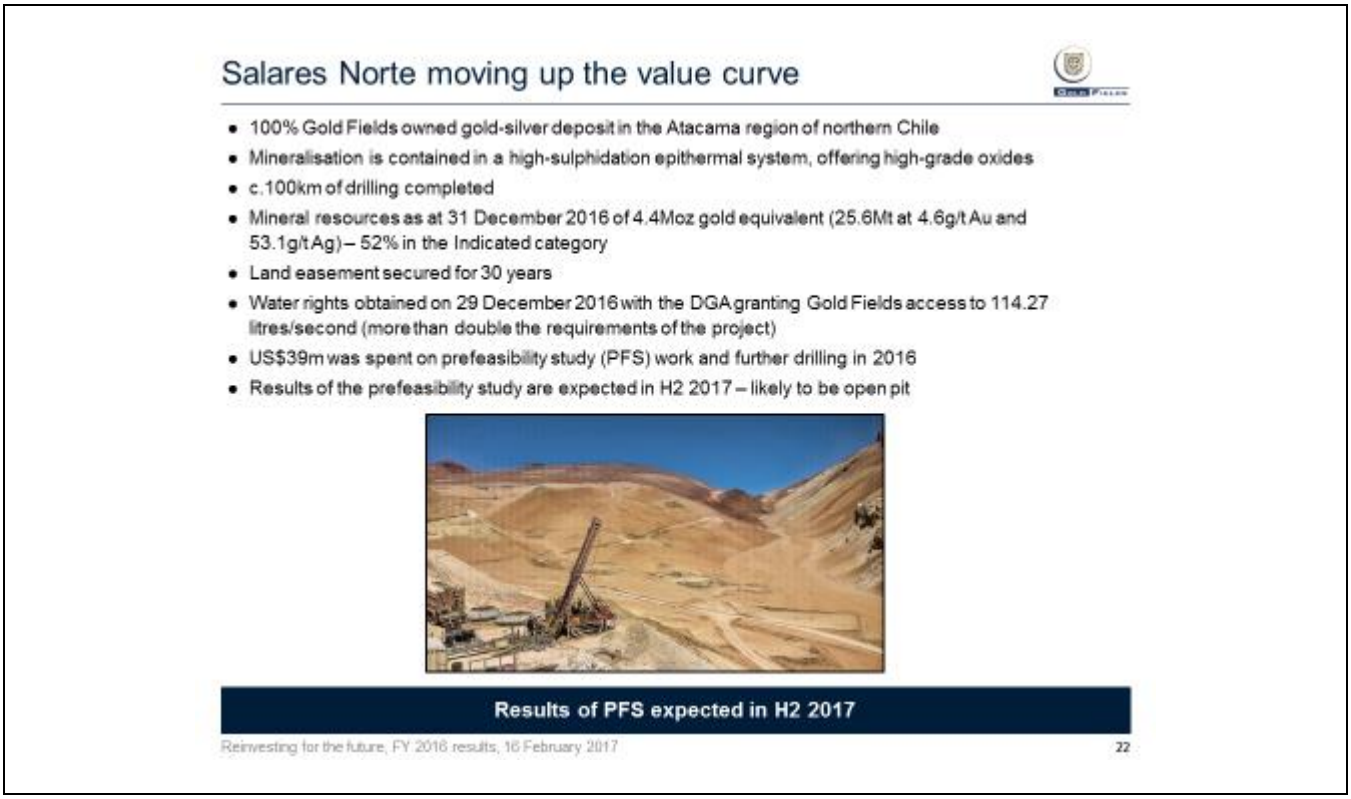


Invincible, I think you all know that the Invincible pit has been one of the key sources of production for St Ives. It has been a very successful pit. It has actually given us more ounces than what we thought it would. And you can see that's the open pit at the top there. There are about five stages across there. Now we are looking at the underground. We will be going into the Invincible underground this year as part of our 2017 plan. It doesn't end there because we are seeing there is something else called Invincible South on the other side of this fault system. We could probably use the infrastructure from Invincible underground and get in there as well. But importantly Invincible Deeps we are seeing something over here as well which looks like it is strongly mineralised. That is going up plunge over here. So this looks like it could be a big system.

And this is how things start at St Ives. In 1994 we had a drill hole of 1m at 0.8g per ton. Very unspectacular. Today we've got a position over here on our resource statement that is just under 2 million ounces. And that is just one small speck on the whole Speedway trend of 22km. So there is a lot of work to do here. But that shows you what can be discovered with the right focus in the right areas. So a lot more to come from St Ives over time.



At Agnew we obviously are in need to find a replacement for Kim over time. You can see over here that Kim is in that section. There is a parallel sheer zone over here called Waroonga North. We have put in the exploration drive over here. We have put in a number of drill cuddies and we have done a lot of underground drilling over here which gives you really good resolution. That blows it up over there. And if you look at this legend it will tell you in fact a lot of the drilling we are doing, the infill drilling, is confirming what we believe is here. I think the challenge for us now is to see how we can see if there is something further up and something further down so that we can create something that could ultimately be a replacement for Kim in time. So work to do there, but that looks exciting as well.



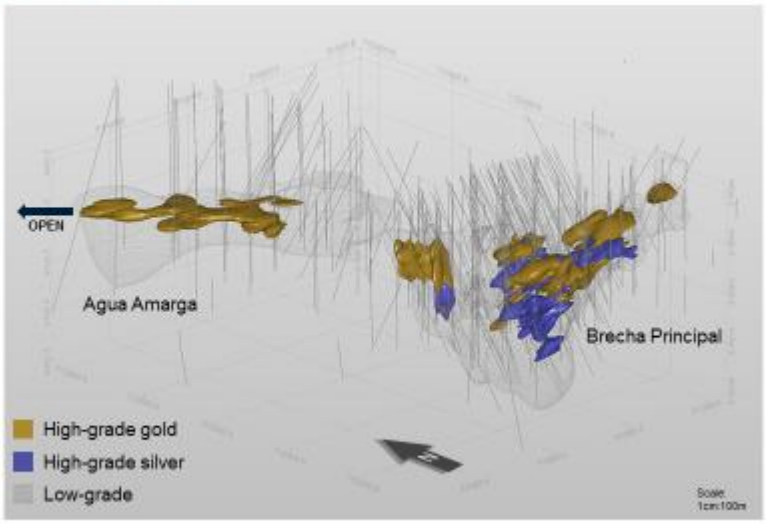
So Salares has been around for a while. The project was actually acquired by us and we found the key mother hole back in 2011. So we have done quite a lot of drilling. We have probably done about 100km and more over that period of time. It is typical of the geology in the system, a High Sulphidation Epithermal system. Gold and silver of course. And we have updated our mineral resource statement which will be in the release that comes out at the end of March. But to give you an idea of where we are, we've got 4.4 million gold equivalent ounces. That is about 25 million tonnes. 4.6g per ton gold and with a large silver credit, 53g per ton. And about 52% of that reports to the indicated category. So this is not just something early stage. The ore body looks like it is holding together.

We have been working quite hard to make sure that we have the land granted on this project from the state. We have got that now secured for 30 years. And also we've got water secured. We have got boreholes within 12km of the site. And we have been going through a permitting process over two years. We have now got the water rights. And we have got more water rights than what we need for a project. We have got lots of buffer over there, and it is within easy distance. Clearly in this kind of place 4,500 metres up in the Atacama desert if you don't have water you don't have a project. So we have got the water. I think that is a massive step forward for us.

We are doing a pre-feasibility study and we expect to finish that in the second half of 2017, but just to give you a teaser on this, the indications are that this is likely to be an open pit opportunity. And what you've got over here is you've got the main source, which is what we call Brecha Principal. That is a brecciated ore body. And to the side in a more horizontal lode we have got Agua Marga. It heads out that way over there. And that is open on strike. So we have got really high resolution on this and we are gaining more confidence into that area over there. So that's what the 4.4 million ounces gold equivalent is made up of. So something more that we will hear in the future about this one, but certainly something for the future.

