GOLD FIELDS LTD
Form 6-K
August 06, 2010

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of August 2010
Commission File Number 1-31318
Gold Fields Limited
(Translation of registrant's name into English)
150 Helen Rd.
Sandown, Sandton 2196
South Africa
(Address of principal executive offices)
Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F..x... Form 40-F.....

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ________

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ________

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.
Yes ..... No ..x...

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- ________

ATTRIBUTABLE PRODUCTION UP 13 PER CENT TO 898,000 OUNCES

JOHANNESBURG. 5 August 2010, Gold Fields Limited (NYSE & JSE: GFI) today announced net earnings for the June 2010 quarter of
R900 million compared with earnings of R316 million and a loss of R293 million in the March 2010 and the June 2009 quarters respectively. In
US dollar terms net earnings for the June 2010 quarter were US$120 million, compared with earnings of US$44 million and a loss of US$29
million for the March 2010 and June 2009 quarters respectively.

June 2010 quarter salient features:

- New production record for Tarkwa at over 200,000 ounces for the quarter;
- Total cash cost down 2 per cent from R169,538 per kilogram (US$703 per ounce) to R166,215 per kilogram (US$688 per ounce);
- Notional cash expenditure down 3 per cent from R241,860 per kilogram (US$1,003 per ounce) to R235,223 per kilogram (US$974 per ounce);
- NCE margin doubled from 9 per cent to 18 per cent;
- Net debt down to R4.7 billion (US$620 million) from R6.1 billion (US$829 million).

A final dividend of 70 SA cents per share is payable on 30 August 2010, giving a total dividend for financial 2010 of 120 SA cents per share.

Statement by Nick Holland, Chief Executive Officer of Gold Fields:

"Safe production remains a key priority for the Group and I deeply regret to report three fatal accidents at the South African operations during the quarter. The fatality rate and the serious injury frequency rate reduced year-on-year by 15 per cent and 20 per cent respectively. F2010 has been the best safety year ever, and our focus will now be on behavioural change, with no let-up in our efforts to create a safe working environment.

The financial highlight of the June quarter was Gold Fields' ability to generate R1.8 billion in cash, in line with our strategic focus on controlling the all-in cost of production, i.e. notional cash expenditure (NCE), and as a consequence increasing free cash flow.

Attributable Group production for the quarter amounted to 898koz, 13 per cent higher than the previous quarter. Production from the South Africa region increased by 23 per cent to 488koz, with significant improvements at all the South African mines. Particularly pleasing was the performance at Tarkwa in West Africa, which increased production by 16 per cent to 200koz for the June quarter, a new record from this mine. St. Ives also had a strong production quarter, reflecting an excellent performance from the underground operations.

In the June quarter South Deep achieved record production levels since becoming a fully mechanised mine. South Deep's production has increased by 52 per cent year-on-year, achieving annual production of 265koz. South Deep will seek to build on this momentum as it progresses towards full annual production of between 750koz and

800koz by the end of 2014. The South African Department of Mineral Resources has approved the conversion of the South Deep old order mining right into a new order mining right, which includes an additional portion of ground known as Uncle Harry's, which is contiguous to South Deep. This, together with the previous conversions for Driefontein, Kloof and Beatrix granted in 2005, means that all of Gold Fields' South African operations have now been granted their new order mining rights.

In addition, we are finalising three further empowerment transactions that will assist in achieving our 2014 ownership target. These deals include an Employee Share Option plan for 10.75 per cent of GFIMSA, a broad-based Black Economic Empowerment transaction for 10 per cent of South Deep and a broad-based Black Economic Empowerment transaction for 1 per cent of GFIMSA, excluding South Deep.

Growth projects continue to make good progress. Exploration drilling has led to an increase in indicated and inferred Mineral Resources at the Hamlet deposit at St Ives, which is now reported at 1 million ounces. After Athena, Hamlet is the second major discovery in the developing Argo-Athena camp in the last two years, amid extensive investment in the St Ives' near-mine exploration programme. At Athena, good progress has been made in decline development, which is on track to achieve first production at this new underground mine by December 2010.

At the Chucapaca project in Peru, Gold Fields, together with our joint venture partner Buenaventura, announced an initial resource estimate of 5.6 million gold equivalent ounces at the Canahurie discovery, with mineralisation potential beyond the extent of the current drilling. A pre-feasibility study has commenced together with a new round of in-fill and step-out drilling.

During the quarter we also announced a change in leadership at Gold Fields. After a long and outstanding career, during which he served Gold Fields with distinction in various capacities, Alan Wright will retire as chair and director of Gold Fields at the Annual General Meeting in November 2010. It is proposed that he be replaced as chair by prominent businesswoman and activist, Dr. Mamphela Ramphele, who was appointed as director and deputy chair with effect from 1 July 2010. As we continue on our path towards being the world's leading sustainable gold producer, we look forward to Dr. Ramphele's contribution, leadership and wealth of experience."

Stock data
JSE Limited – (GFI)
Number of shares in issue
Range - Quarter
ZAR92.90 – ZAR108.31
- at end June 2010
705,903,511
Average Volume - Quarter
2,386,598 shares / day

- average for the quarter
705,826,038
NYSE – (GFI)
Free Float
100%
Range - Quarter
US$12.55 – US$14.15
ADR Ratio
1:1
Average Volume - Quarter
5,855,230 shares / day
Bloomberg / Reuters
GFISJ / GFLJ.J

1 I GOLD FIELDS RESULTS **Q4 F2010**

Forward Looking Statements

Certain statements in this document constitute "forward looking statements" within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934.

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 environmental regulations; and new legislation affecting mining and mineral rights; changes in exchange rates; currency devaluations; inflation and other macro-economic factors, industrial action, temporary stoppages of mines for safety and unplanned maintenance reasons; and the impact of the AIDS crisis in South Africa. These forward looking statements speak only as of the date of this document.

The company 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.

Health and safety

We deeply regret to report that three fatal accidents occurred at the South African operations during the quarter. Despite these three accidents, which all occurred at Kloof, Group safety metrics continued to improve. The Group's fatal injury frequency rate for the June quarter was 0.07. The lost time injury frequency rate was 4.67, the serious injury frequency rate 2.30 and the days lost injury frequency rate 206.

