GOLD FIELDS LTD
Form 6-K
October 30, 2008

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
October 2008
Commission File Number 1-31318
Gold Fields Limited
(Translation of registrant's name into English)
24 St. Andrews Rd.
Parktown, 2193
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- ________

SHORT TERM EARNINGS REDUCED BY SAFETY RELATED MEASURES AT THE SOUTH AFRICAN OPERATIONS

JOHANNESBURG. 29 October 2008, Gold Fields Limited (NYSE & JSE: GFI) today announced normalised earnings excluding gains and losses on foreign exchange, financial instruments, exceptional items, share of loss of associates after taxation and discontinued operations for the September 2008 quarter of R120 million, compared with earnings of R943 million and R409 million for the June 2008 and September 2007 quarters respectively. In US dollar terms normalised earnings excluding gains and losses on foreign exchange, financial instruments, exceptional items, share of loss of associates after taxation and discontinued operations for the September 2008 quarter were US$16 million, compared with earnings of US$123 million and US$58 million in the June 2008 and the September 2007 quarters respectively.

September 2008 quarter salient features:

Improved safety performance;

Attributable gold production decreased as expected by 8 per cent to 798,000 ounces; half the shortfall is attributable to short term safety related rehabilitation in South Africa;

Cash cost at R153,461 per kilogram (US$617 per ounce) was similar to guidance while NCE at R226,120 per kilogram (US$909 per ounce) was 8 per cent better than guidance;

Rehabilitation of 95 2 West and 95 3 West access ramps at South Deep completed by the end of September;

First shipment of concentrate at Cerro Corona took place on 30 September;

Main shaft infrastructure rehabilitation at Kloof well on track for completion by end December 2008;

St Ives' Belleisle achieved full production.

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

"During the September quarter Gold Fields delivered its best safety performance ever, indicating that the intense focus on safety is delivering results. However, despite the significant improvements across all measures, we are not yet satisfied. Gold Fields remains committed to improving all its safety metrics and safe production remains the number one priority.

In line with the guidance that we provided for Q1 F2009, our earnings were reduced significantly by the safety related rehabilitation work at the Driefontein, Kloof and South Deep mines in South Africa, as well as by higher costs, driven largely by the annual wage increases in South Africa and the higher power tariffs in both South Africa and Ghana, along with continued inflation across the globe.

However, with the rehabilitation work in South Africa as well as the international growth projects scheduled for completion by the end of December, we remain on track to achieve our short term target of a run rate of approximately 1 million attributable equivalent ounces of gold during the March quarter next year, at an NCE of approximately US$725/oz at R/US$8.00.

A major milestone was achieved post quarter end with Cerro Corona making its first shipment of concentrate."

Stock data

JSE Limited – (GFI)

Number of shares in issue

Range - Quarter

ZAR58.10 – ZAR102.00

- at end September 2008

653,243,630

Average Volume - Quarter

2,934,183 shares / day

- average for the quarter

653,241,161

NYSE – (GFI)

Free Float

100%

Range - Quarter

US$7.16 – US$13.15

ADR Ratio

1:1

Average Volume - Quarter

8,064,404 shares / day

Bloomberg / Reuters

GFISJ / GFLJ.J

Health and safety

We deeply regret to report that there were two fatal injuries during the reporting quarter; one ore pass accident and the other accident due to winches and rigging. However, all safety statistics improved with the fatal injury frequency rate for the quarter improving from 0.46 to 0.05 per million hours worked. The lost time injury frequency rate improved from 6.15 to 4.72, the serious injury frequency rate improved from 3.30 to 3.04 and the days lost frequency rate improved from 238 to 209.

The Full Compliance Health and Safety Management System is being revised to improve safety performance. To monitor this, the frequency of safety audits at Driefontein, Kloof and Beatrix have been increased to quarterly and South Deep will be added to the quarterly cycle.

Du Pont, who was tasked to assess the existing health and safety management systems at Gold Fields and benchmark them against international best practices, is continuing with their work at the South African operations and is expected to report back to management during the December quarter.

Safe production remains our number one priority. While significant progress was made during this quarter, we continue to focus on all of our systems, procedures and practices with a view to improving our overall safety performance. Strategies to further prevent the risk of injury are ongoing.

Financial review

Quarter ended 30 September 2008 compared with quarter ended 30 June 2008

Revenue

Attributable gold production for the September 2008 quarter amounted to 798,000 ounces compared with 865,000 ounces in the June quarter, a decrease of 8 per cent. This was slightly lower than the guidance given on 1 August, mainly due to a slower build-up of production at Cerro Corona. Production at the South African operations decreased from 553,000 ounces to 492,000 ounces or 11 per cent. Attributable production at the international operations decreased 2 per cent from 312,000 ounces to 306,000 ounces.

At the South African operations the decrease in gold production in the September quarter was directly attributable to the rehabilitation programmes at South Deep, Driefontein and Kloof. At Driefontein, the decrease in gold production was slightly better than the guidance given in the June quarterly report, while Kloof achieved 25 per cent above guidance. At Beatrix the 14 per cent quarter on quarter decline in gold production was due to a lower mine call factor which resulted in lower yields. The quarter on quarter decline at South Deep was broadly in line with guidance and resulted from a slower than expected return to operational stability after completion of the restructuring process.

At the international operations, managed gold production at Tarkwa decreased by 7 per cent due to a build-up of gold-in-process (GIP) in the South Heap leach pads. At Damang, gold production decreased by 12 per cent due to the unexpected failure of the pebble crusher, causing blending issues in the mill. This resulted in an increase in soft blend low grade ore to maintain a balanced mill-feed mix-ratio and a decrease in yield. Total gold production from Ghana reduced by 8 per cent quarter on quarter. Gold production from Australia decreased by 2 per cent. Agnew decreased by 4 per cent mainly due to lower underground grades as well as lower volumes due to a planned six day maintenance shutdown. St Ives was marginally down due to a lower recovery at Lefroy mill but 6 per cent below guidance due to the slow ramp up of Cave Rocks and poor grade from Argo underground.