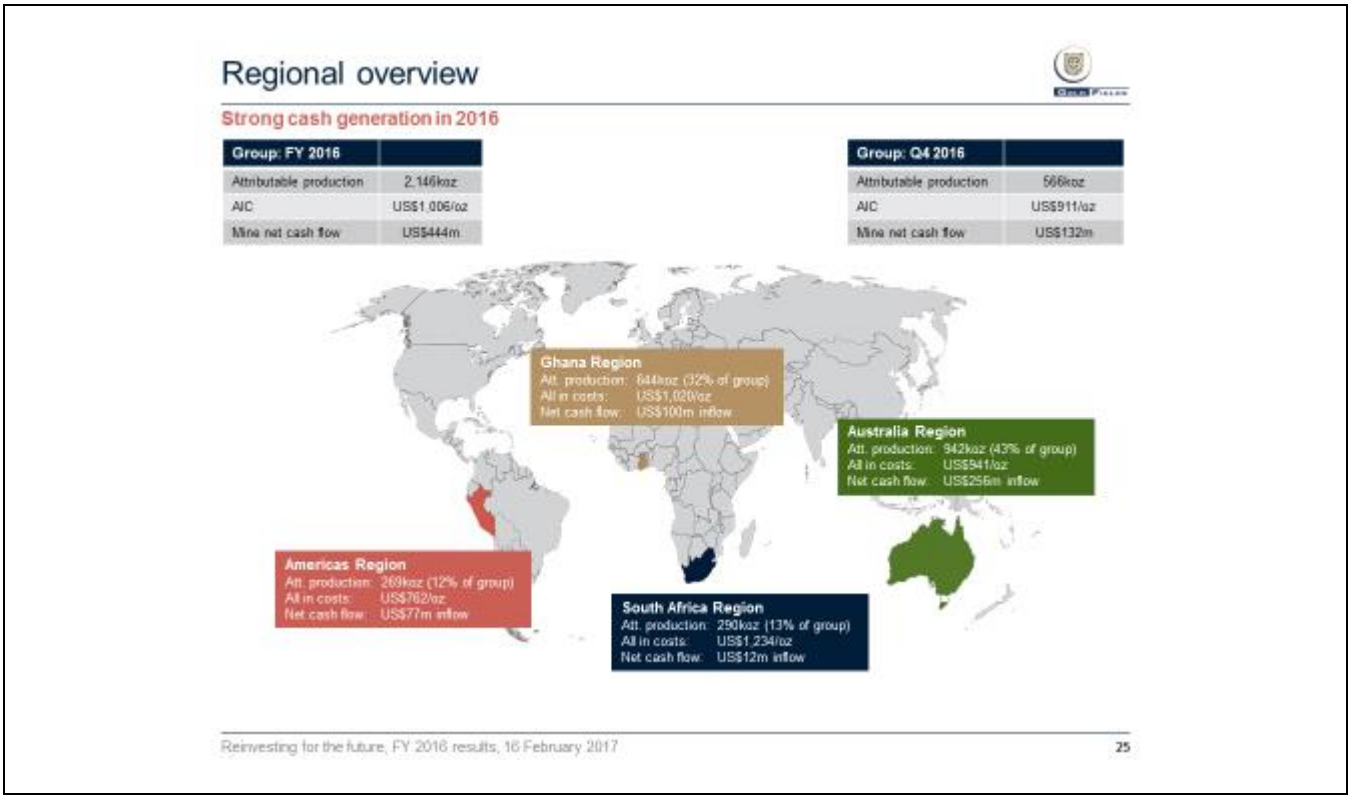
Salares Norte geological model

Modelling of high-grade gold and silver sub-domains



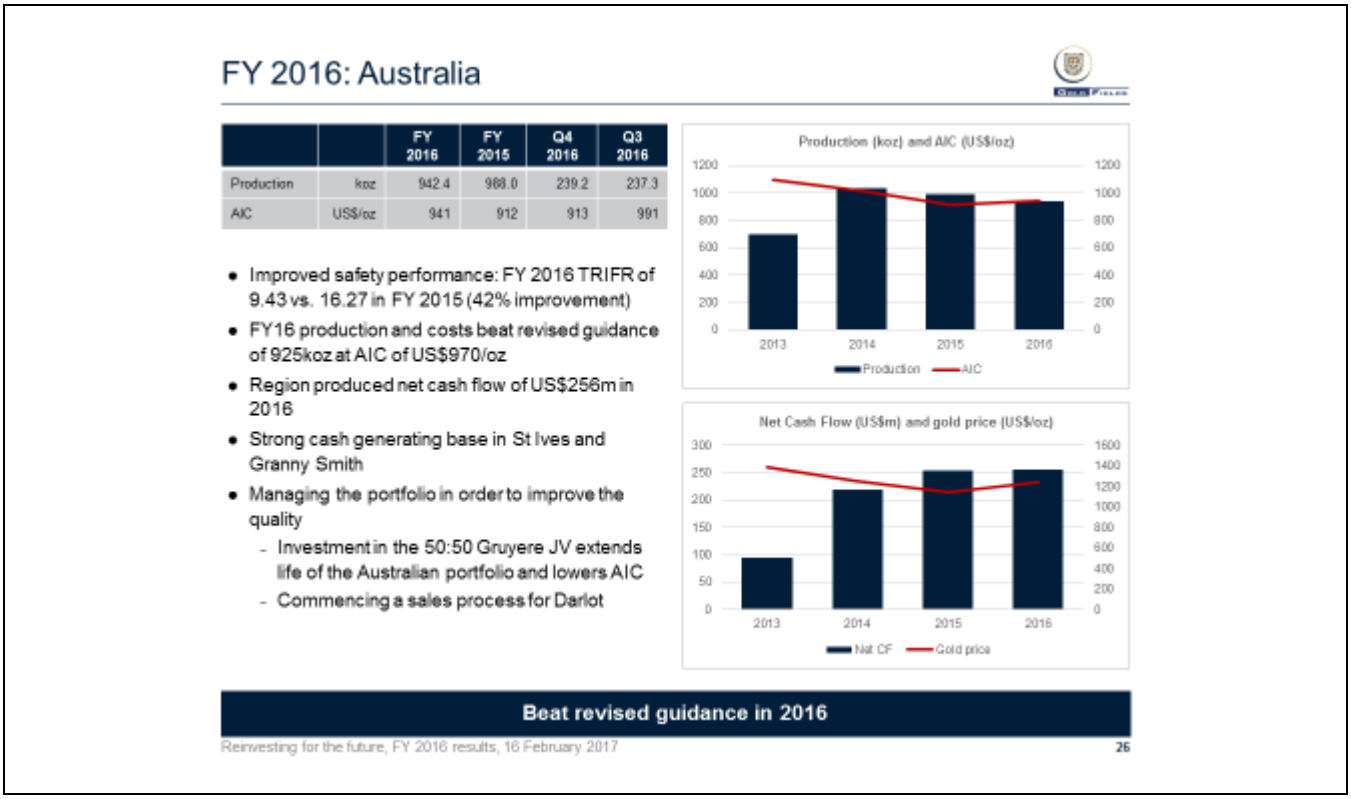
Spatially distinct gold and silver distribution

Regional Review

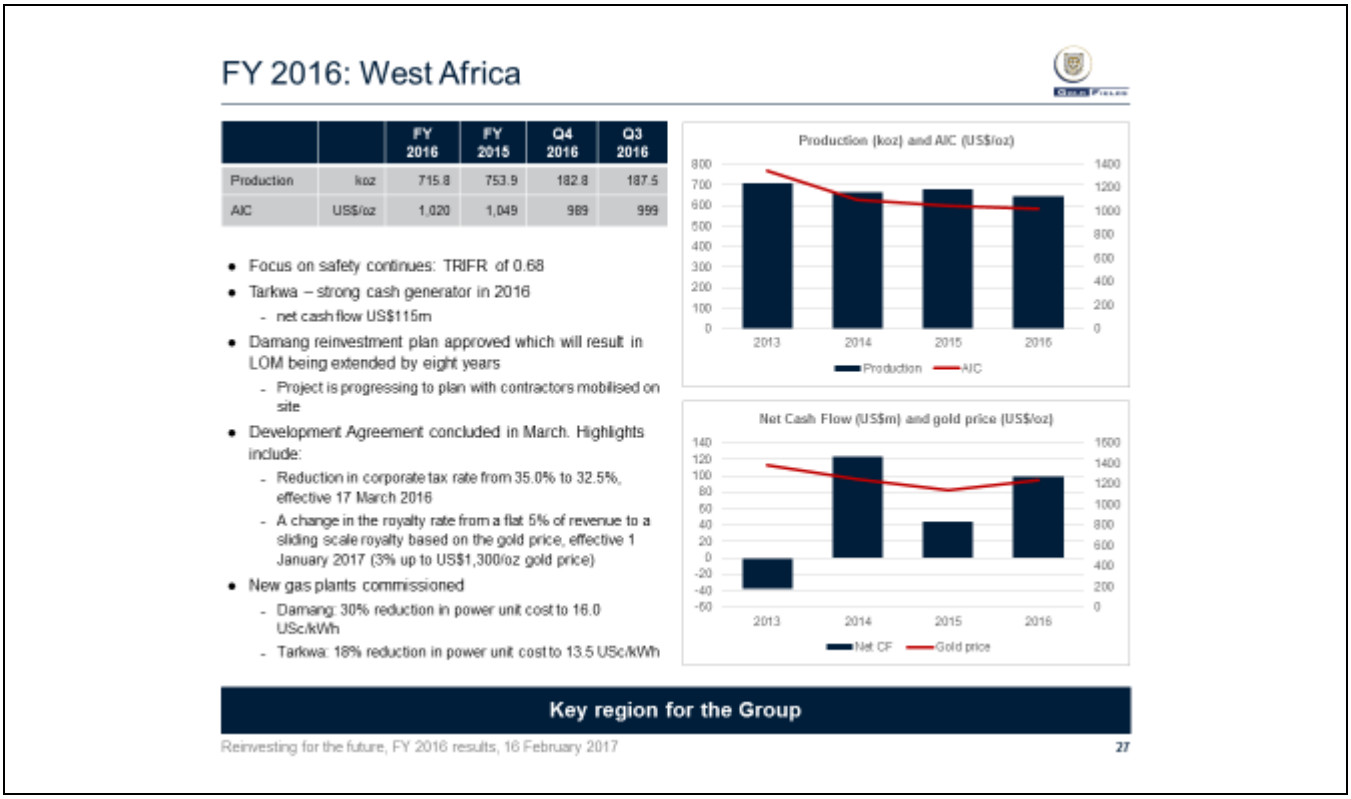


So if we look at the regional review and where we are, just to orientate you that's the Invincible pit at St Ives, that's the mill at Granny Smith, that's Tarkwa – you can see the old Makulu waste dump and some of the open pit operations over there – and of course that is Cerro Corona 4,000m up in the Andes. So it gives you an idea of the spread in the portfolio. So I will move through this quite quickly. Overall for the year as I've mentioned 2.1 million ounces for the year at all-in costs of $1,000, all-in sustaining of $980. Mine cash flow of $444 million.

