



**Q2 2015 Results**  
**CASH POSITIVE DESPITE THE LOWER GOLD PRICE**  
Nick Holland  
20 August 2015



**GOLD FIELDS**

# Forward looking statements

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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.

## Salient features

**US\$59m swing in net cash flow to US\$30m inflow in Q2 2015 (Q1 2015: -US\$29m)**

**Attributable gold equivalent production up 7% QoQ to 535koz (Q1 2015: 501koz)**

**All-in costs down 9% QoQ to US\$1,059/oz (Q1 2015: US\$1,164/oz)**

**Normalised earnings of US\$22m (Q1 2015: -US\$13m)**

**Interim dividend of 4 SA cents declared (35% of normalised earnings)**

**Net debt decreased US\$22m to US\$1,477m (end-Q1 2015: US\$1,499m)**

**Full year guidance maintained – production of c.2.2Moz at AIC of c.US\$1,075/oz**

**Green shoots starting to emerge at South Deep**

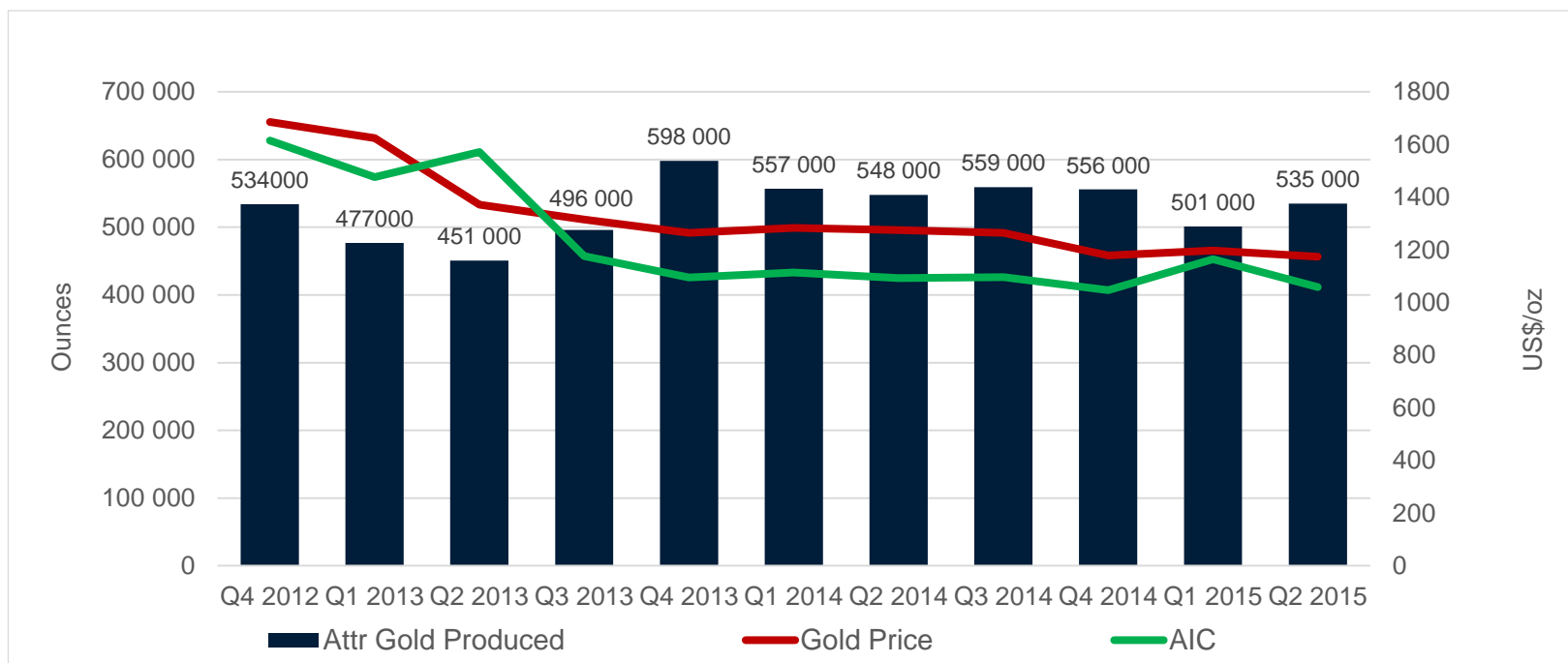
**3-year wage deal concluded at South Deep**

**Cash positive despite the lower gold price**

# Q2 2015 Results



Production up 7%, all-in costs down 9%, gold price down 2%



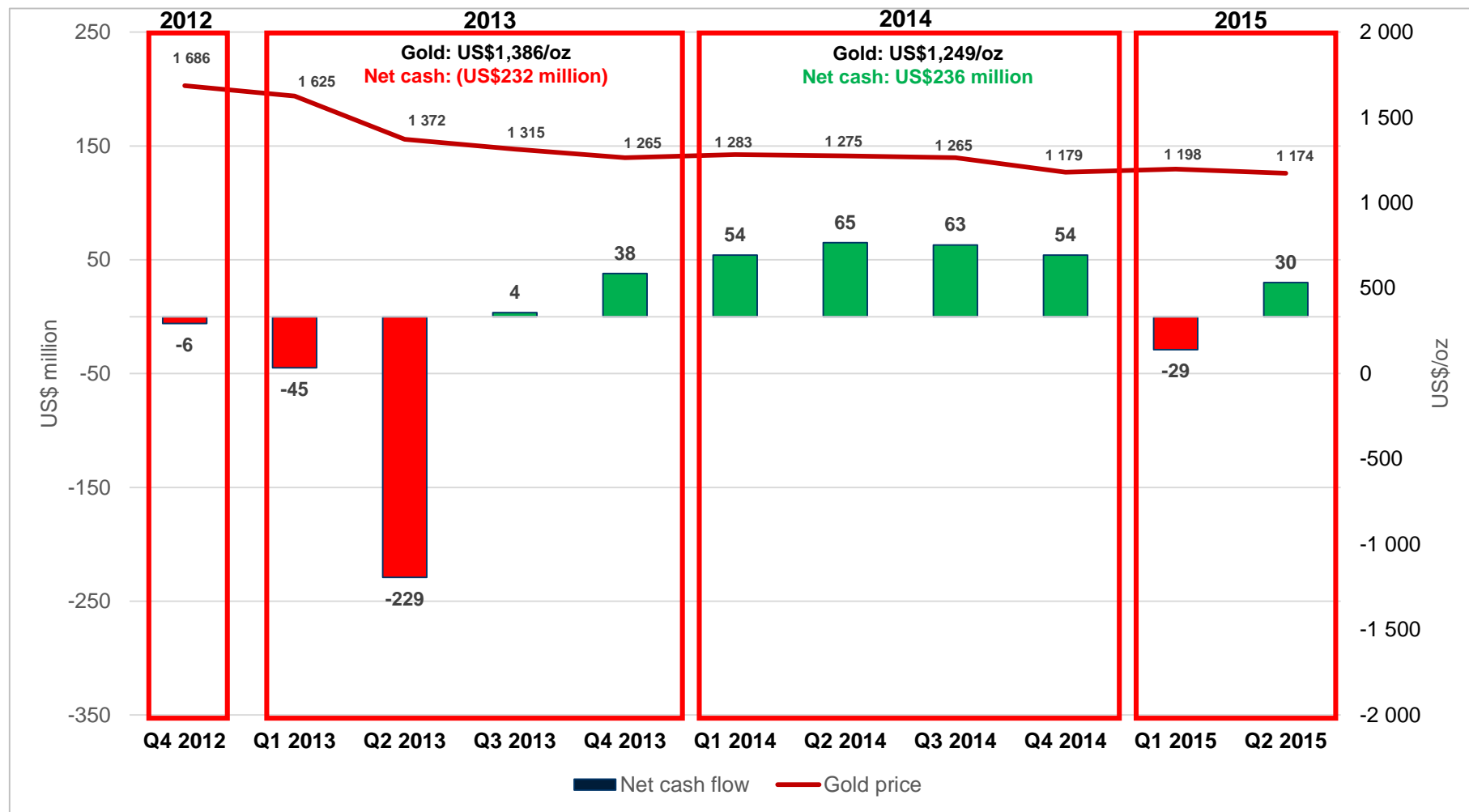
	Q2 2013	Q2 2015	% variance
Gold produced (koz)	469.5	554.9	18%
Net operating costs (US\$m)	396.9	382.2	4%
Capital expenditure(US\$m)	187.2	158.3	15%
AIC (US\$/oz)	1,572	1,059	33%
Gold price (US\$/oz)	1,372	1,174	(14%)

