



## Creating A New South African Gold Mining Champion

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Chief Executive Officer  
Gold Fields Limited

Neal Froneman  
Chief Executive Officer Designate  
Sibanye Gold

29 November 2012



**Sibanye**GOLD

# Disclaimers

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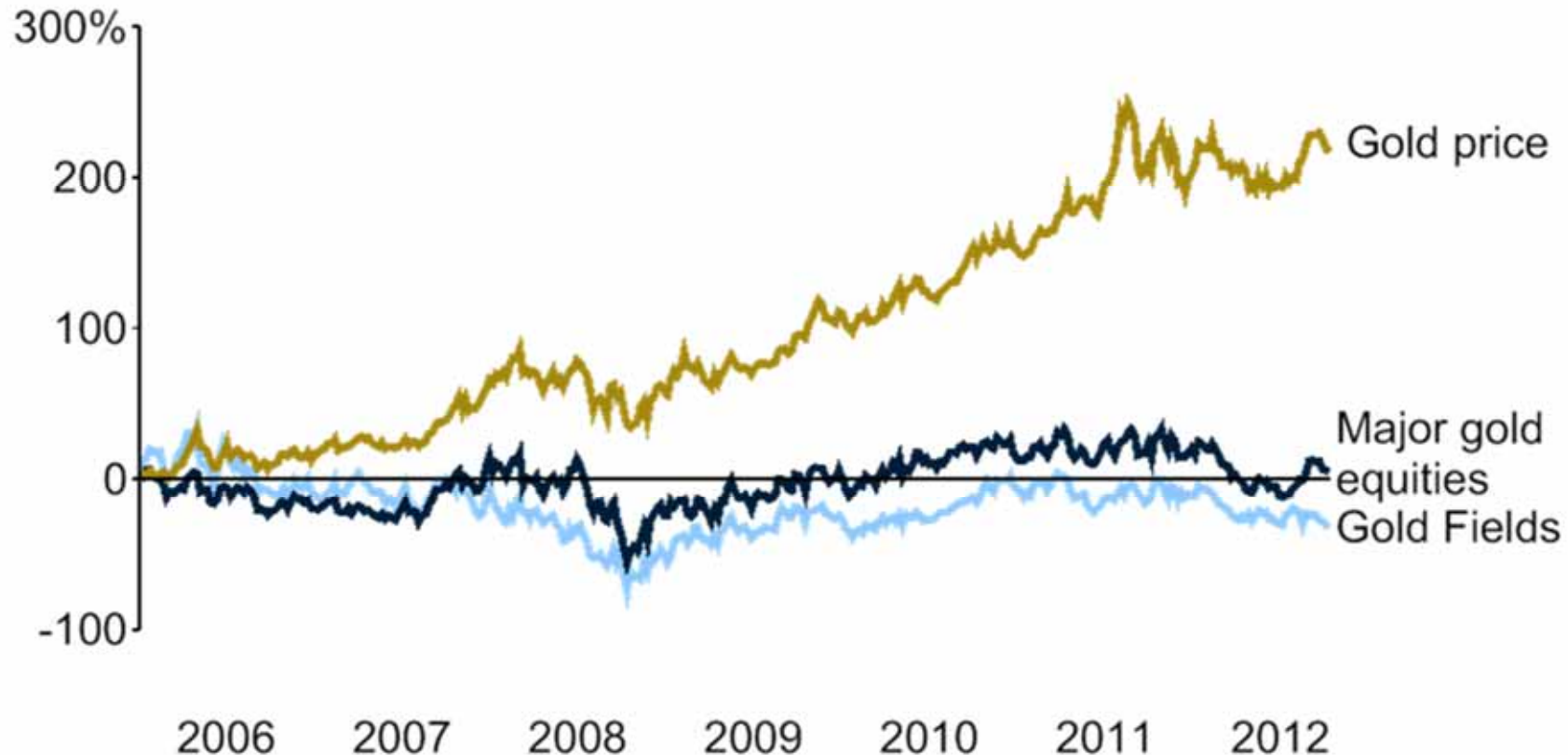
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# Investors expect us to deliver leverage to the gold price



**However, we have not met their expectations...**

Total gold and major gold equities return (% , 2006-12)



**Note:** Data indexed to 13 January 2006; index made up of 8 major gold producers' total return indexes weighted by market capitalisation; Major Gold producers defined as: AngloGold Ashanti, Barrick, Harmony, Kinross, Goldcorp, Gold Fields, Newmont and Newcrest

**Source:** Bloomberg

**This has necessitated a review of the portfolio**

# Initial outcomes of the portfolio review



## Two categories of assets, each requiring a different approach

<b>Deep Level, Narrow Vein, Tabular Ore Bodies</b>	<b>Other Ore Bodies</b>
<p><b><u>Composition</u></b> KDC, Beatrix mine (GFIMSA)</p>	<p><b><u>Composition</u></b> South Deep, Tarkwa, Damang, St Ives, Agnew, Cerro Corona</p>
<p><b><u>Type Of Mining</u></b> Deep level, narrow vein, tabular ore bodies, underground operations</p>	<p><b><u>Type Of Mining</u></b> Mechanised mining</p>
<p><b><u>Capex</u></b> Mature life stage Focus on delivery of stable profitable production Little or no exploration Largely sustaining capex Tailings Project</p>	<p><b><u>Capex</u></b> Earlier life stage Growth and life extension Exploration Life extension, growth, capital beyond sustaining</p>