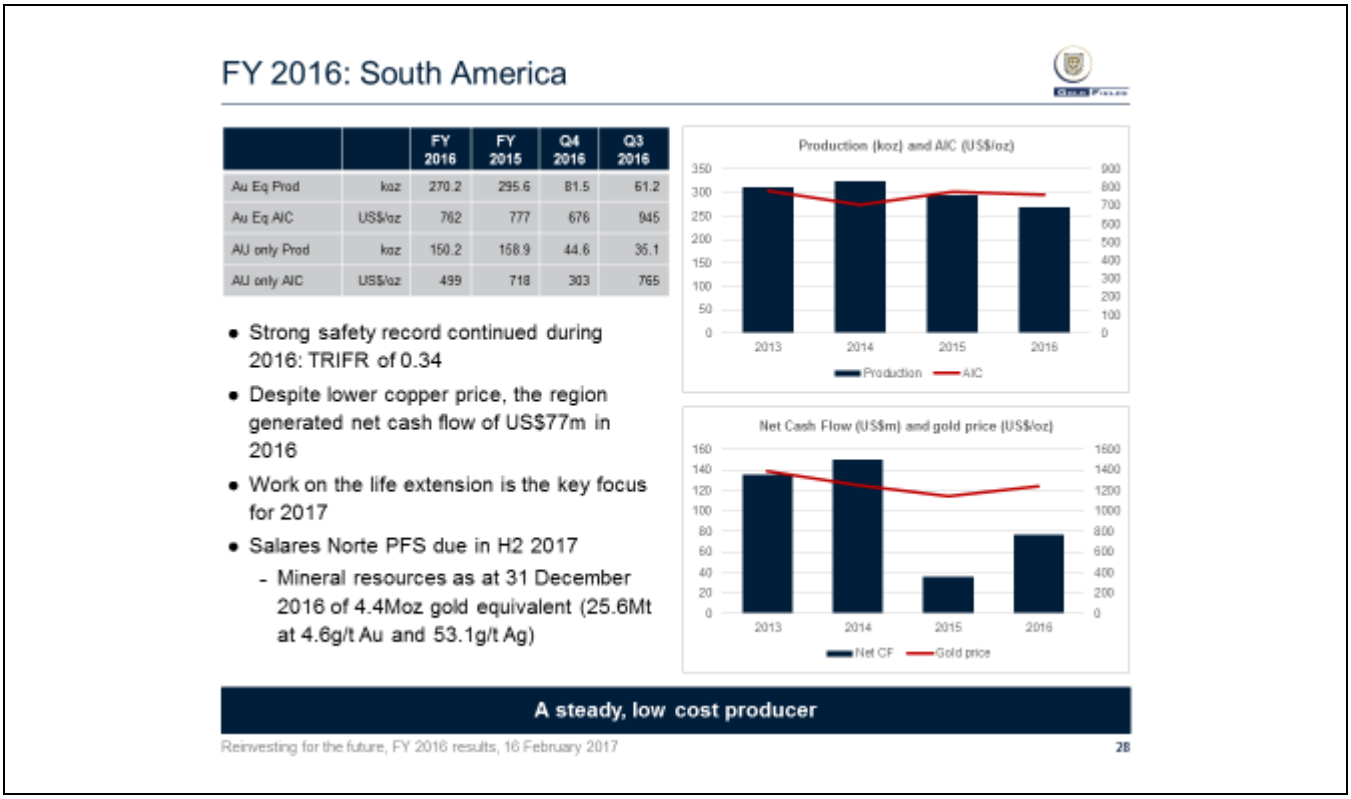
And if you look at where that is coming from the Ghana region has made $100 million for the year. This is cash in the bank. That is after taxes, capital, G&A, everything. Soup to nuts. Australia has made over $250 million. The America region $77 million. And of course South Deep a maiden $12 million positive cash flow for the year. So that gives you an idea of where the cash comes from.



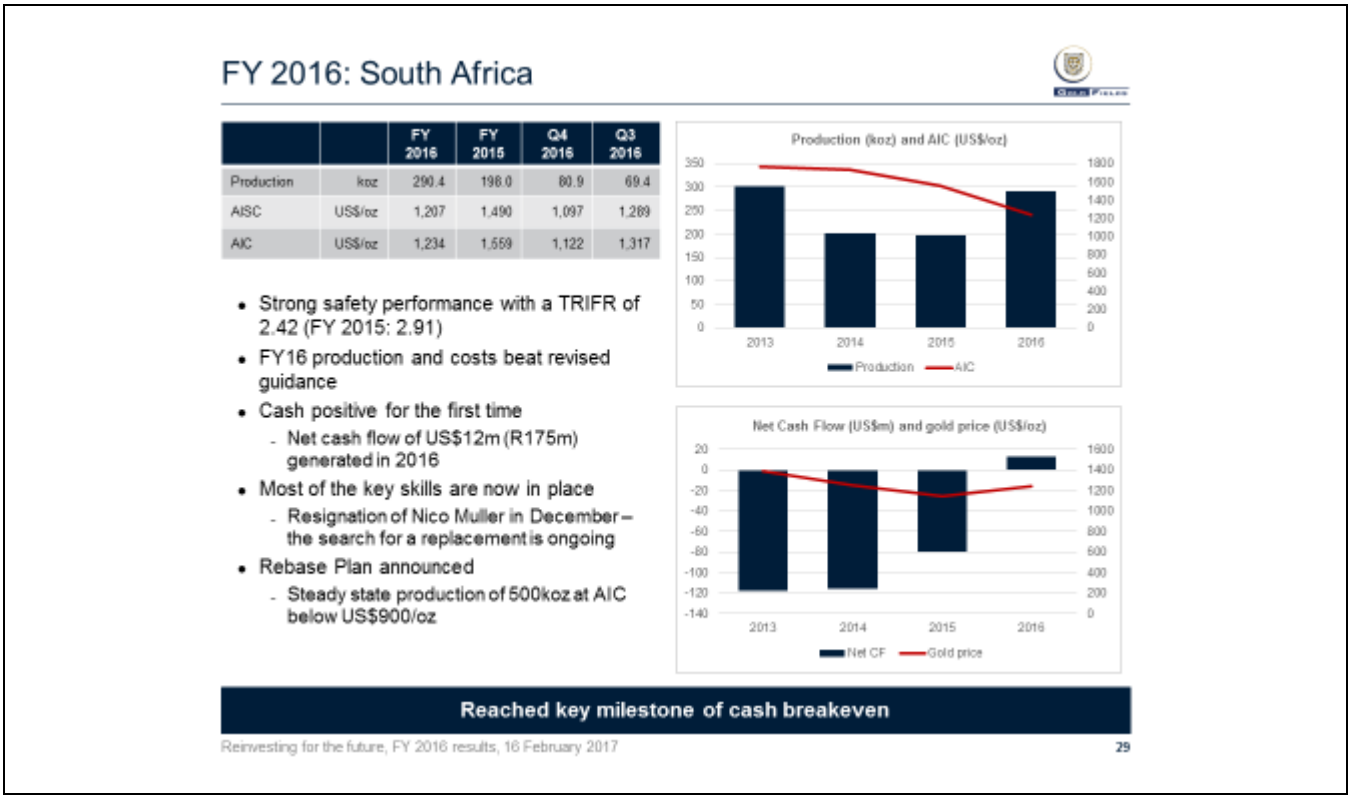
Australia has done really well again. We started the year at 905,000 ounces. We have ended up at 942,000 ounces. A massive improvement in safety. Safety rates up 42%. And costs of course really well controlled. I really think the team in Australia has done a fantastic job and they have again for a third year in a row shot the lights out. Think they have done a super job. And we hope that we can continue that again into 2017.



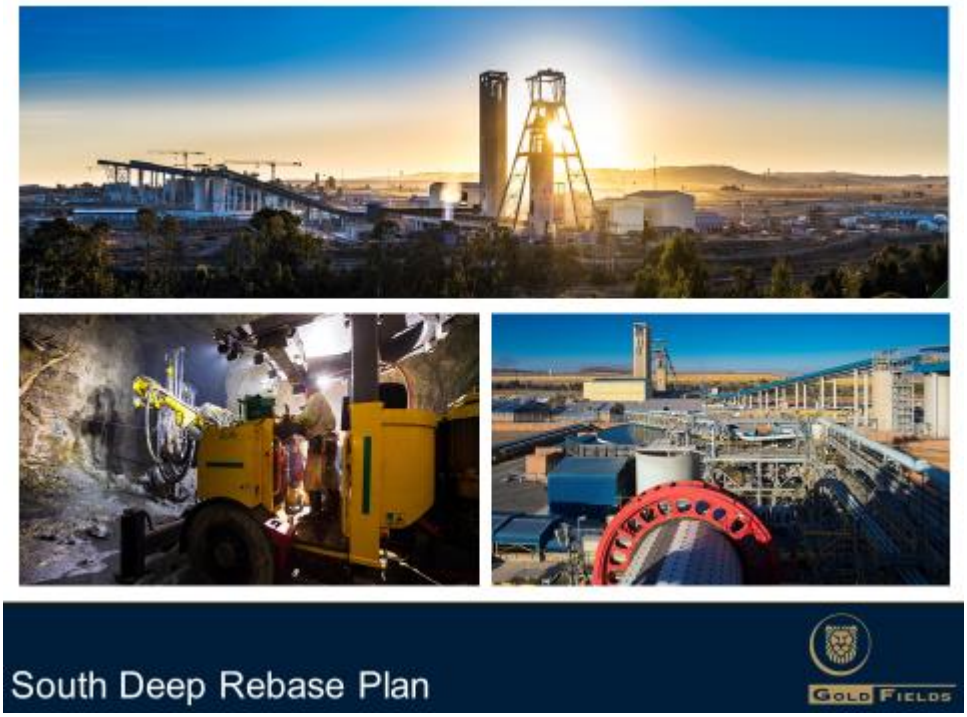
West Africa has done well again. Of course Damang has not had a great year but we know that it was a holding plan. We held back the capital until we were very confident on the reinvestment study. We took our time on that. We got external consultants to review it from a geological and from a mining design perspective until we were satisfied that it worked. So obviously it is a tale of two mines, one that made money and one that really didn't make money. But net it's $100 million for the year and Tarkwa of course has done exceptionally well.

