Q3 2014

RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014

www.goldfields.com

Third Quarter Results
Period ending 30th September 2014

Analyst conference call transcript

Operator

Good day ladies and gentlemen and welcome to the Gold Fields Q3 results analyst teleconference. All participants will be in listen only mode and there will be an opportunity to ask questions after today's presentation. If you should need assistance during the conference please signal an operator by pressing star and then zero. Please note that this conference is being recorded. I would now like to turn the conference over to Nick Holland Please go ahead.

Nick Holland – CEO

Thank you very much, Sean, and good morning everyone. Thank you very much for dialling in. I trust that you've all managed to peruse our results which have now been out for a couple of hours. I think the best way to use your valuable time is to move straight to your questions. I don't intend to do any introduction here. I'm sure that you've read the release. So let's move straight to questions, Sean.

Operator

Ladies and gentlemen, if you would like to ask a question at this time please dial star one on your phone now. Our first question comes from Adrian Hammond from Standard Bank. Please go ahead.

Adrian Hammond – Standard Bank

Morning gentlemen. I've got a couple of questions. Firstly, just regarding the additional capital allowance dispute you have with SARS, is there any immediate cash flow impact if SARS gets its way? And secondly, what is the expected period of time that you would potentially start paying tax, whether you have qualified for additional capital allowances or not.

Paul Schmidt – CFO

Adrian, it's Paul here. In total in terms of unredeemed capital, the additional capital allowance and assessed losses, we have R21.4 billion of allowances available. The amount under dispute is R2.2 billion worth of it, which leaves us with R19.1 billion that is not under dispute. That means we've got to make R19.1 billion of capital income before we would go into a tax paying position, which is a long time away. In my view it has no implication on the valuation of Gold Fields. However, if this thing progresses further in a doomsday scenario and we lose the case, I've got R687 million booked in my accounts. The R687 million is 30% of the R2.21 billion that is under dispute. We would have to reverse it. And this is going to take a long time, most probably years if we go to court. If we lose it I would have to reverse R687 million out of my deferred tax asset. That's why we have notified the market. In terms of cash most probably not in the next 20 years at least.

Adrian Hammond

Thanks. And then just on South Deep, obviously now with Nico Muller joining the team what is the expectation around the Australian team there with regards to extending their contracts at the end of next year?

Nick Holland – CEO

Adrian, all of that is being assessed. Nico has only been here for six weeks. So all of that is being assessed. We have a number of them running around the operation right now. And we will assess the best way to use them. Should we bring them in to the formal training centre? Should we actually create a dedicated training centre underground? And we are assessing first and foremost what are the wins we have got over the last year they've been here, and what is the best way to use them. We are asking them the question, what do they think, given their experience over this year, is the best way for their skills to be deployed? I'm sure that when we have the mine visit in February, Adrian, we will be able to give you a much clearer view as to how we go forward. The one thing about Nico, and I'm glad you mentioned him, is clearly he is a very experienced mechanised miner himself. As you probably know he was involved in Target. He has been involved in Royal Platinum Bafokeng Holdings. He has been around the industry. So I think he needs to assess himself what our requirements will be, and then we will give you chapter and verse on that.

Adrian Hammond

Thanks very much.

Operator

Thank you, Adrian. Our next question comes from Deutsche Bank's Patrick Mann. Please go ahead.

Patrick Mann – Deutsche Bank

Hi guys. Good morning. Just in terms of where the gold price is now, I know your goal is 15% free cash flow margin at $1,300 and you're pretty much hitting that spot on. How are you thinking of the operations currently with where the gold price is now? The second question is just on the native title. Can you just explain again? It doesn't have an impact on mining, as far as I recall, but are there any cash flow implications or any amount that you will have to pay? Thanks.

Nick Holland – CEO

Let me start off with the second point first, Patrick. As we've said, we expect the determination to be made tomorrow. And what that means is, though the court has ruled in favour of the tribe they haven't actually given effect to what that means in practise. So we will get the determination tomorrow. Once we get that determination we will be in a better situation to assess what the impact is. We don't believe there will be any impact on the operations. We don't see that there will be any impact at all. But either way we will appeal this decision. We believe strongly that it is not a good decision. We have very strong legal advice to that effect. So we will appeal. Just to remind you, Patrick, that will go back to the Federal Court in Canberra. This time instead of having one judge, which the previous decision was based on, it will be a bench of three judges. So we think that will give a much better representative outcome. And if we are not happy there we can still get relief from the High Court of Australia which is essentially the highest court in the land. It's like our appellate division in South Africa. This whole process, assuming worst case if we lose the appeal, the implications are that this process is probably going to go on for at least two years before the matter is finally resolved. But the most important thing is the determination. We will obviously give an update when we get the information. We are expecting to get it tomorrow, and we will give an update to the market. But you must assume that we're going to appeal the decision.