**Much improved Q2 2015, as planned**

# Q2 2015 Results



## Net cash flow<sup>1</sup>



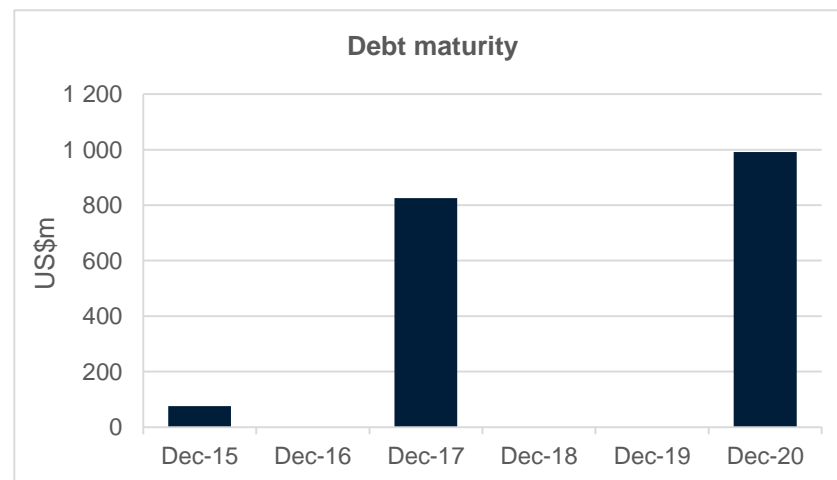
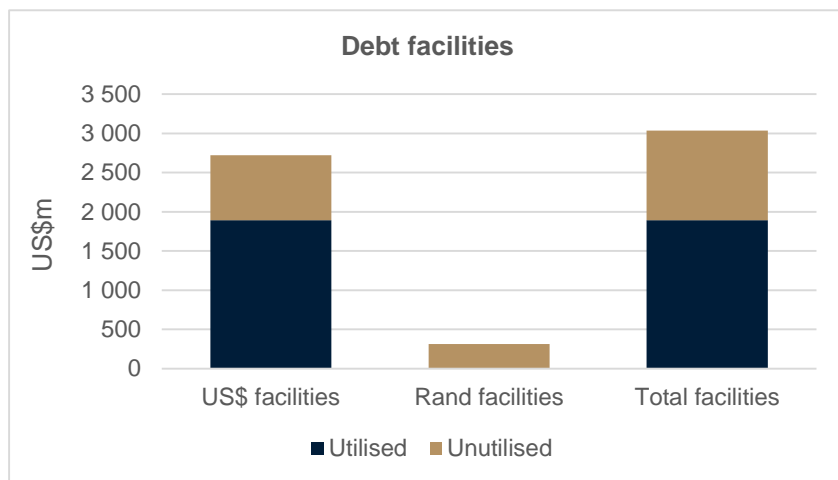
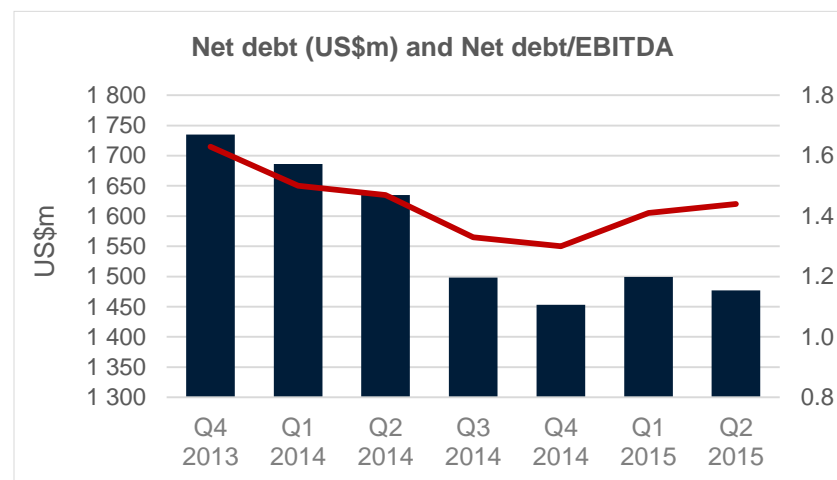
<sup>1</sup> Net cash flow from operating activities after taking account of net capital expenditure, environmental payments, debt service costs and non-recurring items.

**US\$59m positive swing in net cash flow QoQ**

## Balance sheet

- Net debt of US\$1,477m at end-Q2 2015
- Net debt to EBITDA of 1.44x<sup>1</sup> at end-Q2 2015
- Targeting net debt to EBITDA of 1.0x by end-2016
- Unutilised facilities of c.US\$1.1bn
- First debt maturity in November 2017