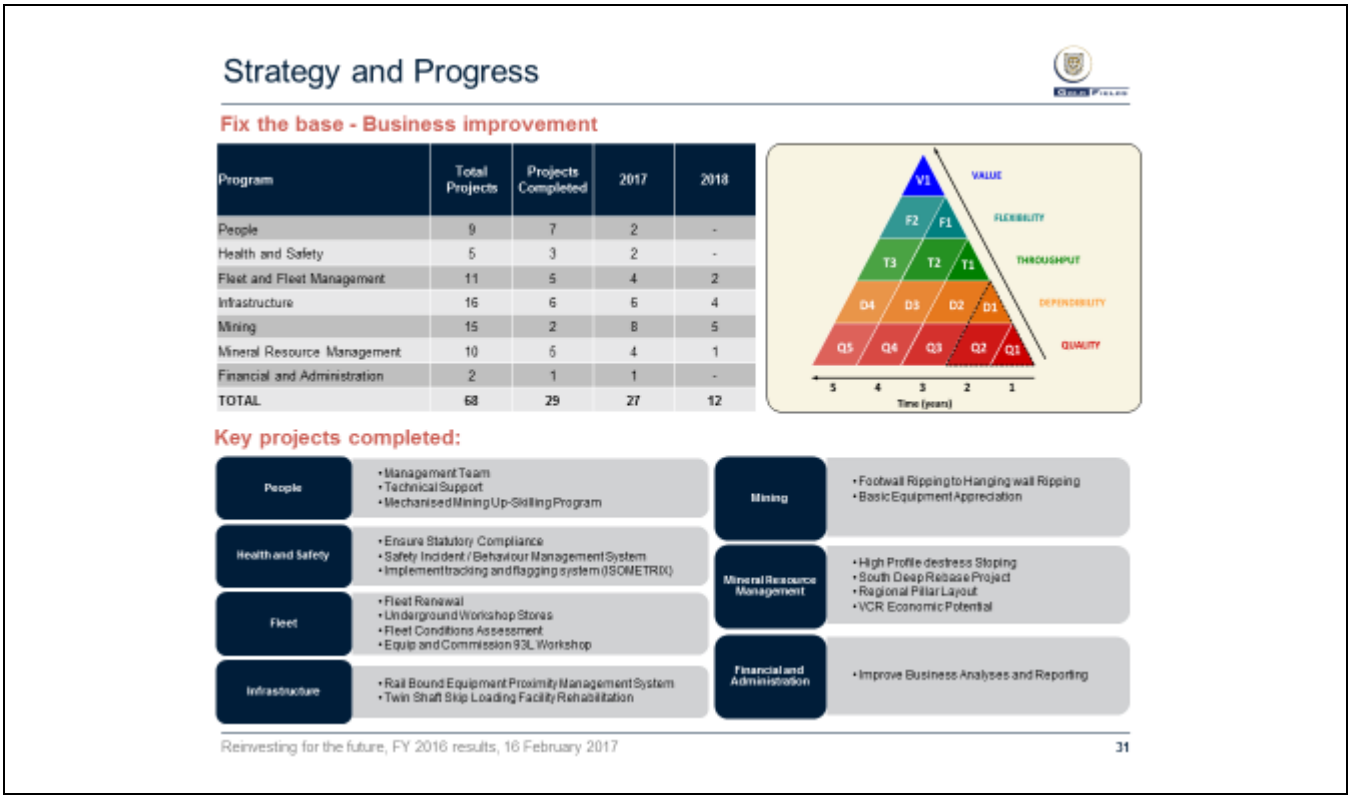


South America, what can we say about Cerro Corona? It continues to do well every year. 270,000 ounces this year. That is on a gold equivalent basis. All-in costs of $762. It made good money again. Grades did come off a little bit. That's why the production came off. We expected that. That wasn't a surprise for us. But again they have made good money. We are focussing quite heavily on life extension because we have over 50 million tonnes in resource that could potentially be converted to reserve if we can get tails capacity at slightly higher prices. And we are working on how we can optimise that extension at lower overall costs and bring additional ounces in. So that's one of the key objectives over this year.



South Africa, we have mentioned that they have made cash this year for the first time. And you can see over here at the bottom here is where we have come from over the last number of years. So one of the things I said at the beginning of last year was the objective for 2016 for South Deep was to break even. Let's try and break even. We have achieved that. Of course let's be frank, the Rand gold price also helped us. But I must give credit to the team under Nico. We have got a 47% increase in production. We have brought down our costs despite the fact that we had to put in additional people and resources to fix some of the base. And notwithstanding all of that it has been a good turnaround over the year. I will talk about the rebase plan right now.


South Deep Rebase Plan

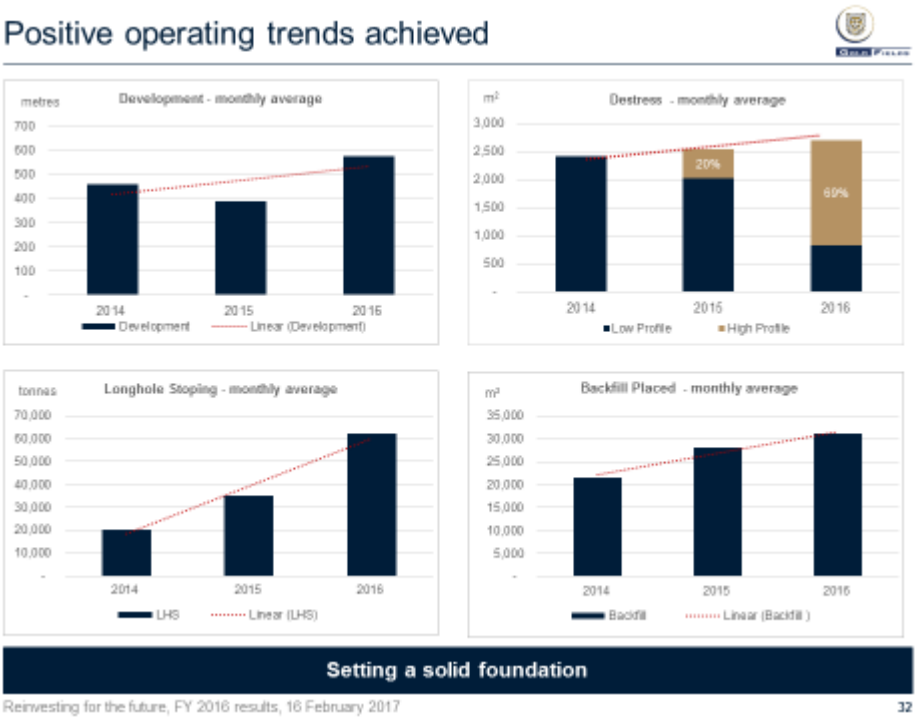


So let's talk about that. One of the things the team has done over the last two years is to take a step back and look at every facet of the business from people to infrastructure to health and safety. And we identified a number of projects that needed to be dealt with in the short, medium and longer term to fix the base. If you look at people we had obviously to fix the management team, which I think we have done. Nico has brought in a strong team. And although he is leaving us, he leaves a strong team behind that he has created. I think although we are sorry to see him go I think he has done a good job in making sure we are not going to be left short in terms of expertise on the mine.

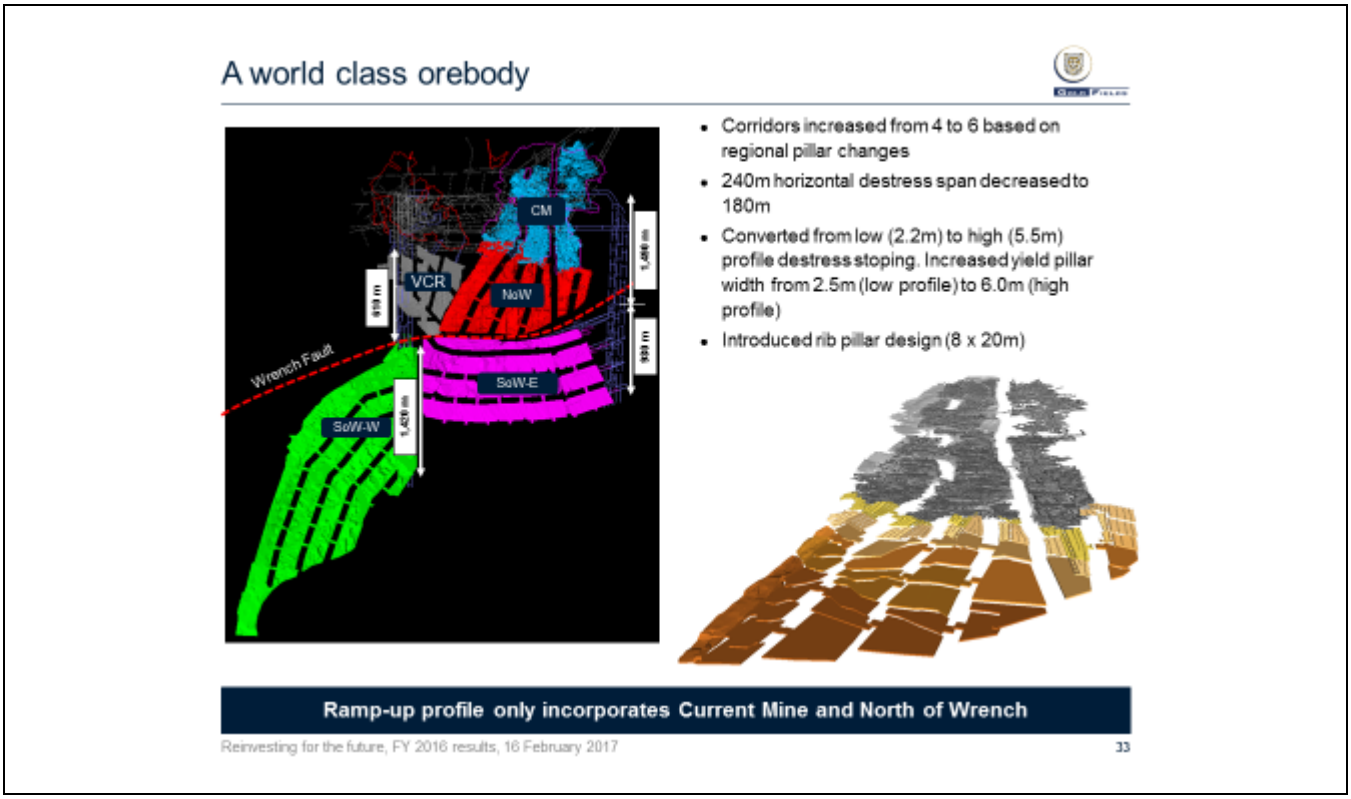
Health and safety has improved markedly over the last couple of years, notwithstanding what I've said today. And obviously that's a setback for us, but we will come back stronger. We have done a lot of work on fleet replacement. We bought 58 pieces of new category one fleet, which means we have really replaced about half of the fleet. We have got a new underground workshop now, 200m by 200m. That is like two rugby fields underground. That is now fully commissioned. That is helping us to improve the availability of the fleet. That is working well. And we are working on fixing a lot of the infrastructure issues. We have done some work but there is still some work to do. We have got to upgrade the refrigeration and ventilation systems underground. We have got some work to do on roadways still and secondary support backlog. But we have caught up a lot of that work over the last couple of years.