Patrick Mann

Will anything be implemented pending appeal or does everything freeze until it has gone through all the

appeals processes?

Nick Holland – CEO

Everything should be frozen until it has gone through the appeals process. We don't think there will be any impact on the operation in the interim or any requirements to make any kind interim arrangement etc. So we don't see that. But we will give you more information hopefully by tomorrow or the next day.

Patrick Mann

Thanks.

Nick Holland – CEO

Then in terms of the gold price, we've had in mind that gold may go down. That is the reason, as you've correctly set out, why we set up a 15% margin at $1,300. That means we break even at about $1,050 for the group. So we are still making money at the moment, although at spot prices we're clearly not going to make 15%. And the other thing we don't want to do, Patrick, is to short-change our operations in terms of future development of underground stopes or stripping of open pits. I've lived through that before in this industry when gold hit $250 in 1999. And we never really recovered, so we don't want to do that. But we will make less money essentially at these prices, but we will keep the integrity of the portfolio together. If gold goes to $1,000 or below that's a topical question in the market right now. Again we would probably ride it out for a little while. But if it persisted beyond six to 12 months we would have to restructure the company again. And it may be that certain operations would have to be curtailed or closed. Below $1,000 then 70% of the gold industry is under water anyway. So we won't be alone in these particular problems. Interesting that when I was in London ten days ago one of the analysts we saw thought that the break-even price for gold companies including everything, including debt service and the lot, was about $1,300 today. So they thought the industry was already under water. We may hit $1,000. I think we have to be prepared for it. Long term I don't think it will stay there. That's the answer. We will ride it for a while, but eventually we will have to look at some of the higher cost operations that are more marginal at that price.

Patrick Mann

Great. Do you mind if I tuck in a follow-up question quickly? One of your peers is a public seller at the moment. You guys are in a reasonably good position. Are you looking at picking up any more assets similar to the Yilgarn South ones? Are you actively shopping in the market at all?

Nick Holland – CEO

We are looking around. And we are looking for opportunities. I do think there will be a shake-out of assets, particularly at these prices. The likes of Barrick, Newmont, some of the other seniors may want to use the opportunity to recapitalise their balance sheets. The equity markets are not awash with cash, as we all know. So there could be opportunities, and we need to be ready to pounce. We think we can do deals similar in size to what we did in terms of the Yilgarn. That sort of value is probably what we could do. We could only do one, obviously. The other thing, Patrick, is we don't want the portfolio to get too big. That's one of the sins of the past in the industry. One of the benefits of Gold Fields is that we're able to have really good focus on all of the assets. If you have too many mines it becomes difficult. You have to change your structure. You have more levels in the system. So I don't think we will do much more than one or two additional mines, and then just take what we have and make sure it really works.

Patrick Mann

Sure. And AngloGold's assets in Africa where there is an opportunity nearby?

Nick Holland – CEO

Obviously Iduapriem is contiguous to Tarkwa. In fact, if you stand above the Teberebi pit, which is one of our pits, you can actually look into their pit. It is right next to us. That used to be mined as one big ore body back in the day in 1999. That may present an opportunity. But the probability of doing deals is never high because it is a question of the expectations of the seller versus the expectations of the buyer. So nothing may happen. But I think if there was a reasonable opportunity and if AngloGold wanted to recapitalise their balance sheet that could be interesting for us. And then a few other assets in Africa that we might look at too, and potentially also in South America. I think Venkat is clearly trying to assess what the best way forward is, and I'm sure that he is doing some restructuring of his own. In fact he said so. So time will tell if they in fact do anything at all.

Patrick Mann

Thanks Nick.

Operator

Thank you Patrick. Our next question comes from Andrew Byrne from Barclays. Please go ahead.

Andrew Byrne – Barclays

Good morning guys. A couple of questions from me. The first one is on your capex guidance at $614 million. If we look at that, that implies Q4 capex of $202 million. In the third quarter you did $144 million. Is it possible if you could inform me about where you're spending the extra capex in the quarter?

