GOLD FIELDS LTD
Form 6-K
February 03, 2005

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 January 2005
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-________

Q2 F2005
Quarter Ended 31 December 2004

News Release Q2 F2005 Results - unaudited

Attributable gold production up 4% and operating profit up 40%

JOHANNESBURG. 31 January 2005

- Gold Fields Limited (NYSE & JSE: GFI) today
announced December 2004 quarter operating profit of R637 million compared with R456 million in the September 2004 quarter and R545 million for the December quarter of 2003. In US dollar terms the December 2004 quarter operating profit was US$103 million compared with US$72 million in the September 2004 quarter and US$80 million for the December quarter of 2003. Net earnings excluding gains and losses on financial instruments and foreign debt net of cash and exceptional items was R101 million, significantly up on the previous quarter:

December 2004 quarter salient features:

&#183
&#183
&#183
&#183
&#183

Attributable gold production increased 4 per cent to 1,048,000 ounces, with Tarkwa increasing by 34 per cent;
Costs were again well controlled, with total cash costs down over 2 per cent to R64,921 per kilogram (US$330 per ounce);
Costs at the South African operations were down 2 per cent to R71,949 per kilogram;
Operating profit of R637 million (US$103 million) achieved, 40 per cent higher than last quarter and 86 per cent higher at the South African operations;
St Ives and Tarkwa mills were commissioned during the quarter and work on Arctic Platinum Project in Finland and Cerro Corona Project in Peru is continuing;

Ian Cockerill,
Chief Executive Officer of Gold Fields said:

"Despite the distraction of Harmony's hostile bid Gold Fields again delivered a solid operational performance, consistent with guidance provided for the second quarter.

As forecast, operating profit for the December 2004 quarter increased by 40 per cent. This was largely as a result of the flow-through of benefits from sustainable revenue enhancement and cost reduction projects implemented specifically at the South African operations over the past year together with an excellent performance from Tarkwa. The performance at Tarkwa stems from the implementation of the two major projects - owner mining and the new CIL plant - which have successfully been brought on line over the past 2 quarters. Total attributable gold production increased by 4 per cent, as did the production at the South African operations. Rand per kilogram unit costs again declined and total rand per ton costs declined by more than 5 per cent, despite continuing inflation pressures. The Group margin increased from 17 per cent to more than 20 per cent, while the margin for the South African operations was restored to double digits.

It is particularly pleasing to note that the South African operations
' operating costs for the December 2004 quarter have reduced by more than 2 per cent when
compared with the December 2003 quarter. This is despite the increase in gold production and a 7 per cent wage increase in June 2004.

Gold Fields is in excellent shape with all operations delivering to expectations. Performance for the third quarter, traditionally a difficult period as it includes the effects of the Christmas break, is expected to improve yet again."

Stock data

Number of shares in issue
- at end December 2004
492,025,801
- average for the quarter
491,907,010
Free Float

100%
ADR Ratio
1:1
Bloomberg / Reuters
GFISJ / GFLJ.J
JSE Securities Exchange South Africa-(GFI)
Range - Quarter
ZAR69.10 - ZAR94.02
Average Volume - Quarter
1,827,766 shares / day
NYSE - (GFI)
Range - Quarter
US$12.27 - US$15.24
Average Volume - Quarter
1,765,881 shares / day
SA Rand
US Dollars
Six months to
Quarter
***Salient** features*
Quarter
Six months to
Dec
2003
Dec
2004
Dec
2003
Sept
2004
Dec
2004
Dec
2004
Sept
2004
Dec
2003
Dec
2004
Dec
2003
64,779
63,916
32,480 31,317 32,599
kg
Gold produced*
(000) oz
1,048
1,007 1,045 2,055
2,083

67,277
65,700
66,991 66,516 64,921
R/kg
Total cash costs
$/oz
330
325 308 327
295
23,137
22,866
11,640 11,043 11,823
000 Tons
milled 000
11,823
11,043 11,640 22,866
23,137
85,511
83,381
84,842 81,815 84,872
R/kg Revenue $/oz
431
400 390 **416**
375
203
205
202 212 198
R/ton Operating
costs $/ton 32
33 30 33
29
1,114
1,093
545 456 637
Rm Operating
profit $m **103**
72 80
175
157
19
19
19 17 22
% Operating
margin % 22
17 19 19
19
699
182
277 102 80
Rm $m
13

16 42 **29**
98
146
37
57 21 16
SA c.p.s.
Net earnings
US c.p.s.
3
3 9 6
21
413
147
249 102 45
Rm $m
8
16 36 **24**
58
86
30
51 21 9
SA c.p.s.
Headline earnings
US c.p.s.
2
3 7 5
12
247
95
111 (6) 101
Rm $m
16
(1) 17 15
35
52
19
23 (1) 20
SA c.p.s.
Net earnings
excluding gains and
losses on financial
instruments and
foreign debt net of
cash and exceptional
items
US c.p.s.
3
- 3 3
7
*Attributable - All companies wholly owned except for Ghana (71.1%).

Q2F2005
Page 1
Commentary
Health and Safety
During the quarter the fatal injury frequency rate regressed from 0.13 to 0.16, the lost day injury frequency rate regressed from 12.5 to 13.2, while the serious injury frequency rate improved from 6.7 to 6.1

While the improvement in the serious injury frequency rate is commendable, the deterioration in the fatal and lost day injury frequency rates is a source of concern. Management attention is focused on these metrics. The Du Pont Health and Safety Review report, which focused on industry best practice at both the South African and International operations, was submitted to management, and the recommendations from this report are being reviewed for implementation by the operations.