I think the change in the mining method has helped a great deal. And that for me is really the essence of why we believe that this plan can be achieved. Certainly the low profile method with four or five years of empirical data showed to us that that wasn't the way to go. And by stiffening the overall geotechnical system and going to reduced mining spans we could increase the vertical height and then get all of the activities done on a mechanised basis, not just the drilling but also the support, the drilling of the holes for the props and the support bolts, and of course all of the mesh that get affixed as well to the hanging wall and part of the

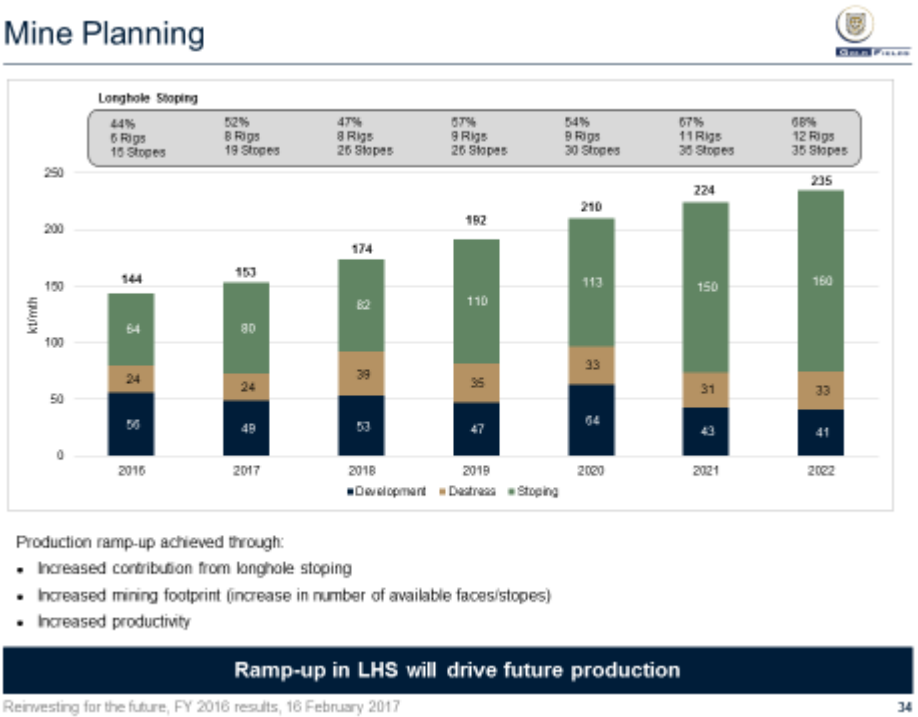
side wall. That has made a big difference. It is not yet optimised and more work to be done on that, but heading in the right direction.



You can see some of the stats here that demonstrate that, in particular the de-stress. You can see that the de-stress changed fundamentally in 2016 to more high profile. And by the end of July we had stopped all the low-profile de-stress altogether. Long hole stoping, look at that. A massive increase, a 70% increase in long hole stoping in 2016. Productivities per rig have gone up 28% on long hole stoping in 2016 compared to 2015. Backfill we are feeling a lot more confident that we have an interim system that will make sure that we can backfill. Ultimately we are going to go to full shotcreting which will be done on a mechanised basis, but that will be something that we will roll out over the next year.



This is what I talked about earlier, the new design of moving to six corridors, 180m mining spans with 60m regional pillars. And then of course moving to a 5.5m de-stress vertical height as opposed to 2.5m previously. And this has made a big difference. We have got a geotechnical review board which is made up of experts from Canada, Australia and South Africa assisting us and walking with us every step of the way including literally walking underground, and going to all the working areas on a quarterly basis, and guiding us along. I think they are going to be with us for some years to come. And that's been invaluable as we de-risk this operation.



So on the mine planning if you look at the build-up over here and you look at these three colours I think you can see that if you look at the development and the de-stress it is going to be either the same or slightly lower going forward. So the big volume increase is going to come from the open stoping. We have said that all along. That is really where you get the volume kicker on this operation. And we will be looking to increase that over the next five years. How are we doing that? Well, we are getting additional rigs. We will be going from six rigs to 12 rigs over that period. We will be providing more stopes. As the de-stress advances through the ore body you create more stopes that are available. As you take that arrow-shaped de-stress design forward you create more open stoping horizons on each de-stress cut that you move forward. And then you exponentially increase the number of faces that are available.

I must say this has been extensively critiqued by the geotechnical review board. Richard Butcher over here has looked at it. Here is Richard in the front row. Richard Butcher and the technical function has spent a lot of time going through this and making sure that we understand the key ingredients and challenging ourselves whether we think this is doable. Because the one thing that we're quite keen to do is to put something down that we can get. We have had a lot of targets at South Deep that have not been achieved. This team is very sensitive to that. This has got to be targets now that we can achieve. So that is what we're committed to do.

Skills and fleet

Critical skills

Description	2017	2018	2019	2020	2021	2022
Management	22	23	23	23	23	23
Core	4 291	4 142	4 081	4 058	4 023	4 028
Services	1 262	1 276	1 212	1 212	1 212	1 212
SLP	574	574	574	574	574	574
Total	**6 149**	**6 015**	**5 890**	**5 867**	**5 832**	**5 837**

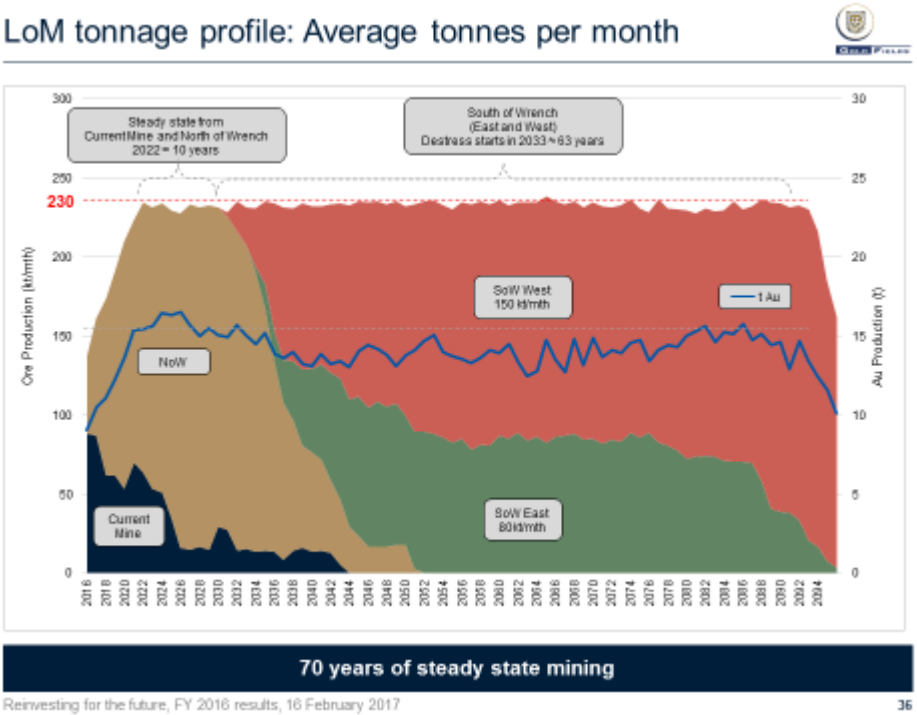
Trackless fleet schedule

Description	2017	2018	2019	2020	2021	2022
Category 1	108	111	106	105	100	95
Category 2	91	91	91	91	91	91
Total	**199**	**202**	**197**	**196**	**191**	**186**

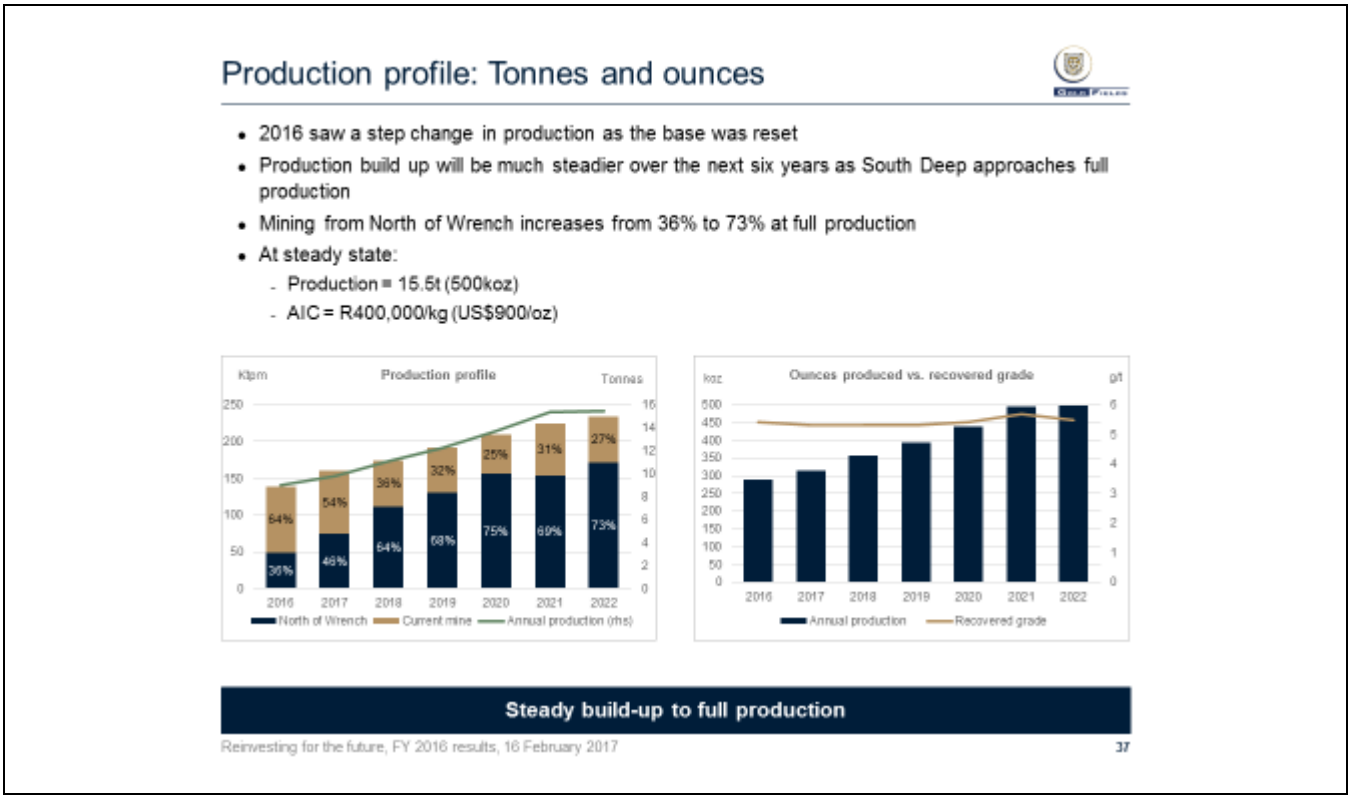
Full skills and fleet complement in place