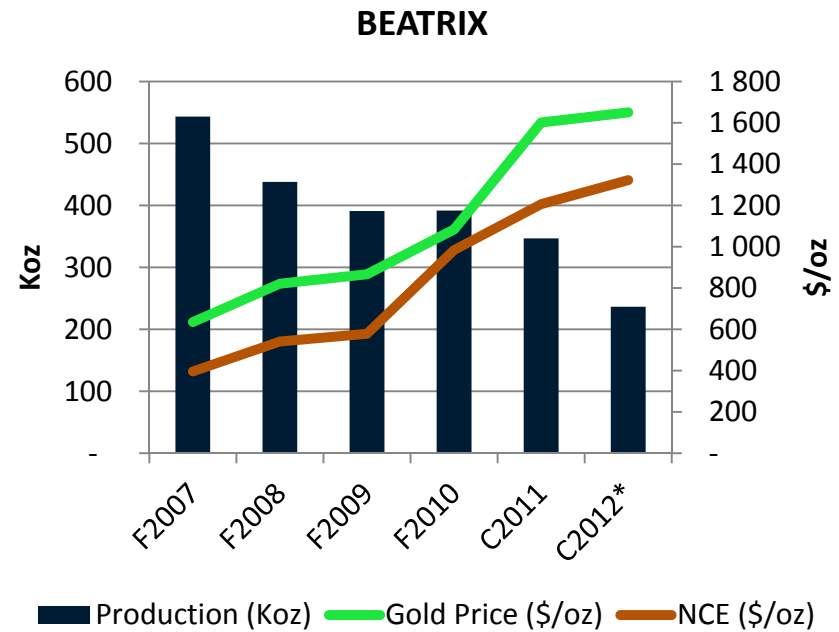
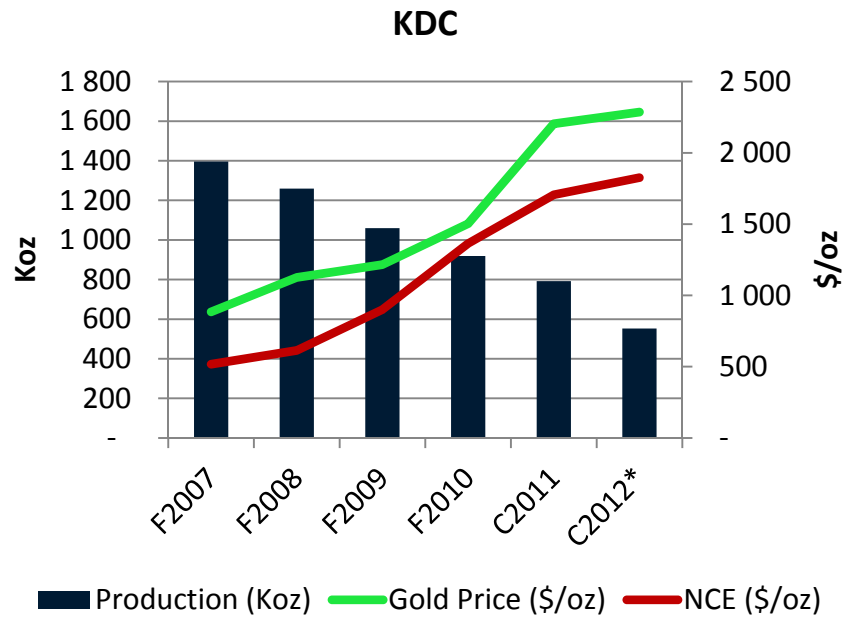
### **LIBERATE GFIMSA**

**Manage mature assets (KDC and Beatrix) separately in a fit for purpose sustainable, longer-life, lower cost model**

# Liberating GFIMSA



We need a new approach



\* Year to date: 30 September 2012

If we stay as we are the production decline is inevitable with consequential impact on jobs, tax & royalty revenues

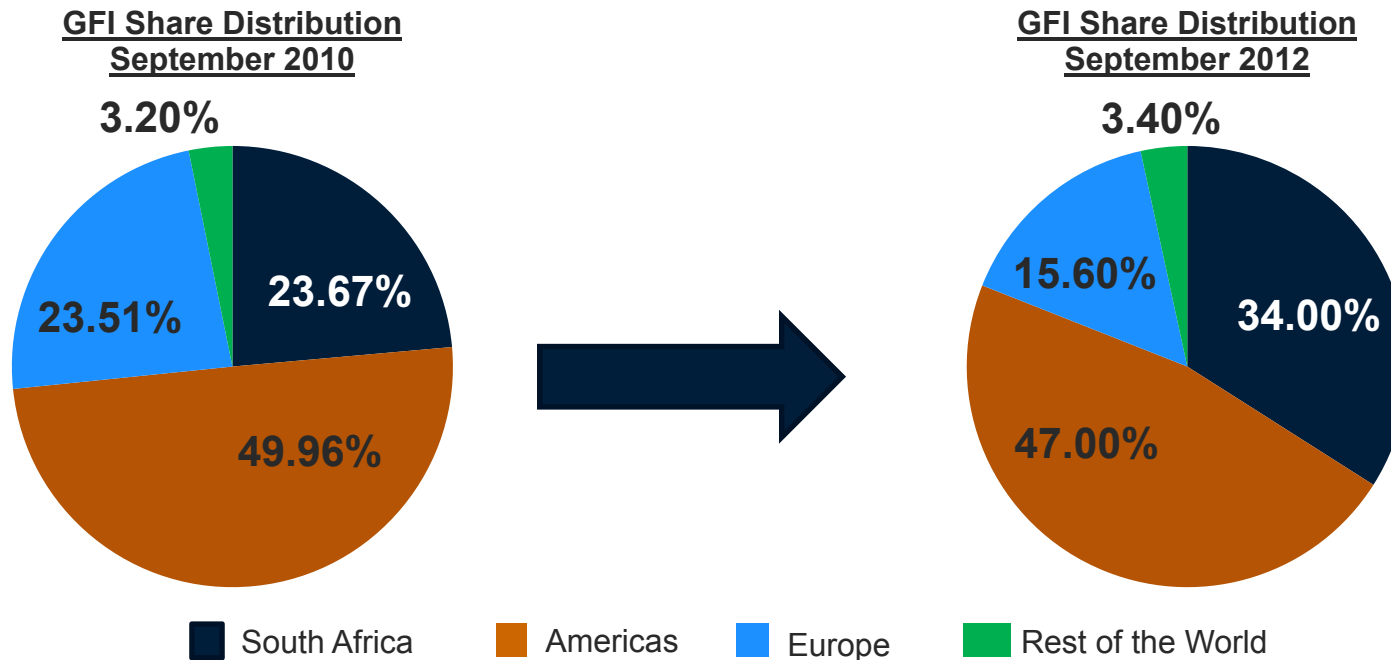
A focussed management on its own will drive these assets up the value curve

**WE NEED TO BREAK THE TREND**

# Liberating GFIMSA



Significant investor pressure to create focussed, fit for purpose, smaller companies



Investors are demanding alternative investment choices

If we do not provide them there is a risk of a lack of liquidity and further stock price deterioration, which will lead to a lack of funding capacity

A separate company will create a new access point for a new breed of high quality investor who is prepared to make the trade-offs for the high yield and long life offered by the GFIMSA assets

# Liberating GFIMSA



## Unlocking value - peer comparison

		Harmony	GFIMSA
Market Capitalisation	R bn	30.9	19.0*
Net debt	R bn	0.1	4.0
Wafi Golpu Enterprise value	R bn	7.8	-
Enterprise value adjusted for Wafi Golpu	R bn	23.0	23.0#

H1 2012 Production	Koz	551.1	688.1
H1 2012 Cash Costs	US\$/oz	1,134	993
H1 2012 Cash +Capital costs (NCE)	US\$/oz	1,467	1,254

\* Proforma market cap assuming market affords GFIMSA the same EV as to Harmony's South African assets