Beatrix continued its good performance into the December quarter by achieving one million fatality free shifts for the whole mine. Kloof also achieved a million fatality free shifts during this quarter.

Financial Review
Quarter ended 31 December 2004compared with quarter ended 30 September 2004
Revenue
Attributable gold production increased by 4 per cent to 1.048 million ounces in the December 2004 quarter as forecast, from 1.007 million ounces achieved during the September 2004 quarter. The contribution from the South African operations increased 4 per cent to 726,000 ounces. The international operations increased 5 per cent to 322,000 ounces. However, while all the South African operations were similar to forecast, the international operations exceeded forecast as a result of a higher than planned increase at Tarkwa due to the early commissioning of the new mill, partially offset by the lower production from St Ives due to lower availability of the old mill.

The higher US dollar gold price achieved for the December quarter (US$431 per ounce, compared with US$400 per ounce in the September quarter) was partially offset by the strengthening of the rand against the US dollar, from an average of R6.36 to R6.12 quarter on quarter. As a result, the rand gold price increased 4 per cent, from R81,815 per kilogram in the September quarter to R84,872 per kilogram in the December quarter.

The higher production, combined with the higher rand gold price achieved, resulted in revenue increasing from R2,705 million (US$425 million) to R2,946 million (US$480 million) this quarter.

Operating costs
Operating costs for the December quarter, at R2,341 million (US$382 million), were virtually unchanged when compared with the September quarter's R2,336 million (US$367 million). This was despite an increase in tons processed.

Costs at the South African operations were R1,687 million (US$275 million), which was 1 per cent higher than reported costs in the previous quarter of R1,664 million (US$262 million) in line with the increase in tons milled. Underground unit costs remained constant at R557 per ton.

At the international operations, costs were R654 million (US$107 million), which was 3 per cent lower than the R672 million (US$106 million) reported in the September quarter. However, if gold in process adjustments are taken into account costs were slightly higher, in line with the increased gold production.

The net gold inventory credit to costs for the December quarter amounted to R33 million (US$6 million) compared with a credit to costs of R87 million (US$14 million) the previous quarter. The release of gold in process at Tarkwa and Agnew was more than offset by a build up of stockpile at St Ives to feed the new mill. The release at Tarkwa was due to a release of gold from the heap leach pads.

Operating profit margin

The net effect of the increased revenue and higher costs, after taking account of gold in process movements, was an operating profit of R637 million (US$103 million). This is 40 per cent higher than the R456 million (US$72 million) achieved in the September quarter. The Group margin increased to 22 per cent from 17 per cent in the September quarter and the South African margin increased from 7 per cent to 12 per cent. The margin at the international operations was 40 per cent compared to 36 per cent in the previous quarter.

Amortisation

Amortisation of R379 million (US$62 million) for the December quarter is virtually unchanged when compared with the September quarter's R371 million (US$58 million). Amortisation at the South African operations increased by R6 million (US$1 million) mainly due to the increased production at Kloof. At the international operations amortisation at Tarkwa increased by 52 per cent to R64 million (US$10 million) primarily due to the full implementation of the new mining fleet and the increased volumes. Amortisation at St Ives decreased 22 per cent to R80 million (US$13 million) due to the lower mining volumes which peaked last quarter.

Other income

Net interest and investment income after taking account of interest paid was constant at R16 million (US$3 million) for the quarter.

Gains on foreign debt and cash amounted to R5 million (US$1 million). This compares to R16 million (US$3 million) in the September quarter. Both these amounts were due to exchange gains on 164 million held offshore arising from an international private placement undertaken in November 2003. These funds are now held in US dollar, in an offshore account.

The gain on financial instruments of R147 million (US$24 million) compared to a similar gain of R152 million (US$24 million) in the September quarter and included a marked to market gain on the Mvela interest rate swap of R140 million (US$23 million), a loss on the Tarkwa rand/US dollar forward cover of R23 million (US$4 million) and a R30 million (US$5 million) gain on the Australian dollar/US dollar call options.

The interest rate swap was established in relation to the loan from Mvela Gold and converted a fixed interest rate exposure to a floating rate. This instrument was established as short-term rates were significantly lower than long-term rates and the resultant upward sloping yield curve was expected to prevail for some time. This strategy is yielding positive results as the marked to market value of the swap at the end of December 2004 was a positive R259 million. Of this, R206 million was accounted for in the income statement and the balance of R53 million has been hedge accounted and credited to that portion of the loan that is regarded as debt for accounting purposes. There has been a positive movement on the interest rate swap for the year to date of R287 million of which R147 million was accounted for in the September quarter, leaving a balance of R140 million which was accounted for in the December quarter. In addition, the settlement gain on the swap for the December quarter (i.e. the gain realised during the quarter) was R23 million. The settlement gain for the year to date amounts to R54 million. A further settlement gain of R22 million has been locked in for the three-month period to March 2005. More details on these financial instruments are given on page 11 of this report.

Exploration expenditure decreased from R55 million (US$9 million) to R39 million (US$7 million) in the December quarter. This was due to timing of expenditure which should return to prior levels next quarter.

The exceptional loss this quarter of R109 million (US$18 million) was primarily as a result of costs relating to the failed IAMGold deal of R65 million (US$10 million), the cost of defending the Harmony hostile bid of R83 million (US$13 million), which was partially offset by a profit on the sale of investments of R39 million (US$6 million). Costs for the hostile bid include those billed to the end of December plus an estimate of costs not yet billed. For the September quarter there were no exceptional items.