Reinvesting for the future, FY 2016 results, 16 February 2017 35

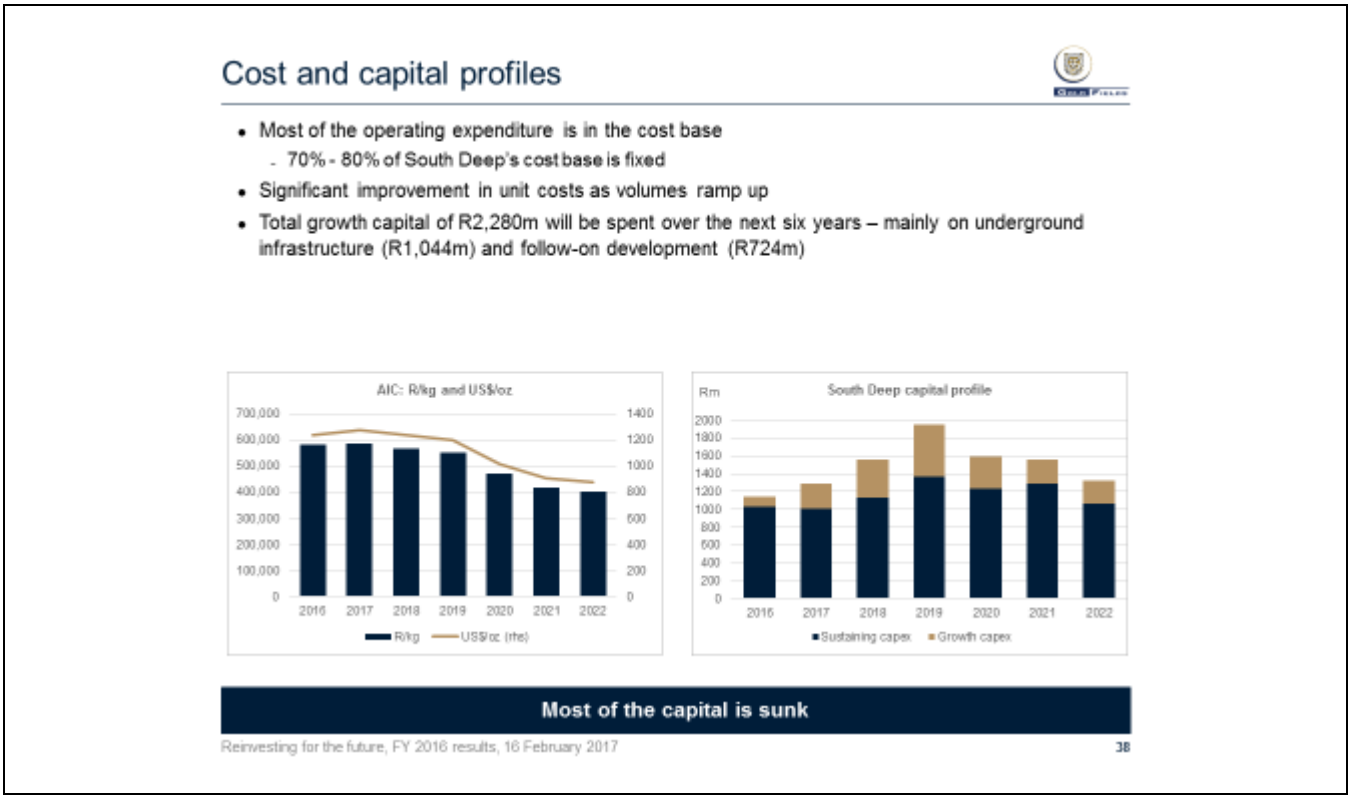
Interestingly we can achieve this we believe with really the same number of people that we have now. So it is not a function of putting hundreds of people in here to get this. By changing the mix of your mining to open stoping you actually significantly increase the tonnes per man, tonnes per crew because you are going into these big stopes which are up to 20m high and 60m long. That gives you an idea of the volume driver that these things will give you. It will be a change in the mix of our equipment as well. You will see that we will move to more Simba rigs which is the open stoping rigs and less to development rigs as the mix changes away from de-stress and development more to open stopping. So we don't think we need a whole bunch of new rigs either. And we have replaced a lot, as I mentioned earlier. So that is how you get the leverage on this operation.



Here is a high-level life of mine plan which shows the current mine over here and it also shows north of Wrench over here as well. And of course you've got south of Wrench coming in over there. And that shows you the tonnes of gold over that period of time. Over here obviously is the area we are mining at the moment. We think there are also big opportunities for us to go back there. There is significant resources that haven't been converted to reserve and we are looking at opportunities. We think there is really good chance for us to get a significant portion of that back over time. So that is also one of the things we will be doing to de-risk this plan and optimise this plan. This shouldn't be seen as what the team wants to do. This should be seen as the minimum. And if we can go beyond this obviously we will try and do that. But that will come in time whether we can achieve that or not.



So if you look over the period over here you can see the split of production between north of Wrench. That picks up a lot as current mine comes off. Current mine will continue for about ten or 11 years, but it will obviously get less every year as we increase north of Wrench. And then you can see ounces produced every year together with the recovered grade. The recovered grade is expected to be better in the early years than the average grade for the ore body because we will be doing more mining as we take down spatially the higher grade corridors closer to the shoreline down to where they need to be, four west, three west, which typically are higher-grade ore bodies. But obviously it is key that we make sure that we maximise the extraction in those areas given the grades there are between 25% and 45% higher than the average grade in the ore body. So that's where we are going to get a lot of the grade kicker in the early years.



Capital, we have put back into the plan around R2 billion worth of what we call growth capital. What is that for? That is mainly on things like crushers and conveyers in the north of Wrench area. It is also on refurbishment of refrigeration and ventilation underground, and it is also on some additional development. Just bear in mind when we did the original project at R9 billion in 2009 we didn't spend all of that money. There was about 15% left. And together with escalation on that and some scope changes that R1.2 billion became R2 billion. So that will be spent over the next six or seven years. And then sustaining capital will be something around R1 billion or so.

Okay, so I think that is it. Just to say tomorrow obviously we are going to go through the rebase plan in greater detail. But Nico is here. Richard Butcher is here from technical. And I'm sure you may have more questions for those of you who won't be at our presentation tomorrow. Thank you.

QUESTIONS AND ANSWERS

Johan Steyn – Citi

Thank you. Hi guys. It's Johan Steyn from Citi. Nick, if I just add up all the ounces that you discussed today from Damang, from Gruyere, from South Deep, you are effectively guiding to about 2.5 million to 2.6 million ounces by 2019. Can we interpret it like that, or do you think there is going to be baseline decline?

Nick Holland – CEO

Look, it is not something that I would want to commit to at this point in time. I'm much more focussed on growing the cash flow. What we see at this point in time is that we believe that these projects will grow the cash flow of the company. It might be that there is an element of replacement, but it will probably be a replacement of higher-cost ounces with lower-cost ounces. I want to move away from getting stuck on long-term production targets because things can change. You have five-year strategies and sometimes you may relook at them and things may come out, things may come in. It may be that there are incremental ounces, but I'm much more focused on incremental cash flow. I think these projects are certainly going to add more cash flow. What I would say however is that I think with these projects Gold Fields is in a good space to be at 2 million ounces or more for the next five to seven years at least. So other than that I wouldn't want to give too much more commitment or context to.

Johan Steyn – Citi

Thank you. From an investor point of view it is critical to know because you need to know if you need to model Gold Fields as a 2 million ounce producer for the next ten years or growing to 2.5 million ounces. It has got a very big impact on the way that you value the company. So what I gather from what you're saying is that the correct way to model Gold Fields is 2 million to 2.1 million ounces, and to a large extent this is replacement capex.

Nick Holland – CEO

No, I'm not saying that. I'm saying in a worst case scenario I don't think we will go below 2 million. We could go higher. We will give you updated reserves for each of the assets. And I think you can use that. Some of the guys out there I know factorise some of the production in Australia because we have had a habit of replacing. But certainly I feel very confident on the production levels of Granny Smith, St Ives, Tarkwa and Corona over the next number of years. And of course you have seen the South Deep profile as well. Agnew we have got some work to do on that because their reserve has been coming off over the last four years. You have seen that. So there is work to do to bring that back. So there might be things going in and out. But we would hope that with increasing cash flow it also comes with some element of increasing production. But certainly I don't think we will go below the 2 million ounces.

Johan Steyn - Citi

Thanks Nick. And if I may, another question. We are seeing this. I think most people would have predicted that globally gold mining companies specially are showing a rise in capex this year. Obviously the sceptic can say after years of austerity measures this is playing catch-up to capex not spent and more replacement. Do you think that is an accurate statement for the industry as a whole, and would you be different if it doesn't apply to Gold Fields?

Nick Holland – CEO

That's a very good question. One of the things we did last year is we put together an exposé on the industry in terms of the quality of their production and their costs. And one of the things we've seen if you look at the top 12 producers which make up about a third of the industry their all-in sustaining costs as a ratio to opex declined in 2012 from 41% down to 25% which indicates to me that capital is being pushed out. Exactly your point. And then we looked at ourselves and said how do we look? We are at the upper end. So we have reasonably maintained. I think we are at about 35% or 36%. And one of the things that the guys in the operations know very well is that we can't short-change next year for this year. We have to be stripping our ore bodies in line with the life of mine strip ratio. We have to be developing three or four years ahead of us to make sure that next year we don't have a bubble in capital. And that is one of the things we do. We look at a five-year strategy and we make sure that we're spending the capital. I do think you're right. I think other companies are showing $800 or $900 an ounce. Look how good we are. The question is, is it going to be followed by a bubble of capital expenditure? We don't want to be in that position. We would rather spend more money upfront today so we can sustain good cash flows not just today but for tomorrow. So I think you're on the money with that issue.

Johan Steyn – Citi

Thanks Nick. One last question for Nico. You are going to Impala, Nico. Just explain a little bit about the succession planning at South Deep. You are leaving at quite a critical point. I understand it's an opportunity that came along. But in your view how strong is that succession plan? If you can name one or two individuals that would be great. And what in your view is the key risk of the plan. Your stamp of approval is on this plan. What can go wrong? What is the one thing you think that can go wrong over the next two or three years so we again in this room look back and say we're still stuck at 250,000 or 300,000 ounces?