<sup>1</sup> 12-month to June 2015 EBITDA



**Targeting Net Debt to EBITDA of 1.0x By End of 2016**



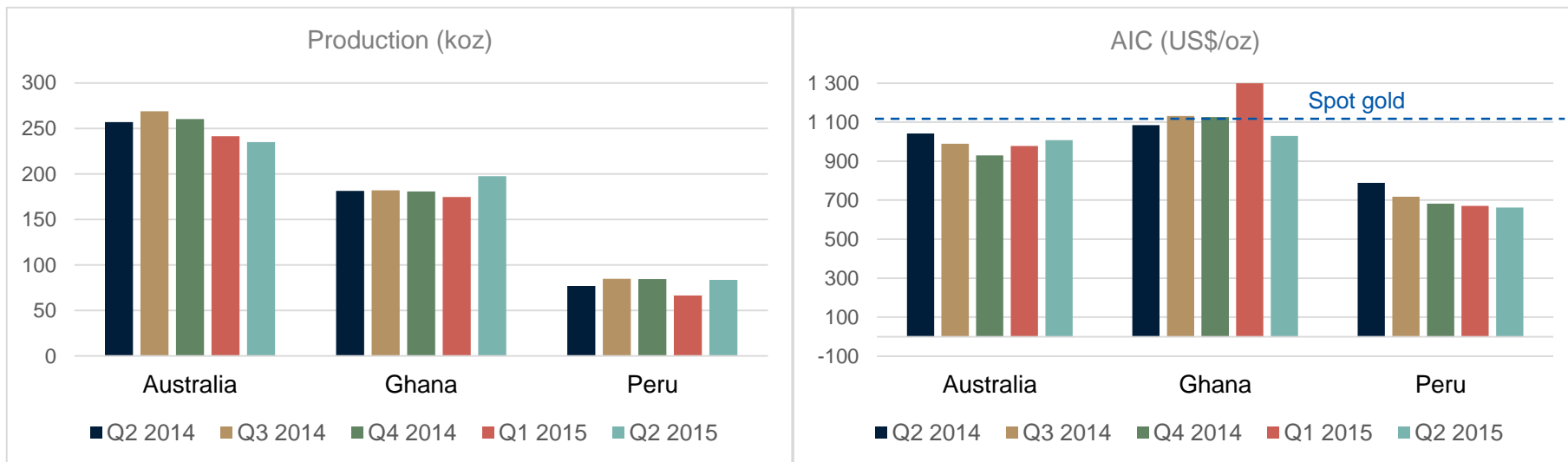
## OPERATIONS OVERVIEW



**GOLD FIELDS**

## Solid global portfolio (excluding South Deep project)

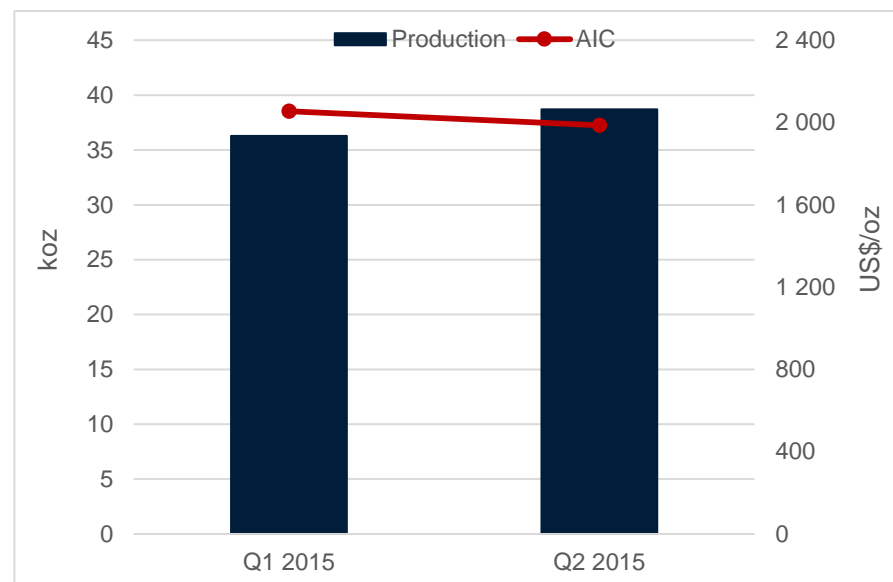
- Attributable production: 496koz
- AIC: US\$984/oz
- Net cash flow from operations: US\$101m



**Operations cash positive at US\$1,100/oz gold price**

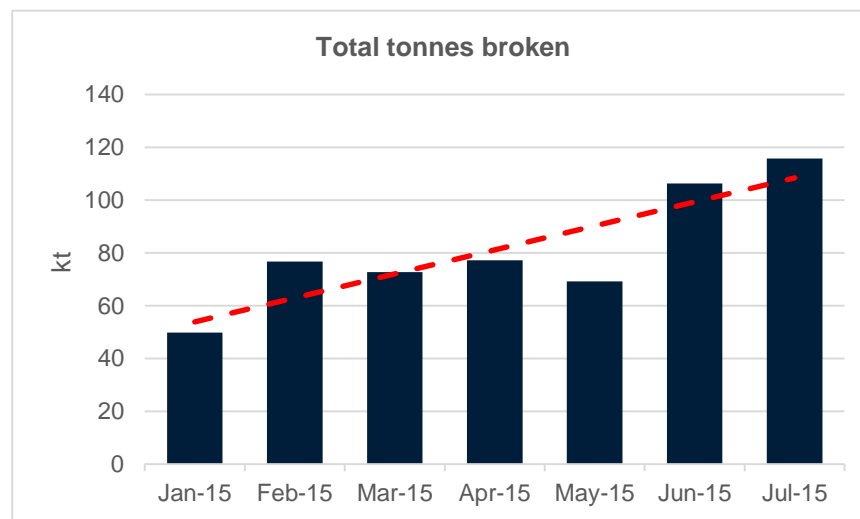
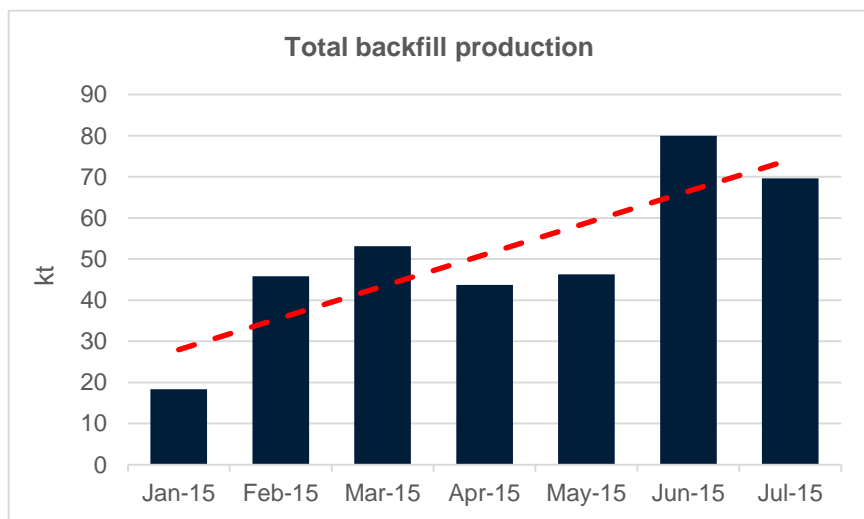
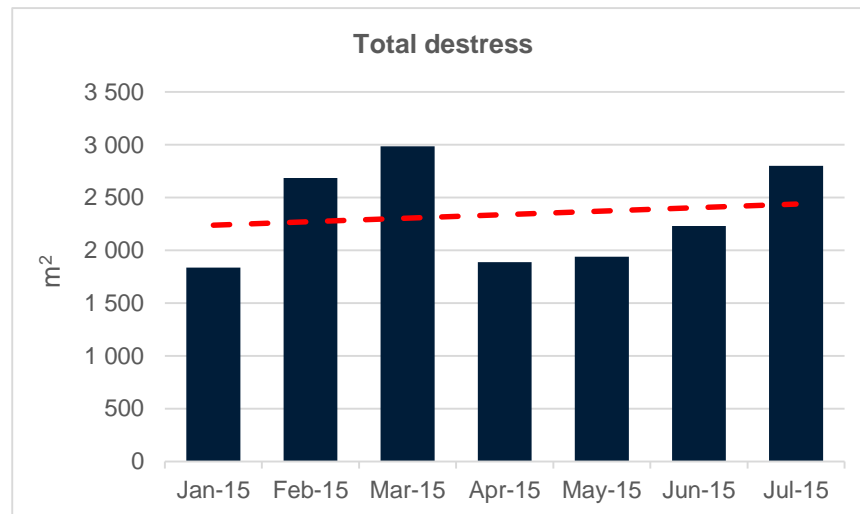
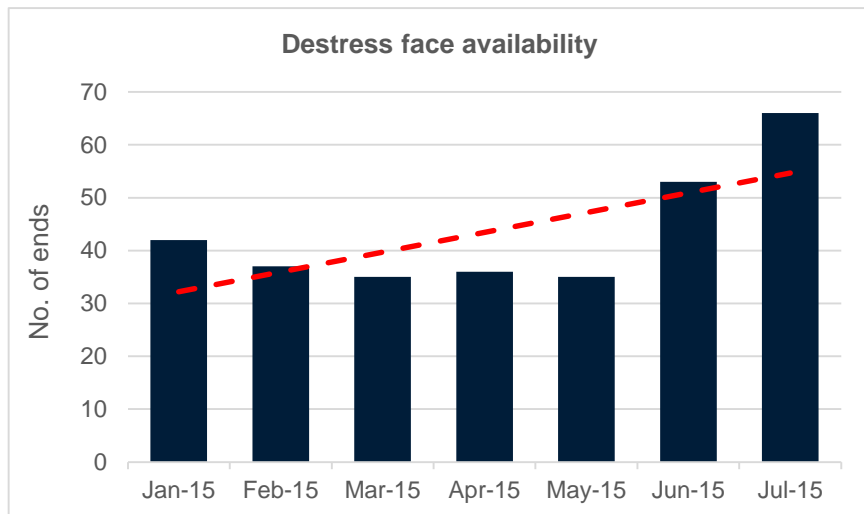
## Highlights