The total number of fatalities decreased from 21 in financial 2009 to 18 in financial 2010. As a result the fatality injury frequency rate reduced by 15 per cent from 0.13 in financial 2009 to 0.11, the lost day injury frequency rate reduced by 6 per cent from 4.35 to 4.07 and the serious injury rate reduced by 20 per cent from 2.82 to 2.26.

Safe production remains our number one priority and is the driving force behind the Group pursuing our number one value of "if we cannot mine safely, we will not mine". Our focus for financial 2011 will be on five key elements:

i. Behavioural based change, which is absolutely critical in achieving further improvements
ii. Embedding visible felt leadership throughout the organisation

iii. Eliminating the occurrence of repeat accidents
iv. Ensure the full integration of our Safe Production Management System
v. Engineering out the risks to reduce accidents relating to tramming and material handling.

It is pleasing to note that our Agnew operation in Australia managed to produce for a full year without a lost time injury. For the entire financial year Cerro Corona in South America also produced without a lost time injury, while Damang had three consecutive quarters without a lost time injury. These achievements indicate that our absolute focus on safety is bearing fruit.

Financial review

Quarter ended 30 June 2010 compared with quarter ended 31 March 2010

Revenue

Attributable gold production for the June 2010 quarter amounted to 898,000 ounces compared with 793,000 ounces in the March quarter. At the South African operations, production increased from 395,000 ounces to 488,000 ounces due to the return to more normal production levels after the negative impact of safety related stoppages and the extended Christmas break in the March quarter. Attributable gold production at the West African operations increased by 14 per cent from 161,000 ounces to 183,000 ounces. Attributable equivalent gold production at the South American operation decreased by 12 per cent from 89,000 ounces to 78,000 ounces. At the Australian operations, gold production increased marginally from 148,000 ounces to 149,000 ounces.

At the South African operations, gold production in the June quarter at Driefontein, Kloof and Beatrix was 26 per cent, 31 per cent and 11 per cent higher than the March quarter at 5,783 kilograms, 4,369

SOUTH AFRICAN RAND
UNITED STATES DOLLARS
Year ended
Quarter
Quarter
Year ended
June
2009
June
2010
June
2009
March
2010
June
2010
Key statistics
June
2010

March
2010
June
2009
June
2010
June
2009
106,186
108,765
28,171 24,690 **27,929** kg
Gold produced*
oz (000)
898
793 906
3,497
3,414
149,398
157,360 140,916 169,538 **166,215** R/kg Total cash cost $/oz
688
703 512
646
516
221,153
224,979 203,042 241,860 **235,223** R/kg
Notional cash expenditure
$/oz
974
1,003 738
923
763
52,907
56,702
13,581 14,263 **14,863** 000 Tons milled 000
14,863
14,263 13,581
56,702
52,907
253,459
264,468 253,162 265,641 **287,454** R/kg Revenue $/oz
1,191
1,102 920
1,085
875
337
338
331 334 **343** R/ton Operating costs $/ton
46
44 39
45
37

11,463
12,573
3,338 2,570 **3,738** Rm Operating profit $m
496
344 385
1,659
1,272
39
40
43 35 **42** % Operating margin %
42
35 43
40
39
1,536
3,631
(293) 316 **900** Rm $m
120
44 (29)
479
171
229
515
(46) 44
128 SA c.p.s.
Net earnings/(loss)
US c.p.s.
17
6 (5)
68
25
2,890
3,164
855 292
1,039 Rm $m
138
40 99
417
321
431
449
126 41
147 SA c.p.s.
Headline earnings
US c.p.s.
20
6 15
59
48
2,981
2,912

949 320 **945** Rm $m
125
44 109
384
331
445
413
140 45
134 SA c.p.s.
Net earnings excluding gains
and losses on foreign
exchange, financial
instruments, exceptional
items and share of
gain/(loss) of associates
after taxation
US c.p.s.
18
6 16
54
49

* All of the key statistics given above are managed figures, except for gold produced which is attributable equivalent production.

All companies are wholly owned except for Ghana (71.1%) and Cerro Corona (80.7%).

Gold produced (and sales) throughout this report includes copper gold equivalents of approximately 6%.

kilograms and 2,856 kilograms due to increased underground volumes and higher grades. At South Deep, production increased by 21 per cent from 1,801 kilograms to 2,176 kilograms due to record production levels from long-hole stoping.

At the West African operations, managed gold production at Tarkwa increased by 16 per cent to a record 200,200 ounces for the quarter due to increased mill throughput, increased head grade and higher plant availability. At Damang, gold production increased by 6 per cent to 56,800 ounces due to the commissioning of the secondary crusher in May 2010, which allowed higher grade fresh ore to be treated.

In South America, Cerro Corona produced 96,500 equivalent ounces, which is 12 per cent lower than the previous quarter. Equivalent gold production decreased due to a decrease in ore processed related to lower plant availability and lower copper prices.

At the Australian operations, Agnew's gold production decreased by 22 per cent to 31,700 ounces due to limited stope availability and mining delays as a result of repairs to the paste-fill system. At St Ives, gold production increased by 10 per cent to 117,500 ounces mainly due to increased volumes from all the underground mines.

The average quarterly US dollar gold price achieved increased from US$1,102 per ounce in the March quarter to US$1,191 per ounce in the June quarter. The average rand/US dollar exchange rate at R7.51 was similar to the March quarter, while the Australian dollar at R6.66 was marginally lower than the R6.76 recorded in the March quarter. The rand gold price increased from R265,641 per kilogram to R287,454 per kilogram. The Australian dollar gold price increased from A$1,219 per ounce to A$1,359 per ounce.

Revenue increased from R7,280 million (US$971 million) in the March quarter to R8,803 million (US$1,169 million) in the June quarter due to the increased production and the higher gold price received.

Operating costs

Net operating costs increased from R4,710 million (US$628 million) in the March quarter to R5,065 million (US$673 million) in the June quarter. Total cash cost decreased by 2 per cent from R169,538 per kilogram (US$703 per ounce) to R166,215 per kilogram (US$688 per ounce). This decrease was as a consequence of the higher production, partially offset by the imposition of a 25 per cent electricity tariff increase and one month of winter tariffs during the June quarter, which is approximately 50 per cent more than the tariffs charged for the other months.

