Conclusion and Q & A

Analyst Day

3 November 2009

Nick Holland
Chief Executive Officer

Nick Holland

Thanks very much, Paul.

Well, it's been a long morning and thank you very much for your attention through the process of going through about 250 slides.

What you've seen here is the future of Gold Fields and some of the potential that we can deliver in this group. If we're able to deliver this, or even if we can deliver only some of it, Gold Fields will certainly be transformed. Of course we all know that talk is cheap, and if we don't deliver what we say it's going to end up in disappointment. But I have to say, considering what you've seen presented here today, I have a high degree of confidence, as does my team, that we can deliver. These are not pie in the sky ideas that we've dreamed up for the analyst day. This is work that has been done over a significant period of time. What you're seeing today is work in progress, not strategic blue sky ideas.

I do believe that Gold Fields is on the track to improve its performance and its portfolio over the next couple of years.

Safety of course underpins everything, and if we cannot mine safely we will not mine at all. That's not going to change, and I will not hesitate to shut down unsafe areas. There is no price on lives and we won't compromise on safety.

As you've heard everyone say, whether it's the SA ops, or whether it's in Ghana in terms of capital strip, or whether it's in Australia in terms of additional decline development, creating flexibility in our ore bodies is essential for us to perform consistently and stably each quarter. So that's going to be one of our key objectives, to make sure that if something happens at one of our operations we are able to recover such that we can deliver our promises to the market, to our shareholders and to our board. So that is the second key objective that we've set for ourselves.

I'm really excited about the growth projects we have, and I believe that at least one of these projects will become a mine in the not too distant future. As you've seen from the presentations, the scoping studies underpinned by at least inferred resources are either nine months or a year away. It's not far away before we can make a decision to move into pre-feasibility and feasibility study. So these projects are certainly starting to look interesting.

I am very pleased also that at last St Ives is starting to show some real opportunity, and I believe it does vindicate our decision to terminate the royalty. Remember, that royalty was uncapped both in terms of ounces and in terms of price. So a very good decision if you look at the future ahead of St Ives. I am sure that we'll get a good payback on that.

Agnew will continue to surprise us on the upside, and Damang is a mine with a new lease of life. A year and a half ago I thought we're going to have to be looking for different options for the mill. Well, today I see a mine that has got nine years ahead of it in terms of a declared reserve, and I'm very confident that Peter and his team will get this up to at least a 15-year mine in the next two years. So that's certainly going to be part of our base load for many years to come.

And as you've seen, all of the regions have a rising production trend. All of them have opportunities to optimise their assets, and it's those kinds of opportunities that are short in terms of payback, high in terms of IRR and will certainly help us to underpin the production profile going forward and for Gold Fields to be the global leader in sustainable gold mining.

Thank you very much for your attention.

Willie, I'm going to ask you to coordinate the Q & A session.

Willie Jacobsz

We will start with a question that came From the webcast.

The question comes from comes from Norbert Agvent [sp]. His first question is to Peter Turner.

Question:
What is the status of illegal miners in West Africa? And secondly, naked short sales. This must be big. Is this the reason for your undervalued share price? And then why don't you buy back your shares? They are so cheap.

Peter Turner
Thank you, Norbert. The status of illegal miners in West Africa. Tarkwa gold mine is free of any illegal mining activities. There is a strategy in place to prevent that.

Where we have had an issue has been at Damang mine, but I'm really happy to report that we have the full force of government behind us - the regional minister. We had a small invasion a little while back, but that has now been cleared and by the 9th October we were clean at Damang as well. Gold Fields is in good shape as far as that goes and it is well managed when it does occur.

Nick Holland
The share buybacks, that's an interesting question. A lot of people say your shares are cheap, why don't you buy back your shares?

First of all it's not our job to take a view as to whether we think the share is cheap or not. I am not going to take any kind of speculative view as to where the Gold Fields share price should be or is going to go.