- Core focus currently on getting the basics right
- Maintain aspiration to achieve cash breakeven by end of 2016
- Operational performance remains important
  - Production up 7% QoQ
  - AIC down 3% QoQ
- Rebase plan – long-term sustainable value delivery
  - Update expected in early 2017
  - Will be based on updated performance data and design optimisation



**Focused on getting the basics right**

## Positive trends

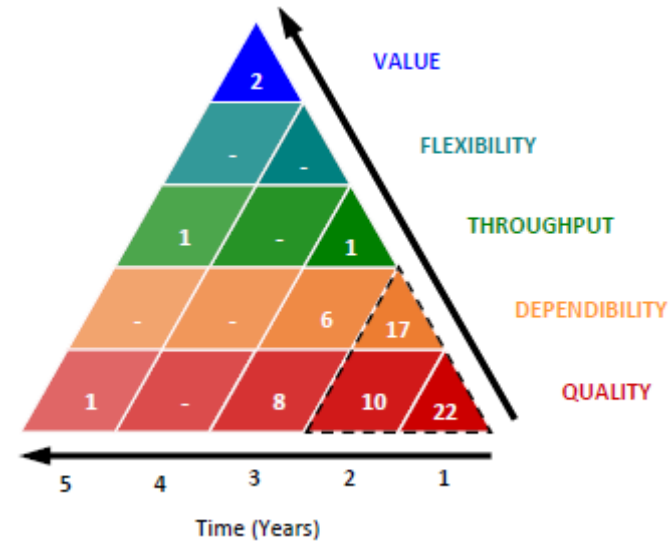


**Green shoots starting to emerge**

## Development of business improvement strategy to get the basics right

- 68 projects grouped into seven key pillars
  1. People (9 projects)
  2. Health and safety (5 projects)
  3. Fleet (11 projects)
  4. Infrastructure (16 projects)
  5. Mining (15 projects)
  6. Mine design and planning (10 projects)
  7. Systems (2 projects)

Full benefit to be realised in 3 - 5 years



- Separately run by a project manager (with a project team) – assist the operational team who is responsible for execution



**Building a foundation for long-term sustainability**

## Progress on getting the basics right

### People

- All executive team positions have been filled
- c.80% complete on recruitment of critical skills

### Health and Safety

- Improvements in TRIFR (H1 2015: 3.03 vs. H2 2014: 5.10 )

### Fleet

- Acquisition of 27 new category I equipment
- New 93L workshop in commissioning phase

### Mining

- Doubling of backfill production from the start of the year
- Increasing secondary support capacity

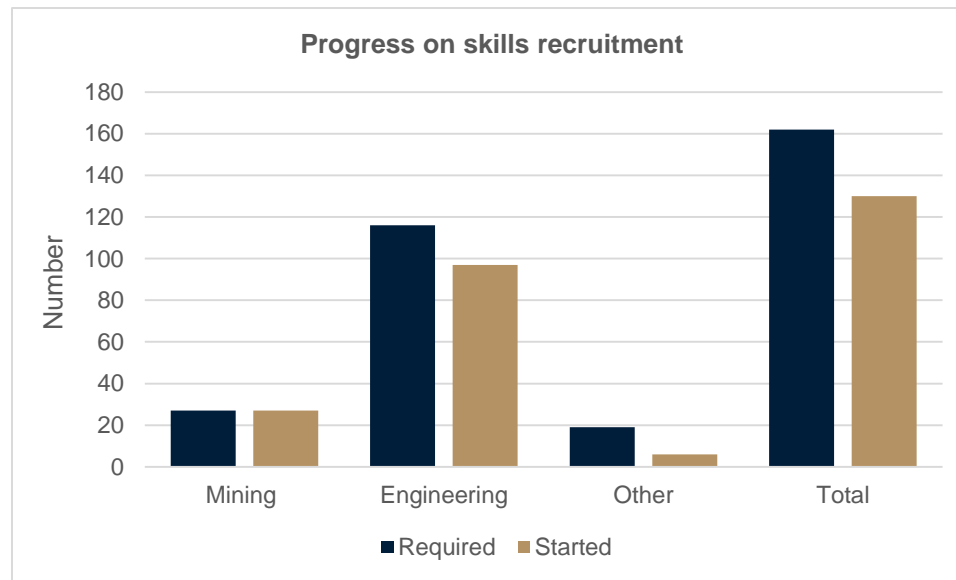
### Mine Design and Planning

- New high profile destress trial commenced
- Increased focus on longhole stoping set-up

**Encouraging progress across the board**

## People

- All executive team positions have been filled
- Approximately 80% complete on recruitment of critical skills
- New bonus system devised and implemented
- 3-year wage agreement concluded until 2018
- Mechanised mining training revitalised
- Increased focus on engagement with all key stakeholders
- Outsourced maintenance contract to provide skills transfer



**First building the team**

## Fleet

- Significant investment in new fleet
- 27 new Cat 1 machines purchased
  - 23 of 27 machines delivered
  - Slings schedule developed and on track
  - 20 of 23 of delivered machines are underground
  - 18 of the 20 machines underground are operational
- Outsourced maintenance contract concluded for corridor 2
- New underground workshop in commissioning phase

Commissioning schedule: Q2 2015 – Q4 2015

Type	Source	Q2 2015	Q3 2015	Q4 2015
3 x DD321 Rigs	Sandvik	3 x Operational		
3 x LH514 LHD	Sandvik	3 x Operational		
2 x DD421 Rigs	Sandvik	2 x Operational	525V to 1000V Conversion	
2 x DS421 Cable Bolter	Sandvik		2 x Commission	
4 x LH208 LHDs	Sandvik	4 x Operational		
3 x DD210L Rigs (Rental)	Sandvik	1 x Operational	2 x Commission	
3 x DD210L Rigs	Sandvik			3 x Commission
2 x DD321 Rigs	Sandvik		2 x Commission	

Reconciliation of Cat I fleet

	Rigs	Loaders	Trucks	Simbas	Total
Jan-15	28	29	13	5	75
New	16	11	0	0	27
Scrapped	6	1	0	0	7
Dec-15	38	39	13	5	95

Make-up of Cat I fleet as at Dec-15

	Rigs	Loaders	Trucks	Simbas	Total
TM3/ Longhole	24	21	13	5	63
De-stress	14	18	0	0	32
<b>Total</b>	<b>38</b>	<b>39</b>	<b>13</b>	<b>5</b>	<b>95</b>

## Fleet renewal to improve productivity

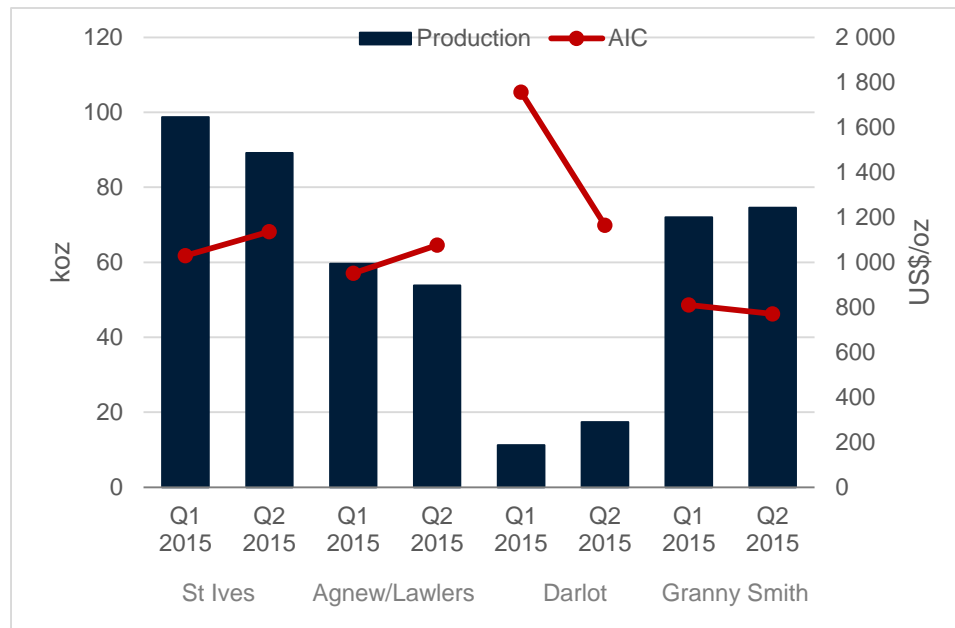
## Mine Design and Planning

- New mine development recommenced on 100 and 105 levels
- Mining span/pillar span change
  - Benefits:
    - Increased stiffness of regional support design
    - More corridors (4 to 6)
    - Lower risk mining profile
    - Impact on reserves not significant
- High profile destress
  - Fully modeled
  - Geotechnical Review Board (GRB) assistance
  - Trialing in virgin ground
  - Update at year-end