Nick Holland – CEO

Andrew, we're expecting to get some new fleet delivered at South Deep in Q4 which we've ordered earlier in the year. So that would be a significant part of the increase. Although we have rationalised the fleet at South Deep we've also decided that we need to buy some special purpose gear that is more tailor-made for what we need to do. In that there are a couple of mechanised roof bolters which we believe can be deployed to speed up the whole process of doing the mesh and support. And there are a couple of replacements of double boom jumbos. So that is a big part of the capital that we expect to spend in Q4. The other thing just to mention – Paul is just reminding me – is Invincible starts early capital works this quarter as well, which is building all the causeways. Remember this is a lake-based deposit. We have to build all of the causeways and also the grade control drilling to get it ready. So there is around about $15 million I think that we will be spending before Christmas on Invincible. Paul, those are the two main issues?

Andrew Byrne

Okay. When I look at your cost guidance for the year it implies Q4 AISC of around [unclear]. Just looking at what you've done in Q3 and bearing in mind that you should see the inventory release from Cerro Corona and you should see an improvement from South Deep in the fourth quarter, does that not imply

that you're going to shoot through that implicit guidance?

Nick Holland – CEO

No, I think we're pretty confident that we're going to achieve the cost guidance for the year that we've given you.

Andrew Byrne

As in positively shoot through it, as in you're going to materially beat it.

Nick Holland – CEO

Let's see. We've beaten the guidance so far this year. Let's hope that we can at least achieve what we've said to you, and if we can do a little bit more…

Paul Schmidt – CFO

It all depends on the ability of the mines to spend the capital. Unfortunately we give an annual number but it is not necessarily divided by four. Costs you can fairly much spread by four because they are consistent, but capital there are delivery schedules. And it was always envisaged in our plans this year that quarter four would be higher than the other three, and purely because of some capital deliveries in some of our mines. Whether they spend it, time will tell. Maybe the guidance is conservative and we can beat it, but lets' see what the mines do.

Nick Holland – CEO

I think for your purposes we would recommend that you work on the guidance we've given you. Capital is sometimes chunky. With equipment like this, ten pieces of big gear get delivered in one quarter, obviously we have to book it. The Invincible thing as well. So I think if you strip out those two things it would be normalised. But for now I would use those numbers, and if we can beat it that's great.

Paul Schmidt – CFO

A lot of it is literally date. If it comes on 23rd December it is in this year. If it comes on 24th December it is in next year. A lot of it depends on when the ship gets the equipment into South Africa. And there is also some equipment going into Ghana, some new trucks. So time will tell.

Andrew Byrne

Okay, sure. I won't push that. Then just a little more colour on South Deep. We are two months through the quarter. What are you seeing there? Could you give a bit of guidance for the fourth quarter, fully caveating with maintaining what we've seen through November?

Nick Holland – CEO

I would just say, as we indicated in the previous quarterly results, the second half would be similar to the first half. That is probably at best. The one thing we are seeing is that getting back into the areas we've had to go back and get the de-stress back up again. That has a knock-on effect in terms of open stopes that we were going to be able to mine. There is some backfill, which I think we said in the book that we need to catch up on. I would think, Andrew, you should probably look at Q3. We might be a little bit better than Q3, but not a lot. I think Q4 and Q1 next year are still going to be quite difficult for us to get the momentum back on the mine. This ground support programme has clearly had a significant knock-on effect, so I think it is going to take six months for us. But one of the things Nico is working through with the team is seeing how quickly we can get some of the open stopes opened up again. The significance of these is that an open stope will give you between 5,000 and 8,000 tonnes of blast compared to a drift or a bench which will give you maybe 500 to 800 tonnes. So it is critically important that we get those open stopes opened up. So that is what we are trying to do, but I fear that it is not going to be seen in this quarter and in fact probably won't be seen in most of quarter one. It takes us longer to get to that. Of course we've got the Christmas break again and we lose 12 days. Essentially we lose half of January through the knock-on effect there too. So Q4 this year and Q1 next year are still going to be tough quarters for South Deep.

Andrew Byrne

Thank you very much.

Operator

Thank you, Andrew. Just a reminder, ladies and gentlemen, if you would like to ask a question at this time please dial star one on your phone now. Our next question comes from Alan Cooke from JP Morgan. Please go ahead, sir.