Taxation

A taxation charge of R135 million (US$22 million) in the December quarter compared with R86 million (US$14 million) in the September quarter. This increase is in line with the higher operating profits.

Earnings

After accounting for minority interests, earnings amounted to R80 million (US$13 million) or 16 SA cents per share (US$0.03 per share), compared with R102 million (US$16 million) or 21 SA cents per share (US$0.03 per share) in the previous quarter. The main reason for this decrease was the cost of the failed IAMGold transaction and the cost relating to the defence of the Harmony hostile bid, partially offset by the increase in operating profit.

Headline earnings i.e. earnings less the after tax effect of asset sales, impairments and the sale of investments, amounted to R45 million (US$8 million) or 9 SA cents per share (US$0.02 per share) compared with R102 million (US$16 million) or 21 SA cents per share (US$0.03 per share) last quarter. The difference between net earnings and headline earnings is due to the after tax profit from the sale of investments amounting to R35 million (US$6 million).

Earnings, excluding exceptional items as well as net gains on financial instruments and foreign debt net of cash amounted to R101 million (US$16 million) or 20 SA cents per share (US$0.03 per share) compared with a loss of R6 million (US$1 million) or negative 1 SA cent per share (US$0.00 per share) reported last quarter.

Cash flow

Cash flow from operating activities for the quarter was R233 million (US$40 million), compared with operating cash flow in the September quarter of R198 million (US$31 million). The increase in cash flow reflects the higher revenue, offset by an increase in working capital associated with reduced amounts payable due to the timing of salary payments as well as payments associated with the St Ives mill.

Capital expenditure amounted to R528 million (US$87 million) compared with R755 million (US$119 million) in the September quarter. The decrease is mainly due to the completion of the owner mining project in Tarkwa and the commissioning of the mills at St Ives and Tarkwa in December and October 2004 respectively. Expenditure at the South African operations was R163 million (US$27 million). A significant portion of this expenditure was directed at the major projects with R31 million at 1 tertiary and 5 shaft at Driefontein, R24 million at Kloof 4 shaft and R34 million at Beatrix 3 shaft. The Australian operations incurred capital expenditure of R198 million (A$43 million). The mill project at St. Ives accounted for R60 million (A$13 million) of this expenditure as compared to R186 million (A$41 million) in the September quarter. The remaining expenditure on this project, which will be spent

during the March quarter, amounts to A$7 million. At Agnew R28 million (A$6 million) was spent on the Songvang project - refer to the Agnew commentary for more detail. At the Ghanaian operations, capital expenditure amounted to R138 million (US$23 million). R78 million (US$13 million) was spent on the new mill and on the project to convert from contract mining to owner mining at Tarkwa. This compares with R165 million (US$26 million) in the previous quarter. Major projects are still forecast to be in line with approved votes.

Proceeds from the sale of assets amounted to R37 million (US$6 million), R20 million (US$3 million) from the sale of tenements in Australia and the balance of R17 million from the sale of a winder at Driefontein. Proceeds on the sale of our investment in Zijin Mining Group Company Limited amounted to R88 million (US$14 million) and a R17 million (US$3 million) loan was received from our partner (IDC) in the social development project "Living Gold" - the rose growing project.

Net cash outflow for the quarter was R167 million (US$26 million). The cash balance at the end of the December quarter was R2,978 million (US$522 million) which has declined from R3,409 million (US$524 million) at the end of September.

Detailed and Operational Review

Group overview

Attributable gold production for the December 2004 quarter increased 4 per cent to 1,048,000 ounces when compared with the September quarter. Attributable production from the South African operations at 726,000 ounces accounts for 69 per cent of the Group's total attributable production.

At the South African operations, there was a 4 per cent increase on the previous quarter. The increase at Driefontein of 4,200 ounces was due to increased surface tonnage. At Kloof, the increase of 14,000 ounces was due to increased underground tonnage at a slightly higher yield and at Beatrix the increase of 7,500 ounces was due to the improved underground yield from 4.4 to 4.7 grams per ton. Operating profit at the South African operations almost doubled from R120 million (US$19 million) to R224 million (US$36 million), as a consequence of the increased production at lower unit costs and the higher rand gold price.

Production from the Australian operations decreased 8 per cent to 155,600 ounces mainly due to lower volumes processed at the old St Ives mill. Operating profit from the Australian operations decreased quarter on quarter in rand terms from R143 million (A$32 million, US$22 million) to R108 million (A$24 million, US$18 million), primarily as a result of the decreased production at St Ives and a lower GIP credit. The Ghanaian operations showed a 21 per cent increase in attributable gold production to 166,600 ounces due to the commissioning of the new mill at Tarkwa and increased production from the heaps. Tarkwa increased gold production by 34 per cent while Damang was marginally lower as forecast, due to a reduction in the high grade ore from the main pit. Ghana contributed operating profit of R305 million (US$50 million), 56 per cent up on the previous quarter's operating profit. This is in line with the increase in gold production and the 8 per cent increase in the gold price from US$400 per ounce to US$434 per ounce this quarter.

The international operations contributed R413 million (US$67 million) or 65 per cent of the total operating profit of R637 million (US$104 million). This compares with R336 million (US$53 million) or 74 per cent of the total operating profit of R456 million (US$72 million) last quarter.