## Mine design optimisation

## A robust portfolio, with A\$ tailwind

- Strong performance from the region in the June quarter: Production of 235koz, at AIC of US\$1,008/oz, generating net cash flow of US\$40m
  - St Ives - production higher than anticipated despite paste line refurbishments at Hamlet u/g mine
  - Agnew - impacted by lower grades due to geotech constraints at Kim lode
  - Granny Smith - good quarter, with increase in production driven by higher grade
  - Darlot - returned to breakeven



**c.80% of Yilgarn South acquisition repaid**

## St Ives - Invincible open pit

- Commenced mining late-December 2014
- Main and North pits are now in ore
- Five excavators in operation
- Production mainstay for open pits for the next four years
  - Reserve of 5.01Mt @ 3.85g/t for 628koz with further potential upside

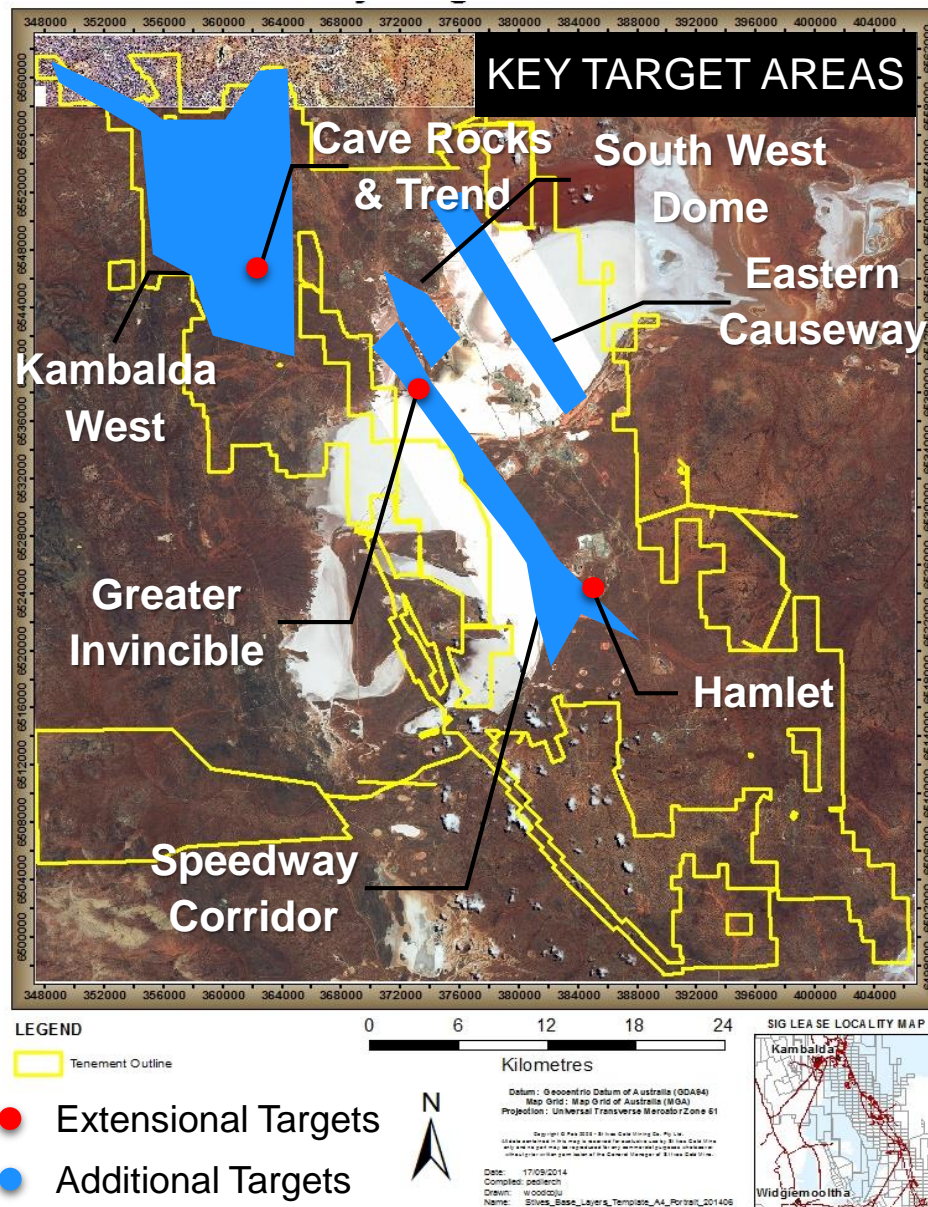


**Production on schedule**

## St Ives - Exploration budget A\$42m

- A\$7m – Neptune Paleo-channel infill drilling (270koz in reserve)
- A\$10m - Extensional Exploration Developing key camps
- A\$25m - Additional Exploration Exploring for new deposits and developing pipeline
- Immature Greenfields exploration target areas
- 112,810 hectares of tenements
- Targeting:
  - Pipeline growth and development
  - New discovery

Drill Type	2014 Metres	2015F Metres
Air core	33,155	117,000
RC	41,127	65,000
Diamond	61,767	74,330
<b>TOTAL</b>	<b>136,049</b>	<b>256,330</b>