# Median consensus EV for GFIMSA R13.5bn

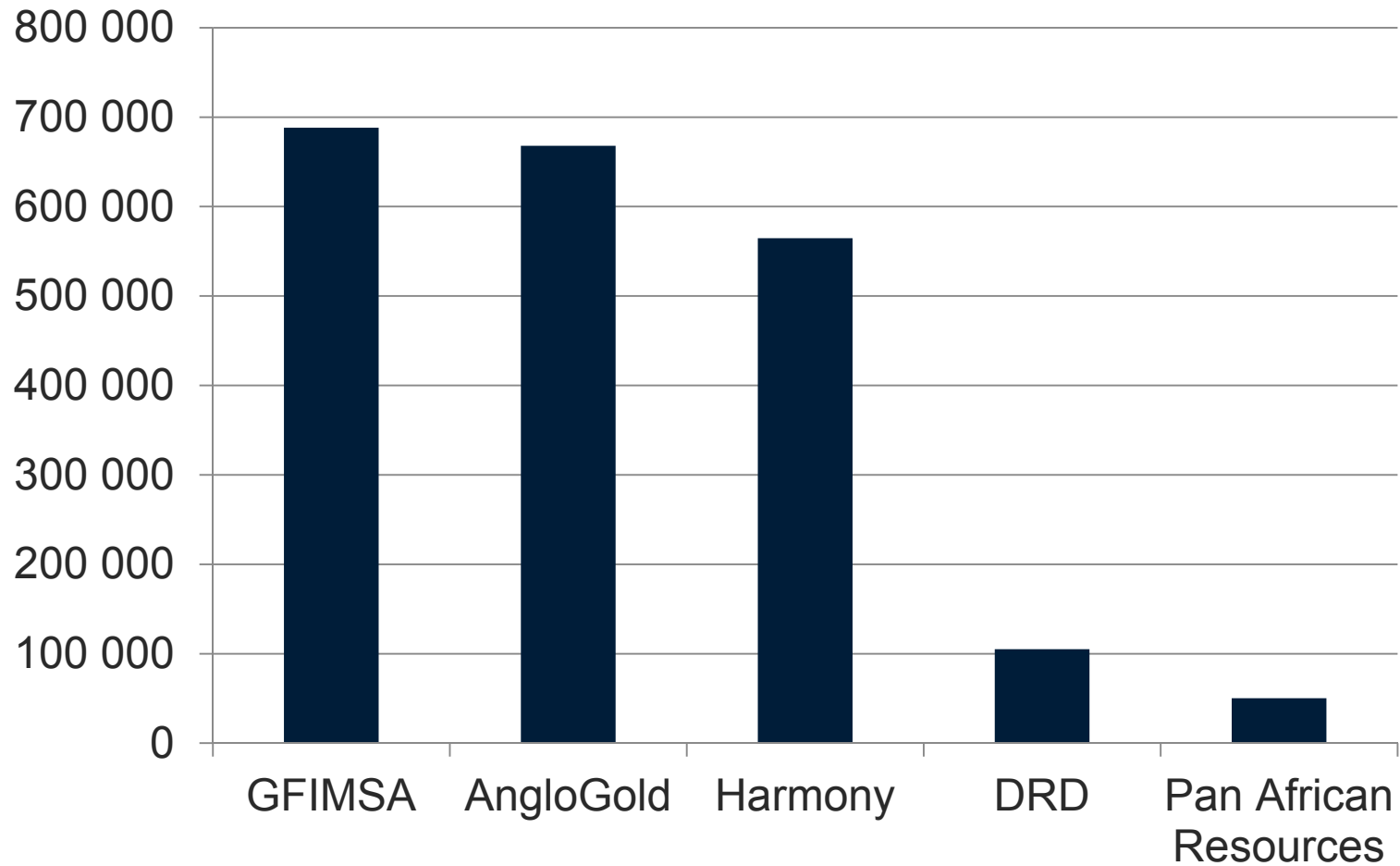
Source: Bloomberg, company reports, market reports

# Liberating GFIMSA



**GFIMSA - amongst the largest domestic gold producers in SA**

### Gold Production H1 2012 (Ounces)\*



\* Source – company reports, H1 2012 production



# Liberating GFIMSA



## Rationale

### **Creating Two Proudly South African Gold Mining Companies**

GFI portfolio has competing asset types - base load, growth and mature assets

Each with dedicated management, funding, technology and skills requirements

Sibanye Gold on a 10-year declining trend despite inherent quality and extensive reserve & resource and life potential

Sibanye Gold's mature operations not competitive in expansion-focussed GFI

Sibanye Gold's own needs secondary to investment intensive growing portfolio and developing South Deep

**Both companies domiciled in South Africa with primary listings on the JSE and secondary listings on the NYSE**

## Rationale

### Long-term sustainability of labour intensive operations

Create fit-for-purpose, sustainable, long-life operations

Install a specialist, dedicated and focussed management team

Ring-fence SA cash flows for SA projects and dividends

Reverse declining production trends

Optimise extraction of reserves & resources and extend life of mines

Harness technology for challenges of deep level, hard rock, labour intensive mining

Align all employees with sustainable outcomes through profit-sharing plans

Act as catalyst for consolidation in SA gold industry

# Creating Sibanye Gold



## Overview and mechanics of transaction

Change name of GFIMSA to Sibanye Gold (“WE ARE ONE”)

Seeking JSE primary listing, NYSE secondary listing – mid February

Pro-rata distribution of Sibanye Gold to GFI shareholders and ADR holders

Equity capital structure to mirror GFI (1 for 1 share distribution)

Two independent listed companies - separate boards and management

Detailed transaction announcement and pre-listing statement to shareholders expected in January 2013

GFI to retain \$1.4bn of existing net debt  
Sibanye Gold to retain R4.0bn SA net debt

BEE status of both companies unchanged

**CREATING TWO WORLD CLASS SOUTH AFRICAN COMPANIES**

# Creating Sibanye Gold



## Benefits for South Africa

SA industry is maturing - mines deep-level, high cost and declining production

SA multinationals are seeking to exploit lower cost, mechanised open-cast or bulk underground ore bodies found off-shore

SA gold mining sector becoming increasingly fragmented and unloved

No true SA focussed gold mining champion with financial muscle

**Sibanye Gold with its strong cash flows and significant reserves wants to be that champion:**

- Ring fence cash flows for in-country investments and strong dividends
- Focus on stabilising production and maximising value from ore bodies
- Develop new technologies for deep level, hard rock, labour intensive mining
- Pursue synergistic/consolidation opportunities in South Africa
- Extend life of mines to maintain jobs and stakeholder benefits