Secondly, this is the kind of thing that you would generally do with surplus cash. If people have lots of cash on their balance sheet and they don't have a proper use of proceeds, this is something they could consider. As you've heard, we have nett debt on our balance sheet, not nett cash. So I think that answers that question.

In terms of naked shorts, the one thing about naked shorts is they have to be squared at some point. And when they're squared, well, then the share price should go up again. Thank you.

Steve Shephard, JP Morgan

What a lot of information to try and assimilate very quickly. But looking at your strategy there seems to be more exposure to mechanised mining, and I wondered if you guys have given any thought to hedging your oil going forward because I think most people would be concerned eventually that oil would go up again. As coal goes up with oil of course. And the other thing is, have you got any idea about how you're going to try and mitigate, if you can mitigate, the risk of the electricity charges going up in this country?

Nick Holland
Let me answer both of those. We've hedged oil in the past when we were concerned about short-term run-ups in the oil price. The one thing you've got to remember about oil hedging or commodity hedging, you can only do it in the short term. If you want to go out longer end the contango just

increases and you end up paying a very significant premium over spot.

A lot of companies have said if the oil price goes up we'll hedge. You can't really influence it in the longer term.

On an operation like Tarkwa, which is heavily dependent on oil being an open cast operation, if the oil price goes up to say $100 a barrel on a sustained basis, which is may well do, we're going to have to think long and hard about all kinds of things like in-pit crushing. Can we reduce the volumes that we transport? Can we put in some kind of conveyer system? Those are all strategies that the guys are thinking about.

One would hope of course that if oil does go to $100 a barrel – and this is not a prediction – that the long-term relationship between oil and gold would hold up and that you'd end up with maybe $1,500 or $1,600 an ounce of gold, because that is the longer term relationship between the two comodities.

But there are no guarantees of course. And if that doesn't happen we'll be into looking at those sorts of contingencies on a place like Tarkwa in particular.

Electricity. Look, the electricity issue as I mentioned at the results announcement last Thursday, my concern and our company's concern is that this needs to be thought through in some more detail.

We will engage with government in finding solutions. I think we all believe strongly that affordable electricity must be provided for all. I don't think there is anybody in the room who would argue against that vision. That's the vision of the country, that's the vision of the government, and I fully support it.

The question is how do we get there? What is the best way for us to get there without crippling business?

We are certainly looking forward to engaging with government on some of those issues. And I certainly hope that we'll be able to work with them and find solutions to this problem. This issue is much bigger than Eskom. Eskom, in fairness to them, are looking at their business and saying how do we provide the extra 20,000 megawatts? How do we build it? And I understand what they're doing. But I think the issue is so big and it has such a large knock-on effect on the economy as a whole, never mind the mining sector, that this needs a broader debate between business and government, and I look forward to that debate.

Shane Hunter, BJM

Thank you. Just a question on Ghana. If you could just tell us what is happening with the wage talks up there at the moment. And what are the numbers? For example, what are the unions expecting and what are you offering at the moment?

Peter Turner
We are right in the middle of it. We are in arbitration with the union. There have been some pretty hefty expectations from the union, and we've decided to arbitrate the matter. There was a breakthrough yesterday at Newmont, but Anglo is still in deadlock, Gold Fields is in arbitration. Newmont were pretty far behind the other mining houses with respect to their base salary, and they've cut a deal which is below where the demands were of us.

Shane Hunter

Okay, but a number? Are they asking for 10%, 15%, 20%?

Peter Turner

The expectation is 25% in US$ terms. We clearly don't go that far, and we would like to keep it below double digit where possible.

Shane Hunter

Can I ask a question as well on South Deep? On the slide you described the potential there to take the underground mine and the mill up to half a million tonnes per month. That's obviously a huge impact on the whole operation underground and also the plant. I mean if you could maybe just talk to that. That's obviously a huge step. I suppose what is the plan for that perhaps, if you could expand on that?