The average quarterly US dollar gold price achieved decreased 2 per cent from US$895 per ounce in the June quarter to US$874 per ounce in the September quarter. The average rand/US dollar exchange rate of R7.74 was similar to the R7.77 achieved in the June quarter. As a result of the above factors the rand gold price weakened from R223,568 per kilogram to R217,586 per kilogram, a 3 per cent decrease. The Australian dollar gold price increased from A$949 per ounce to A$990 per ounce as the US dollar strengthened against the Australian dollar from 0.9434 in the June quarter to 0.9005 in the September quarter.

The decrease in the rand gold price achieved, together with the decrease in production, resulted in revenue of R5,724 million (US$740 million), a decrease in rand terms of 11 per cent compared with the R6,452 million (US$836 million) achieved in the June quarter.

Operating costs

Operating costs increased from R3,748 million (US$484 million) in the June quarter to R4,233 million (US$547 million) in the September quarter. Total cash costs increased by 22 per cent from R125,359 per kilogram (US$502 per ounce) in the June quarter to R153,461 per kilogram (US$617 per ounce) in the September quarter.

At the South African operations, operating costs increased from R2,197 million (US$282 million) to R2,468 million (US$319 million), an increase of 12 per cent. This increase was mainly due to the annual wage increase of 10 per cent, the 20 per cent increase in electricity costs and two months of winter power tariffs, together with less capitalised development costs due to less off reef development metres associated with the rehabilitation at Kloof and Driefontein. Total cash costs at the South African operations increased 26 per cent from R121,984 per kilogram (US$488 per ounce) to R153,581 per kilogram (US$617 per ounce).

Operating costs at the international operations, including gold-in-process movements, increased from R1,534 million (US$199 million) to R1,682 million (US$217 million) in the September quarter, an increase of 10 per cent. More than half of the 10 per cent increase was attributable to the increase in power costs in Ghana, with the balance due to fuel, explosive and cyanide price increases. In Australia, operating costs increased 7 per cent quarter on quarter due to the full quarter application of the St Ives volume net smelter royalty, increases in power and reagent costs and an increase in underground volumes at both St Ives and Agnew. Total cash costs at the international operations increased by 18 per cent from US$522 per ounce in the June quarter to US$616 per ounce in the September quarter.

SOUTH AFRICAN RAND

Salient features

UNITED STATES DOLLARS

Quarter

Quarter

September

2007

June
2008
September
2008
September
2008
June
2008
September
2007
30,661 26,896 **24,817**
kg Gold produced*
oz
(000)
798
865 986
98,465 125,359 **153,461**
R/kg
Total cash costs
$/oz
617
502 431
161,056 217,065 **226,120**
R/kg
Notional cash expenditure
$/oz
909
869 706
12,350 12,259 **12,698**
000 Tons milled 000
12,698
12,259 12,350
155,333 223,568 **217,586**
R/kg Revenue $/oz
874
895 680
267 306 **333**
R/ton Operating costs $/ton
43
39 38
1,716 2,721 **1,574**
Rm Operating profit $m
203
355 242
34 42 **27**
% Operating margin %
27
42 34
429 843 **39**
Rm
Net earnings

$m
5
105 60
66 129 **6**
SA c.p.s.
US c.p.s.
1
16 9
411 881 **39**
Rm
Headline earnings
$m
5
111 58
63 135 **6**
SA c.p.s.
US c.p.s.
1
17 9
409 943 **120**
Rm
Net earnings excluding gains
and losses on foreign exchange,
financial instruments,
exceptional items and share of
loss of associates after taxation
$m
16
123 58
63 144 **18**
SA c.p.s.
US c.p.s.
2
19 9

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

#

Prior period operational results have been restated to exclude the discontinued assets sold during the December 2007 quarter i.e. the Venezuelan assets (Choco 10).

Notional cash expenditure (NCE)

Notional cash expenditure is defined as operating costs plus capital expenditure and is reported on a per kilogram and per ounce basis – refer the detailed table on page 16 of this report. The objective is to provide the all-in costs for the Group and for each operation before royalties and greenfields exploration expenditure. The NCE per ounce is an important measure as it determines how much free cash flow is generated before taxation. One of Gold Fields' objectives is to manage directly its NCE per ounce and thereby focus on free cash flow.

The NCE for the Group for the September quarter amounted to R226,120 per kilogram (US$909 per ounce) compared with R217,065 per kilogram (US$869 per ounce) in the June quarter, an increase of 4 per cent. These figures include project expenditure at Cerro Corona. This increase results from the decrease in gold produced and increase in operating costs, partly offset by the decrease in capital expenditure as we move towards completing our growth projects at Cerro Corona, Tarkwa and St Ives.

At the South African operations the NCE increased from R180,712 per kilogram (US$723 per ounce) in the June quarter to R212,742 per kilogram (US$855 per ounce) in the September quarter. At the international operations (including Cerro Corona) the NCE decreased quarter on quarter from US$1,109 per ounce to US$981 per ounce.

Operating margin

The net effect of the changes in revenue and costs, after taking into account gold-in-process movements, was a 42 per cent decrease in operating profit from R2,721 million (US$355 million) to R1,574 million (US$203 million). The Group operating margin was 27 per cent. The margin at the South African operations decreased from 43 per cent to 26 per cent, while the margin at the international operations decreased from 41 per cent to 30 per cent.

Amortisation

Amortisation increased from R778 million (US$100 million) in the June quarter to R902 million (US$116 million) in the September quarter. At the South African operations amortisation increased from R390 million (US$50 million) to R462 million (US$60 million). This was mainly due to a R50 million credit in the June quarter at South Deep to reverse over provisions at year end and an increase of R30 million quarter on quarter at Kloof due to an acceleration in amortisation of short life ore reserve development. This was partially offset by a decrease in normal amortisation because of the lower gold production. At the international operations amortisation increased by R50 million from R352 million (US$46 million) to R402 million (US$52 million) mainly due to the addition from Cerro Corona of R31 million (US$4 million), an increase in rates at Tarkwa and at St Ives, due to increased mining from Cave Rocks and Belleisle, partially offset by lower production from the Damang pit cutback.

Other

Net interest paid was R112 million (US$14 million) for the September quarter compared with R15 million (US$2 million) in the June quarter. This increase was due to increased interest paid at the South African operations because of the higher debt levels and a reduction in the capitalization on qualifying interest.

The share of loss of associates after taxation increased by R72 million (US$10 million) from R32 million (US$4 million) in the June quarter to R104 million (US$14 million) in the September quarter. This increase relates to further losses incurred by Rusoro.