**Focussed on South Africa**

# Creating Sibanye Gold



## Benefits for Employees

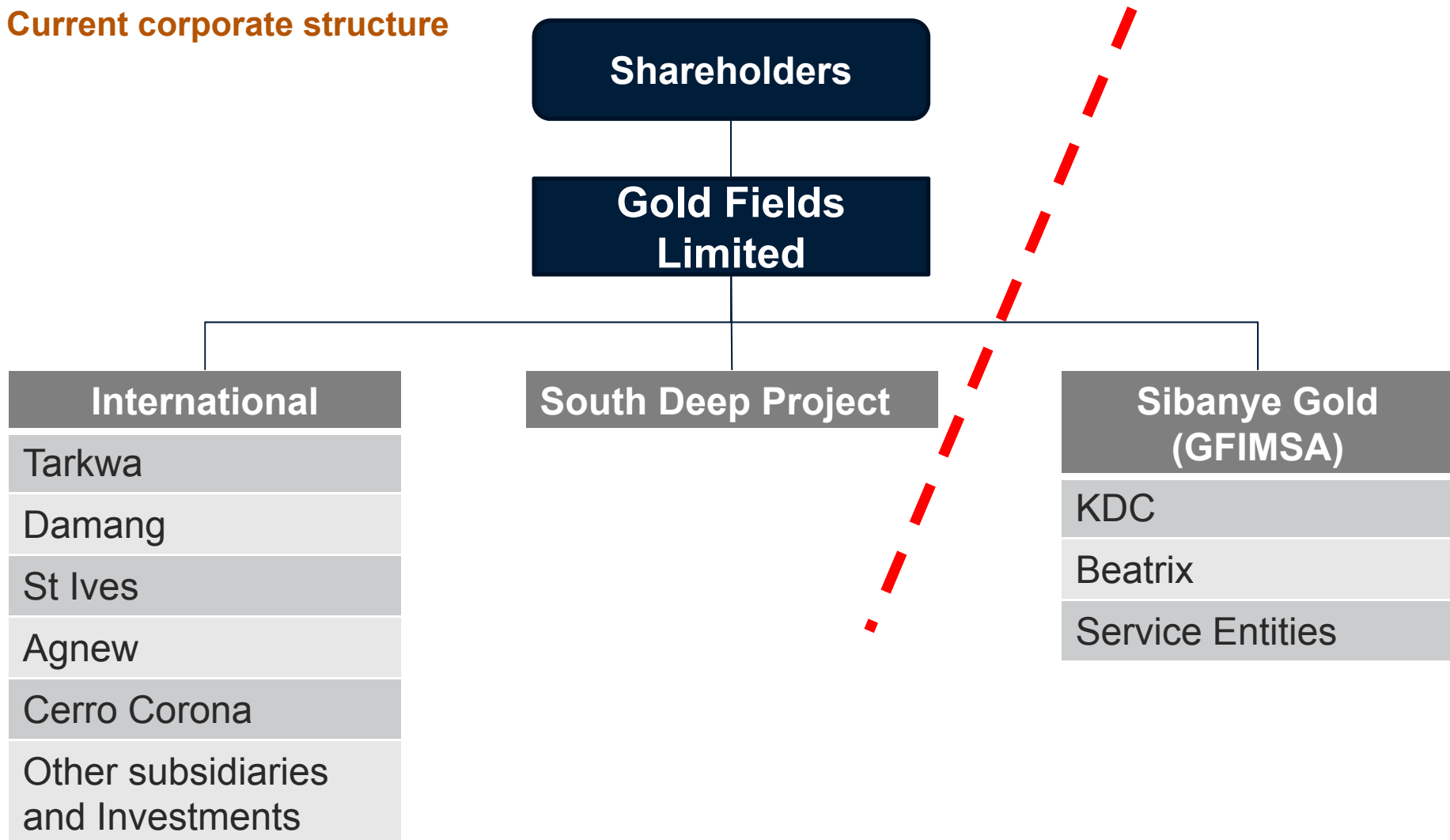
<b><u>Terms and conditions</u></b>	Will remain unchanged
<b><u>Fit-for-purpose vehicle</u></b>	Better positioned to extend life of mines, counter the natural decay of mature mines
<b><u>Employment</u></b>	No job losses as a result of unbundling
<b><u>Ring-fenced cash flows</u></b>	Inward investment options to sustain and grow operations
<b><u>Industry Consolidating</u></b>	Create new opportunities for employees
<b><u>Profit sharing &amp; incentives</u></b>	New employee profit share scheme, employees and shareholders to benefit jointly from the success of Sibanye Gold
<b><u>Partnerships</u></b>	Ability to secure the future depends on more effective co-operation between government, unions, employees, and management