Group ore processed increased from 11.04 million tons to 11.82 million tons as surface tons increased 9 per cent. This increase was mainly at Tarkwa and was in line with a build up of production to provide feed to the new mill. The overall yield decreased from 3.0 grams per ton in the September quarter to 2.9 grams per ton in the current quarter due to the increase in the lower yielding surface tonnage. Total cash costs in rand terms reduced by over 2 per cent from R66,516 per kilogram to R64,921 per kilogram. In US dollar terms, total cash costs increased 2 per cent to US$330 per ounce, compared with US$325 per ounce last quarter, due to the stronger rand. Operating cost per ton at R198 was 7 per cent below last quarter due to the increase in the surface tons at Tarkwa at a lower average cost.

South African operations

During the September 2003 quarter management took a view that the South African currency would remain stronger for longer. As a result it was decided to reposition the South African operations. As previously reported this was presented as reverting from the "Wal-Mart" strategy (more volume at lower grade) to the "SAKS 5th Avenue" strategy (less volume at higher grade).

To support this switch in strategy, management introduced an initiative called **Project 500**, which, in turn, was split into two sub-projects called: **Project 100** and **Project 400**.

During December 2004, the first phase of **Project 100** was successfully completed. The project focused on reducing the consumption of stoping, development and engineering material via improved benchmarks and standards. Cumulative benefits against the baseline for the period February 2004 to December 2004 are R100 million. The baseline is the average monthly unit stores costs over the period May 2003 to October 2003. Of this R100 million, R30 million was realised in the previous financial year and the balance of R70 million was realised in the first six months of F2005. Extrapolating this R70 million saving for the full 12 months of F2005, a saving of R140 million is forecast. This is 40 per cent above targeted savings. The costs have not been normalised for inflation, which based on the basket of prices for the six month period to December 2004 is 6 per cent. These savings have significantly contributed to the 1 per cent reduction in operating costs at the South African operations based on a comparison of the December 2004 quarter against the comparative quarter in the prior financial year. These savings have been achieved notwithstanding the above-inflation wage increases.

Project Beyond was established to ensure that supply chain management was in line with international best practice at Gold Fields Shared Services (GFSS). Savings

of up to 10 per cent are targeted on stores spend of around R3 billion per annum. In order to achieve these savings stores items have been placed into several blocks. The analysis of block one, which addressed R345 million of the R3 billion spend, was completed by December 2004, with contractual savings of R41 million per annum achieved. These cost savings are expected to be realised over the next 12 months. Targeting of the second block of identified commodities started in January 2005 and will address a further R438 million of the R3 billion spend. Based on early estimates the potential annual savings against contract appears to be in the region of an additional R43 million. This block is expected to be completed by March 2005 with actual benefits realised in the next financial year. The methodologies employed to achieve these savings include:
Larger numbers of suppliers included in the bid process;
&#183
&#183
&#183
&#183
&#183
The use of electronic reverse auction technologies;
Extensive research into supplier markets;
Long-term contracts and partnering arrangements;
Larger lot sizes.
None of these methodologies impact negatively on suppliers. The approach is based on partnership, benefit sharing and continuous improvement. Similar projects for the Australian and Ghanaian operations are in a planning phase.

Other projects include the growth of Black-owned businesses within the supplier base, which is a key objective of Gold Fields. In December 2004, 29 per cent of procurement spend was directed at BEE companies, well in excess of the targets set by most mining groups in South Africa. Furthermore, currently 70 per cent of Gold Fields' top ten suppliers are BEE companies.

In addition, Gold Fields has demonstrated its commitment to the use of local suppliers: 82 per cent of BEE suppliers are located in the same municipal or provincial area as the Gold Fields operation.

Gold Fields' proficiency in procurement is widely recognized within the mining industry. During October 2004, GFSS received a Gold Award for Logistics Excellence from a forum of SA logistics professional societies. No other mining company has received such an award.

Project 400 aims to optimise revenue such that an additional R400 million is generated per annum. The aim is to improve the quality and quantity of our outputs by replacing surface tonnage to the plant with increased tonnage from underground and ensuring output of a better quality.

This strategy is delivering results. Underground grades have moved closer to life of mine averages and where practical surface tonnage at all South African operations has been replaced by underground tonnage. Paylimits are also in line with project parameters. Gold Fields continues to prudently manage its ore reserves and is not high grading as the table below clearly shows.

Quarter ended	Dec 2003	Mar 2004	Jun 2004	Sep 2004	Dec 2004
Driefontein:					
Life of mine head grade as per the 2003 and 2004 annual report	8.7	8.7	8.7	8.1	8.1
Life of mine head grade adjusted for estimated metallurgical recoveries	8.4	8.4	8.4	7.8	7.8
Driefontein (underground yields achieved)	7.5	8.6	8.5	8.1	8.1
Kloof:					
Life of mine head grade as per the 2003 and 2004 annual report	9.8	9.8	9.8	10.5	10.5
Life of mine head grade adjusted for estimated metallurgical recoveries	9.5	9.5	9.5		

10.2
10.2
Kloof (underground yields achieved)
8.6
10.0
9.5
9.1
9.2
Beatrix:
Life of mine head grade as per the 2003 and 2004 annual report
5.1 5.1 5.1
5.5
5.5
Life of mine head grade adjusted for estimated metallurgical recoveries
4.9 4.9 4.9
5.3
5.3
Beatrix (underground yields achieved)
4.7
4.5
4.7
4.4
4.7

Project 400 will reinstate more respectable margins at current prices and aims to achieve the following at Driefontein, Kloof and Beatrix:

Driefontein
&#183
&#183
&#183
&#183
&#183
&#183

Mine in a range of between 1,900 and 2,100 centimetre grams per ton ("cmg/t"). This translates to an estimated underground recovered yield of above 8.0 grams per ton.
Maintain the production profile at + 1 million ounces per annum.