The loss on foreign exchange decreased from R7 million (US$1 million) in the June quarter to R6 million (US$1 million) in the September quarter. Both result from the conversion of offshore cash holdings into the functional currency i.e. rands.

The loss on financial instruments for the quarter at R56 million (US$7 million) compares with a gain of R2 million (US$ nil) in the June quarter. The loss in the September quarter was mainly due to a mark to market loss on a diesel hedge in Ghana and Australia which amounted to R37 million (US$5 million) and R16 million (US$2 million) respectively.

Other costs increased from R76 million (US$10 million) to R115 million (US$15 million) mainly due to the increase in share based payments. The 2008 allocations were accounted for in full this quarter as opposed to only one month included in the June quarter and increased research and development on the drive to increase the use of technology in the Group.

Exploration

Exploration expenditure, decreased from R107 million (US$14 million) in the June quarter to R68 million (US$9 million) in the September quarter. This decrease was due to lower expenditure in Australia due to timing, mainly at Lachlan and Mt Carlton and the fact that exploration expenditure tends to vary in line with activity. Refer to the Exploration and Corporate Development section for more detail.

Exceptional items

The exceptional gain in the September quarter amounted to R114 million (US$15 million) compared with a loss of R95 million (US$17 million) in the June quarter. The gain in the September quarter relates to a R132 million (US$17 million) insurance claim, partially offset by an additional R18 million (US$2 million) restructuring costs, both at South Deep. The loss in the June quarter comprised mainly a R65 million (US$8 million) provision for restructuring costs at South Deep and impairment of assets of R51 million (US$7 million) in Australia. This was partially offset by the reversal of an over provision of R21 million (US$3 million) on the 9 shaft project at Driefontein.

Taxation

Taxation for the quarter amounted to R257 million (US$33 million) compared with R664 million (US$87 million) in the June quarter. The decrease reflects the decrease in profit before tax for the quarter. The tax provision includes normal and deferred taxation on all operations together with government royalties at the international operations.

Earnings

Net profit attributable to ordinary shareholders amounted to R39 million (US$5 million) or 6 SA cents per share (US$0.01 per share), compared with R843 million (US$105 million) or 129 SA cents per share (US$0.16 per share) in the June quarter.

Headline earnings i.e. earnings less the after tax effect of asset sales, impairments, the sale of investments and discontinued operations, was R39 million (US$5 million) or 6 SA cents per share (US$0.01 per share), compared with earnings of R881 million (US$111 million) or 135 SA cents per share (US$0.17 per share) in the June quarter.

Earnings excluding exceptional items as well as net gains and losses on foreign exchange, financial instruments, loss of associates after taxation and discontinued operations amounted to R120 million (US$16 million) or 18 SA cents per share (US$0.02 per share), compared with earnings of R943 million (US$123 million) or 144 SA cents per share (US$0.19 per share) reported in the June quarter.

Cash flow

The cash outflow from operating activities for the quarter amounted to R32 million (US$1 million), compared with a cash inflow of R2,568 million (US$334 million) in the June quarter. This quarter on quarter decrease of R2,600 million (US$335 million) is due mainly to the decrease in profit before tax of R1,287 million (US$166 million), a working capital outflow of R577 million (US$75 million) in the September quarter compared with an inflow of R263 million (US$36 million) in the June quarter and an increase in taxation paid from R195 million (US$28 million) to R913 million (US$115 million). The net increase in working capital of R840 million (US$111 million) was mainly due to the payment of creditors at Cerro Corona raised at June year end and funding of working capital needs.

As expected, capital expenditure decreased from R2,525 million (US$327 million) in the June quarter to R1,813 million (US$234 million) in the September quarter. Cerro Corona accounted for 75 per cent of this decrease.

At the South African operations capital expenditure decreased from R913 million (US$118 million) in the June quarter to R788 million (US$102 million) in the September quarter. This decrease of R125 million was mainly as a result of the cessation of the Driefontein 9 shaft project and expenditure on equipment for mechanised development at South Deep incurred in the previous quarter. Expenditure on ore reserve development at Driefontein, Kloof, and Beatrix accounted for R76 million (US$10 million), R143 million (US$18 million), and R92 million (US$12 million) respectively. Expenditure on the new mine development at South Deep continued and amounted to R70 million.

At the international operations capital expenditure decreased from R1,605 million (US$209 million) to R1,014 million (US$131 million). This was mainly due to reduced capital expenditure of R520 million (US$66 million) at Cerro Corona as the project moves through commissioning into full production. In Ghana, expenditure at Tarkwa increased by R33 million (US$3 million) mainly on the CIL plant (US$5 million) and additions to the primary mining fleet (US$15 million), partially offset by lower expenditure on sundry mining and metallurgical equipment (US$7 million). In Australia, capital expenditure decreased by R89 million (A$12 million) due to the completion of the Belleisle development and timing of on-mine development of R42 million (A$6 million) at St Ives, and a decrease of R47 million (A$6 million) at Agnew on accommodation costs at Leinster, which was paid for in the June quarter.

Capital expenditure at the Cerro Corona mine in Peru amounted to R168 million (US$22 million) in the September quarter compared with R687 million (US$88 million) in the June quarter. Cumulative expenditure to date amounts to US$510 million and is estimated at between US$540 million to US$550 million at project completion.

3 I GOLD FIELDS RESULTS **Q1F2009**

Purchase of investments in the September quarter amounted to R87 million (US$11 million) mainly for the acquisition of 2.6 million shares in Sino Gold Ltd. required to take our total interest to 19.9 per cent. Purchase of investments in the June quarter amounted to R708 million (US$97 million) and included the acquisition of shares in Sino Gold Ltd., Conquest Mining Ltd. and Orsu Metals Corp. (formerly Lero Gold Company).

Net cash inflow from financing activities in the September quarter amounted to R2,598 million (US$336 million). This included loans received in the September quarter to fund capital expenditure at Cerro Corona and South Deep, tax payments in South Africa and due to funding of short term working capital needs. Repayments of South African rand loans amounted to R693 million (US$90 million). Net cash inflow from financing activities in the June quarter amounted to R1,095 million (US$143 million). Loans received amounted to R1,165 million (US$150 million) to fund the purchase of offshore investments and capital funding for Cerro Corona. Loan repayments of South African rand loans amounted to R850 million (US$105 million). A rights issue at Cerro Corona amounting to US$96 million (R768 million) was accounted for during the June quarter, all of this money having been raised from the minority shareholders in this project following the capitalisation of cumulative shareholder loan funding from Gold Fields into equity.