**Better Positioned to Secure the Future for More People for Longer**

# Creating Sibanye Gold



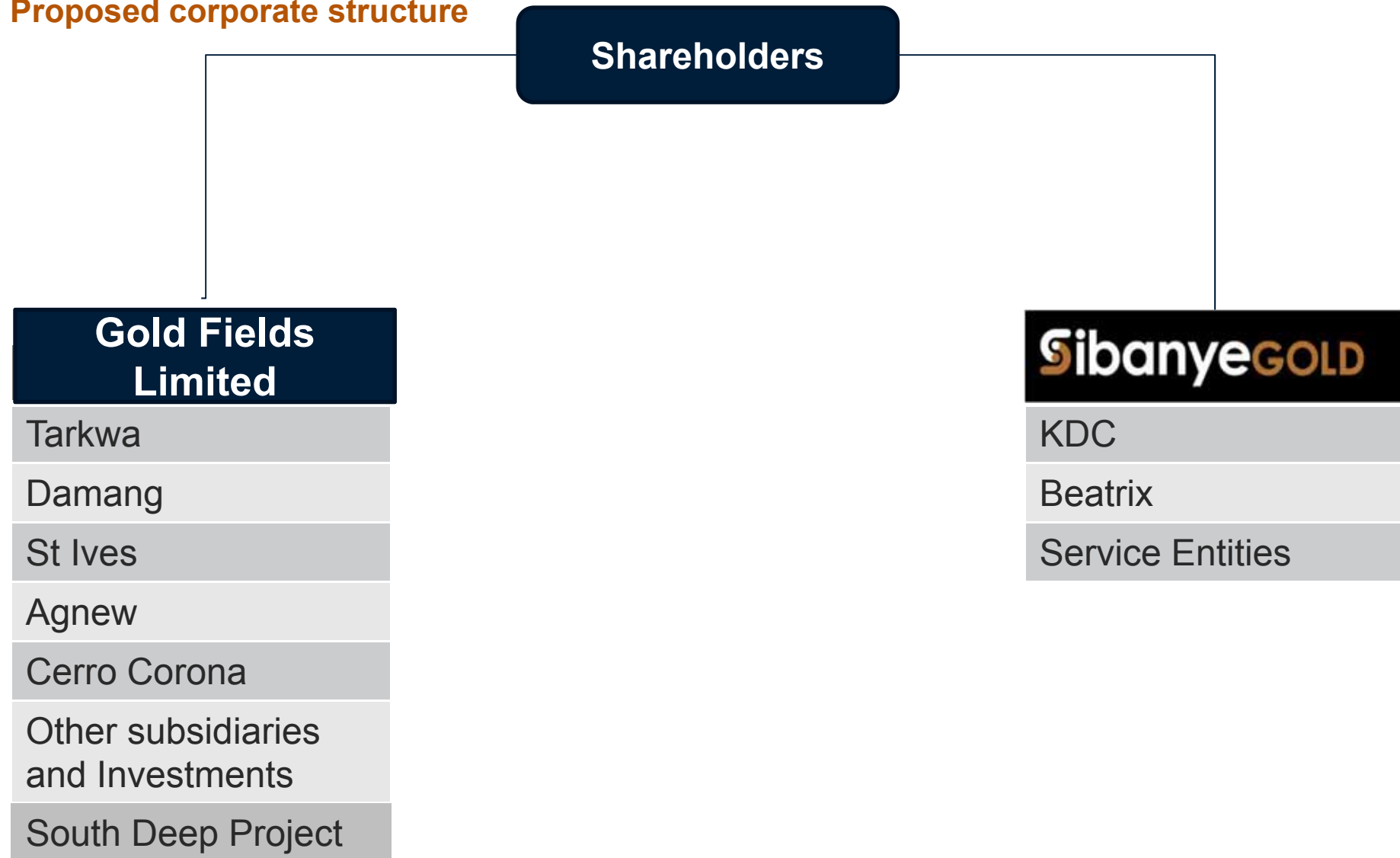
## Current corporate structure



# Creating Sibanye Gold



## Proposed corporate structure



**Sibanye**GOLD



**THE NEW  
SOUTH AFRICAN  
GOLD MINING CHAMPION**



# Leadership and Management

## The Board of Directors



### Chair

**Matthews S Moloko. BSc (Hons) and Certificate in Education, University of Leicester, Advanced Management Programme, Wharton.** Mr Moloko was appointed a director of Gold Fields Limited on February 25, 2011. He is the executive Chair and Founder of Thesele Group and non-executive Chair of Alexander Forbes Group. He has worked at a number of financial services companies, including Brait and Old Mutual, where he was CEO of Old Mutual Asset Management until 2004. Other directorships include Sycom Property Fund and Aucap Limited. He is Chairman of the Nelson Mandela Foundation Investment Committee.



### Chair of the Audit Committee

**Keith Rayner - B.Com, CTA, CA (SA).** Mr Rayner is a Chartered Accountant with a wealth of experience in corporate finance. He is CEO of KAR Presentations, an advisory and presentations company, which specialises in corporate finance and regulatory advice. Mr Rayner is an independent non-executive director of Goliath Gold Limited, Sabi Gold Limited and John Daniel Holdings Limited. He is a member of the JSE Limited's Issuer Regulation Advisory Committee. He was a member of the committee tasked with rewriting the South African Takeover Regulations in the new South African Companies Act. He is a non-practicing member of the Institute of Stockbrokers, a Fellow of the Institute of Directors, and was previously a member of various SAMREC and SAMVAL working groups and also a member of the Accounting Practices Committee.



### Non-Executive Director

**Jerry Vilikazi BA (Unisa), MA(Thames Valley), MA (London), MBA.** Mr Vilikazi is Chairman of Palama Investments, which he co-founded to invest in a diversified portfolio of sectors. He is the past CEO of Business Unity South Africa (BUSA). Prior to joining BUSA he was Managing Director of the Black Management Forum. In 2009 he was appointed to the Presidential Broad-Based Black Economic Empowerment Advisory Council and in 2010 was appointed as a Commissioner on the National Planning Commission. He was previously Public Service Commissioner in 1999 and has played a critical role in shaping major policies in the new South Africa.

Mr Vilakazi previously held the positions of Director and Chief Director for Strategic Planning (Home Affairs); Deputy Director for Transformation (Dept of Public Service and Administration); Director for Commerce and Industry (SAICA). He has served on the Board of the Water Research Commission, the Council of the University of Venda and on various ANC branch structures. He has served on a number of structures promoting business such as NEDLAC, NEPAD the SADC Business Forum and various Presidential Working Groups. He is chairman of the Mpumalanga Gambling Board, Palama Investments and Trubok, and is the non-executive chairman of Netcare Limited. He holds non-executive directorships in PPC Limited; Goliath Gold Limited; Blue Label Telecoms; General Health Group (UK); BMF Investment Company; ExecuPrime; Tower Group and the Mpumalanga Economic Growth Agency.

# Leadership and Management

## The Board of Directors Cont.



### Non-Executive Director

**Richard P. Menell. BA (Hons), MA (Natural Sciences, Geology), Trinity College, Cambridge, UK; M.Sc. (Mineral Exploration and Management), Stanford University, California, USA.** Mr Menell has been a Director of Gold Fields Limited since October 8, 2008. He has over 34 years' experience in the mining industry. He has been the President and Member of the Chamber of Mines of South Africa, President and CEO of TEAL Exploration & Mining Inc., Chairman of Anglovaal Mining Limited and Avgold Limited, Chairman of Bateman Engineering and Deputy Chairman of Harmony and African Rainbow Minerals. He is currently a Director of Weir Group Plc, Mbane Power, National Business Initiative and the Tourism Enterprise Partnership. Mr Menell is also a Trustee of the Development and Reconciliation Trust Fund and Chairman of the City Year South Africa, Citizen Service Organization, the Carrick Foundation and the Palaeontological Scientific Trust. He is also a Director and Senior Advisor of Credit Suisse Securities Johannesburg, a Trustee of Brand South Africa and a member of Council of Business Leadership South Africa.



### Company Secretary

**Cain Farrel FCIS, MBA, Southern Cross University, Australia.** Mr Farrel was appointed Company Secretary of Gold Fields Limited on 1 May, 2003. Mr Farrel is past president and the former Director of the Southern African Institute of Chartered Secretaries and Administrators. Previously, Mr Farrel served as Senior Divisional Secretary of Anglo American Corporation of South Africa.

- Two additional HDSA independent directors to be appointed

# Leadership and Management

## Senior Management:



### Chief Executive Officer

**Neal Froneman** *Pr Eng BSc Mech Eng (Ind Opt), University of the Witwatersrand, Johannesburg, South Africa; BCompt, University of South Africa, Pretoria, South Africa.* Mr Froneman has over 30 years of relevant operational and corporate development mining industry experience. Mr Froneman was appointed CEO of Alease Gold in April 2003. Alease Gold through a series of reverse takeovers became Gold One International in May 2009. He was primarily responsible for the creation of Uranium One from the Alease Gold uranium assets. During this period Mr Froneman was Chief Executive Officer of both Alease Gold and Uranium One until his resignation from Uranium One in February 2008. Prior to joining Alease Gold, Mr Froneman also held executive and senior management positions at Gold Fields Limited, Harmony Gold Limited and JCI Limited.



### Chief Financial Officer

**Charl Keyter** *BCom, Johannesburg University; MBA Northwest University; ACMA and CGMA.* Mr Keyter is currently Vice President and Group Head of International Finance for Gold Fields Limited. Mr Keyter started his career with Gold Fields in February 1995 and has held various positions in the finance department, including Management Accountant at Libanon Gold Mine, Kloof Gold Mine and later Unit Manager Finance at Kloof Gold Mine. In 2005, Mr Keyter was appointed Unit Manger –Management Accounting in the Corporate Office and during this time he was the acting Senior Manager Finance for the Venezuela operation. Subsequently he held the position of Senior Manager Finance for the Driefontein Mine and Head of Finance for the South African Region. In 2010, he was appointed as Head of Finance for Gold Fields’ international operations. He has more than 17 years mining experience.