At the South African operations, operating costs increased by 6 per cent from R2,733 million (US$364 million) to R2,905 million (US$386 million). This increase was mainly due to an increase in consumables in line with the higher production at all the operations and the 25 per cent annual electricity price increase together with one month of significantly higher winter tariffs. Total cash cost at the South African operations decreased by 12 per cent from R214,467 per kilogram (US$889 per ounce) to R187,770 per kilogram (US$778 per ounce), mainly due to the increased production.

At the West African operations, operating costs including gold-in-process movements increased by 15 per cent from US$131 million (R987 million) in the March quarter to US$151 million (R1,140 million) in the June quarter. Tarkwa's costs increased by US$17 million due to increased power costs, and in line with the increase in production. Damang's costs increased by US$3 million to US$38 million (R286 million) mainly due to increased plant maintenance costs. Total cash cost at the West African operations increased from US$589 per ounce in the March quarter to US$623 per ounce in the June quarter.

At Cerro Corona in South America, operating costs including gold-in-process movements were US$32 million (R242 million), which was US$2 million less than the March quarter. Total cash cost at Cerro Corona increased from US$303 per ounce in the March quarter to US$369 per ounce in the June quarter due to the lower production.
At the Australian operations, operating costs including gold-in-process movements increased from A$109 million (R736 million) to A$117 million (R779 million). At St Ives, net operating costs increased by A$5 million to A$89 million (R597 million) mainly due to increased maintenance costs. At Agnew, operating costs were similar quarter on quarter. Total cash cost increased by 3 per cent from US$681 per ounce (A$755 per ounce) to US$703 per ounce (A$792 per ounce).

Notional cash expenditure (NCE)

Notional cash expenditure is defined as operating costs (including general and administration) plus capital expenditure, which includes brownfields exploration, and is reported on a per kilogram and per ounce basis – refer to the detailed table on page 24 of this report.

NCE per ounce determines how much free cash flow is generated in order to pay taxation, interest, greenfields exploration and dividends.

The NCE for the Group for the June quarter amounted to R235,223 per kilogram (US$974 per ounce) compared with R241,860 per kilogram (US$1,003 per ounce) in the March quarter, mainly due to the increased production at the South African operations partially offset by the increase in operating costs at the West African and Australian operations. The NCE margin for the Group was 18 per cent in the June quarter compared with 9 per cent in the March quarter.

At the South African operations, the NCE decreased from R310,490 per kilogram (US$1,288 per ounce) in the March quarter to R272,669 per kilogram (US$1,129 per ounce) in the June quarter. The NCE margin of 6 per cent in the June quarter compares with a negative margin of 16 per cent in the March quarter. At the West African operations, the NCE increased from US$783 per ounce to US$795 per ounce while the NCE margin improved from 30 per cent to 34 per cent due to the higher gold price.

At the South American operation, NCE improved 6 per cent from US$532 per ounce in the March quarter to US$502 per ounce in the June quarter due to the lower capital expenditure. The NCE margin improved from 50 per cent to 54 per cent. NCE at the Australian operations increased from US$931 per ounce (A$1,033 per ounce) in the March quarter to US$1,080 per ounce (A$1,217 per ounce) in the June quarter resulting in a decrease in NCE margin from 15 per cent to 10 per cent due to increased capital expenditure at Agnew on conversion to owner mining.

Operating margin

The net effect of the changes in revenue and costs, after taking into account gold-in-process movements, was a 45 per cent increase in operating profit from R2,570 million (US$344 million) in the March quarter to R3,738 million (US$496 million) in the June quarter in line with the higher production and the higher gold prices achieved. The Group operating margin was 42 per cent compared with 35 per cent in the March quarter. The margin at the South African operations doubled to 34 per cent. At the West African operations the margin increased from 48 per cent to 51 per cent. At Cerro Corona in South America the margin decreased from 71 per cent to 68 per cent, while at the Australian operations the margin increased from 40 per cent to 42 per cent.

Amortisation

Amortisation increased from R1,139 million (US$152 million) in the March quarter to R1,368 million (US$182 million) in the June quarter in line with the higher production. At the South African operations amortisation increased from R536 million (US$72 million) to R661 million (US$88 million). This was mainly due to the increase in production at all the operations. At the West African operations, amortisation increased from US$31 million (R234 million) to US$39 million (US$293 million). At South America, amortisation was similar at US$14 million (R109 million). At the Australian operations, amortisation increased from US$31 million (R232 million) to US$35 million (R266 million) mainly due to an increase in ounces mined from underground at St Ives, which carry a higher development cost and consequently a higher amortisation charge.

Other

Net interest paid of R33 million (US$4 million) was incurred in the June quarter compared with net interest paid of R45 million (US$6 million) in the March quarter. In the June quarter interest paid of R146 million (US$19 million) was partly offset by interest received of R90 million (US$12 million) and interest capitalised of R23 million (US$3 million). This compares with interest paid of R140 million (US$19 million), partly offset by interest received of R70 million (US$10 million) and interest capitalised of R25 million (US$3 million) in the March quarter.

The share of gain of associates after taxation of R86 million (US$11 million) in the June quarter compares with a gain of R4 million (US$1 million) in the March quarter. Of the R86 million (US$11 million), R68 million (US$9 million) relates to a translation gain as a result of Rusoro applying hyper inflationary accounting to its investments in Venezuela, and R18 million (US$2 million) relates to realised gains from the Group's 35 per cent interest in Rand Refinery. The gain in the March quarter relates to equity accounted gains from Rand Refinery.

The gain on foreign exchange of R6 million (US$1 million) in the June quarter compares with a loss of R16 million (US$2 million) in the March quarter. The gain in the June quarter and the loss in the March quarter related to the conversion of offshore cash holdings into their functional currency.

The gain on financial instruments of R19 million (US$2 million) in the June quarter, compares with a loss of R25 million (US$3 million) in the March quarter. The gain in the June quarter includes realised gains of R13 million (US$2 million) on the Cerro Corona copper financial instruments and a R6 million (US$1 million) gain on US$/ZAR forward cover contracts taken out. The loss of R25 million (US$3 million) in the March quarter included realised losses and unrealised losses of R18 million (US$2 million) on the Cerro Corona copper financial instruments and a R7 million (US$1 million) loss on US$/ZAR forward cover contracts taken out. Refer to page 18 of this report for more detail.

Share based payments of R46 million (US$6 million) was R75 million (US$10 million) less than the March quarter due to year end forfeiture adjustments.

Other costs increased from R96 million (US$13 million) in the March quarter to R120 million (US$16 million) in the June quarter. This increase was mainly due to increased social contributions and sponsorships to the University of the Witwatersrand.