Net cash outflow for the quarter was R126 million (US$14 million) compared with a net cash inflow of R19 million (US$6 million outflow) in the June quarter. After accounting for a negative translation adjustment of R63 million (US$8 million), the cash balance at the end of September was R1,818 million (US$229 million). The cash balance at the end of June was R2,007 million (US$251 million).

Balance sheet (Investment and net debt)

Investments decreased from R5,704 million (US$713 million) at 30 June 2008 to R4,861 million (US$613 million) at 30 September 2008. This decrease was due to a mark to market loss on the Gold Fields share portfolio. These mark to market losses have been accounted for under equity.

Net debt (long-term loans plus current portion of long-term loans less cash and deposits) has increased from R4,991 million (US$624 million) at 30 June 2008 to R7,756 million (US$978 million) at 30 September 2008. This increase in total debt is as a result of borrowings incurred to fund capital expenditure at Cerro Corona and South Deep, tax payments at the South African operations and funding of working capital needs mainly at Cerro Corona.

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 the next two to five years.

Project 1M

Project 1M is a productivity initiative that aims to stop the decline in face advance and increase that advance by an extra metre by the end of financial 2010, through the following key improvement initiatives in:

• drilling and blasting practices.
• cleaning and sweeping practices.
• cycle mining and training.

Project 2M

Project 2M is a technology initiative aimed at mechanising all flat-end development at the long-life shafts by financial 2010. The aim of the project is to improve safety, productivity and increase reserve flexibility. It targets a mechanisation rate of 43 per cent of flat-end development in financial 2009, reaching 100 per cent by 30 June 2010. During the quarter 25 per cent of flat-end development was achieved with mechanised equipment and machinery.

Project 3M

Project 3M is a suite of projects focused on reducing energy and utilities consumption, work place absenteeism and surface (“above-ground”) costs which includes cost savings initiatives and enhancing the procurement processes.

The energy and utilities projects, comprising power, diesel and the related consumption of air and water, targets savings of R130 million by financial 2010, through a 10 per cent reduction in power consumption and a 20 per cent reduction in diesel; R70 million in financial 2009 and R60 million in financial 2010. These savings are against the baseline consumption for the fiscal year 2008.

Reducing energy and utility consumption at the operations mitigates the safety risk to employees of interruptible power supply, maintains integrity of equipment and machinery and minimises the erosion of operating margins arising from higher tariffs and oil prices.

Some of the key initiatives include on-line monitoring of power consumption, improved main fan vane controls, energy efficient lighting and pumping, replacement of compressed air drills with electric drills at long life shafts and reducing air and water wastage through stope shut-off valves. In the case of diesel, stricter controls have been enforced, supported by the continued replacement of diesel locos with battery locos and upgrading of the old surface vehicle fleet.

The savings from these projects during the quarter amounted to R36 million, comprising R35 million on power and R1 million on diesel. The average power consumed for the quarter was 4 per cent below the baseline. The average diesel consumed was 3 per cent lower than the baseline.

The management of work place absences project (“Unavailables project”) aims to reduce the impact on lost production and costs arising from work place absenteeism.

This project aims to reduce work place absenteeism by 4 per cent by 2010, from 12 per cent currently to 8 per cent, with a target of 2 per cent in each of financial 2009 and 2010. This will be achieved through a series of aggressive initiatives to reduce unnecessary time spent by employees in training, induction and the engagement and health care assessment processes, through the creation of the one-stop engagement and health assessment centre for the West Wits operations. Stricter controls have been implemented to manage absenteeism and the abuse of sick leave, whilst the wellness programmes, which aim at promoting employee fitness and a healthy lifestyle, will continue. Improving employee and union relations remains critical to reducing the impact of work place absenteeism due to strikes or stay-ways.

Unavailables for the quarter were 2 per cent above the target largely due to the impact of the COSATU stay-way, increased training at the operations in line with the Group's safety initiatives, coupled with the on-going productivity team-training programmes.

The above-ground cost project aims to reduce above-ground costs by at least R100 million per annum. Various initiatives are in place, including a review of above-ground surface labour, improved workshop performance, more effective salvage and reclamation programmes, enhancing the procurement processes and more efficient management of stores through a vigorous application of standards and norms. During the quarter R32 million cost savings were realised under this project as follows:

- Contracted capital and working cost benefits of R7 million were achieved from rise-and-fall fuel price reductions, from competitive bulk steel products and professional services tenders, as well as delayed payment terms on loco drill rigs, cable price reductions, improved quality on medium voltage motors repairs and savings due to improved standards on multi-stage pumps.
- R13 million cost avoidance benefits were negotiated on steel products, explosives and accessories, blasting barricades, drilling systems, electric cables, cementation and litigation settlement expenses. The capital portion of the cost avoidance benefits was achieved mainly through steel forward orders early in financial 2008, delivered during the September quarter.
- In addition, R12 million benefits were achieved through settlement discounts and efficiency related savings in commercial services.

International operations

Integrated continuous improvement initiatives and strategic sourcing / contracts benefits achieved

Due to the slowdown in global demand during the September quarter international operations saw diesel related rise-and-fall claw-back benefits which are expected to continue into the December quarter. A weaker Australian exchange rate might potentially soften the diesel rise-and-fall savings claw-back to some extent. Both Australia and Ghana has made good progress over the last quarter through contractor mining joint optimisation initiatives. Consolidated total cost contracted and realised benefits of around US$7 million were achieved across the international operations for the quarter.

Continuous improvement benefits and value add highlights per region:

Australia

September quarter diesel rise-and-fall price reductions resulted in A$800 thousand savings in Australia. Around A$5 million additional contracted and realised benefits were achieved through underground improvement projects and power recovery costs at St Ives. Furthermore due to long term strategic partnerships and aligned vendor focus, the Australian operations remained unaffected by the Western Australian power short-supply period.

During the December quarter the underground project opportunity assessment at St Ives will be completed and the remaining projects initiated to improve key areas, such as maintenance and quality mining. The surface and underground mining contracts both expire during financial 2009. Work is being undertaken to identify improvements to each contract to determine if the contracts should be rolled over.