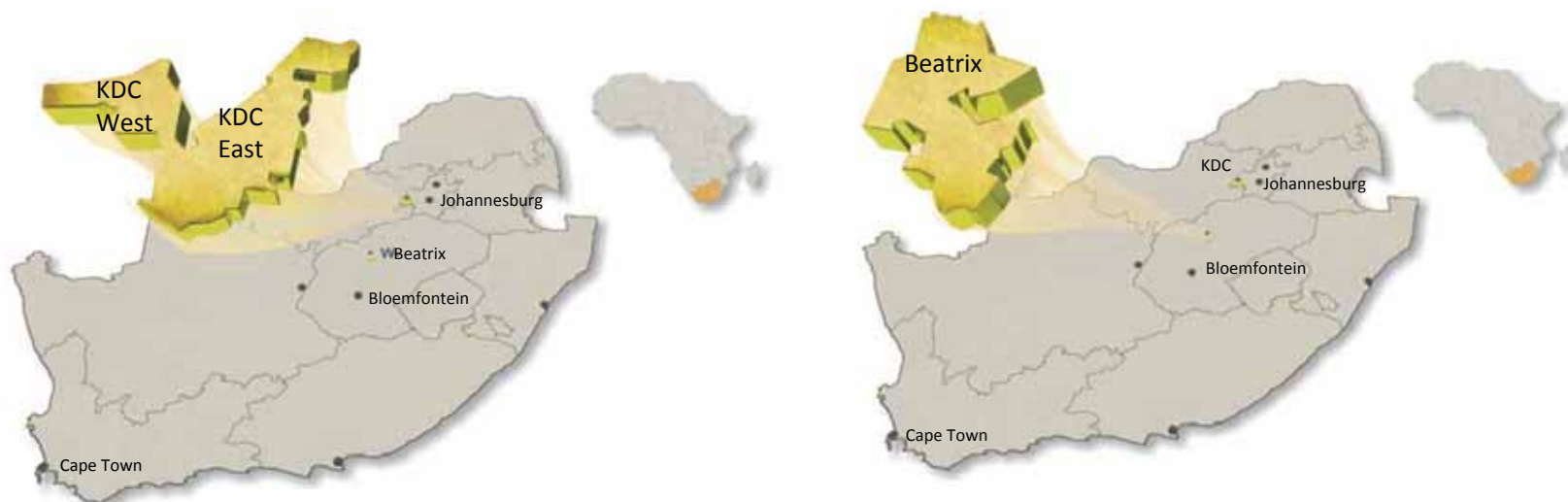


### EVP Operations

**Peter L. Turner** *National Higher Diploma (NHD) Vaal Triangle Technikon SA, Mechanical Engineering; South African Mine Manager Certificate of Competency—Metalliferous; South African Mechanical Engineers Certificate of Competency.* Mr Turner is currently the Executive Vice President and Head of South Africa region for Gold Fields Limited. Mr Turner was appointed to this position on 8 August, 2011 and previously served as Executive Vice President, Head of West Africa since 1 August, 2009. He moved to Ghana in 2008 when he was appointed Vice President of Operations and before that he was the head of the Kloof mine in South Africa from 2005 and later the Driefontein mine. Prior to joining Gold Fields in 2005, he was Managing Director of Geita Gold Mining Limited in Tanzania from 2002 to 2005 and, before that, General Manager of East and West Africa region for AngloGold Ashanti where he spent the majority of his career. He progressed through the ranks, starting as an engineering trainee at Vaal Reefs in 1975, later spending time in various managerial positions at numerous gold mining operations. Mr Turner has more than 34 years of experience in the mining industry.

- Senior management to reflect South African demographics

# Our Resource Base



	KDC	Beatrix	TOTAL
Resources <sup>1</sup>	68 Moz	11 Moz	79 Moz
Reserves <sup>1</sup>	17 Moz	5 Moz	22 Moz
C2011 production	1,100 koz	347 koz	1,447 koz
Number of shafts	12	4	15
Number of processing facilities	5	2	7
Employees in service <sup>2</sup>	25,971	9,256	35,227

## High Quality Reserve & Resource Base

<sup>1</sup> Gold Mineral Resources and Reserves as at 31 December 2011

<sup>2</sup> Number of employees in service as at 30 September 2012

# What Sibanye Gold Offers

<b>A Quality Reserve</b>	<b>21.6 million ounces of reserves<sup>1</sup></b>
<b>Solid Production Base</b>	<b>1.3 Moz pa<sup>2</sup></b>
<b>Long Life Asset</b>	<b>At least 16 years of production left</b>
<b>Margin</b>	<b>Positive cash flow and margin</b>
<b>Conservative Balance Sheet</b>	<b>Net debt to EBITDA ratio: ~ 0.5x<sup>3</sup></b>
<b>Unhedged</b>	<b>Full exposure to gold price</b>

1. Gold Mineral Resources and Reserves as at 31 December 2011

2. Based on annualised 1H 2012 managed production

3. Net Debt to EBITDA ratio is calculated by dividing forecasted ZAR current net debt by ZAR EBITDA based on annualising SibanyeGold's EBITDA of R5bn for 2012 YTD.

## The Opportunity

- A new vehicle focussed on the challenges of South African gold mining and the ability to do things differently
- Well positioned to create and exploit emerging and new opportunities in South Africa
- The recent industrial unrest has created recognition and a willingness from all stakeholders to do things differently in a more balanced environment
- Sibanye Gold is committed to take a leading role, together with government and organised labour, to find ways to achieve mutually beneficial solutions for all stakeholders

***“Sibanye – We Are One”***

## Our Vision

- Primary focus is to enhance KDC and Beatrix's operating performance to ensure solid operating and commercial performance resulting in strong cash generation and superior returns to shareholders
- Change current trajectory to:
  - Reverse declining production trend
  - Extend life
  - Ensure long-term sustainability of the business
- Focus on Sustainable Development
  - Health and Safety – Sibanye Gold to continue to pursue a zero harm approach to the health and safety of employees
  - Social and Environmental responsibility - Sibanye Gold to assume full responsibility for and honour all existing commitments and obligations and is fully funded to do so
  - Employee housing – Sibanye Gold will continue to invest significantly in the transformation of living conditions of its employees. R700 million committed between 2009 and 2014 of which R500 million has been spent to date
- Maximise long term value through operational excellence, technological innovation and value accretive industry consolidation

## The Investment Case

- Experienced and supportive board of directors
- A management team with significant South African experience
- World class assets with long life potential
- Strong cash flows with significant gearing to the gold price
- Primary focus on the existing suite of assets to maximise yield
- Regional synergies and consolidation opportunities
- Strong dividend policy

***The New, Proudly South African Gold Mining Company***





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## Gold Fields Limited - Post transaction