Alan Cooke – JP Morgan

Good morning, gentlemen. Just three quick questions in Oz and then I have one more if I may. The Invincible pit I think you're scheduled to get ore into the mill from that in the middle of next year. Could you give us some colour as to how that affects production at St Ives lease? Also is there any update on the drilling along the Speedway trend? Is there anything new to report for the exploration at St Ives? And then I see Darlot reserves are sufficient for the mine plan in 2015 and you're looking for a game-changer, potentially something beyond that. Is there something you can give us beyond that at Darlot beyond 2015 at this early stage? And then finally in Oz, Granny Smith is really shooting the lights out, and that is great. How sustainable is that performance? Should we be projecting that into the future, or should we be a little more conservative based on the progress this year? And then finally the industry work group that was announced recently on silicosis [?] issues, if you could give us some colour on that too please. And especially the legacy issues, how the current group structures impact the potential liabilities there now that Gold Fields has separated from Sibanye Gold please, Nick.

Nick Holland – CEO

There are quite a lot of questions there, so let's try and do it from the top. Invincible, as you correctly say, is scheduled to come in first ore around about the middle of next year. That is still the case. Obviously we are still in the process of working out our business plans for next year, so I can't tell you what the impact is going to be on St Ives. You know as well as I do it's a dynamic operation. There are pits coming and pits going and underground mines coming and going. We have to look at it all together, balance it all up and see what the impact is. But the one positive impact on St Ives will be that we are getting for the first time that I can remember since we had a small pit called Formidable…we had a small pit called Formidable about five years ago that gave us for a very short period about 3g to 4g per ton. That really brought the St Ives cost base down. We haven't had anything like that since then. We've been mining 1.5g to 1.8g per ton open pit material. This is coming in at 3.5g to 4g per ton, and the open pit looks like it is going to be 500,000 ounces that we will mine. So that will keep us going for three to four years, depending on the rate of depletion. So we will certainly give the cost structures of St Ives a good kick in the right direction. But we need to put it all together, Alan, and I'm afraid we won't have that information for you until February next year. But my feeling is net net it should be positive for St Ives, and that is what we have been saying for some time.

You asked about Speedway trend. We do have an aggressive exploration programme at St Ives. We're going to be spending more next year than what we've been spending this year. We are probably going to be spending around $35 million next year. That's the one thing I can tell you at St Ives. That is higher than this year, which was about $25 million. Some of that money is going to go into that trend. There are a number of targets. You've obviously looked at the map we gave you. 20km at four to five targets. So we are going to get into some of that and see if we can find another Invincible. Let's not forget about Invincible. So far we've delineated about a million ounces, there is some underground potential, but it is still open at depth and it is open on strike. So we are going to continue some of our drilling focus on Invincible as well. So Speedway trend and Invincible is going to be the focus. And then potential extensions of the Cave Rocks ground. We've acquired some additional ground there and it looks like the mineralisation and certainly the trends may continue, so we will do some drilling there. But we will give you some more information again in February.

Granny Smith clearly is doing exceptionally well. My feeling is that we might actually do a little bit less going forward than what we've done now. I think it is important for us to make sure that we sustain the operation. And that means that we have to have a mix of ore sources from all the different lodes that we're mining. We're getting into Z100 now in a big way, which will be the centre of gravity of mining for the next three or four years. And the grades in situ are looking higher than what we've seen historically from the lodes above. So I don't think the grade is a flash in the pan, but whether or not we will be able to maintain the grade that we've reported for the last two quarters, I think we have to assess that. In time as you mine in accordance with the sequence, Alan, you have to bring in some of the lower grade areas that exist elsewhere in the mine. We've got to mine out the rest of Z70, Z80 and Z90. And it depends where you are. So I think the grade will probably come off slightly, but I think Granny Smith will continue to perform exceptionally well into next year.

So that was Granny. Darlot, we continue to do work on the drilling programme. They've got about $7 million we've allocated this year, and we will certainly give them more next year. The big focus, if you can recall from the slide show we did at the last stand-up at Summer Place, is looking for the Centenary analogue at depth, which in essence would be very similar to what was mined at Darlot over the last ten to 15 years. There are very encouraging signs that there is a replica hosted within two shear zones. And it looks like there is a lot of good stuff down there. We've got good drill results but we don't' have enough drill results, so we need to drill more and see if we can get into that area. Because we have been extending the declines to get into the deeper parts of the ore body – we're mining something called Lords Lower – that extends also into Centenary. So if we are able to delineate something at Centenary it is merely a question of extending the drive that we already have further down. And it's not far away. It's not as if we have to sink a lot of new infrastructure to arrive at that. I remain hopeful. The team on the mine is very optimistic. But I think we will have a better idea once we finish the current drilling programme in August or September next year. The good news is I think we're good for another year. I think we will have a plan at Darlot that works for us and keeps us afloat. What we have said to team is whatever money you make you can put back into exploration to find that game-changer. So that's the plan that we outlined for you last time, and that's the same.