Ghana

Diesel rise-and-fall price reductions in Ghana added around US$1.2 million savings during the September quarter. At Damang, good progress was made in identifying opportunities for total cost reduction through improved mining sequences and logistics performance.

For the December quarter the key focus will be on contractor and cost reductions at Damang, the commissioning of the new emulsion plant and a review of key maintenance and repair contracts at Tarkwa.

Peru

The September quarter commenced with the successful hand over of all mine development project contract commitments and open orders. New teams and capabilities were established for on-site management, outbound transport, storage, loading and ship brokering of concentrate. A major milestone was achieved when the first concentrate was produced, transported to the Salaverry Port and shipped successfully. Concentrate logistics performance management processes were implemented to ensure continuous risk and optimisation reviews.

During the December quarter added focus will be on reviewing explosives value added services and diesel consolidation opportunities.

South African operations

Royalty bill

The Mineral and Petroleum Resources Royalty Bill was introduced into Parliament by the Minister of Finance on 26 June 2008. National Treasury released an Explanatory Memorandum relating to the Bill on 20 August 2008 for final comment by 17 October 2008. The previous formula has been changed from EBITDA to EBIT (with 100 per cent capital expenditure taken into account in the calculation of EBIT). A cap of 5 per cent has also been introduced for refined minerals (gold and platinum) with a surcharge add-on in the formula of 0.5 per cent. The Bill comes into effect on 1 May 2009.

Driefontein

		September 2008	**June 2008**
Gold produced	- kg	**6,428**	6,786
	- 000'ozs	**206.7**	

218.2
Yield - underground
- g/t
8.1
8.2
- combined
- g/t
4.2
4.4
Total cash costs
- R/kg
130,149
103,537
-
US$/oz
523
414
Notional cash expenditure - R/kg
169,306
153,905
-
US$/oz
680
616
Gold production decreased by 5 per cent from 6,786 kilograms (218,200 ounces) in the June quarter to 6,428 kilograms (206,700 ounces) in the September quarter in line with the previous guidance. The decrease in production was directly attributable to the decision to address backlog secondary support. Underground yield decreased from 8.2 grams per ton to 8.1 grams per ton for the quarter as a result of the backlog secondary support programme, as higher grade areas at 4 shaft and 5 shaft were temporarily unavailable. The labour build-up at 6 shaft is progressing to plan and the first gold production is expected in the December quarter. Gold production from 10 shaft will continue on a cleaning and reclamation basis only, as no physical mining will take place following the safety review of pillar mining. Surface yield remained constant at 0.7 grams per ton. Underground tonnage decreased from 760,000 tons in the June quarter to 724,000 tons in the September quarter due to the backlog secondary support programme. The reduction in underground tonnage was partially offset by an increase in surface tonnage from 785,000 tons to 812,000 tons.
Main development decreased by 41 per cent for the quarter and on-reef development decreased by 31 per cent, mainly as a result of the development crews being utilised to assist with the backlog secondary support programme at the high grade 1, 4 and 5 shafts. Most of the on-reef development for the quarter was done in prospecting areas at the lower grade 8 shaft due to the unavailability 1, 4 and 5 shafts for on-reef development. This resulted in a decrease of 35 per cent in the average development value to 833 cm.g/t.
Operating costs increased 19 per cent, from R742 million (US$95 million) to R881 million (US$114 million). The increase in operating cost is attributable to the annual wage increase, the 20 per cent electricity price increase and

two higher winter tariff months, the reduction in the capitalisation of off-reef development costs due to lower off-reef development because of the focus on backlog secondary support and the cost of the backlog secondary support. Total cash costs increased 26 per cent, from R103,537 per kilogram to R130,149 per kilogram and from US$414 per ounce to US$523 per ounce respectively.

Operating profit decreased from R785 million (US$103 million) in the June quarter to R509 million (US$66 million) in the September quarter as a result of the increase in operating costs, the decrease in production and the lower gold price received.

Capital expenditure decreased from R303 million (US$39 million) to R207 million (US$27 million), in line with the forecast. This decrease was mainly due to decreased expenditure on the mothballed 9 shaft project (R67 million), ore reserve development (R21 million) and a lower spending on new technology and other sustaining projects (R8 million).

Notional cash expenditure increased from R153,905 per kilogram (US$616 per ounce) to R169,306 per kilogram (US$680 per ounce) due to the increased operating cost and decrease in gold output, partially offset by a decrease in capital expenditure.

The forecast for the December quarter is as follows:

· Gold produced – 6,500 kilograms (209,000 ounces)
· Total cash costs* – R130,000 per kilogram (US$505 per ounce)
· Capital expenditure* – R250 million (US$31 million)
· Notional cash expenditure* – R174,000 per kilogram (US$675 per ounce)

* Based on an exchange rate of US$1 = R8.00.

Gold production is expected to be slightly higher than the previous quarter mainly due to production areas becoming available for mining after the backlog secondary support is installed and the build-up at 6 shaft to full production, partially offset by the stoppage of mining activities due to the double fatality which occurred on 15 October 2008. Total cash costs are expected to be marginally lower. The increase in capital expenditure is due to increased expenditure on the tailings uranium project, the water plant project, emergency power generation, new technology projects and housing upgrades. The lower expenditure on capitalised development costs due to the focus on secondary support is expected to continue in the December quarter.

Kloof

Kloof			**September 2008**	**June 2008**
Gold produced	- kg		**4,871**	5,577
	-	000'ozs	**156.6**	179.3
Yield - underground	- g/t			

7.7
7.5
- combined
- g/t
5.0
4.9
Total cash costs
- R/kg
153,747
119,240
-
US$/oz
618
477
Notional cash expenditure - R/kg
210,142
167,940
-
US$/oz
844
672

Gold production decreased by 13 per cent from 5,577 kilograms (179,300 ounces) in the June quarter to 4,871 kilograms (156,600 ounces) in the September quarter. This is 25 per cent higher than the market guidance given for the September quarter due to better logistical planning for movement of people, material and ore in the remainder of the mine to accommodate the Main shaft rehabilitation programme. The decrease in production compared with the previous quarter was mainly due to the stoppage at Main shaft for repairs from the end of July 2008. This is planned to be completed by the end of December 2008. The fatal at 1 shaft, the one day protected labour stay-away organised by COSATU and to a lesser extent a fire at 7 shaft also caused additional production stoppages.