Vishnu Pillay

Thanks, Shane. I guess I should just say that the feasibility study for the plant rationalisation between Kloof and South Deep will be available by mid-November. And we'll be studying that to see what decision we actually take. Having said that, I've alluded to the opportunity that exists at South Deep that the current plant is sized for 220,000. It's planned for an expansion to 330,000. That takes up the capacity at the twin shaft complex. And that's made up of 175,000 tonnes at twin shafts and 195,000 tonnes at the vent shaft. However, we have to recognise the fact that we do have a south shaft which has a name plate capacity of 150,000 tonnes. We have every intention of bringing that shaft into production, and we'd like to see that as early as possible. That would mean that a plant at South Deep of 300,000 tonnes would not be appropriately sized. In addition, we need to look at the synergies between Kloof and South Deep. Do we invest in refurbishing the number one plant at Kloof, which has seen much of its time, or do we invest in upgrading the South Deep plant and managing that as a single complex? So I guess there's a period in which we're going to have to evaluate all of that and take a decision for the longer term. And that's what we hope to do by the end of the month.

Willie Jacobsz

Vishnu, could you also speak to the capacities of the shafts, because after the last presentation there was some confusion about that, where some people thought that the capacities that we mentioned had to be haircut further and may not be adequate to support the build-up and full production profile.

Vishnu Pillay

Well, it doesn't actually have to be haircut further because we've already done that. Twins has a name plate capacity of 220,000 tonnes, and we're only working to 175,000 tonnes. So we've taken into account all of the actions that need to be put in place in managing that shaft going forward. So twin shafts at 175,000 tonnes.

Vent shaft – which would be equipped and ready for commissioning by 2012 – would be 195,000 tonnes and we've got south shaft with a name plate capacity of 150,000, of which 60,000 is available to us right now, and the rest would be available as soon as we've completed the backfill infrastructure and the mud columns in the shaft. And obviously when that's fully available we intend to bring that shaft into production.

Thanks, Vishnu.

Question Rubie

Thank you, Mr Roeloffs. Mr Roeloffs, I refer to the three slides put out by Mr Schmidt dealing with capex over the next five years. Now, I accept and understand immediately that regarding Rand Dollar exchange rates that much of this is a thumb suck and that one man's view is as good as the next man's. But there appears to be an anomaly, and I'm looking for a rational explanation as to why in F2011 it goes down to 8.02 from 8.95 a year earlier and then jumps to 9.17. Something does seem right there.

Paul Scmidt

Rubie, those are just the exchange rates that we used when we did our long term planning. That is how we based our forecasts, on those numbers. There is no exact science behind it, but that's how we come to the number. We look to a whole lot of people's numbers and guidance and come up with a number that we are comfortable with. When we did this about eight months ago. the Rand was a lot weaker. It has strengthened substantially since then. But those are just the numbers. You can run them at any number you want to get the different Rand numbers. The Rand numbers don't change, but obviously the Dollar numbers will change.

Thank you. Thanks, Mr Roeloffs.

Johan Steyn, Deutsche Bank

Nick, just a further question on the electricity. I respect that you guys are engaging with government and it is quite a big risk for the gold sector etc. But assuming that you get the 30% to 45% per annum increase in electricity, how does it affect your planning from what we've seen today in terms of South Africa.

Nick Holland

We are working on it. You will know in due course if and when these increases go through, and once we've fully analysed the impact on our business. One has to rerun depletion schedules; one has to make assumptions about knock-on effects of electricity on other input costs. Do you know what they might be? Because I'm not sure. We've got to figure it out. So it's quite a lot of analysis that needs to be done before we know the full impact of this.

Steve Meintjies, Imara S.P. Reid

What if you get the high gold price you're looking for? What are the chances of tax goalposts being moved in jurisdictions like South America and West Africa? Calls for windfall taxes and so on.

Paul Schmidt

I really couldn't say with any certainty. I doubt it in Ghana because we've already got the additional tax at the moment that they've brought in to balance the budget for the two years.