Kloof

Mine in a range of between 2,200 and 2,350 cmg/t. This translates to an estimated underground recovered yield of above 9.0 grams per ton.
Maintain the production profile at + 1 million ounces per annum.

Beatrix

Mine in a range of between 1,000 and 1,100 cmg/t at the north and south operations and in a range of between 1,400 and 1,500 cmg/t at number 4 shaft. This translates to an estimated combined underground recovered yield of 4.8 grams per ton.
Maintain the production profile of +600 thousand ounces per annum.

Q2F2005
Page 3
R78,000 per kilogram plan
As a result of the decrease in the rand gold price to below R80,000 per kilogram in July 2004 a new mining plan was drawn up at a gold price of R78,000 per kilogram. Due to the volatility in the gold price and exchange rates, which saw the gold price once again below R80,000 per kilogram late in December 2004, this plan continues to be the template for current and future production in conjunction with project 500. The plan includes capital reassessment, sourcing higher grade material to replace surface material, contractor reduction and mine restructuring, amongst others.
General
The South African operations have, over the past 4 years undergone extensive restructuring and renewal to reposition for the future. On each of our operations, we have invested significantly in the construction and development of new long life shafts. At Driefontein, capital has been invested into 5 east and 1 tertiary shafts; at Kloof the new 4 shaft; and at Beatrix the new 3 shaft. In addition, our metallurgical plants have been upgraded. Environmental conditions at all shafts have and are being improved through the ongoing lowering of temperatures, and infrastructure bottlenecks are being resolved. Over this period Gold Fields has also invested significantly in the development of its ore bodies, with all the key long life shafts now having an average of 20 months of mineable developed ore reserves in place. All these measures should further improve the profitability and strengthen the margins across each operation.

During January 2005 an additional R24 million of Continuation and Widow Members (CAWMS) were bought out of the scheme at a premium of 15 per cent to the actuarial valuation. The residual liability is now only R21 million compared to an amount in excess of R200 million prior to the commencement of the buy-back.

During the quarter additional shifts were again worked-in so that stockpiles could be built up to ensure continuous milling over the Christmas period. Over 100,000 tons of underground ore were stockpiled at the South African operations and subsequently processed over the Christmas break.

Driefontein

		December 2004	September 2004
Gold produced	- 000'ozs	287.7	283.5
Yield - underground	- g/t	8.1	8.1
- combined	- g/t	5.4	5.7
Total cash costs	- R/kg	67,114	67,419
-	US$/oz	341	330

Gold production at Driefontein increased by 2 per cent to 287,700 ounces quarter on quarter. This improvement was attributable to an increase in surface tons treated as the number 1 plant mills operate closer to design capacity. Although underground tons did improve marginally, the underground mining mix was negatively influenced by an increase in seismic activity at 5 shaft complex and 1 shaft complex. Ore milled increased by 103,000 tons or 7 per cent to 1,647,000 tons when compared with the September quarter. Underground and surface yields remained constant quarter on quarter at 8.1 and 1.8 grams per ton respectively. Metallurgical plant modifications at number 1 SAG mill at one plant, scheduled in the December quarter, have been successfully completed. Modifications to the number 2 SAG mill have been scheduled for the March quarter and should not present a risk to the forecast performance.

Operating costs increased marginally to R625 million (US$102 million) from R622 million (US$98 million) in the September quarter due to the increase in surface tons processed. Underground rand per ton decreased 3 per cent to R602 per ton, while surface unit costs increased from R58 to R75 per ton quarter on quarter due to increased screening of material. Total cash costs reduced to R67,114 per kilogram from R67,419 per kilogram and in US dollar terms, increased by 3 per cent from US$330 per ounce to US$341 per ounce. The increase in dollar terms is in line with a strengthening rand.

Operating profit increased from R99 million (US$16 million) to R135 million (US$22 million) in the current quarter. The two main contributors were the 4 per cent increase in the rand gold price and the higher gold production.

Capital expenditure increased from R31 million (US$5 million) in the previous quarter to R42 million (US$7 million) this quarter.

Gold output and costs for the March quarter are likely to be similar to that achieved in the December quarter, in spite of the Christmas break. Seismic activity at 5 shaft complex remains a concern. Mining sequencing and the on-time delivery of the refrigeration plant and backfill infrastructure, are expected to improve productivity levels at the complex.

K l o o f

December 2004
September 2004
Gold produced
- 000'ozs
280.6
266.6
Yield - underground
- g/t
9.2
9.1
- combined
- g/t
6.8
6.6
Total cash costs
- R/kg
71,628
73,484
-
US$/oz
364
359

Gold production at Kloof increased by 5 per cent to 280,600 ounces in the December quarter, primarily due to an increase in tons milled. Underground tons increased 4
per cent to 923,000 tons in the December quarter from 890,000 tons in the September quarter. This replaced surface tons, which decreased from 369,000 tons to 352,000 tons. The underground yield increased slightly from 9.1 grams per ton last quarter to 9.2 grams per ton this quarter. The combined yield increased from 6.6 to 6.8 grams per ton.

Operating costs at R649 million (US$106 million) for the quarter increased by 2 per cent compared with the previous quarter's costs of R636 million (US$100 million), mainly as a result of the increased underground tonnage. Underground cost per ton declined from R687 to R678. Total cash costs at R71,628 per kilogram were 3 per cent less than the previous quarter's R73,484 per kilogram. In US dollar terms, total cash costs increased from US$359 per ounce to US$364 per ounce.