Underground tonnage decreased from 688,000 tons to 603,000 tons and surface tons milled decreased from 455,000 tons to 368,000 tons. The benefit of intensified underground sweeping and vamping initiatives realised a 3 per cent higher underground grade from 7.5 grams per ton to 7.7 grams per ton and the combined grade also benefited from lower surface volumes.

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Total main development decreased by 13 per cent for the quarter while on-reef development was similar to the previous quarter. The on-reef development value was 17 per cent higher for this quarter. Off-reef development was lower as a result of the logistical constraints due to the Main shaft rehabilitation programme.

Operating costs increased by 13 per cent from R694 million (US$89 million) in the June quarter to R785 million (US$101 million) in the September quarter. September quarter costs include higher labour costs due to annual wage increases, increased electricity cost as a result of the 20 per cent price increase and two higher winter tariff months, increased commodity, steel and fuel costs and lower off-reef development capitalised. As a consequence of the higher costs and the lower gold output total cash cost increased 30 per cent from R119,240 per kilogram to R153,747 per kilogram. In US dollar terms, total cash costs increased from US$477 per ounce to US$618 per ounce.

Operating profit decreased from R558 million (US$72 million) to R274 million (US$35 million) mainly due to the lower production, increased costs and the lower gold price.

Capital expenditure at R238 million (US$31 million) decreased by 2 per cent compared with the previous quarter's expenditure of R242 million (US$28 million). The Main shaft rehabilitation programme is expected to cost R78 million (US$10 million) and is on schedule for completion by the end of December.

Notional cash expenditure increased from R167,940 per kilogram to R210,142 per kilogram due to the increase in costs and the lower gold production.

The forecast for the December quarter is as follows:

- Gold produced – 4,200 kilograms (135,000 ounces)
- Total cash costs* – R179,000 per kilogram (US$697 per ounce)
- Capital expenditure* – R270 million (US$34 million)
- Notional cash expenditure* – R251,000 per kilogram (US$976 per ounce)

* Based on an exchange rate of US$1 = R8.00.

Gold production for the December quarter is better than guidance provided at half year and forecast to decrease by about 14 per cent compared with the September quarter because of the full impact of the Main shaft repair programme and to a lesser extent the disruption caused by the underground fire at 7 shaft. The Main shaft repair programme started early in August resulting in only two months of reduced production in the September quarter compared with a full quarters production loss forecast for the December quarter. Total cash cost will increase in the December quarter as a result of the lower gold production. Capital expenditure is planned to increase to R270 million (US$34 million) mainly due to the Main shaft repairs.

Beatrix	September 2008	June 2008
Gold produced - kg	**3,156**	

3,678
-
000'ozs
101.5
118.3
Yield -
g/t **4.0**
4.7
Total cash costs
- R/kg
150,982
119,467
-
US$/oz
607
478
Notional cash expenditure - R/kg
206,622
166,096
-
US$/oz
830
665

Gold production at Beatrix decreased by 14 per cent from 3,678 kilograms (118,300 ounces) in the June quarter to 3,156 kilograms (101,500 ounces) in the September quarter. This is lower than the guidance due to the lower Mine Call Factor (MCF) during the quarter. Tons milled increased from 778,000 tons to 790,000 tons and yield decreased from 4.7 grams per ton in the June quarter to 4.0 grams per ton for the September quarter due to a lower MCF. During September month the mined volumes and MCF reverted to planned levels.

Development metres also showed a quarter on quarter reduction, with total main development decreasing by 4 per cent to 9,260 metres and main on-reef development at 1,620 metres, which is 339 metres or 17 per cent lower than the previous quarter. Main development values were 2 per cent lower at 795 cmg/t as a result of the majority of raises traversing lower grade areas in the short term as anticipated by local geological models.

Operating costs quarter on quarter increased by 9 per cent, from R460 million (US$59 million) to R499 million (US$65 million). The increase in costs was mainly due to annual wage increases, increased material usage and higher electricity costs arising from the 20 per cent price increase and the two higher winter tariff months in the quarter. Total cash costs increased by 26 per cent from R119,467 per kilogram in the June quarter to R150,982 per kilogram in the September quarter, mainly due to lower gold output and cost increases. In US dollar terms total cash costs increased by 27 per cent from US$478 per ounce to US$607 per ounce.

Beatrix posted an operating profit of R127 million (US$16 million) for the quarter compared with R372 million (US$50 million) in the June quarter. Capital expenditure was similar quarter on quarter at R154 million (US$20 million).

Notional cash expenditure increased from R166,096 per kilogram (US$665 per ounce) to R206,622 per kilogram (US$830 per ounce).

The forecast for the December quarter is as follows:

· Gold produced – 3,450 kilograms (111,000 ounces)
· Total cash costs* – R141,000 per kilogram (US$547 per ounce)
· Capital expenditure* – R165 million (US$21 million)
· Notional cash expenditure* – R195,000 per kilogram (US$756 per ounce)

* Based on an exchange rate of US$1 = R8.00.

The decrease in total cash costs in the December quarter forecast is mainly as a result of increased gold output.

International operations

Ghana

Tarkwa

			September 2008	**June 2008**
Gold produced		- 000'ozs	**156.3**	168.6
Yield	- heap leach	- g/t	**0.7**	0.8
	- CIL plant	- g/t	**1.6**	1.6
	- combined	- g/t	**0.9**	1.0
Total cash costs		- US$/oz	**548**	443
Notional cash expenditure		- US$/oz	**1,029**	856

Gold production for the September quarter decreased by 7 per cent from 168,600 ounces to 156,300 ounces. The decrease in production was mainly due to a decrease in yield as a result of a build-up of gold-in-process (GIP) in the South heap leach pads. Tons processed were in line with the previous quarter at 5.5 million tons. Combined yield decreased from 1.0 gram per ton to 0.9 grams per ton.

