

GOLD FIELDS LTD  
Form 425  
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**Harmony Gold Mining Company Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1950/038232/06)

Share code: HAR      ISIN: ZAE000015228

( Harmony )

NEWS RELEASE FROM HARMONY

9 November 2004

*Harmony Issues Document*

*Corrects claims made by Gold Fields Executives and Illustrates How Harmony*

*Can Unlock Greater Value in Gold Fields Assets*

*While Harmony Delivers, Gold Fields Dithers*

Harmony (NYSE: HMY ; JSE: HAR ) today took a more aggressive stance behind its offer by issuing an analysis to Gold Fields Limited's ( Gold Fields ) (NYSE: GFI ; JSE: GFI ) shareholders, the press and the public illustrating the sustainable value creation of its offers and correcting the inaccurate claims to the contrary made by Gold Fields executives. Harmony believes that its report demonstrates that the Gold Fields Directors have mismanaged their South African assets and their performance has been sub-standard to Harmony's operations for several years.

If you look beyond all of the lawsuits and other delaying actions by Gold Fields management in their effort to delay their shareholders deciding on our offers, the simple fact is that the combination of Harmony's renowned efficiencies with Gold Fields' higher grade ore body would bring

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value to both our shareholder bases," said Bernard Swanepoel, Harmony's Chief Executive. "We firmly believe that the proposed merger is in the best interest of all stakeholders, and we are committed to ensuring that they all have the opportunity to review the facts of the merger and judge its merit for themselves. What we have been hearing from both sets of shareholders confirms this.

Harmony's report outlines how the proposed Harmony/Gold Fields combination would provide immediate and long-term shareholder value through a sustainable cost savings with a market value of over R17 billion (USD\$2.8 billion). Harmony's experience with other acquired mines, including two previously acquired from Gold Fields, suggests that cost savings could well equate to a market value of R23 billion (USD\$3.7 billion).

Among the ways that Harmony can unlock greater value in Gold Fields' existing assets, the report cites:

### **1. More efficient operations**

Harmony will introduce a more efficient operating structure to the existing Gold Fields assets. Gold Fields currently disguises its lack of efficiency and the high cost of its underground mining operations through the contribution of its lower cost international portfolio and surface mines. Gold Fields also reports Rand/kg, rather than Rand/ton, which is a truer metric of mining efficiency. For the year ended 30 June 2004, Gold Fields' underground South Africa operations cost R546/ton, compared to R413/ton at Harmony. "Gold Fields appears to have misled its shareholders for a long time," said Bernard.

## 2. Superior allocation of capital

For the last five years, Gold Fields has spent approximately R4.8 billion (USD\$785 million) on capital expenditure in South Africa with little visible benefit to shareholders. During that same time, Gold Fields' development, underground production levels, and viable reserve base have all declined, while the reverse is true for Harmony. Gold Fields' declining cash flow from operations puts its historic levels of capital expenditure at risk.

By contrast, over the last few quarters, investment has been maintained at Harmony in order to re-tool the mines for the strong Rand environment. The vast majority of this restructuring is complete so that Harmony's operations are no longer absorbing cash. We will never apologise for investing in assets that show a convincing return for shareholders time after time, said Bernard.

## 3. Increased reserves

Harmony's cost cutting initiatives will enable it to mine previously unprofitable reserves by making currently below infrastructure projects, in the money. Harmony estimates that reducing pay limits by 15% should add 36% to Gold Fields reserves at a Rand gold price of R90 000/kg.

## 4. Retaining Gold Fields' international operations

While Gold Fields' South African production has fallen, its international asset portfolio has grown significantly and now accounts for the majority of the company's operating profit. These are the assets the management of Gold Fields is now contractually bound to give away at far below fair value to IAMGold, said Bernard. This unwise transaction dilutes the exposure Gold Fields' own shareholders will have to the growth from its offshore mining operations. Moreover, the recent elimination of exchange controls for new foreign investment by South African firms, as announced by the South African Minister of Finance, makes the need for this type of offshore vehicle unnecessary. Harmony has stated that it will protect and enhance this value, not give it away, or complicate exposure to the profits in a value-destroying holding company structure.

## 5. A premium to Gold Fields shareholders

Contrary to the questionable analysis produced by Gold Fields, and unlike the proposed IAMGold transaction, Gold fields' shareholders will receive a fair premium for their shares from Harmony.