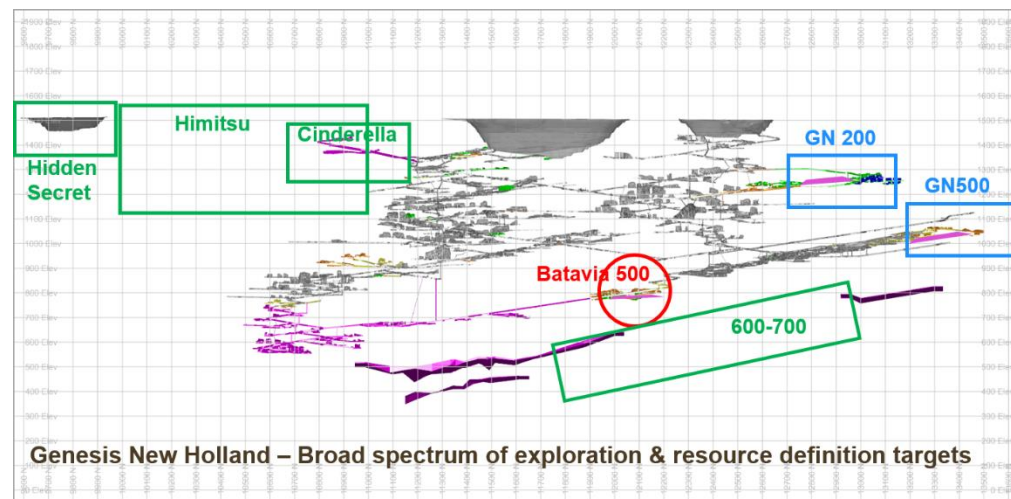
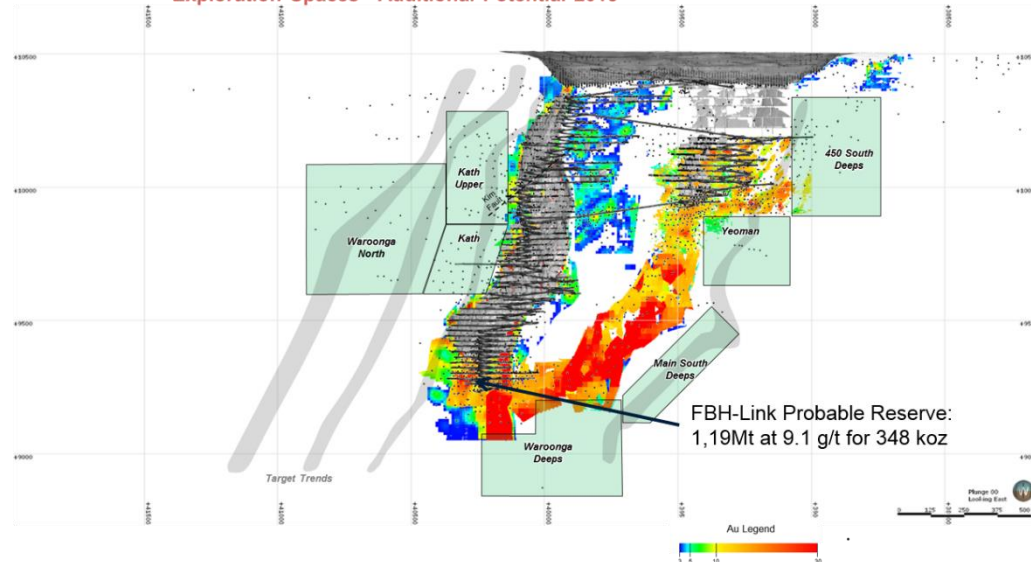
## Agnew - 2015 near mine exploration

- FBH infill drilling (350koz in reserve)
- Kath/Waroonga North extensions to Kim
- 600/700 series at Genesis New Holland
- Surface Rigs: 3 DDH + 1 RC active
- UG Rigs: 5 DDH active
- Cinderella feasibility underway and extensional opportunities under investigation
- Focus is on delivering reserves with strong FCF margin capacity

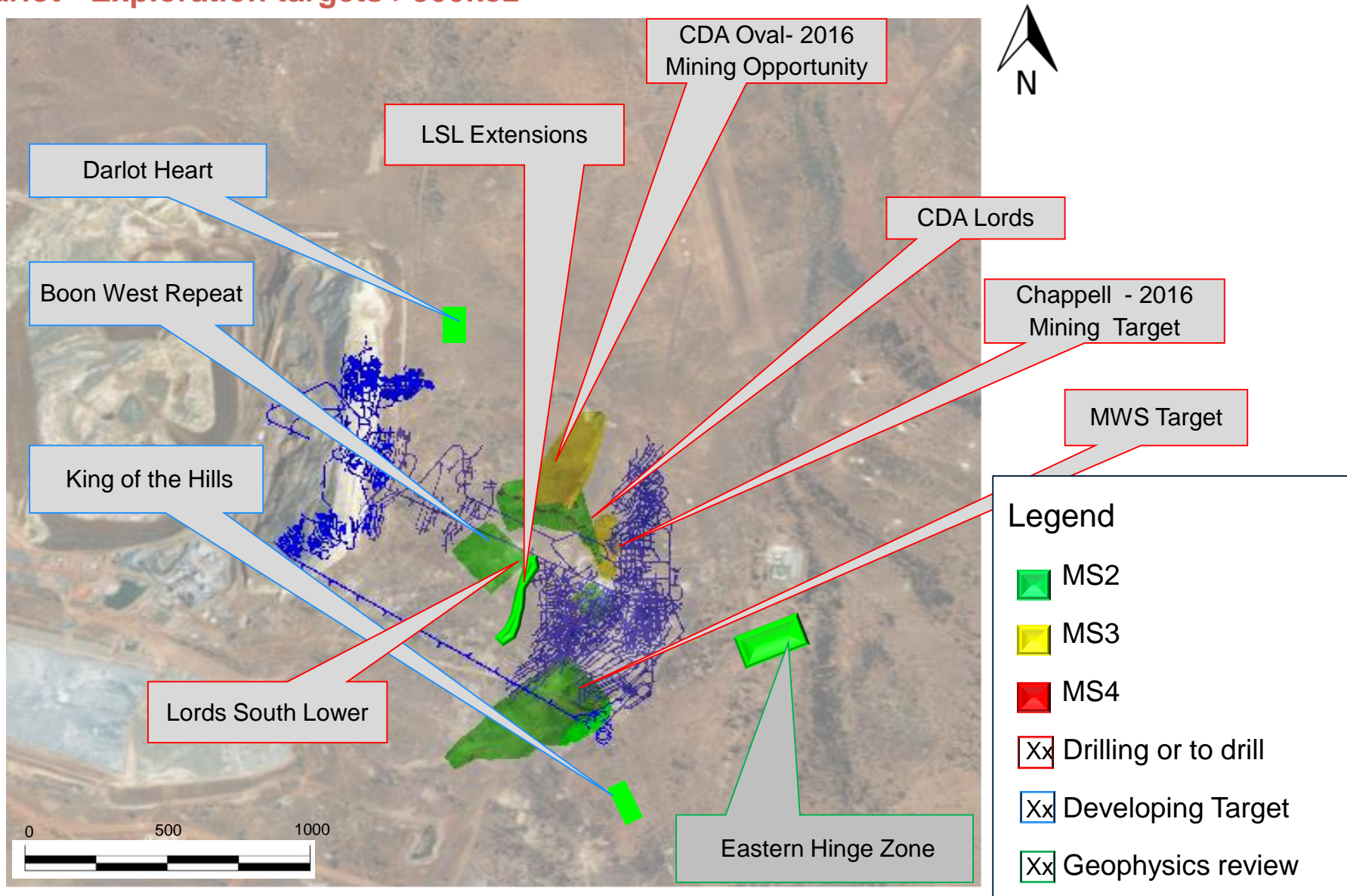
Drilling	2014 Metres	2015F Metres
Air core	-	-
RC	2,872	22,500
Diamond	53,265	73,437
<b>Total</b>	<b>56,137</b>	<b>95,397</b>

## Waroonga Complex

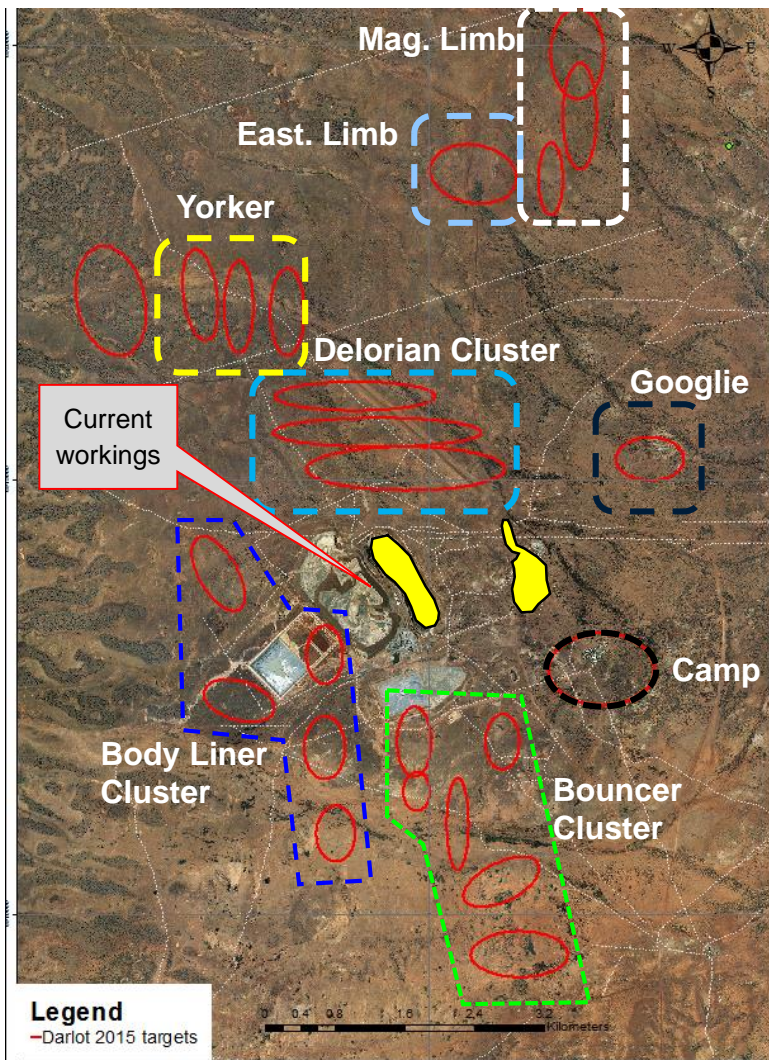
### Exploration Spaces - Additional Potential 2015