Total tons mined, excluding capital stripping, increased from 20.6 million tons to 24.2 million tons due to an improvement in fleet efficiencies after the radial tyre shortages experienced during the previous quarter was addressed. Ore mined increased from 4.8 million tons to 5.5 million tons in the September quarter. The achieved head grade reduced from 1.29 grams per ton to 1.21

grams per ton. The overall strip ratio for the quarter was higher at 4.58 compared with 4.37 in the June quarter

Total feed to the heap leach sections increased from 4.07 million tons for the June quarter to 4.15 million tons. Heap Leach yield for the quarter decreased from 0.8 grams per ton for the June quarter to 0.7 grams per ton in the September quarter, due to the GIP build-up in the South heap leach. As a result the heap leach sections produced 88,000 ounces, 10 per cent lower than the 97,700 ounces produced in the June quarter. This gold build-up is expected to be recovered as irrigation on the heaps returns to normal after stacking on these heaps is completed towards the end of the calendar year. Effective completion of stacking at the South heap leach will match the ramp-up of the CIL expansion.

The total feed to the CIL plant was 1.35 million tons compared with 1.40 million tons in the June quarter. The lower feed was as a result of the CIL expansion tie-in activities that impacted on plant availability. CIL yield was 1.6 grams per ton similar to the June quarter. The CIL plant produced 68,200 ounces in the September quarter compared with 70,900 ounces in the previous quarter.

Operating costs, including gold-in-process movements, increased from US$76 million (R585 million) in the June quarter to US$86 million (R664 million) in the September quarter. Over US$6 million of this increase was attributable to Government increases in power tariffs effective from 1 July 2008. A reduction in these power tariffs is being negotiated. The balance of the increase was mainly due to fuel and explosives price increases.

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Operating profit was 33 per cent lower at US$50 million (R388 million) compared with US$75 million (R575 million) in the June quarter.

Capital expenditure increased from US$69 million (R523 million) to US$72 million (R556 million) for the quarter, with expenditure on the CIL expansion (US$36 million), primary mining equipment (US$15 million) and pre-stripping at the Teberebie cutback (US$13 million) being the major capital expenditures for the quarter.

Notional cash expenditure for the quarter increased from US$856 per ounce to US$1,029 per ounce and included the effect of the high capital expenditure on the mill expansion, now nearing completion.

The forecast for the December quarter is as follows:

- Gold produced – 150,000 ounces
- Total cash costs – US$580 per ounce
- Capital expenditure – US$62 million
- Notional cash expenditure – US$995 per ounce

Gold production is expected to decrease in the December quarter compared with the September quarter due to the integration of the new plant and completion of the South heap leach facility. The CIL commissioning is planned for December. Unit cash costs are expected to increase due to the lower gold production and the flow through of reduced fuel prices, based on lower world oil prices, which will only be realised towards the end of December.

Damang

		September 2008	**June 2008**
Gold produced	- 000'ozs	**44.0**	50.0
Yield	- g/t	**1.2**	1.5
Total cash costs	- US$/oz	**790**	578
Notional cash expenditure	- US$/oz	**895**	773

Gold production decreased 12 per cent from 50,000 ounces in the June quarter and against guidance, to 44,000 ounces in the September quarter. This was mainly due to the unavailability of the pebble crusher, resulting in additional feed of low grade oxide material to balance the mill-feed blend, resulting in a decline in yield from 1.5 grams per ton to 1.2 grams per ton. Although there were sets of critical spares on site, these failed upon installation and the replacement original equipment manufacturer (OEM) parts were only received in the latter half of the quarter.

Total tons mined, including capital stripping, reduced by 5 per cent from 6.53 million tons in the June quarter to 6.22 million tons in the September quarter. Ore mined also decreased from 1.24 million tons to 1.13 million tons. The strip ratio increased from 4.29 in the June quarter to 4.51 in the September quarter.

The mill throughput for the quarter increased from 1.06 million tons achieved in the June quarter to 1.14 million tons in the September quarter. This was due to a softer blend feed to the plant during the rebuilding of the pebble crusher. Despite this, the lower grade resulted in less gold produced.

Operating costs, including gold-in-process movements increased from US$29 million (R225 million) to US$35 million (R276 million). The increase in costs was mainly attributable to a government imposed increase in power tariffs effective from 1 July 2008, and increases in diesel and cyanide costs. Total cash costs increased from US$578 per ounce to US$790 per ounce reflecting the reduction in production and increase in costs.

Operating profit for the September quarter at US$3 million (R26 million) was 81 per cent lower than the US$16 million (R120 million) achieved in the June quarter.

Capital expenditure at US$4 million (R30 million) was slightly lower than the US$6 million (R45 million) spent in the June quarter, with the majority of this expenditure on the Damang pit cutback, dewatering and plant pebble crusher maintenance.

Notional cash expenditure for the quarter was US$895 per ounce compared with the previous quarter's US$773 per ounce mainly as a result of the increase in power costs and the lower production.

The forecast for the December quarter is as follows:

- Gold produced – 50,000 ounces
- Total cash costs – US$630 per ounce
- Capital expenditure – US$5 million
- Notional cash expenditure – US$740 per ounce

Gold production is expected to increase in the December quarter compared with the September quarter due to the return of hard rock feed as the pebble crusher returns to production. Resulting yields should improve as a consequence of the improved mill feed blend.

Australia

St Ives

		September 2008	**June 2008**
Gold produced	- 000'ozs	**101.2**	101.5
Yield - heap leach	- g/t	**0.4**	0.5
- milling	- g/t	**2.5**	

2.5
- combined
- g/t
1.7
1.8
Total cash costs
- A$/oz
786
702
-
US$/oz
708
663
Notional cash expenditure - US$/oz
986
971

Gold produced remained steady at 101,200 ounces in the September quarter compared with 101,500 ounces in the June quarter. This performance was significantly below the guidance due to the slow ramp-up of Cave Rocks and poor grade reconciliation from Argo underground. Improved output is expected from Cave Rocks during the December quarter due to the completion of the ventilation system. At Argo, a new mining method was implemented at the start of the September quarter with a reduction in dilution in flat stopes expected by the end of the December quarter.

Gold produced from the Lefroy mill decreased slightly from 92,600 ounces to 92,200 ounces due to mill blend. Tons milled and yield were virtually unchanged at 1.17 million tons and 2.5 grams per ton respectively.