Exploration

Exploration expenditure increased from R127 million (US$17 million) in the March quarter to R186 million (US$25 million) in the June quarter due to timing of expenditure. Refer to the Exploration and Corporate Development section of this report for more detail of exploration activities.

Exceptional items

The exceptional loss in the June quarter of R144 million (US$19 million) was mainly as a result of an impairment on our investment in Rusoro of R197 million (US$26 million). If the R68 million (US$9 million) translation gain had not been accounted for, then the impairment would have been R129 million (US$17 million). The R197 million (US$26 million) impairment loss was partly offset by profit on the disposal of the remaining Eldorado shares of R49 million (US$6 million). The exceptional gain in the March quarter of R22 million (US$4 million) was mainly from profit on the disposal of 1,400,000 Eldorado shares.

Taxation

Taxation for the quarter amounted to R865 million (US$115 million) compared with R547 million (US$73 million) in the March quarter, in line with the increase in profit before taxation. The tax expense includes normal and deferred taxation at all operations, together with government royalties.

Earnings

Net profit attributable to ordinary shareholders amounted to R900 million (US$120 million) or 128 SA cents per share (US$0.17 per share), compared with R316 million (US$44 million) or 44 SA cents per share (US$0.06 per share) in the March quarter.

Headline earnings i.e. earnings less the after tax effect of asset sales, impairments and the sale of investments, amounted to R1,039 million (US$138 million) or 147 SA cents per share (US$0.20 per share), compared with earnings of R292 million (US$40 million) or 41 SA cents per share (US$0.06 per share) in the March quarter.

Earnings excluding exceptional items as well as gains and losses on foreign exchange, financial instruments and profit or losses of associates after taxation amounted to R945 million (US$125 million) or 134 SA cents per share (US$0.18 per share), compared with earnings of R320 million (US$44 million) or 45 SA cents per share (US$0.06 per share) reported in the March quarter.

Cash flow

Cash inflow from operating activities for the quarter amounted to R3,650 million (US$482 million), compared with R2,584 million (US$345 million) in the March quarter. This quarter on quarter increase of R1,066 million (US$137 million) was mainly due to an increase in profit before tax and exceptional items, in line with the increase in production.

Capital expenditure increased from R1,872 million (US$250 million) in the March quarter to R2,157 million (US$287 million) in the June quarter.

At the South African operations, capital expenditure increased from R1,085 million (US$145 million) in the March quarter to R1,236 million (US$164 million) in the June quarter. Expenditure on ore reserve development (ORD) increased from R451 million (US$60 million) in the March quarter to R495 million (US$66 million) in the June quarter. Driefontein's ORD increased from R166 million to R184 million, Kloof's ORD increased from R175 million to R198 million and Beatrix's ORD increased from R110 million to R113 million quarter on quarter. The increase in development costs is in line with the stated need to increase flexibility at the South African operations.

At the West African operations, capital expenditure increased from US$47 million to US$53 million due to increased expenditure on capital waste removal at Teberebie, new mining equipment and expenditure on a secondary crusher at Damang. In South America, at Cerro Corona, capital expenditure decreased from US$24 million to US$14 million due to the completion of the raise of the tailings dam wall to 3,740 metres in the current quarter. At the Australian operations, capital expenditure increased from A$36 million to A$61 million for the quarter. At St Ives, capital expenditure increased from A$27 million to A$35 million, with A$6 million of the increase relating to Athena. At Agnew, capital expenditure increased from A$9 million to A$26 million, with A$13 million of the expenditure relating to the acquisition of the owner mining fleet.

Purchase of investments of R4 million (US$0.4 million) relates to a secured equipment loan made to one of our mining contractors at St Ives.

Proceeds on the disposal of investments of R340 million (US$56 million) reflects mainly the sale of 2.66 million Eldorado shares and 3.82 million Orezone Gold Corporation shares.

Net cash outflow from financing activities in the June quarter amounted to R666 million (US$88 million). Loans received in the June quarter amounted to R2.4 billion (US$323 million) and relates to the issue of commercial paper.

Loans repaid amounted to R3.0 billion (US$397 million), consisting primarily of a R2.0 billion (US$260 million) refinancing of the South African commercial paper programme and repayment of working capital loans of R1.0 billion (US$137 million).

During the quarter minorities at Tarkwa and Damang received their share of declared dividends and repaid loans of R175 million (US$23 million) and R116 million (US$15 million) respectively.

Net cash inflow for the June quarter at R918 million (US$131 million) compares with net cash inflow of R1.1 billion (US$143 million) in the March quarter. After accounting for a positive translation adjustment of R47 million (negative US$15 million), the net cash inflow for the June quarter was R966 million (US$116 million). The cash balance at the end of June was R3,791 million (US$501 million) compared with R2,825 million (US$384 million) at the end of March.

Balance sheet (Investments and net debt)

Investments decreased from R1,399 million (US$190 million) at 31 March 2010 to R1,036 million (US$137 million) at 30 June 2010 due to the write-down of Rusoro and the sale of Eldorado and Orezone shares.

The R1.8 billion (US$242 million) free cash before financing activities generated by the operations enabled net debt (long-term loans plus current portion of long-term loans less cash and deposits) to be reduced from R6,091 million (US$829 million) in the March quarter to R4,697 million (US$620 million) in the June quarter.

Detailed and operational review

South African operations

Cost and revenue optimisation initiatives

During financial 2008, the South African operations reviewed the suite of projects under Project 500 and identified the following for implementation over two to three years. Progress on these projects is set out below.

Project 1M

Project 1M is a productivity initiative that aims to improve quality mining volumes by increasing the face advance by between 5 and 10 per cent per annum, based on financial year 2009 actuals. This should translate to similar improvements in tons broken over the same period.

This should be achieved through the following key improvement initiatives:

- drilling and blasting practices to improve advance per blast;
- support, cleaning and sweeping practices to improve blasting frequency;
- mining cycle, labour availability and training; and
- improved pay face availability.

Face advance was similar year-on-year, largely due to the replacement of the water pump column at Kloof Main shaft and safety related stoppages at Driefontein.