Nico Muller – Executive VP: South Africa

I'm going to answer your first question slightly differently. I think we established a very strong leadership team on the mine under the leadership of Adriaan de Beer who I shared previous experience with. And below him we have established a very strong operational team in all the businesses and in particular the mining engineering disciplines which I think are critically important. And so as part of the business improvement project suite that we've had we have also embedded strength in supervisory and mid-management levels below that. So I believe South Deep has got a far stronger operational capability than what it had in 2014. And in terms of succession planning I think that is something for Gold Fields to address at some future point and not for me to comment on.

So the rebased plan whilst my name is associated with it, and proudly so, it is not my product. An entire business team including the operational team contributed to that. And we had Richard Butcher and his technical team contribute to that and pull it apart. So I am very comfortable that it was a robust plan. And it started off on our current operating platform, as inefficient as that may be. It was a very pragmatic plan based on mining approaches that we are currently executing. So there is nothing novel or fantastic about it. The one biggest risk for me personally is our ability to perfect the de-stress mining method. We have gone through several changes as far as the de-stress is concerned. We had the hanging wall ripping and the high profile and we made some observations as far as that was concerned.

That is the area that is the leading element of the value chain. It is the area that is associated with the seismic hazards that we have. I think the changes that have been made in the layouts over the last two years have been very good and conservative. We have reduced the spans between the pillars. We have increased the pillar sizes. So I think that has all contributed to a much more robust and stiff regional design. That is the one area that we have to perfect. We have started with the execution of the new layout but it requires several years to develop a sufficiently large footprint to step back and say this is bedded down for the life of the mining operation. So that would be the one area that I think is important. And in the short term the extraction rate of our secondary long hole stopes that we left in between the primary long hole stopes. But I'm more confident short term there because I think we have made significant improvements in our backfill which is a critical element in the long hole stope extraction.

Adrian Hammond – Standard Bank

Morning. It's Adrian Hammond, Standard Bank. A bit of a general question for you first, Nick. The industry has obviously gone through a lot of change. Exploration has been very low for the last ten years and reserves seem to be falling. So just to be clear on Gold Fields' strategy, do you prefer to build or buy mines?

Nick Holland – CEO

Look, if you look at the history of Gold Fields actually everything we've got in production now has actually been bought. We haven't taken anything through. Even Cerro Corona, although we built it we actually bought the deposit. The deposit was fairly well understood when we bought it back in 2003. We were successful in buying a number of mines. We bought Damang for a good price. We bought the Australian mines, all of them, for very good prices. We got our money back. Cerro Corona we only bought for $40 million, would you believe? But it is getting harder to do that. And one of the reasons it is getting harder is that most of the majors, to your point, are seeing decays in their medium to long-term production profile. And because exploration has been cut systematically for 20 years and there is a dearth of new projects built this industry produces 100 million ounces a year and it is hard to see where they are going to get those ounces replaced from.

So I think there is a feeding frenzy often when reasonably good assets come on the block that are in production. Maybe we are going to take a step back and say actually let's be a little bit organic in our view at this point in time. Let's continue to look for opportunities to add to the mines' lives in Australia and try and upgrade the quality, try and get better quality ounces in Australia. Gruyere I think is going to be a great addition. Damang opens up basically 6 million ounces of resource for us. So that could be there for a long time. Tarkwa, we know that there are other opportunities in Tarkwa and we are starting to explore in Tarkwa.

So I think you are hearing that whilst we never close the book and we never say never, I think acquisition of in-production is becoming harder. The other thing as I said earlier, I think we have got our plate reasonably full at the moment and unless something spectacular came along I think it is less likely that we would do something. Obviously if a very logical in-country synergistic deal came on the table – and I'm sure you can think of a few – there may be an opportunity for us to consider it. But in the absence of that it is less likely we are going to be going into new frontiers. We have got to have an eye on the downside as well given that we're going to be spending $850 million this year. Once we get through this year I think it gets a little bit better in 2018. But I don't feel compelled that we have to go out and buy something. I think with what we have we've got a reasonable portfolio that can make good cash into the future.

Adrian Hammond – Standard Bank

Could we just contrast the two projects here? You have got Damang with a 28% IRR and Gruyere with a 6% IRR. I appreciate that is a bit of a hybrid between buy and build. So is there something there that we're not seeing that can justify such al ow return?

Nick Holland – CEO

Certainly if you look at Gruyere that is only on the reserve and the resource is very well defined. It is a porphyry system which has very good structural controls in the mineralisation. It goes down at depth quite a long way. Also there are other ore bodies on the lease that have potential that we didn't value. So I think we see Gruyere being a much longer life than just 13 years. Importantly it gives us an entry into a whole new camp. This is a 5,000km camp east of the Yilgarn craton where we are now. So it gives us a position in there which I think in time to come could be strategically very important. But obviously we don't want to do a deal that doesn't make money on the hard numbers. It makes money on the hard numbers. And I think the upside is there. There will be potential here for potentially a pushback or more underground material. And one of the things we will do as we get our arms around this is we will have a separate team looking at upside opportunities on this. But we are very excited to be in there and we see a lot of potential. So hopefully that gives you a steer on that.

Yatish Chowthee – Macquarie

Hi. It's Yatish Chowthee from Macquarie. Just a question on the Australian production curve. With Darlot coming off now potentially how do you see sustaining the production profile north of 900,000 ounces? This is before Gruyere kicking in. is there any potential flexibility at Granny Smith, at St Ives, looking at grades, volumes?

Nick Holland – CEO

I'm going to use the opportunity. Stuart Mathews is here. I wouldn't want to waste the opportunity. He is head of the region. Maybe he can stand up and use that mic. Stuart, have a go at that answer.

Stuart Mathews – Executive VP: Australia

With Darlot it has to be divested. That will happen probably in the next six months. We will see the production profile come off. But right now you can see from Nick's presentation there are several things emerging at Granny Smith. We are very focussed on filling the mill there. We run that plant 15 o 16 days a month but we have some quite good quality open pit opportunities emerging there, the Goanna pit, and we think that could come into play within the next 18 months to two years. That will help us there. And there is great exploration potential south of the lake as well. Agnew we think we can maintain where we are now for a couple of years. Not much there at the moment, but we can maintain and sustain. St Ives is looking quite positive to be able to maintain its production profile. So we might initially lose Darlot's profile, but we must remember we are making that for strategic reasons, spending money on building a quality asset which is actually going to lift our production profile within two years.

Yatish Chowthee

Just a quick follow-up. On Granny Smith being an underground operation do you have any hoisting constraints there to fill up the mill?

Stuart Mathews – Executive VP: Australia

This is single access decline. We are looking at that and how we can push productivity. Last year we actually smashed all key performance metrics. We brought more tonnes out of that mine than ever produced in previous year. More capital development. More operating development. And we are pushing even further this year.

Danielle Chigumira – UBS

Thanks. It's Danielle Chigumira from UBS. A couple of questions. One just on Granny Smith. You have been clear that Goanna and Windage maybe need a couple of years to firm up into reserves. But in terms of the optionality at Wallaby do you think you will be in a position to add to the reserves there significantly already in March? And the second question is at South Deep. So you said you already had the number of people that you need to reach 500,000 ounces, but you add that the skills are a real issue. So that implies some significant churn over the next two to three years. And with the regulatory environment being what it is do you see that as being a challenge in terms of executing on that?

Stuart Mathews – Executive VP: Australia

On the Granny Smith reserves potential I think it will be a very positive result on that. We had a great result last year. We expect something potentially similar.

Nico Muller – Executive VP: South Africa

As far as the turnover is concerned that you are referring to we went through a very volatile period in 2015 right at the start of the new management team joining there. But we have passed that and the level of turnover that we saw at management level at that time is not sustainable in the long term. So following on from that initial process we embarked on a skills development process. So we believe that we've got the strength that we have to equip with skills development as opposed to recruiting from outside.

Danielle Chigumira – UBS

Great. Thank you.

Avishkar Nagaser – Investor Relations

Charles Dean, did you have a question up there?

Charles Dean

If I were to ask, Nick, in the old days we used to work on a gold call. And if a gold call for South Deep was put right up by an unreasonable management what would be the biggest constraint to building the ounce rate out of South Deep? If I were to ask you what were the constraints you would have to release to make that happen what would be the answer? Would it be the ROCE? Would it be the capital? Would it be what?

Nick Holland – CEO

Let Mr Muller answer the question. I think he's most qualified.

Nico Muller – Executive VP: South Africa

I think the most significant constraint has got to do with the footprint which is currently defined by the area that has been de-stressed. So South Deep is a three dimensional puzzle where all the components fit into each other. The leading elements of the value chain is represented by development and then de-stress followed by backfill and long hole stoping. Development is done very well over the last year. Development is something that we have to manage in relation to the rest of the operations. I think if we could accelerate the rate of de-stress that would then open up the footprint in order for the rest of the production value chain to follow. But that is the area that we've had to be very cautious this year given the fatality that we experienced as a consequence of the seismic event that occurred. So that is the area where I think the arrow point of South Deep is vested in.

Charles Dean

You have actually increased the de-stress vertically if I read you correctly going from 2.2m to 5m.

Nico Muller – Executive VP: South Africa

That is correct. That has got nothing to do with… That improved the overall efficiency of the mining method. So everything is now mechanised. You can use one fleet for our development and de-stress. We eliminated the multiple pass system. Initially we did de-stress and then we had to do hanging wall ripping and re-support. So it cuts all of that out. But it did not by itself expand the aerial footprint. And that's what is important with de-stress, the aerial footprint that you need to increase.

Richard Butcher – Head of Technical

[Inaudible segment] two bottlenecks which we will be working on. The one is the one Nico has actually said about expanding the de-stress footprint. That is what allows us to stope. The other one is how fast and how quickly we can turn over those long hole stopes. How fast we can slot them, how fast we can long hole blast them, how fast we can backfill them. The faster you can do that the higher the tonnage which gets out. There are two parts to that component. Initially when you look at the mine it is about the footprint and the de-stress because that allows you to mine. And then in the latter years it becomes how fast you can turn over those long hole stopes.

Leon Esterhuizen – Nedbank

Thanks. Leon Esterhuizen, Nedbank. Just two questions. The first is obviously you have still got a mine that is designed to do 300,000 tonnes and you are sticking 230,000 into your plan. Is the whole mine designed for 300,000 or are you now limiting outside of the shaft? Is everything else now being cut back to 230,000 or 250,000 and leaving that for a long-term future option, or are you still leaving the whole mine as a 300,000 ton potential machine? That's the first one. Sorry, just a second one which I think is an important question and you might think is a bit nasty. Sorry for this, but Nico, when you came across you obviously brought people who you thought were going to be able to do the job. When you go to Impala now is there any threat that people will leave to follow you, important people that we need to see continuation at this operation?