Gold produced from heap leach increased from 8,900 ounces in the June quarter to 9,000 ounces in the September quarter. Tons treated from heap leach increased from 567,000 tons to 646,000 tons and recoveries remained constant at around 53 per cent. Yield decreased from 0.5 grams per ton to 0.4 grams per ton due to an increase in the proportion of lower grade fresh ore mined from the Leviathan pit cutback.

At the open pit operations 1.4 million tons of ore were mined for the quarter, compared with 1.2 million tons of ore in the June quarter. The Cave Rocks and Blue Lode open pits were completed. Grade decreased from 1.9 grams per ton to 1.7 grams per ton. The average strip ratio including capital waste was 4.7 in the September quarter, compared with 5.8 in the June quarter.

At the underground operations 248,000 tons of ore were mined at 4.7 grams per ton for the quarter, compared with 183,000 tons of ore mined at 5.2 grams per ton for the June quarter. The increase in volume was mainly from the new underground operations at Belleisle and Cave Rocks and from Argo, where the paste fill delays reported in the prior quarter have been resolved. Belleisle achieved full production levels during the September quarter.

Operating costs, including gold-in-process movements, increased from A$73 million (R527 million) in the June quarter to A$81 million (R565 million) in the September quarter. This increase was mainly due to the first full quarter application of the 4 per cent net smelter royalty of A$4 million which applies to produced ounces and increased underground mining costs due to the 36 per cent increased volumes from underground. Total cash costs increased from A$702 per ounce (US$663 per ounce) to A$786 per ounce (US$708 per

ounce).
Operating profit decreased from A$23 million (R173 million) to A$19 million (R133 million) in line with the increased costs and the decrease in the Australian gold price from A$990 per ounce to A$949 per ounce.
Capital expenditure decreased from A$36 million (R259 million) in the June quarter to A$30 million (R212 million) in the September quarter. The majority of this expenditure was spent on mine development (A$21 million - R141 million) and included development activity at Cave Rocks, completion of infrastructure development at Belleisle underground mine, the continuation of development at Argo and waste stripping at the future Agamemnon South and Grinder pits. Exploration expenditure at A$8 million (R54 million) includes an increased focus on Athena.
Notional cash expenditure increased from A$1,029 per ounce (US$971 per ounce) in the June quarter to A$1,095 per ounce (US$986 per ounce) in the September quarter, mainly due to increased operating costs, partially offset by a reduction in capital expenditure.

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The forecast for the December quarter is as follows:

· Gold produced – 110,000 ounces
· Total cash costs* – A$740 per ounce (US$630 per ounce)
· Capital expenditure* – A$28 million (US$24 million)
· Notional cash expenditure* – A$990 per ounce (US$840 per ounce)

* Based on A$1 = US$0.85.

The gold production increase is in line with increased production forecast from the new underground mines at Cave Rocks and Belleisle. Development of these new underground mines will continue to remain a focus area to return production to between 115,000 ounces and 120,000 ounces per quarter from the March quarter. Total cash costs and notional cash expenditure are forecast to decrease as a consequence. The mine is positioned to achieve these production levels in the second half of financial 2009.

Agnew	**September 2008**	**June 2008**
Gold produced - 000'ozs	**52.2**	54.6
Yield - g/t	**5.3**	5.0
Total cash costs - A$/oz	**548**	479
- US$/oz	**494**	452
Notional cash expenditure - US$/oz	**588**	662

Gold production decreased 4 per cent from 54,600 ounces in the June quarter to 52,200 ounces in the September quarter. A 9 per cent decrease in processing volumes from 339,000 tons in the June quarter to 308,000 tons in the September quarter, was partially offset by a 5 per cent increase in yield, from 5.0 gram per ton to 5.3 gram per ton. The higher yield was due to an improved performance from the Waroonga underground complex with increased overall tonnages extracted from the complex. The lower processing volumes were the result of a planned six day maintenance shutdown at the plant during July.

Ore mined from underground increased 5 per cent from 165,000 tons in the June quarter to 173,000 tons in the September quarter. Underground mining achieved a new quarterly production record with an average of almost 58,000 tons per month, against the previous best of 55,000 tons per month in the previous quarter.

Main Lode production was increased to replace the production from the completed Songvang stockpiles. This resulted in a decrease of overall grade mined for the quarter from 10.6 grams per ton to 8.1 grams per ton.

Operating costs, including gold-in-process movements, increased 7 per cent from A$27million (R197 million) in the June quarter to A$29 million (R203 million) in the September quarter. The increase in operating cost was mainly due to the increase in ore mined at lower grade, and a release of gold-in-process stocks. Total cash costs per ounce increased by 14 per cent from A$479 per ounce (US$452 per ounce) in the June quarter to A$548 per ounce (US$494 per ounce) in the September quarter.

Operating profit decreased from A$26 million (R179 million) for the June quarter to A$23 million (R158 million) in the September quarter.

Capital expenditure decreased from A$13 million (R91 million) in the June quarter to A$7 million (R49 million) for the September quarter. The higher expenditure in the June quarter related to payments for single persons accommodation at Leinster.

Notional cash expenditure decreased from A$702 per ounce (US$662 per ounce) in the June quarter to A$653 per ounce (US$588 per ounce) in the September mainly due to the decrease in capital expenditure.

The forecast for the December quarter is as follows:

- Gold produced – 46,000 ounces
- Total cash costs* – A$555 per ounce (US$470 per ounce)
- Capital expenditure* – A$14 million (US$12 million)
- Notional cash expenditure* – A$885 per ounce (US$750 per ounce)

* Based on A$1 = US$0.85.

Gold production for the December quarter is expected to reduce due to the completion of the Songvang stockpiles. Notional cash expenditure per ounce is expected to increase by 28 per cent with additional capital expenditure of A$3 million on upgrading catering facilities at Leinster as part of the new accommodation agreement and focus on underground development at the Waroonga complex.

Quarter ended 30 September 2008 compared with quarter ended 30 September 2007

Group attributable gold production decreased by 19 per cent from 986,000 ounces for the quarter ended September 2007 to 798,000 ounces produced in the September 2008 quarter. These production results and the results below exclude the results of Choco 10 sold during financial 2008, as these results are accounted for under discontinued operations.

At the South African operations gold production decreased from 689,000 ounces to 492,000 ounces. Driefontein's gold production decreased from 260,000 ounces to 207,000 ounces due to the stopping of 6 and 7 shafts following the Eskom