Silicosis was the last one. Clearly the working group has made a joint announcement which was read out at the Mine Health & Safety Council. We're looking for a solution to this whole silicosis issue that is both fair to potential claimants and is also sustainable for the industry. And there have been some wild numbers thrown around which I think have completely overstated this issue. But I'm not at liberty to say what we think the solution might be, and what the quantum of that is if anything. So the point is we now need to engage with a whole bunch of stakeholders. We've started that process. We have started to engage with ministries that are affected by this particular matter, obviously health, labour, resources, trade unions. We've had discussion with the trade unions on this matter. We've had discussion with all these stakeholders many times over the last ten years or so. But I think there is a desire now on behalf of the industry and all stakeholders as a collective to try and see how we can move forward in a positive fashion and put this legacy issue behind us. There have been absolutely no indications as to how this thing would be set up between the different participating companies in the industry. I think it is far too premature to even speculate at this stage. We clearly need to reach out to stakeholders and find out the best way for us to try and find a comprehensive solution. So I think that is probably as much as we can say at this stage, Alan.

Alan Cooke

Thanks. Sorry about all the questions. That's great. Thank you, Nick.

Operator

Thanks, Alan. Our next question comes from Kane Slutzkin from UBS. Please go ahead.

Kane Slutzkin – UBS

Hi. Good morning guys. Just a follow-on from Alan's questions. I know you can't give the 2015 outlook for St Ives, but the near term you are expecting higher grades for Q3 and Q4 from Neptune, is that correct?

Nick Holland – CEO

As we've said earlier, Neptune stage one is mined during this quarter. And the indications are that they are better grades coming out of that. So we will see the full impact of that once we've finished the quarter in another five to six weeks.

Kane Slutzkin

Okay, thanks. Just on Granny Smith, can you remind the reserve grade is 6.3g isn't it? And you're doing year to date 6.6g. So essentially you're saying you're going to come back down to reserve grade, reading between the lines.

Nick Holland – CEO

No, I don't think we're saying that. I would reiterate what we said around about six months ago. As we get deeper into the ore body the in situ grade is certainly increasing. And as you know we are getting into Z100 which is the next key ore source over the next few years. So the in situ grade is higher than what we are seeing in the overall reserve grade. The question is whether we will maintain 7.4g. That might be a bit of a stretch. But certainly we should be better than the reserve grade and somewhere in between those two numbers.

Kane Slutzkin

Thanks guys.

Operator

Thank you Kane. We have a follow-up question from Adrian Hammond from Standard Bank.

Adrian Hammond – Standard Bank

Just two on South Deep again if I may. The ground support remediation programme that you set out to do, it is not clear from the note. Did you achieve what you set out to do there, and how does that better position South Deep going forward exactly?

Nick Holland – CEO

We did set out what we wanted to do because we had to shut down access to four main access ramps which were servicing access to all of the key development and de-stress and stoping ends in the mine. So a significant part of the production was knocked out. So the most important objective was to do all of the production critical areas. And I think we used that term in the book. We have finished by the end of September all of the production critical areas such that we can resume normal access to all of those ramps and therefore to all of the areas that we need to get access to. There is some critical support that is required to be put in place across the mine, but it is not production critical. It is not in areas that need to be accessed. It is in areas we have obviously restricted, but it is not going to impact on our production. Whereas the work we were doing for four months through to September did impact production. That is really the clarification. Is that clearer for you now?

Adrian Hammond

Not exactly. So we are still going to see two more quarters of low production. So how does this still hinder your production ramping up now, now that you've actually finished the production critical areas.

Nick Holland – CEO

We didn't de-stress for all of that period. So if we didn't de-stress we didn't open up open stopes. Open stopes were scheduled to be mined in this quarter and quarter one can't be mined because the de-stress didn't open them up. We had some backfill that was also behind, and if you're behind on backfill it also causes mining constraints. So we've got to catch up those mining constraints. It is not as if you come in, you support the area and everything starts producing gold from day one. The impact of this is that you have a delay in all of the things that you were supposed to have in place to deliver on what the plan was for quarter four and quarter one. Now you can't deliver. And open stopes, as I mentioned earlier, is the most important feed for our production. So if you don't have those stopes available you have less flexibility to get the ore production through. Obviously we look at re-jigging the plan and we get back to mining more benches and drifts and seeing what is available. But when you've got so many open stopes that were going to be mined, and now you can't mine them, that is going to have an impact that will flow through into next quarter as well.