Nico Muller – Executive VP: South Africa

I will answer the second question. I am thankful to have Terrence Goodlace develop a very strong team on that side, so I hardly see that as being necessary. Obviously South Deep is very close to my heart and the South Deep team, Nick, Leanne and the team. It won't be in anyone's best interest to create a massive breakdown in the organisation that you love and have invested a lot of effort in.

Nick Holland – CEO

So on the first question the one thing I'm not going to do is to limit ourselves and close off optionality. Obviously I've got an eye on the fact that in my time we've spent a lot of money to create a twin shaft system that can do 330,000 tonnes of ore. And we have got a plant that can do 330,000 tonnes of ore. Obviously I'm acutely sensitive to the capital that has been sunk to put that in place. So we are not going to close off the optionality of trying to fill the shaft and the plant capacity in time. But I think what we've got to do, and what we've asked Nico and the team to do, is put together a plan for us that we think we can achieve as opposed to saying 'show me a plan that gets to 330,000' which is I think historically what the approach was.

So this is not the limit at all. And if we can get ahead of ourselves down the road we would not be scared at all of trying to figure out how we optimise the exploitation of this asset. As you know every time you look at South Deep it's a volume game. We have looked at can we take the higher-grade parts of the ore body. We actually can't. From a geotechnical perspective you have got to take that whole footprint. All of those corridors, you have got to take them down. You have got to mine the lower grade. You have got to mine the higher grade. That is why you get an average grade of about 5.5g. So if you can find ways of actually filling that capacity, improving productivity etc. we are open to all of that. We are not closing off that opportunity. But I think the first and most important objective is let's try and get this sustainably to make money. And then if we can kick on from there we're not going to limit our opportunities. I think this is going to be a mine that will be optimised for many years to come. There is a whole array of potential innovation and technology things which Richard has put a team together for to help us continue to optimise this mine over time. So this isn't the end game. We are trying to put something down that we think is realistic as opposed to arm waving and saying these are the numbers we are going to get to. There is science behind this. It is a plan that has been done by the mine. It is their plan. It is not my plan. And they have got commitment and ownership of it. Do you want to add to that?

Nico Muller – Executive VP: South Africa

No, I think that is said well. We are only going with 230,000 at this point because that is what we are confident of position-wise. But I think we will definitely keep open optionality going forward in the event that if we improve beyond our expectation we can deliver into the infrastructure constraints.

Richard Butcher – Head of Technical

I think just to add to what the chaps are saying is that as I indicated before the first constraint is the de-stress advance rate. The second constraint is getting the actual turnover up. That is probably where we see one of the levers in the future we can pull, getting that stope turnover rate up. We can't pull that lever now because we have to get a few bits and pieces and basic stuff done. But that is one of the areas which we actually see we could do. There are some other opportunities as Nick has alluded to in the upper mine with remnant extraction which

we are starting to think about. So those are the things which are in the back of our minds. But we would probably like to do this first and get this right.

Leon Esterhuizen – Nedbank

Sorry, just one follow-up on that. You clearly have a plan now that you think you can under-promise and over-deliver on. I'm serious. I just want to know, when you did the planning one of the things that normally would go into this is as the teams get more used to doing this mining method you increase their efficiency rate. Did you do that or did you just stick in the current meagre or low efficiency numbers?

Nick Holland – CEO

There are efficiency improvements in here. But as Nico has alluded to, they are off the current base. They are not off some theoretical base. And over the five or six years they are not unreasonable commitments. But I wouldn't want you to walk out of here and think we are under-promising. I think there is a lot of hard work to do to deliver this. It is not going to be a walk in the park. And as you can see this year and next year are still going to be tough years for us. So I think the team will do well to deliver this. But if we can build confidence like we have achieving what we've promised last year for the first time then obviously the team will get motivated to do more. But we don't want to put too much pressure on the team and on ourselves. We would like to try and achieve one goal after the other and keep the opportunity open after that.

Avishkar Nagaser – Investor Relations

One last question from the conference call, James Bell. And then if we have time we will take one more from here.

Operator

James, your line is live.

James Bell – Merrill Lynch

Thanks guys. Just two quick questions from me. Firstly on South Deep I just wondered given the challenges if you guys would look at hedging Rand or gold to give you support or a base level on those near term. And secondly just on capital allocation I just wanted to understand, Nick, why you feel the need to push forward with all the projects you have in 2017. Obviously $64 million at Salares and the spend at Gruyere potentially could be seen as non-essential this year. I wondered if you could talk about that as well.

Nick Holland – CEO

Okay. I will deal with the second question, and then I will ask Paul to talk about our hedging philosophy and where we are today. Certainly if you look at Damang I think there is a clear case here that we either had to invest in the project or we had to potentially face the problem that other miners have faced in Ghana that we have massive retrenchments – costs a lot of money – you bring forward rehabilitation costs, and you actually end up spending quite a lot of money anyway on getting to a position where there is no value left in the asset. So for us particularly given the development agreement it made a lot of sense for us to push ahead. I think a 28% IRR at $1,200 speaks for itself. If we look at Gruyere we always wanted to try and add to the portfolio. We said that M&A is a key strategy. It does lower the cost and it adds life

to Australia. And it is synergistic in the sense that we have got a great team under Stuart that we think we can add value there.

On Salares, that has been bubbling under for a number of years. And interestingly we think we are adding value every year with what we're doing. All of the drilling we have done over the last five years has added value. The analysts are not really giving us much for this in our share price. Maybe that's because we haven't said too much on it. But clearly it's an asset that is being looked at quite interestedly by others around us. So as we continue to spend money we add value. But we are doing stuff that we think is within the ambit of what we can do. And that's why we've said this is probably enough for us for now. Unless there is something really startling we wouldn't want to put our balance sheet at significant risk. We have been able to de-lever by $700 million over the last few years. So it has created the headroom. But if things got tough the one thing we may have to do is obviously slow things down. We don't rule that out. If we head to $1,000 gold – and that may happen, who knows – clearly we would have to look at the pace at which we do these projects, including the exploration in Australia, Salares etc. On a downside case we would have to look carefully at what we do. I will ask Paul to talk about the hedging.

Paul Schmidt – CFO

On the hedging for South Deep I mean we already hedged last year. In 2016 we took out a currency hedge which made us R210 million. Our policy makes provision especially for projects where we can hedge. And this year we would consider looking at either a currency hedge or a Rand gold hedge. It obviously depends on the pricing and a number that we are comfortable with. So we would look at it.

James Bell – Merrill Lynch

Okay. Thanks guys.

Patrick Mann – Deutsche Bank

Thanks. It's Patrick Mann from Deutsche Bank. Nick, you made it sound very much like a seller's market with gold assets. I know you said you're comfortable with your portfolio and Darlot is obviously strategically non-core. Any thoughts around selling at this point. If you could realise value upfront without having to take the operational risk why not look at something like that?

Nick Holland – CEO

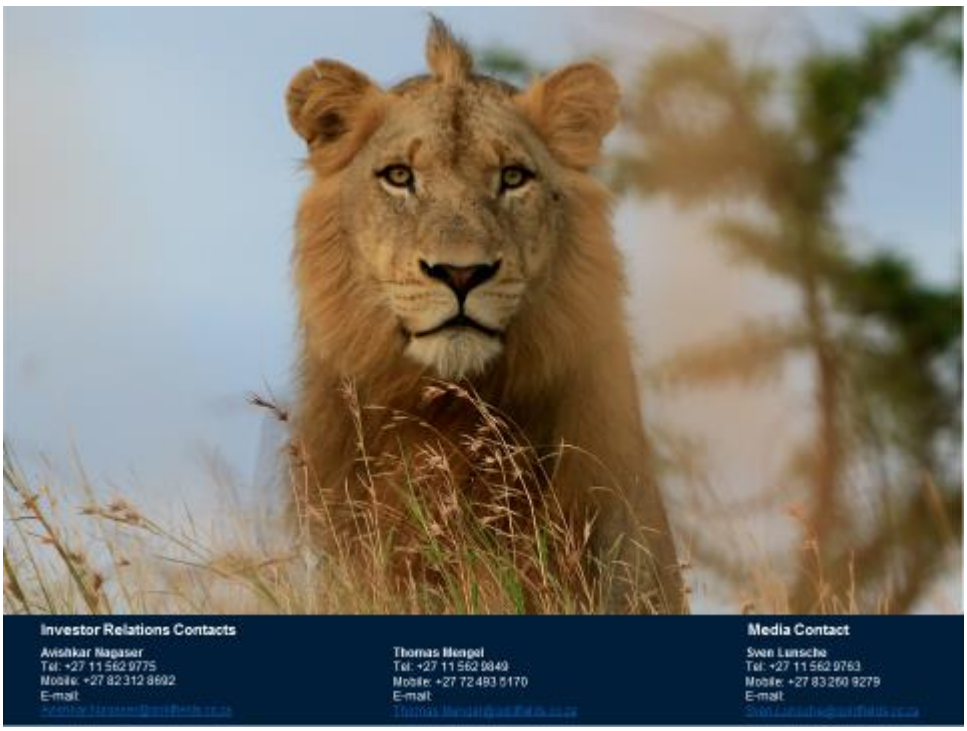
Look, we have a very dynamic view on our portfolio. You have seen we have now put Darlot on the block. We did enough work to satisfy ourselves that it's probably better in someone who is prepared to spend the time and effort to bring to account what we think is enormous potential there still. And we would continue to look at our portfolio. But right now we don't think there is much else that we would need to do at this stage. We did a lot of the pruning back in 2013 of projects and various other things. We cut out marginal production. We have done a lot of business optimisation over the last three years. So as always we will have an eye on that, but for now I think we're happy with the rest of it.

Patrick Mann – Deutsche Bank

Would you ever consider selling South Deep?

Nick Holland – CEO

Look, I think it's a great asset. It's a key part of our portfolio. And in a world where people are not exploring, in a world where people are not replacing their ounces, when you are sitting on what is the second-largest global undeveloped gold deposit – which all the drilling has showed over the last seven years – then I think having those ounces in the ground given where the industry is going is only going to be more valuable over time. So I see South Deep not just something that will make money. It is almost like a call option on the gold price as the mining industry declines. So I think the value will continue to go up over time.



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