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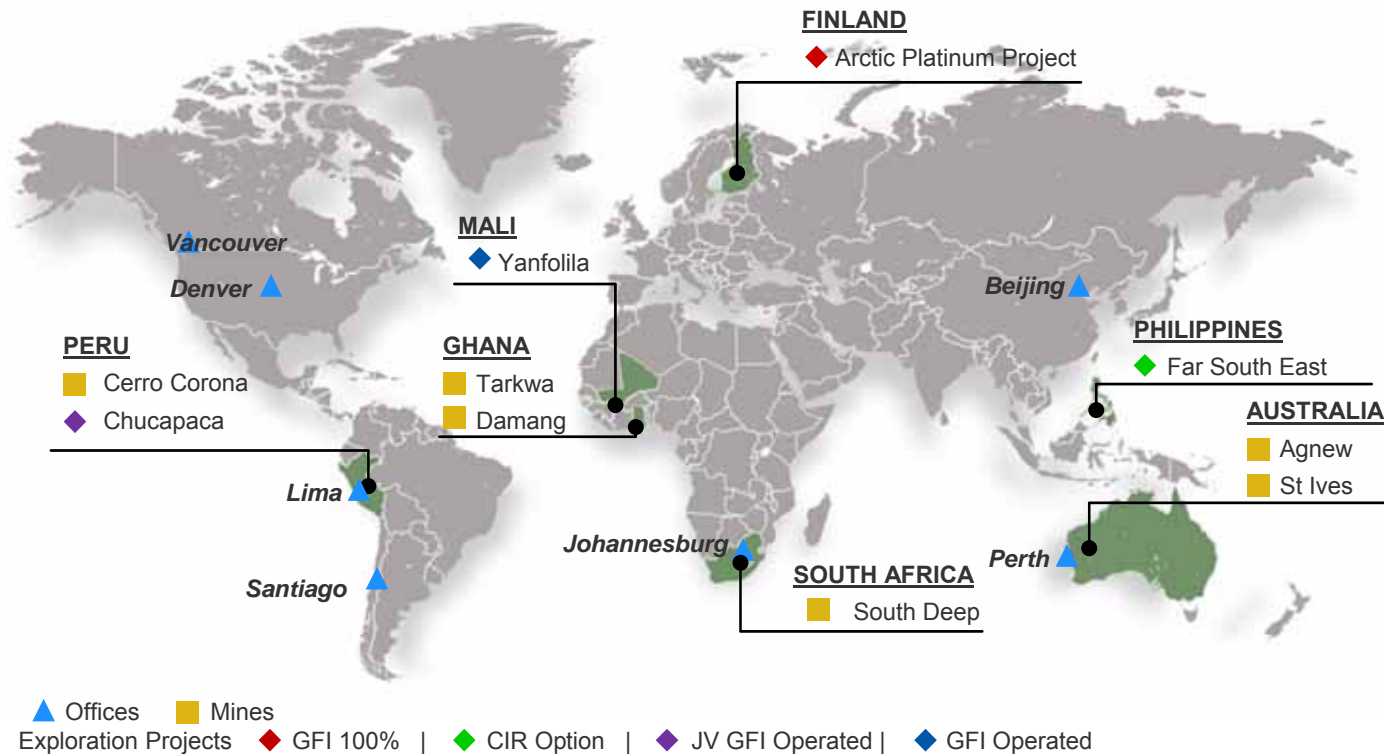
Nick Holland  
Chief Executive Officer



# Gold Fields Limited



## A balanced global footprint



	South America	West Africa	South Africa	Australasia	Sub-total	Projects	Total
Resources <sup>1</sup>	8 Moz	25 Moz	81 Moz	9 Moz	123 Moz	32 Moz	155 Moz
Reserves <sup>1</sup>	6 Moz	14 Moz	40 Moz	4 Moz	64 Moz	-	64 Moz
Annual production <sup>2</sup>	323koz	889koz	273koz	611koz	2.1 Moz	-	2.1 Moz
Number of mines	1	2	1	2	6	-	6

1. Managed gold equivalent Mineral Resources and Reserves as at 31 December 2011

2. Managed gold equivalent production for 2012 based on annualised 1H June 2012 production

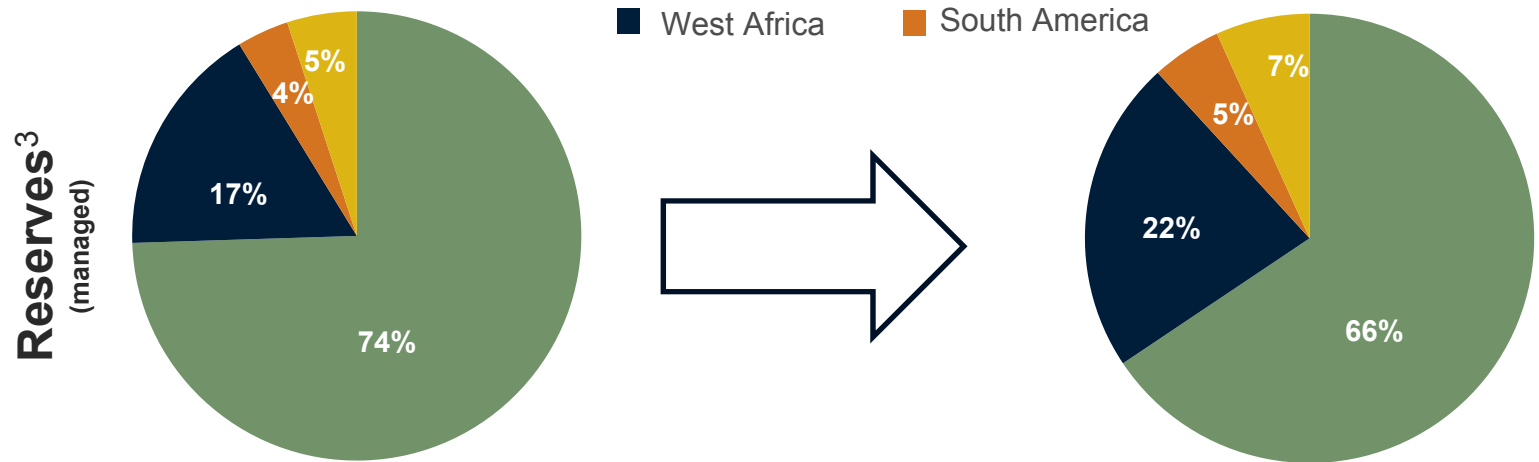
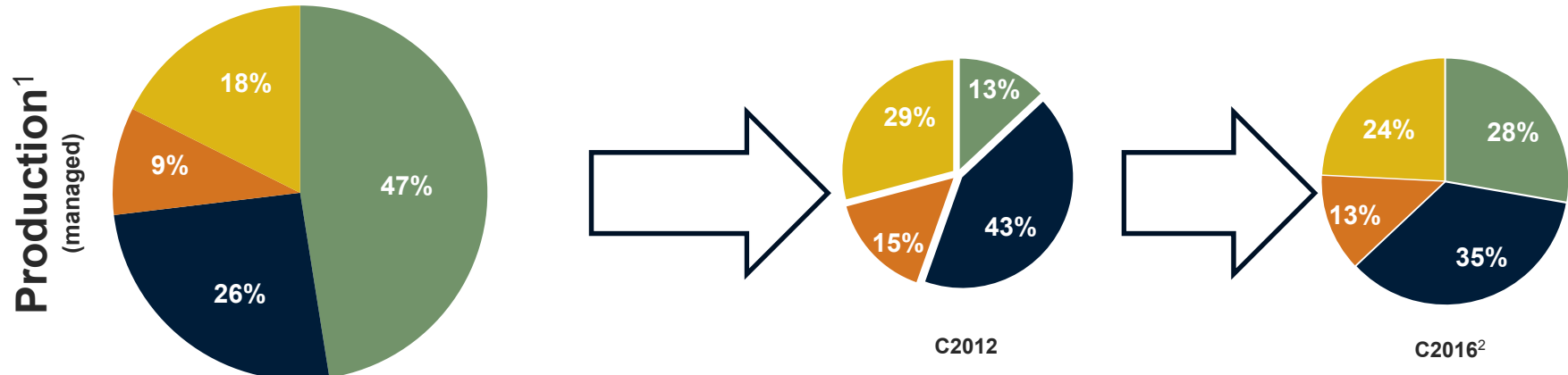
3. The total managed gold equivalent Mineral Resources as at 31 December 2011 includes the managed gold equivalent ounces of the growth projects