Operating profit increased from R42 million (US$7 million) to R88 million (US$14 million) in the current quarter. This was due to the higher gold price received this quarter and the increase in gold output. Capital expenditure was virtually unchanged at R63 million (US$10 million).

The March outlook for gold production is similar to the December quarter, despite the Christmas break and the possible closure of number 3 plant, while costs should remain flat due to continued cost initiatives. If the current rand gold price levels continue number 3 plant, which treats surface rock dump material, may have to cease operations, as the treatment of this material is uneconomical.

Beatrix

		December 2004	September 2004
Gold produced	- 000'ozs	157.6	150.1
Yield - underground	- g/t	4.7	4.4
- combined	- g/t	4.5	4.0
Total cash costs	- R/kg	81,351	83,912
-	US$/oz	413	410

Gold production at Beatrix increased by 5 per cent from 150,100 ounces in the September quarter to 157,600 ounces in the December quarter. Underground ore volumes decreased by 1 per cent from 1,029,000 tons to 1,016,000 tons mainly due to improved quality mining during the quarter. The overall yield increased by 13 per cent quarter on quarter, from 4.0 grams per ton to 4.5 grams per ton. This increase in yield was partially due to reduced surface tonnages, which reduced from 147,000 tons in the September quarter to 75,000 tons in the December quarter as a result of the dicontinued tons being uneconomical at the current gold price. Surface yields increased from 0.8 grams per ton to 1.3 grams per ton due to localised dump grade variations. Underground yields increased by 7 per cent from

4.4 grams per ton in the September quarter to 4.7 grams per ton in the December quarter. At the Beatrix North and South operations underground yields increased from an average of 4.2 grams per ton to 4.5 grams per ton, whilst at 4 shaft the underground yield increased from 5.6 grams per ton to 5.8 grams per ton. Stoping volumes at 4 shaft were 8 per cent lower quarter on quarter as a logistical and remedial work programme was initiated to position the mine for future volume increases from the new zone 5 area. This project has made satisfactory progress during the quarter - repairing rail work, improving ventilation infrastructure and upgrading tunnel support. It is anticipated that this project will be completed during the financial year, which will allow 4 shaft more flexibility to mine in zone 5. The stoping and development build up at 3 shaft continues in line with forecast.

Operating costs increased from R406 million (US$64 million) to R413 million (US$67 million) due to restructuring costs incurred during the quarter. However, total cash costs decreased by 3 per cent to R81,351 per kilogram (US$413 per ounce) from R83,912 per kilogram (US$410 per ounce) in the September quarter, as a result of strict controls on overall costs and the higher gold production. At the operating level, Beatrix returned to profit (R1 million and US$nil), as compared with a loss in the September quarter of R20 million (US$3 million).

Capital expenditure remained constant at R58 million (US$10 million). The majority of this expenditure was spent on development at 3 shaft and the 4 shaft haulage and infrastructure upgrades.

Costs for the March quarter are forecast at the same level as the December quarter. Gold production will be slightly lower for the March quarter, as marginal areas at 2 shaft and surface rock treatment at number 2 plant will be stopped as they are not making a contribution at the current rand gold price. The above, together with any loss of production from the Christmas break will be partially replaced with the planned build up in production at 4 shaft. It is expected that once crews are redeployed production should return to production levels historically achieved of approximately 5,000 kilograms (160,000 ounces) per quarter.

International operations Ghana

Tarkwa

		December 2004	September 2004
Gold produced	- 000'ozs	167.9	124.8
Yield	- g/t	1.1	0.9
Total cash costs	- US$/oz	224	248

Tarkwa's December quarter gold production increased by 43,100 ounces quarter on quarter, to 167,900 ounces. Of this increase, 15,200 ounces came from heap leach operations and 27,900 ounces from the new CIL plant.

The commissioning of the new CIL plant was completed at the end of October, approximately two months ahead of schedule. During the quarter, the plant treated

Page 4
Q2F2005

846,000 tons at an average head grade of 1.45 grams per ton. The head grade continues to trend towards the target of 1.8 grams per ton. Recovery averaged 97 per cent for November and December against a design recovery of 96 per cent. Total gold in process at the mill is estimated at about 10,000 ounces. During the month of December the plant was off-line for ten days for repairs to the mill discharge hopper and to complete other structural modifications.

Ore stacked on the leach pads was stable at 4.1 million tons at a grade of 1.21 grams per ton compared with 1.33 grams per ton last quarter. This planned decrease in grade reflects the diversion of higher grade ores to the mill and lower grade ores to the heaps. Gold production from the heaps for the quarter was 140,000 ounces. The increase over the previous quarter largely reflects a release of gold in process at the heaps of 11,500 ounces.

The total tons mined decreased by 2 million tons to 18.7 million tons and the stripping ratio decreased from 3.87 to 2.84. As previously reported the former mining contractor operated in parallel with the new owner mining fleet for a portion of the September quarter, accounting for the quarter on quarter decline. In the September quarter the contractor focussed on waste removal resulting in the high strip ratio of 3.87, which has now returned to typical levels of 2.95. The performance of the owner mining fleet remains within expectation. Mining costs were US$0.69 per ton for the quarter compared with US$0.83 per ton last quarter, reflecting the final demobilisation of the mining contractor in the previous quarter.