Project 2M

Project 2M is a technology initiative aimed at mechanising all flat-end development (i.e. development on the horizontal plane) at the long-life shafts of Driefontein, Kloof and Beatrix. The aim of the project is to improve safety and productivity, reduce development costs and increase ore reserve flexibility. The project achieved a mechanised rate of 68 per cent of flat end development at the long-life shafts by the end of the June quarter compared with 58 per cent at the end of the March quarter. South Deep is excluded as it is already a fully mechanised mine. This initiative has created a safer environment, but the productivity improvements have not yet been realised. The productivity improvements should be realised when the metres per rig increase and labour productivities improve.

Project 3M

Project 3M is a suite of projects focused on reducing energy and utilities consumption, work place absenteeism and surface (above-ground) costs, including supply chain.

Electricity consumption targets for financial 2010 were set to maximise production within the Eskom targets of 90 per cent. During the June quarter, the challenge has been met on consumption. Various projects are in progress to reduce consumption further, including the introduction of three chamber pump systems which utilises the U-tube effect by having two shaft columns (one for hot water out the mine and one for cold water down the mine), and three pipe chambers underground which successively contain hot water being displaced to surface by cold water, hot water being filled from the underground dam, and cold water being discharged to an underground dam), thereby improving efficiency and reducing electricity costs at Driefontein and Kloof by around 10 Megawatt which is about two per cent of current usage. Also at these operations, real time monitoring of power consumption has been introduced at all major points of delivery, and pump efficiencies continue to improve. These projects will go some way towards offsetting the 25 per cent annual increases proposed over the next few years.

The following projects have been highlighted in order to drive a further 5 per cent saving in F2011:

- reduce compressed air consumption in ventilation of boxholes and agitation of backfill and slurry in the plants, as well as reduce consumption with smart monitoring and shut-off valves;
- reduce power consumption by replacing in-line ventilation fans with booster fans, and by improving the efficiency of main fan installations;
- smaller projects to reduce lighting and water heating by installing heat pumps and efficient lighting with occupancy sensors.

A project is currently underway to reduce consumption by another 5 per cent beyond the main projects described above. This is a two year project and will require fundamental technology changes. Nonetheless, further savings from the existing configuration are possible.

The workplace absenteeism project ("Unavailables project") aims to ameliorate the impact of work place absenteeism (absenteeism consists of sick leave, maternity leave, training and induction and authorised and unauthorised absences) on production and costs. Workplace absenteeism reduced by 3 per cent to 11 per cent by the end of financial 2010 due to more diligent labour management.

The above-ground cost project reduced surface costs by R261 million during financial 2010, in the following areas:

- Shared Services, Health and Property Division: savings for the quarter amounted to R55 million and for the year R98 million. These savings were realised by optimisation of process, labour, discounts received and inventory.
- South African operations (various small projects): savings for the quarter amounted to R46 million and for the year R97 million, mainly due to salvage and reclamation programmes.
- Supply chain projects: contracted savings for the quarter amounted to R9 million and for the year R66 million. These benefits were delivered through competitive tendering on conveyor belts, valves, tyres and various repair contracts as well as certain contractual rise and fall arrangements.

Price inflation was experienced in cost areas such as permanent support and some steel products, and overall quarterly inflation was around 1 per cent. Supply inflation for the year was around 3 per cent and well below the CPI of 5 per cent and the PPI of 7 per cent.

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Project 4M

Project 4M focuses on the Mine Health and Safety Council (MHSC) milestones agreed to on 15 June 2003 at a tripartite health and safety summit comprising representatives from Government, organised labour and mining companies. The focus is on achieving occupational health and safety targets and milestones over a 10-year period. The commitment was driven by the need to achieve greater improvements in occupational health and safety in the mining industry.

In order to meet the noise induced hearing loss (NIHL) target the company is focusing on reducing the noise at source. One of the milestone targets is that no machine or piece of equipment may generate a sound pressure level in excess of 110 dB (A) after December 2013. Good progress has been made and by the end of the quarter 96 per cent of equipment measured was below 110 dB (A).

Silicosis remains one of the biggest health risks associated with the gold mining industry. In order to meet the silicosis targets the company has several interventions in place. Interventions include the upgrading of tip filters by replacement of complete installations or through the installation of an additional first stage pre-filtration system (removing the bulk of the dust prior to entering the second stage high efficiency filters, reducing maintenance), the use of foggers, footwall treatment, and the installation of tip doors. Progress to date on these three initiatives is an implementation rate of 76 per cent, 84 per cent and 50 per cent respectively across all four operations which should enable us to meet our targets.

Of the individual gravimetric dust sample measurements taken during the June quarter 97 per cent was below the occupational exposure limits of 0.1 milligrams per cubic metre, thus meeting the target of not less than 95 per cent of individual samples below the occupational exposure limits. Progress against all interventions is monitored monthly and reviewed quarterly.

Project 5M

Uranium project

Work on the Tailings Treatment project feasibility study is continuing in terms of optimising the project implementation strategy through a Phased Approach. Environmental and permitting activities are progressing in line with the approved schedule, and the project team is liaising with all stakeholders to ensure an efficient process.

The estimated total cost for the current Phased Approach study is within the project budget of R60 million, and is on track for completion by the end of September 2010.

South Africa region

Driefontein
June
2010
March
2010
Gold produced
- kg
5,783
4,575
-
000'oz
185.9
147.1
Yield - underground
- g/t
6.1
6.2
- combined
- g/t
3.6
3.3
Total cash cost
- R/kg
175,584
195,650
-
US$/oz
727
811
Notional cash expenditure
- R/kg
233,910
258,907
-
US$/oz
969
1,074

Gold production increased from 4,575 kilograms (147,100 ounces) in the March quarter to 5,783 kilograms (185,900 ounces) in the June quarter following the impact of safety related stoppages and the Christmas break in the previous quarter. Production early in the quarter was adversely impacted by the Easter break and the high number of public holidays. Underground tons milled increased from 651,000 tons in the March quarter to 841,000 tons in the June quarter due to increased underground volumes. Surface tons milled increased slightly from 751,000 tons to 753,000 tons. Underground yield decreased from 6.2 grams per ton to 6.1 grams per ton due to a lower mine call factor, lower volumes from the higher grade shafts and a drop in grade from 5 shaft. Surface yield improved from 0.7 grams per ton in the March quarter to 0.9 grams per ton in the June quarter.

Main development increased by 20 per cent for the quarter and on-reef development increased by 23 per cent. The average development value decreased from 1,985 centimetre grams per ton in the March quarter to 1,592 centimetre grams per ton in the June quarter, primarily due to lower values developed at 5 shaft.