# Gold Fields Limited – International Diversification



## Gold Fields Before Unbundling

## Gold Fields Post Unbundling



<sup>1</sup> Based on annualised managed gold equivalent production for 1H 2012  
<sup>2</sup> Adjusts 2012 production for South Deep at full production of 700koz  
<sup>3</sup> Reserves as at 31 December 2011

# Gold Fields Limited – The investment case



## Sound financial growth

<b>A Quality Reserve</b>	59.1 million ounces of reserves <sup>1</sup>
<b>Solid Production Base</b>	2.1 Moz pa <sup>2</sup>
<b>Defensive Portfolio → cash generation</b>	NCE Margin $\geq$ 25% Proforma cash costs \$780/oz; NCE \$1,336/oz <sup>2</sup>
<b>Geographical Diversification</b>	South Africa   Ghana   Australia   Peru
<b>Attractive dividend yield</b>	25% to 35% Dividend pay-out
<b>Conservative Balance Sheet</b>	Net debt to EBITDA ratio - 0.8 times <sup>3</sup>
<b>Commitment to Safety</b>	If we cannot mine safely, we will not mine
<b>Unhedged</b>	Full exposure to gold price
<b>Strong Platform for Growth</b>	Strong exploration & business development

1. Attributable gold equivalent Mineral Reserves as at 31 December 2011

2. Based on annualised gold equivalent managed production for the nine months ended 30 September 2012

3. Net Debt to EBITDA ratio is calculated by dividing current USD net debt by USD EBITDA based on annualising GFI's EBITDA of \$1362m C 2012. YTD.

# Gold Fields – Strong Commitment to South Africa



## Investing in South Deep, our new R36 billion flagship operation

**A 60 years + life**

~33%\* of new Gold Fields' NAV, ~66% of Reserves, ~30% of production by 2016

Fully mechanised modern mine with highly skilled workers earning world-class salaries

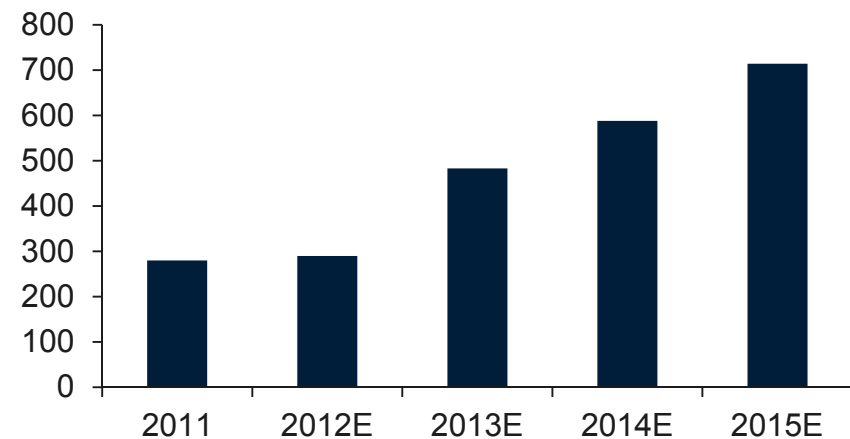
R300m – R500m commitment on dismantling hostel system over next five years

World-class safety record – one fatality in past three years

Ground breaking new labour accord on Operating Model

Creating 1,500 new jobs at South Deep

**Forecast production build-up (koz)**



\* Market consensus

# Gold Fields Limited - Financial strategy



Largely unchanged from pre-transaction

## Financial Targets

- Commitment to conservative leverage continues
- Maintain a Net Debt / EBITDA ratio  $\leq 1.0x$

## Shareholder Returns

- Dividends first call on cash flow: 25% to 35% of normalised earnings

## Hedging Strategy

- No gold hedging

## Liquidity and Funding Policy

- Maintain strong liquidity and improve debt maturity profile
- Continue to diversify financing sources away from bank funding

# Gold Fields Limited – Conclusion

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## A smaller, more focussed, yet solid platform for growth

Focus on cash generation and a superior return on all funds invested

Cash generation takes priority over production targets

Dividends have first call on cash flows – 25% to 35% of normalised earnings

Judiciously advance only low-risk, high return, brownfields and best greenfields projects

Seek opportunistic M&A of in production assets where path to value is clear

Maintain current approach to focus on gold and continue international diversification



Questions



**GOLD FIELDS**



## Proforma Five-Year Financial History

	Units	F2007	F2008	F2009	F2010	C2011	C2012 <sup>ytd</sup>
Gold Price	R/kg	147,320	189,964	252,991	264,231	369,139	425,186
Gold produced (managed)	Kg	77,226	68,023	57,976	51,888	45,005	31,228
Revenue	R'm	11,377	12,922	14,667	13,710	16,613	13,278
EBITDA	R'm	4,619	5,575	6,016	4,181	6,752	4,994
Capital expenditure	R'm	2,184	2,491	2,622	2,895	2,911	2,330
Total cash cost	R/kg	83,511	102,667	142,019	177,650	220,225	266,767
NCE	R/kg	115,789	144,626	194,465	239,437	283,804	339,849
NCE margin		21%	24%	23%	9%	23%	20%

# Gold Fields Limited - Pro-forma financial history



## Salient features of 5-year financial history

Description	Units	F2007	F2008	F2009	F2010	C2011	C2012 <sup>ytd</sup>
Gold price	\$/oz	639	819	877	1,086	1,555	1,642
Managed gold produced	Koz	1,748	1,694	1,827	2,173	2,250	1,565
Revenue	\$m	1,119	1,388	1,600	2,356	3,499	2,576
EBITDA	\$m	434	477	605	1,107	1,989	1,362
Capital expenditure	\$m	283	489	548	635	908	844
Total Cash Cost	\$/oz	394	524	542	582	696	780
NCE	\$/oz	572	820	857	878	1,109	1,336
NCE Margin	%	11%	0%	2%	19%	29%	19%

Note: 2007-2010 fiscal year ends are June; 2011 fiscal year-end is December - due to company change in fiscal year from June to December, in December 2010. Only continuing operations presented