Operating costs at US$37 million (R230 million), including gold in process adjustments, were US$6 million higher than the previous quarter, reflecting the costs of operating the new mill and a US$0.5 million GIP charge against a US$3.1 million credit in the previous period. Operating costs per ton treated were US$7.51 per ton against US$8.36 per ton in the September quarter, reflecting both the lower strip ratio and the impact of higher volumes treated. Total cash costs decreased from US$248 per ounce to US$224 per ounce for the quarter, reflecting the increase in gold production and the lower strip ratio.

The net result was that operating profit increased from US$19 million (R121 million) in the previous quarter to US$35 million (R219 million) in the current quarter. This increase was assisted by the average gold price received for the quarter, which increased from US$401 per ounce to US$437 per ounce.

Capital expenditure decreased from US$30 million (R194 million) in the previous quarter to US$20 million (R118 million) in the current quarter as a result of the progress in closing out the mining fleet acquisition and the reduction in construction work on the CIL plant.

Gold production is expected to increase by at least a further 10 per cent in the March quarter, with some two thirds of total production coming from the heaps and the balance from the mill. With the third lift stacking now underway at the North and South heaps, gold produced from the heap leach operation is expected to reduce somewhat in the upcoming quarter due to anticipated gold in process movements. Total cash costs are expected to approach US$200 per ounce in the March quarter as the full benefits of the expansion start to be realised.

Damang

	December 2004	September 2004
Gold produced - 000'ozs	66.5	69.1
Yield - g/t	1.5	1.6

Total cash costs
- US$/oz
226
238
Gold production for the quarter declined slightly to 66,500 ounces as forecast, from 69,100 ounces produced during the September quarter.

Mill throughput for the quarter was maintained at 1.35 million tons at a head grade of 1.67 grams per ton, compared with a head grade of 1.78 grams per ton in the September quarter. The decrease in the head grade is a result of lower high grade tons from the Damang pit, which is reaching the end of the life of its current cutback, and the plant was supplemented with lower grade stockpile material feed.

Ore tons mined decreased to 796,000 tons from 1,257,000 tons in the previous quarter, primarily due to expected mining constraints with the ramp down of the Damang pit together with unseasonal rainfall. Total tons mined decreased to 1.9 million tons from 2.7 million tons. The stripping ratio for the quarter increased from 1.18 to 1.38.

Operating costs, including gold in process adjustments, decreased to US$15 million (R89 million) from US$16 million (R103 million) quarter on quarter, with operating costs per ton milled improving to US$10.99 from US$11.36 the previous quarter. Operating costs also benefited from the recovery of some 577,000 tons of low grade ore not previously included in the stockpile inventory. Total cash costs for the quarter reduced to US$226 per ounce compared with US$238 last quarter. With the average gold price increasing from US$399 per ounce to US$433 per ounce, revenue increased from US$28 million (R175 million) to US$29 million (176 million) for the quarter and operating profit increased from US$11 million (R73 million) to US$14 million (R86 million).

Capital expenditure incurred during the quarter amounted to US$3 million (R19 million). The majority of this expenditure was on the Damang cutback pre-feasibility and the Damang extension projects.

While mill throughput for the March quarter is projected to be maintained at 1.35 million tons, gold production is expected to decline slightly as the mine focuses on treating lower grade stockpiled ores, while ore mining in the new Amoanda pit and Juno pits is ramped up, following removal of overburden. Total cash costs will increase on the back of the lower gold production and a substantial increase in mining volumes with the operations in Amoanda and Juno pits.

Australia
St Ives
December 2004
September 2004
Gold produced
- 000'ozs
106.6
123.2
Yield -
g/t
2.6
2.8
Total cash costs
- A$/oz
463
420
-
US$/oz

348
297
Gold production for the quarter decreased 13 per cent to 106,600 ounces when compared with 123,200 ounces produced in the September quarter. This decrease reflects a significant reduction in volume through the old St Ives mill, with tons treated declining from 790,000 tons in the September quarter to 662,000 tons in the December quarter, while head grade was stable at 4.7 grams per ton. The drop in volume is largely due to a 5 day shutdown along with numerous mechanical breakdowns, reflecting the age of this plant and its ramp down as the new mill is commissioned.

Total mining operations produced 1.18 million tons of ore during the quarter, reflecting a planned reduction from 1.76 million tons mined in the September quarter. This reduction reflects the focus on waste movement in the December quarter in the open pits along with the increased activity in the September quarter with the need to build ore stock piles ahead of the commissioning of the new Lefroy mill in December 2004. During the quarter, open pit mining operations performed well, mining a total of 8.2 million tons of ore and waste, at an average strip ratio of 11.5 (September: 7.7 million tons at a strip ratio of 6.4). The underground operations also performed to expectation. A reduction in ore volumes from Junction, in line with its expected decline, was partially offset by increased output from the Leviathan complex.

Total cash costs, which include a gold in process inventory adjustment, increased from A$420 per ounce (US$297 per ounce) to A$463 per ounce (US$348 per ounce). This increase reflects primarily the significantly lower volume of gold produced but is also affected by the cost of the mill shutdown, the cost of mill commissioning and the increase in strip ratio that is expensed.

Operating profit at St. Ives of A$13 million (R59 million) decreased 41 per cent when compared with the A$22 million (R98 million) for the September quarter, which reflects the lower gold production.

Capital expenditure for the December quarter amounted to A$32 million (R148 million) compared with A$73 million (R330 million) in the September quarter. The majority of this expenditure was incurred on the mill optimisation project (see St Ives Expansion Project for more detail) and continuing expenditure at Mars open pit on stripping, together with development works at East Repulse and Argo underground mines.