Operating costs increased from R925 million (US$123 million) to R1,019 million (US$135 million). This increase was mainly due to the impact of the 25 per cent electricity price increase and one month of higher winter electricity tariffs, higher stores consumption and production incentive costs in line with the higher production. Total cash cost decreased from R195,650 per kilogram (US$811 per ounce) to R175,584 per kilogram (US$727 per ounce), and included a full quarter of royalty taxes introduced in March 2010. The royalty tax translated to R5,900 per kilogram in the June quarter compared with R2,000 per kilogram in the March quarter.

Operating profit increased from R297 million (US$40 million) in the March quarter to R656 million (US$87 million) in the June quarter mainly due to the higher production and the higher rand gold price received.

Capital expenditure increased from R260 million (US$35 million) to R334 million (US$44 million) in the June quarter due to increased capitalised development, new technology expenditure, housing upgrades and security measures to counter illegal mining.

Notional cash expenditure decreased from R258,907 per kilogram (US$1,074 per ounce) to R233,910 per kilogram (US$969 per ounce) as a result of the higher gold production.

The estimate for F2011 is as follows:
• Gold produced between 22,000 kilograms and 24,000 kilograms.
• Total cash cost between R170,000 per kilogram and R185,000 per kilogram.
• NCE between R217,000 per kilogram and R230,000 per kilogram.

Kloof

		June 2010	March 2010
Gold produced	- kg	**4,369**	3,344
	- 000'oz	**140.5**	107.5
Yield - underground			

- g/t
6.5
6.6
- combined
- g/t
3.8
3.3
Total cash cost
- R/kg
196,201
237,978
-
US$/oz
813
987
Notional cash expenditure
- R/kg
274,319
327,482
-
US$/oz
1,136
1,358

Gold production increased from 3,344 kilograms (107,500 ounces) in the March quarter to 4,369 kilograms (140,500 ounces) in the June quarter following the impact of the Christmas break in the March quarter. The accelerated maintenance on Main shaft's water pump

column in the March quarter had a positive effect on production during the June quarter. Underground tons milled increased from 454,000 tons in the March quarter to 599,000 tons in the June quarter, with a decrease in yield from 6.6 grams per ton to 6.5 grams
per ton due to an increase in dilution and a lower mine call factor.

Main development increased by 26 per cent for the quarter and on-reef development increased by 34 per cent. The average development value increased from 2,289 centimetre grams per ton in the March quarter to 2,378 centimetre grams per ton in the June quarter.

Operating costs increased from R831 million (US$111 million) in the March quarter to R883 million (US$117 million) in the June quarter. This increase in operating costs was mainly due to higher production together with the increase in Eskom tariffs and one month of higher winter electricity tariffs. Total cash cost decreased from R237,978 per kilogram (US$987 per ounce) to R196,201 per kilogram (US$813 per ounce) due to the higher production.

Operating profit increased from R61 million (US$9 million) in the March quarter to R380 million (US$50 million) in the June quarter.

Capital expenditure increased from R265 million (US$35 million) to R316 million (US$42 million) in the June quarter mainly due to the accelerated replacement of the pump column at Main shaft.

Notional cash expenditure decreased from R327,482 per kilogram (US$1,358 per ounce) to R274,319 per kilogram (US$1,136 per ounce) due to the higher gold production.

The estimate for F2011 is as follows:
- Gold produced between 18,000 kilograms and 20,000 kilograms.
- Total cash cost between R180,000 per kilogram and R195,000 per kilogram.
- NCE between R233,000 per kilogram and R250,000 per kilogram.

Beatrix		**June 2010**	March 2010
Gold produced	- kg	**2,856**	2,577
	- 000'oz	**91.8**	82.9

Yield - underground
- g/t
4.1
4.0
- combined
- g/t
4.0
3.5
Total cash cost
- R/kg
189,216
206,092
-
US$/oz
784
855
Notional cash expenditure
- R/kg
260,049
274,466
-
US$/oz
1,077
1,138

Gold production increased from 2,577 kilograms (82,900 ounces) in the March quarter to 2,856 kilograms (91,800 ounces) in the June quarter following the impact of the Christmas break in the March quarter. Underground tons milled increased from 610,000 tons to 697,000 tons and the underground yield increased from 4.0 grams per ton to 4.1 grams per ton. Surface ore milled decreased from 116,000 tons to 20,000 tons at a yield of 0.9 gram per ton.

Main development increased by 16 per cent quarter on quarter and on-reef development increased by 30 per cent. The average main development value decreased from 1,868 centimetre grams per ton in the March quarter to 997 centimetre grams per ton in the June quarter, mainly due to the value variability of the zones being developed. At West Section, three raises went through the high grade areas and are now being developed in the low grade zones to facilitate ventilation holings. An additional two high grade raises were stopped and off-reef development is being done to create ventilation holings for these new raise lines. At North Section, two high grade raises have been completed, resulting in the average value of the on reef development at North Section to drop from approximately 2,500 centimetre grams per ton to approximately 900 centimetre grams per ton.
Operating costs increased from R550 million (US$73 million) in the March quarter to R555 million (US$74 million) in the June quarter. This increase was mainly due to the increased electricity tariffs and one month of higher winter electricity tariffs, partially offset by savings

on renewals and replacements. Total cash cost decreased from R206,092 per kilogram (US$855 per ounce) in the March quarter to R189,216 per kilogram (US$784 per ounce) in the June quarter.

Operating profit increased from R138 million (US$19 million) in the March quarter to R271 million (US$36 million) in the June quarter due to the increased gold production and a higher gold price received.

Capital expenditure increased from R157 million (US$21 million) in the March quarter to R188 million (US$25 million) in the June quarter with the majority spent on infrastructure upgrades and ore reserve development.

Notional cash expenditure decreased from R274,466 per kilogram (US$1,138 per ounce) in the March quarter to R260,049 per kilogram (US$1,077 per ounce) in the June quarter due to the increased production.

The estimate for F2011 is as follows:

- Gold produced between 12,000 kilograms and 13,200 kilograms.
- Total cash cost between R177,000 per kilogram and R192,000 per kilogram.
- NCE between R226,000 per kilogram and R242,000 per kilogram.