## Darlot - Exploration targets >300koz



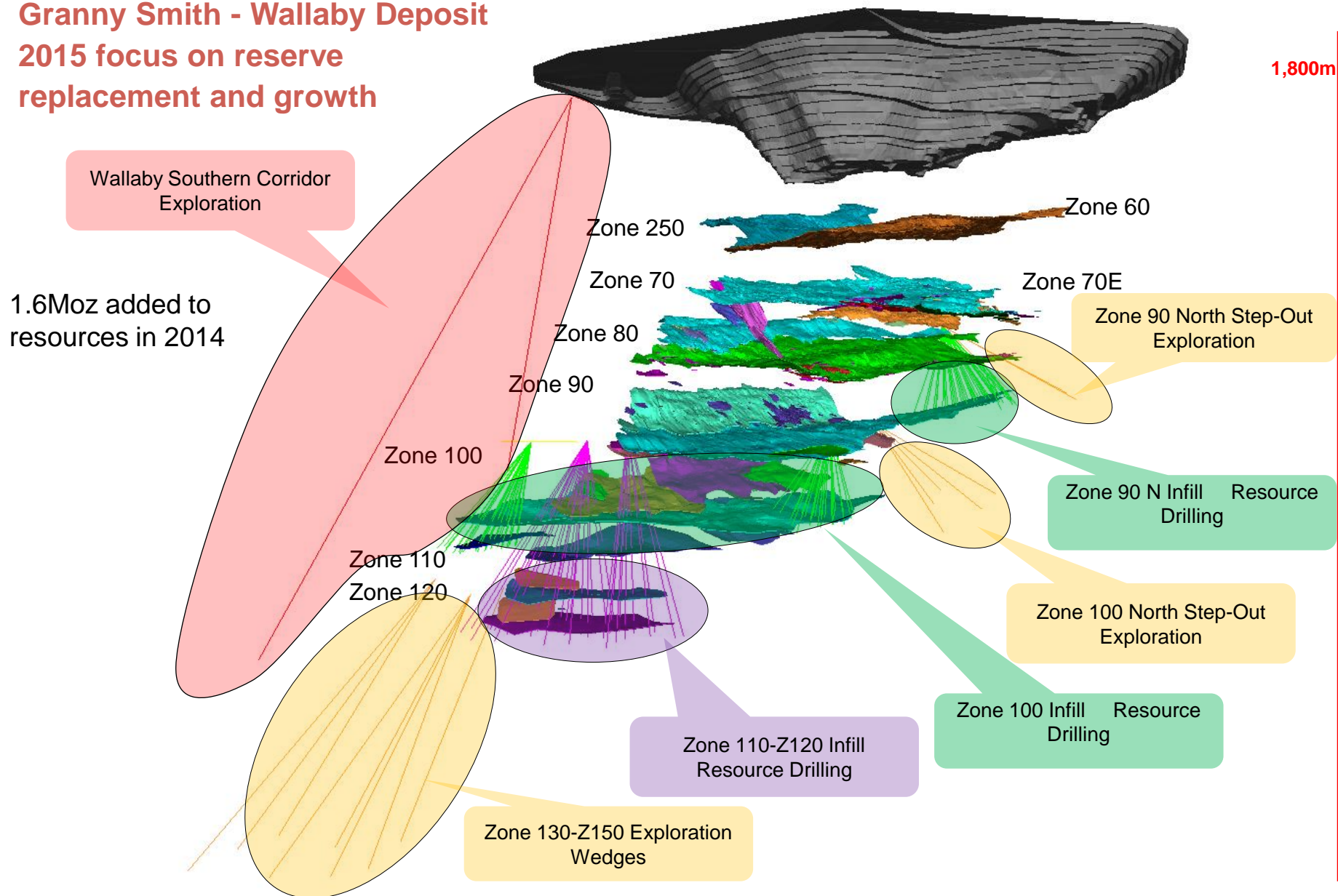
## Darlot - Greenfields exploration, target generation



- 24 drilling targets identified on tenements
- Focus on structure and geophysics
- Limited drilling beyond 250m depth
- Longer lead time projects (+300m depth)
- Delorian, Bouncer and Yorker clusters represent 250-500koz targets
- Body Liner, Googlie & Limb clusters represent 100koz targets

Drilling	2014 Metres	2015F Metres
Air core	-	-
RC	10,537	23,000
Diamond	36,007	40,000
<b>Total</b>	<b>46,544</b>	<b>63,000</b>