Juancho Kruger

Let me take the South American part. There was an attempt to implement a windfall tax two and a half to three years ago when Garcia was coming into office for his second term. And it was basically turned down and replaced with what we call a voluntary contribution. And that is what has been in place. But I don't foresee that happening unless we have a major change in the political arena as a result of the electoral process in Peru in 2011. Chile is pretty much very stable and I don't foresee any changes in Chile.

Vuyo Radebe, Kanibok

I just wanted to ask some questions about the capex. What is the run rate capex up to 2014? Do you have a sense for that? And also do you guys have any number in your heads about how much money it is eventually going to take to take out the 81 million ounces?

Paul Schmidt

We have given you the NCE profiles for the lives of mines for all of the international assets. For the South African assets, you should just use the 2014figure, adjusting for South Deep at full production. That's the best proxy you can use going forward.

Alan Cooke, JP Morgan.

Just two quick ones if I may. I know it's been a long day. APP, the scoping study, and the hydromet option there, the options you're looking at. I know it's very small. I asked that question because in previous strategy sessions Gold Fields has been described as a precious metals company. And there was some interest in PGMs in the past. Is that not an area you're looking at? How are things going with the APP? And then just quickly, I picked up on slide 45, page 23, you target required real rates of returns for your assets and brown fields projects at 5%, which is less than what you calculate your weighted average cost of capital at. Why is that?

Jimmy Dowsley

Well, it's 0.8% less.

Alan Cooke

But the real returns on your projects… I know it's academic, it's at 950. You target real rates of returns on your projects at less than your weighted average cost of capital.

Jimmy Dowsley

As I did point out it would be a minimum of 5% if it's an extension, risk adjusted. On our own projects we are further up the curve understanding risks associated with those projects, so hence the slightly lower level.

In jurisdictions where we are less certain, as I mentioned, we do add to that minimum of 5% commensurate with the risk. Those numbers I gave you are to be seen as minimum benchmarks.

Tommy McKeith

We are a gold company as we clearly state in our vision, so we have moved away from looking for new precious metal platinum group opportunities. Having said that we've got one of the largest reservoirs or platinum group metals outside of South Africa in APP. We own it 100% so we need to find a way to bring that to account. So what we're doing right now is metallurgical test work using a process called PLATSOL which is a hydro-metallurgical process very similar to pressure oxidation that's used in gold processes. And what will happen there is that we'll actually get the metal out at source rather than going through the concentrate route that we looked at and North American Palladium looked at. So far the test work has been extremely encouraging. At today's price the project is looking fairly interesting, so we're moving to the next stage of study, which is specifically looking at taking run of mine ore grades and putting it through a process test work. So that's the stage we're at right now, and we're getting real numbers around it. So it's still at a scoping level, conceptual level, but we've had good initial test work.

We won't be looking for new platinum projects, but this one is already in the portfolio, just to avoid any confusion.

Vuyo Radebe, Kanibok

Sorry, I have just one more question on the electricity. Vishnu, you mentioned that a significant portion of the electricity goes to pumping, refrigeration and ventilation. So of that 10% that you said is electricity what portion actually goes to that stuff? Because that will give us a pretty good idea of the type of choices you have to make.

Vishnu Pillay

Vuyo, it's 57% to pumping, ventilation and refrigeration.

Sanlam.

Could you give us some sort of estimate for the incremental capex if you were to achieve your million ounce per international region by 2014?

Nick Holland

We haven't got it figured out yet because those projects have got to be subject to feasibility studies, they've got to be assessed, they've got to achieve all of the criteria we've mentioned, they've got to go through proper project evaluation, Jimmy's hurdle rates. So as these projects get to the next stage, and you saw the triangle that Ben showed you, as they move up to the feasibility stage you get greater resolution on the numbers, you get greater resolution on the capital and then you can make the call. Until we've gone through that process we can't tell you.

END OF TRANSCRIPT