South Deep project

		June 2010	March 2010
Gold produced	- kg	**2,176**	1,801
-	000'oz	**70.0**	57.9
Yield - underground	- g/t	**6.3**	6.2
- combined	- g/t	**4.7**	4.2
Total cash cost	- R/kg	**201,333**	230,594
-	US$/oz	**834**	

956
Notional cash expenditure
- R/kg
388,925
461,521
-
US$/oz
1,611
1,914

Gold production at South Deep increased by 21 per cent from 1,801 kilograms (57,900 ounces) in the March quarter to 2,176 kilograms (70,000 ounces) in the June quarter, due to improved underground mining volumes and more production from long hole stoping. Underground ore processed, excluding waste, increased by 24 per cent from 278,000 tons in the March quarter to 345,000 tons in the June quarter, with the underground reef yield similar at 6.3 grams per ton. The combined yield increased from 4.2 grams per ton in the March quarter to 4.7 grams per ton in the June quarter as a result of improved production from underground. Surface ore processed decreased from 112,000 tons to 20,000 tons. 98,000 tons of off-reef development was treated with the reef due to ore handling constraints, compared with 34,000 tons in the March quarter. The current ore handling system on the Twin shaft headgear cannot effectively split the reef and waste as both streams utilise the same headgear bin.

Development increased by 6 per cent from 2,321 metres to 2,449 metres in the June quarter. The new mine capital development in phase 1, sub 95 level, increased by 14 per cent from 720 metres to 821 metres. This increase was primarily due to removing the ore handling constraint at Twin shaft and hoisting the waste development with the reef. Development in the current mine areas above 95 level decreased by 5 per cent from 1,440 metres in the March quarter to

1,369 metres in the June quarter. Raiseboring increased from 161 metres in the March quarter to 259 metres in the June quarter.

Operating costs increased by 5 per cent from R427 million (US$57 million) in the March quarter to R448 million (US$60 million) in the June quarter due to increased electricity tariffs, one month of higher winter electricity tariffs and increased production. The total cash cost decreased by 13 per cent from R230,594 per kilogram (US$956 per ounce) in the March quarter to R201,333 per kilogram (US$834 per ounce) in the June quarter due to the increased gold production.

Operating profit increased from R53 million (US$7 million) in the March quarter to R184 million (US$24 million) in the June quarter due to the increased gold production and higher gold price.

Capital expenditure at R399 million (US$53 million) was similar quarter on quarter. The major capital expenditure was on development, the ventilation shaft deepening and infrastructure, and construction of the new tailings facility.

Notional cash expenditure decreased by 16 per cent from R461,521 per kilogram (US$1,914 per ounce) in the March quarter to R388,925 per kilogram (US$1,611 per ounce) in the June quarter due to the higher gold production.

South Deep will continue to focus on delivering the build-up to the planned development metres, the completion of the Twin shaft infrastructure, new tailings dam and delivery of increased gold production.

The estimate for F2011 is as follows:
- Gold produced between 10,000 kilograms and 11,000 kilograms.
- Total cash cost between R186,000 per kilogram and R196,000 per kilogram.
- NCE between R360,000 per kilogram and R385,000 per kilogram.

West Africa region

Ghana

Tarkwa

	June 2010	March 2010
Gold produced - 000'oz	**200.2**	172.6
Yield - heap leach - g/t	**0.6**	

0.6
- CIL plant
- g/t
1.5
1.3
- combined
- g/t
1.0
0.9
Total cash cost
- US$/oz
599
565
Notional cash expenditure
- US$/oz
771
783

Gold production increased from 172,600 ounces in the March quarter to a record 200,200 ounces in the June quarter. The higher production was due to an increase in mill throughput, associated with an increase in plant availability, and a higher head grade.

Total tons mined, including capital stripping, decreased marginally from 35.7 million tons in the March quarter to 34.9 million tons in the June quarter. Ore mined increased from 5.6 million tons to 5.8 million tons. Waste mined increased from 16.1 million tons to 16.4 million tons and capital tons mined decreased from 14.0 million tons to 12.7 million tons. Mined grade increased by 7 per cent to 1.24 grams per ton in the June quarter. The strip ratio decreased from 5.41 in the March quarter to 4.96 in the June quarter.

The total feed to the CIL plant increased by 13 per cent from 2.64 million tons in the March quarter to 2.97 million tons, which was mainly due to improved milling circuit availability and utilisation. Yield from the CIL plant at 1.5 grams per ton, was 11 per cent above the previous quarter's yield of 1.3 grams per ton, largely due to higher mined grades. The CIL plant produced 137,500 ounces in the June quarter compared with 110,800 ounces in the March quarter, an increase of 24 per cent quarter on quarter.

Total feed to the North heap leach decreased from 2.42 million tons in the March quarter to 2.37 million tons in the June quarter. North heap leach yield for the quarter remained at 0.6 grams per ton. The "high pressure grinding roller" (HPGR) project at the South heap leach facilities contributed 12,300 ounces for the quarter. A total of 62,700 ounces was produced by the heap leach facilities in the June quarter compared with 61,800 ounces in the March quarter.

Operating costs, including gold-in-process movements, increased from US$96 million (R724 million) in the March quarter to US$113 million (R854 million) in the June quarter. This increase was mainly as a result of a power tariff increase (US$2 million), an increase in maintenance costs (US$2 million) and higher stores costs (US$7 million) relating to increased operational tons processed and mined. Total cash cost increased from US$565 per ounce to US$599 per ounce for the June quarter due to the above reasons and an increase in the royalty rate from 3 to 5 per cent (US$6 million, R42 million).

Operating profit increased from US$96 million (R716 million) in the March quarter to US$125 million (R945 million) in the June quarter.

Capital expenditure increased from US$38 million (R289 million) to US$41 million (R309 million) for the June quarter, with new mining equipment, tailings dam expansion and pre-stripping at the Teberebie cutback being the major items during the quarter.

Notional cash expenditure for the quarter at US$771 per ounce compared with the previous quarter's US$783 per ounce, reflecting the increased gold production, partially offset by the increased operating cost and higher capital expenditure for the June quarter.

The estimate for F2011 is as follows:
- Gold produced between 720,000 ounces and 760,000 ounces.
- Total cash cost between US$580 per ounce and US$605 per ounce.
- NCE between US$835 per ounce and US$860 per ounce.