## Granny Smith - Wallaby Deposit 2015 focus on reserve replacement and growth

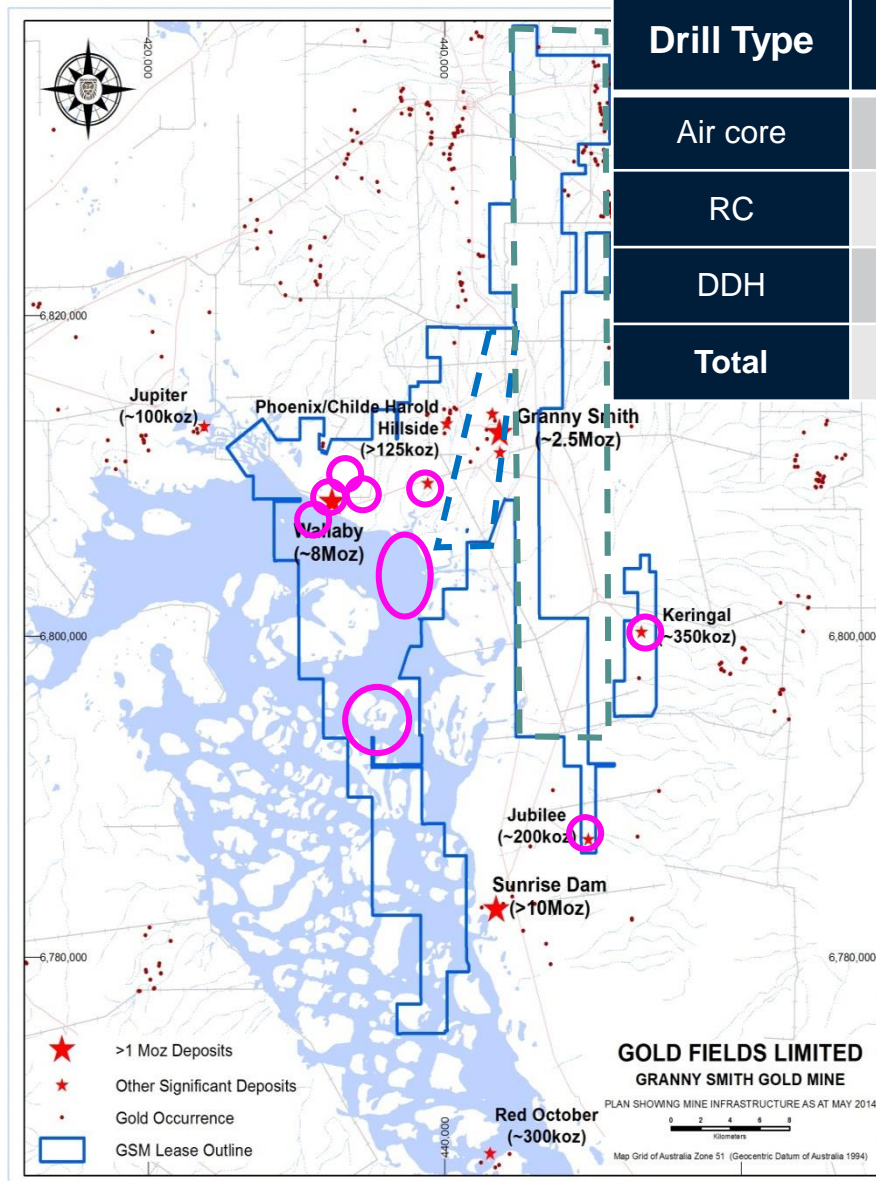


# Q2 2015: Australia Region



## Granny Smith - On-lease exploration

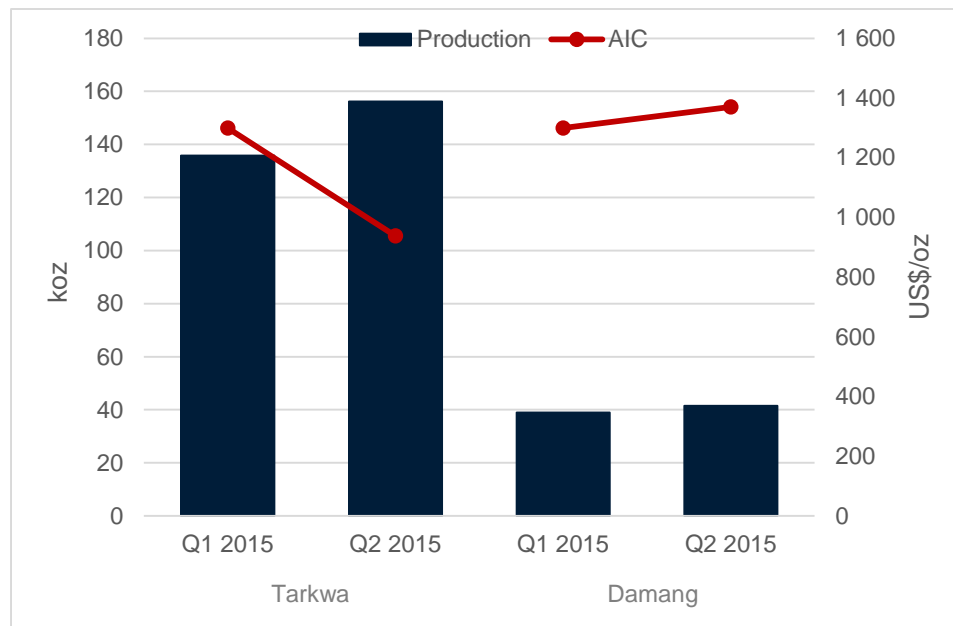
- **Resource Development and Conversion**
  - Wallaby
- **Advanced Drilling**
  - Keringal
- **Initial Drilling**
  - Jubilee Deep
  - Wedge Shear
  - Hill Side IP
  - Platypus
  - Boomer
  - Northern Fleet Targets (Dallas south, Alabama, Raw Prawn)
  - Tail Pipe (Granny Smith Target)
- **Target Definition (geophysics / aircore / geochemistry)**
  - Lake Carey Nth/Chatterbox Trend
  - Childe Harold Trend
  - Granny Smith West Trend
  - Lake Carey Sth (2016)
  - Granny Smith East/Barnicoat (2016)



Drill Type	2014 Metres	2015F Metres
Air core	-	77,240
RC	4,800	9,930
DDH	67,800	63,150
<b>Total</b>	<b>72,600</b>	<b>150,320</b>

## Tarkwa shines in Q2 2015

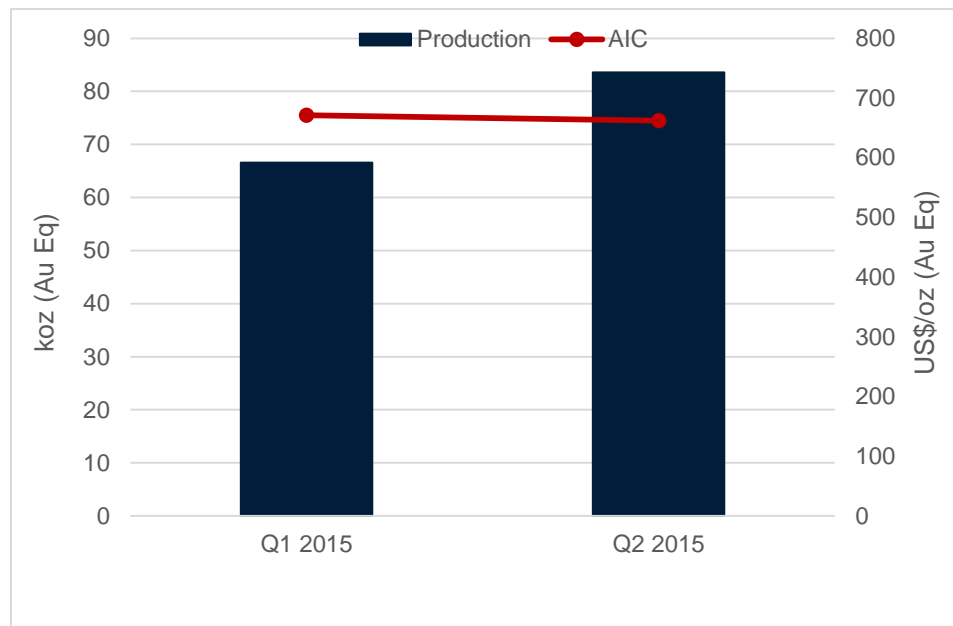
- Attributable gold production in the region increased 13% QoQ to 178koz with AIC falling 21% QoQ to US\$1,029/oz
  - Standout quarter for Tarkwa, with production of 156koz at AIC of US\$938/oz
    - CIL plant had the highest level of throughput ever in Q2 2015
    - Net cash generation: US\$45m
  - We continue to focus on improving the long-term profile and longevity of Damang
    - Increasing development in high-grade Saddle area (c.1Moz in resource at 2.3g/t)
    - Additional exploration planned
    - Started mining Tomento North



**Outstanding performance from Tarkwa in Q2 2015**

## Cerro Corona: A high margin mine even at lower gold prices

- A much improved quarter, with gold equivalent production increasing 26% QoQ to 84koz on the back of higher gold and copper grades
- Generated US\$24m of net cash flow during the quarter
- PFS to increase LoM tailings and waste storage capacity to be completed by end-2015
- Evaluation studies and drilling progressing at Salares Norte in Chile



**Grades recovered in Q2 2015, as expected**

## Well positioned to withstand lower US\$ gold price

- We do not need to make any fundamental changes based on the fall in the US\$ gold price
  - Took the pain in 2012 and 2013
  - Weaker A\$ and ZAR providing some buffer
- Committed to delivering on our plans in terms of both cost and production
  - Near-mine exploration continues
  - Ongoing development of orebodies is critical
- Our balance sheet has flexibility with regards to capacity and maturity
- We are firmly focused on delivering a sustainable South Deep – encouraged by early signs
- Continue to evaluate value-accretive growth opportunities

## 2015 Group guidance unchanged

- Attributable production (gold equivalent): c.2.20Moz
- AISC: US\$1,055/oz
- AIC: US\$1,075/oz

**Focus on cash**



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Questions



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