With the commissioning of the new Lefroy mill in December, and ramp up through January, production for the March quarter is expected to be significantly higher than the December quarter. Operating costs are expected to improve through the quarter as the new mill reaches full production although the benefit will not be that significant during the coming quarter, as the old mill is likely to be run in parallel with the new mill for the first half of the March quarter. Total cash costs will also include significant GIP charges as high cost ounces mined in previous periods are consumed during the new mill ramp up in the March quarter.

A g n e w
December 2004
September 2004
Gold produced
- 000'ozs
49.0
45.7
Yield -
g/t
5.4 5.1
Total cash costs
- A$/oz
351

338
-
US$/oz
264
239

Gold produced at Agnew increased from 45,700 ounces in the September quarter to 49,000 ounces in the December quarter, in line with the previous forecast.

This was mainly due to a 2 per cent increase in tons milled to 282,000 tons, together with a 6 per cent increase in the average feed grade to the mill.

Remnant mining at the Crusader / Deliverer complex was completed in December, yielding 8,600 ounces, which was 33 per cent more gold production than the September quarter. In addition, gold production at the Kim underground mine increased by 10 per cent to 34,800 ounces, as mined volumes increased some 30 per cent to 94,000 tons. The new Songvang open pit and the low grade stockpiles contributed a further 5,600 ounces.

Total cash costs, which include a small gold in process inventory adjustment, increased from A$338 per ounce (US$239 per ounce) in the September quarter to A$351 per ounce (US$264 per ounce) in the December quarter. This increase was mainly due to the commencement of the Songvang open pit operation. Unit operating costs remained under control.

Agnew's operating profit was marginally higher at A$11 million (R49 million), compared with the A$10 million (R44 million) profit achieved in the September quarter. This was mainly due to the higher gold price, which averaged A$571 per ounce compared to A$561 per ounce in the September quarter.

Capital expenditure increased to A$11 million (R50 million) from A$9 million (R40 million) the previous quarter. The main areas of expenditure included development at Kim underground, development of the new Main Lode access, rehabilitation of the adsorption tanks at the mill and prestrip of the new Songvang open pit.

Gold production for the March quarter is forecast to be similar to the December quarter. Songvang ore is expected to replace the loss of Crusader / Deliverer remnant production plus the low grade stockpile. Cash costs should remain stable.

Q2F2005
Page 5

Quarter ended 31 December 2004 compared with quarter ended 31 December 2003

Attributable gold production at 1,048,000 ounces in the December 2004 quarter was similar to the 1,045,000 ounces in the December 2003 quarter. Production at the South African operations at 726,000 ounces was 4 per cent above the 698,000 ounces produced in the December 2003 quarter. At the international operations, gold production decreased 7 per cent from 347,000 ounces to 322,000 ounces mainly due to lower recoveries at St Ives.

Revenue increased 1 per cent in rand terms from R2,923 million (US$431 million) to R2,946 million (US$480 million). This was due to the increased gold production as the rand gold price achieved was virtually unchanged at R84,872 per kilogram (US$431 per ounce) in the December 2004 quarter. Group operating costs in rand terms decreased marginally from R2,355 million (US$347 million) to R2,341 million (US$382 million). At the South African operations operating costs were R1,687 million (US$275 million) which is 1 per cent below the December 2003 quarter's R1,700 million (US$250 million). This is an excellent performance considering gold production was higher and taking into account the above average wage increases, as well as normal inflationary increases seen over the past year. Costs at the international operations amounted to R654 million (US$107 million) virtually unchanged year on year. If gold in process changes are taken into account, as well as the stronger rand, costs in US dollars terms were also virtually unchanged at US$101 million. The average rand/US dollar exchange rate strengthened from R6.76 in the December 2003 quarter to R6.12 in the current quarter, a 9 per cent change. The average rand/Australian dollar exchange rate strengthened from R4.80 in the December 2003 quarter to R4.60 in the current quarter, a 4 per cent change. In rand terms total operating costs at the international operations, including GIP charge, thus decreased from R678 million to R621 million in the December 2004 quarter.

Operating profit at R637 million (US$104 million) for the December 2004 quarter compares with R545 million (US$80 million) for the December 2003 quarter. The main reason for the increase is a gold in process credit in the December 2004 quarter associated with St Ives.

Profit before tax amounted to R253 million (US$41 million) compared with R401 million (US$60 million) in the December 2003 quarter. This decrease was mainly due to a R72 million (US$17 million) increase in amortisation and an exceptional profit of R31 million (US$6 million) last year from the sale of investments compared to a loss of R109 million (US$18 million) in the current quarter due to the funding of the IAMGold transaction and the cost to defend the hostile Harmony bid.

Earnings decreased from R277 million (US$42 million) in the December 2003 quarter to R80 million (US$13 million) in the December 2004 quarter.

Capital and development projects

St Ives expansion project

The end of the December quarter saw the St Ives new mill project well underway in the Commissioning phase.

Construction activity at 99 per cent complete was effectively finished. The gearless drive motor was commissioned in November 2004, with load testing being undertaken on 8 December. By quarter end 20,000 tons of ore had been milled and all parts of the plant were in full or partial operation.

First gold bullion from the new plant (850 ounces) was produced on 31 December 2004.

Cumulative capital expenditure and commitments as at the end of the December quarter totalled A$118 million and A$125 million respectively. The overall project is expected to be completed within the approved budget of A$125 million.

Tarkwa expansion project

CIL process plant

Commissioning of the single stage SAG mill was completed on 6 October 2004, and total plant commissioning was achieved by the end of October. The CIL plant was officially opened on 3 November b