Damang	**June 2010**	March 2010
Gold produced - 000'oz	**56.8**	53.8
Yield - g/t	**1.3**	1.2
Total cash cost - US$/oz	**704**	667
Notional cash expenditure - US$/oz	**881**	783

Gold production increased by 6 per cent from 53,800 ounces in the March quarter to 56,800 ounces in the June quarter. This increase was as a result of an increase in mill throughput and the commissioning of the secondary crusher, which allowed higher grade fresh ore to be treated.

Total tons mined, including capital stripping at 3.4 million tons in the June quarter was slightly higher than the 3.3 million tons achieved in the March quarter. Ore mined increased from 0.9 million tons to 1.1 million tons and the strip ratio achieved was 1.96 against the March quarter's 2.64, mainly due to more fresh ore mined.

Operating costs, including gold-in-process movements increased from US$35 million (R263 million) in the March quarter to US$38 (R286 million) million in the June quarter. This was due to an increase in ounces from the Damang Pit Cutback (DPCB) which carries with it a higher extraction cost. In addition, high grade ore from the DPCB

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increased reagent usage. Total cash cost increased from US$667 per ounce in the March quarter to US$704 per ounce.
Operating profit increased from US$25 million (R191 million) achieved in the March quarter to US$30 million (R225 million) in the June quarter. This was driven by the increased gold production and higher gold price received.

Capital expenditure increased from US$9 million (R64 million) in the March quarter to US$12 million (R87 million) for the June quarter, with the majority of the capital spent on exploration and the secondary crusher project which was completed during the quarter.
Notional cash expenditure for the quarter was higher at US$881 per ounce compared with the previous quarter's US$783 per ounce mainly as a result of the higher operating cost and capital expenditure.

The estimate for F2011 is as follows:
- Gold produced between 220,000 ounces and 240,000 ounces.
- Total cash cost between US$570 per ounce and US$610 per ounce.
- NCE between US$880 per ounce and US$920 per ounce.

South America region

Peru

Cerro Corona

	June 2010	March 2010
Gold produced - 000'oz	**33.7**	37.8
Copper produced - tons	**10,500**	11,100
Total equivalent gold produced - 000' eq oz	**96.5**	110.2
Total equivalent gold sold - 000' eq oz	**90.2**	110.7
Yield - gold - g/t	**0.7**	0.8
- copper		

- %
0.74
0.75
- combined
- g/t
2.0
2.2
Total cash cost
- US$/eq oz
369
303
Notional cash expenditure
- US$/eq oz
502
532
Gold price *
- US$/oz
1,184
1,110
Copper price *
- US$/t
7,090
7,217
* Used to calculate total equivalent gold produced

Gold produced decreased from 37,800 ounces in the March quarter to 33,700 ounces in the June quarter and copper produced decreased from 11,100 tons to 10,500 tons. During the June quarter concentrate with payable content of 32,700 ounces of gold was sold at an average gold price of US$1,184 per ounce and 9,900 tons of copper was sold at an average copper price of US$6,450 per ton, net of treatment and refining charges.

The lower gold and copper production compared with the March quarter was mainly due to a decrease of 4 per cent in ore processed from 1.55 million tons in the March quarter to 1.49 million tons in the June quarter, and a reduction in metal recoveries, from 64 per cent in the March quarter to 62 per cent in the June quarter for gold and from 84 per cent to 81 per cent for copper. The decrease in ore tons processed was due to a 5-day plant shutdown to perform maintenance work on the ball mill.

Total tons mined decreased from 3.79 million tons in the March quarter to 3.28 million tons during the June quarter. Ore mined at 1.49 million tons was 5 per cent lower than March quarter’s 1.56 million tons, reflecting the lower plant availability. The June quarter’s strip ratio of 1.2 was lower than the March quarter’s strip ratio of 1.4, but higher than the life of mine strip ratio, forecast at 0.9. This is in line with the mine plan to mine more waste tons in the short-term to ensure production flexibility.

Gold yield for the quarter was 0.7 grams per ton, compared with 0.8 grams per ton in the March quarter and copper yield was 0.74 per cent compared with 0.75 per cent in the March quarter.

Operating costs, including gold-in-process movements, decreased from US$34 million (R254 million) in the March quarter to US$32 million (R242 million) in the June quarter. Total cash cost was US$369 per equivalent ounce sold for the June quarter compared with US$303 per equivalent ounce sold in the March quarter, mainly reflecting the decrease in equivalent ounces sold, which offset the impact of the decrease in operating costs.

Operating profit at US$67 million (R505 million) compares with US$84 million (R629 million) in the March quarter, mainly reflecting the lower metal production and sales.

Capital expenditure for the June quarter at US$14 million (R108 million), compares with US$24 million (R182 million) in the March quarter. The second phase of the Tailings Management Facility was completed during the quarter at a total cost of US$120 million.

Notional cash expenditure for the June quarter at US$502 per equivalent ounce was lower than the previous quarter's US$532 per equivalent ounce, reflecting the lower capital expenditure and working cost.

The estimate for F2011 is as follows:

- Equivalent gold produced between 315,000 ounces and 340,000 ounces.

- Copper produced between 33,000 tons and 35,500 tons
- Gold produced between 120,000 ounces and 130,000 ounces

- Total cash cost between US$410 per ounce and US$440 per ounce.
- NCE between US$625 per ounce and US$660 per ounce.

Australasia region

Australia

St Ives

		June 2010	March 2010
Gold produced	- 000'oz	**117.5**	107.3
Yield - heap leach	- g/t	**0.5**	0.5
- milling	- g/t	**2.7**	

2.8
- combined
- g/t
2.1
2.1
Total cash cost
- A$/oz
780
811
-
US$/oz
692
732
Notional cash expenditure
- A$/oz
1,106
1,103
-
US$/oz
981
994

Gold produced increased from 107,300 ounces in the March quarter to 117,500 ounces in the June quarter.

Gold produced from the Lefroy mill increased from 99,500 ounces to 109,700 ounces, due to a 12 per cent increase in tons processed, with similar grades and recoveries due to the increase in underground mining. Production from the heap leach facility was similar at 7,800 ounces.

At the open pit operations the total tons mined increased from 1.65 million tons of ore mined in the March quarter to 1.72 million tons in the June quarter. Grade reduced from 1.59 grams per ton to 1.38 grams per ton. The decrease in grade was mainly due to a reduction in high grade ore from the Apollo and Leviathan pits in accordance with the mine scheduling. The average strip ratio, incl