Adrian Hammond

Great. Thanks very much.

Operator

Thank you. The final reminder, if you would like to ask a question please dial star one now. Andrew Byrne from Barclays has a follow-up question, sir.

Andrew Byrne – Barclays

Hi guys. Just on South Deep, when you say it is behind schedule, just to clarify, is that relative to the announcement you made in May or the discussion that you had in May? Or are you talking versus the other one that was announced in February?

Nick Holland – CEO

No, in May we said that we had to pull back production because we had to go and do ground support remediation. What we said is that programme would take us through the end of September and we would get back into operations. That has been achieved. Now it is the knock-on effect of all of that. So that is impacting the guidance that we have given at the beginning of the year. Andrew, the situation of knocking out a large proportion of the mine for four months has basically made a big hole in the whole guidance for 2014 that we gave at the beginning of the year. That's the bottom line.

Andrew Byrne

I think that was well understood. What I'm trying to get clarity on here is are things worse than what you thought in May when you made the decision, or are they broadly on track with what you expected in May?

Nick Holland – CEO

No, I think it is pretty much as we thought. We knew that we were losing the de-stress when we shut down the operations. And as you know from all the explanations we've given you, the de-stress is the lifeblood of the future production. So if you can't de-stress then you can't open up the stopes and you can't get the production. So I think where we are now is probably where we expected to be. I don't think there are too many big surprises. I hope that by the time we get into Q2 that we've caught up the backlog of the backfill, we've caught up the de-stress, we've got the stopes available again and we've got the momentum on the mine building up. That is what we're gearing to do. But I think it is going to take this period of time to get there.

Andrew Byrne

Sure. Okay. And then just one final question. Given where we are at the moment, on the asset disposals, APP and the like, are we likely to see anything on that front in the next three to four months or is it still very much early stages?

Nick Holland – CEO

APP we continue to evaluate proposals. I think there is a reasonable prospect that we could do something within the timeframe that you've indicated. Certainly that's our objective. That would really be the last remaining one to be done at this stage I think if APP is concluded. Woodjam in Canada is something that is on the block as well. But right now there is not a lot of interest in that particular area. Unfortunately that project is quite close to Mount Polley where we had the tails spill, so I think there are problems in that part of British Colombia. But that would be the only one, Andrew, that we need to deal with if we conclude APP. And we are still optimistic that we can get APP done in the timeframe that you've indicated.

Andrew Byrne

Great.

Operator

Any follow-up questions, Andrew?

Andrew Byrne

No, I'm good thank you.

Operator

All right. Thanks. Nick, we have no further questions from the queue. Do you perhaps have any closing comments?

Nick Holland – CEO

What I would like to say is let's focus the last couple of minutes you're on the call that Gold Fields has delivered its guidance for the quarter again. It is on track to deliver its guidance. We've made $63 million of cash. That's the third quarter in a row we've made good cash. Year to date we've knocked off $237 million off our net debt. So if you look at the balance sheet which is in the book that you have with you, I think if you look on page 17 you will see at the bottom there net debt at the end of the quarter is $1.497 billion. At the beginning of the year it was $1.735 billion. So we've made a big hole in the net debt in the year to date. We're getting closer to our target. Paul and I have a target of getting net debt to EBITDA down to 1:1. We are getting closer to that target.

Importantly the liquidity profile of the debt is very satisfactory from my perspective in that we don't have any maturities for the next three years, so we're in good shape. Our interest bill is well covered many times. We are well within all of our financial covenants. And obviously if we can get APP sold that would certainly help us to reduce the debt further. That's one of the key goals for us. I think cost control has been pretty good. Our all-in costs today are lower than what they were three years ago. And certainly on an all-in cost basis we're in the lower quartile of the industry. And on cash generated for the year to date we're in the top three. So we are certainly achieving our goals.

And we are not short-changing the operations either, folks, in terms of development and stripping. We are making sure that we continue with that. We've made earnings this quarter. We've said that we will pay a dividend of between 25% and 35% of earnings. And if all goes well for the rest of the quarter we should make earnings for the second half and hopefully reward our shareholders with another dividend at the end of the year. So I think with that we will conclude the call. Thanks once again for your interest. I'm sure that we will have the opportunity to talk to you over the week. Thank you very much, Sean.

Operator

Thank you, sir. On behalf of Gold Fields that concludes today’s conference. Thank you for joining us and you may now disconnect your lines.

END OF TRANSCRIPT