The Harmony-Gold Fields merger will create the world's largest gold mining company by production value - a benchmark for the industry with superior liquidity, a single listing without a holding company discount, and a management team known for its ability to inject an empowering, business-savvy culture into its acquisitions, said Swanepoel. Clearly, the new Harmony would provide an investment vehicle with considerable more investor appeal than the two mid-cap gold producers that Gold Fields intends to create.

He continued: There is a clear fit between Harmony and Gold Fields and we have identified multiple opportunities to unlock sustainable value. We hope that all stakeholders agree with Gold Fields' largest shareholder, Norilsk, and the world-renowned Institutional Shareholder Services

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(ISS), who both support a Harmony/Gold Fields combination, and accept our offers.

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In connection with the proposed acquisition of Gold Fields, Harmony has filed a registration statement on Form F-4, which includes a preliminary prospectus and related exchange offer materials, to register the Harmony ordinary shares (including Harmony ordinary shares represented by Harmony American Depositary Shares (ADSs)) to be issued in exchange for Gold Fields ordinary shares held by Gold Fields shareholders located in the US and for Gold Fields ADSs held by Gold Fields shareholders wherever located, as well as a Statement on Schedule TO. Investors and holders of Gold Fields securities are strongly advised to read the registration statement and the preliminary prospectus, the related exchange offer materials and the final prospectus (when available), the Statement on Schedule TO and any other relevant documents filed with the Securities and Exchange Commission (SEC), as well as any amendments and supplements to those documents, because they will contain important information. Investors and holders of Gold Fields securities may obtain free copies of the registration statement, the preliminary and final prospectus (when available), related exchange offer materials and the Statement on Schedule TO, as well as other relevant documents filed or to be filed with the SEC, at the SEC's web site at [www.sec.gov](http://www.sec.gov). The preliminary prospectus and other transaction-related documents may be obtained for free from MacKenzie Partners, Inc., the information agent for the U.S. offer, at the following address: 105 Madison Avenue, New York, New York 10016; telephone 1 (212) 929 5500 (call collect) or 1 (800) 322 2885 (toll-free call); e-mail [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com). Investors and security holders may obtain a free copy of the Form 20-F filed with the SEC on October 5, 2004, as amended, and any other documents filed with or furnished to the SEC by Harmony at [www.sec.gov](http://www.sec.gov).

This communication is for information purposes only. It shall not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of Gold Fields or an offer to sell or exchange or the solicitation of an offer to buy or exchange any securities of Harmony, nor shall there be any sale or exchange of securities in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction. The distribution of this communication may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. The solicitation of offers to buy Gold Fields ordinary shares (including Gold Fields ordinary shares represented by Gold Fields ADSs) in the United States will only be made pursuant to a prospectus and related offer materials that Harmony expects to send to holders of Gold Fields securities. The Harmony ordinary shares (including Harmony ordinary shares represented by Harmony ADSs) may not be sold, nor may offers to buy be accepted, in the United States prior to the time the registration statement becomes effective. No offering of securities shall be made in the United States except by means of a prospectus meeting the requirements of Section 10 of the United States Securities Act of 1933, as amended.

#### **Forward-looking Statements**

Statements in this announcement include forward-looking statements that express or imply expectations of future events or results. Forward-looking statements are statements that are not historical facts. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words expect, anticipates, believes, intends, estimates and similar expressions. All forward-looking statements involve a number of risks, uncertainties and other factors, and Harmony cannot give assurances that such statements will prove to be correct. Risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements include, without limitation, the satisfaction of closing conditions, the acceptance or rejection of any agreement by regulators, delays in the regulatory processes, changes in the economic or political situation in South Africa, the European Union, the United States of America and/or any other relevant jurisdiction, changes in the gold industry within any such country or area or worldwide and the performance of (and cost savings realised by) Harmony. Although Harmony's management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Gold Fields securities are

cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Harmony, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public filings with the SEC made by Harmony and Gold Fields, including those listed under **Cautionary Statement Concerning Forward-Looking Statements** and **Risk Factors** in the preliminary prospectus included in the registration statement on Form F-4 that Harmony filed with the SEC. Harmony does not undertake any obligation to update any forward-looking information or statements. You may obtain a free copy of the registration statement and preliminary and final prospectus (when available) and other public documents filed with the SEC in the manner described above.

The directors of Harmony accept responsibility for the information contained in this press release. To the best of the knowledge and belief of the directors of Harmony (who have taken all reasonable care to ensure that such is the case), the information contained in this press release is in accordance with the facts and does not omit anything likely to affect the import of such information.